

**CANTON UNION SCHOOL
DISTRICT NO. 66
CANTON, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

CANTON UNION SCHOOL DISTRICT NO. 66

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

To the Board of Education
Canton Union School
School District No. 66
Canton, Illinois

We have audited the accompanying financial statements of Canton Union School District No. 66 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's 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 prescribed and permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

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 opinion.

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

As described in Note 1, the financial statements are prepared by Canton Union School District No. 66 on the basis of the financial reporting provisions prescribed and permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the audit 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 Canton Union School District No. 66, as of June 30, 2020, 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, liabilities, and fund balances arising from cash transactions of Canton Union School District No. 66 as of June 30, 2020, and its respective cash receipts and disbursements for the year then ended, on the basis of the financial reporting provisions prescribed by the Illinois State Board of Education.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Canton Union School District No. 66’s financial statements. The supplementary information on pages 52-61 are presented for 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 not a required part of the basic financial statements.

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

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Comparative Information

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Canton Union School District No. 66 for the year ended June 30, 2019, which are presented in summary for comparison purposes with the accompanying financial statements. In our report dated September 23, 2019, they expressed an adverse opinion on U.S. Generally Accepted Accounting Principles, and an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020, on our consideration of Canton Union School District No. 66'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 Canton Union School District No. 66's internal control over financial reporting and compliance.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
September 21, 2020

FINANCIAL STATEMENTS

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions
 All Funds and Account Groups
 June 30, 2020

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
<u>Assets</u>					
Cash	\$ 5,322,622	454,272	109,548	508,468	585,330
Investments	4,932,004	-	-	-	-
Total Current Assets	<u>10,254,626</u>	<u>454,272</u>	<u>109,548</u>	<u>508,468</u>	<u>585,330</u>
Capital Assets:					
Land	-	-	-	-	-
Building	-	-	-	-	-
Other Improvements	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-
Construction in Progress	-	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be provided for Payment of Bonds	-	-	-	-	-
Total Assets	<u>\$ 10,254,626</u>	<u>454,272</u>	<u>109,548</u>	<u>508,468</u>	<u>585,330</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Current Liabilities:					
Due to Student Organizations	\$ -	-	-	-	-
Total Current Liabilities:	-	-	-	-	-
Long-Term Liabilities:					
Long-Term Debt Payable	-	-	-	-	-
Total Long-Term Liabilities:	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Equity:					
Unreserved Fund Balance	8,873,519	454,272	109,548	508,468	267,966
Reserved Fund Balance	1,381,107	-	-	-	317,364
Investment in General Fixed Assets	-	-	-	-	-
Total Fund Balance	<u>10,254,626</u>	<u>454,272</u>	<u>109,548</u>	<u>508,468</u>	<u>585,330</u>
Total Liabilities and Fund Balance	<u>\$ 10,254,626</u>	<u>454,272</u>	<u>109,548</u>	<u>508,468</u>	<u>585,330</u>

The Notes to Financial Statements are an integral part of this statement.

Statement A

Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Agency Fund	Account Groups		Total (Memorandum Only) Year Ended June 30, 2020
					General Fixed Assets	General Long-Term Debt	
1,319,291	1,464,462	400,047	13,364	1,258,176	-	-	11,435,580
-	-	-	-	53,926	-	-	4,985,930
1,319,291	1,464,462	400,047	13,364	1,312,102	-	-	16,421,510
-	-	-	-	-	253,690	-	253,690
-	-	-	-	-	26,753,798	-	26,753,798
-	-	-	-	-	7,267,229	-	7,267,229
-	-	-	-	-	5,924,220	-	5,924,220
-	-	-	-	-	-	-	-
-	-	-	-	-	-	109,548	109,548
-	-	-	-	-	-	6,615,452	6,615,452
1,319,291	1,464,462	400,047	13,364	1,312,102	40,198,937	6,725,000	63,345,447
-	-	-	-	448,739	-	-	448,739
-	-	-	-	448,739	-	-	448,739
-	-	-	-	-	-	6,725,000	6,725,000
-	-	-	-	-	-	6,725,000	6,725,000
-	-	-	-	448,739	-	6,725,000	7,173,739
453,210	1,464,462	400,047	13,364	-	-	-	12,544,856
866,081	-	-	-	863,363	-	-	3,427,915
-	-	-	-	-	40,198,937	-	40,198,937
1,319,291	1,464,462	400,047	13,364	863,363	40,198,937	-	56,171,708
1,319,291	1,464,462	400,047	13,364	1,312,102	40,198,937	6,725,000	63,345,447

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received, Expenditures Disbursed, Other Financing Sources (Uses),
and Changes in Fund Balances - All Funds
For the Year Ended June 30, 2020

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts:				
Local Sources	\$ 7,898,398	1,984,798	1,101,405	486,289
State Sources	10,094,311	50,000	-	719,947
Federal Sources	2,188,817	-	-	4,029
Total Direct Receipts	20,181,526	2,034,798	1,101,405	1,210,265
Receipts for "On Behalf" Payments	1,244,830	-	-	-
Total Receipts	21,426,356	2,034,798	1,101,405	1,210,265
Disbursements:				
Instruction	13,825,864	-	-	-
Support Services	4,202,582	1,810,508	-	1,380,575
Community Services	10,386	-	-	-
Payments to Other Governmental Units	929,626	-	-	-
Debt Service	-	-	1,105,308	-
Total Direct Disbursements	18,968,458	1,810,508	1,105,308	1,380,575
Disbursements for "On Behalf" Payments	1,244,830	-	-	-
Total Expenditures Disbursed	20,213,288	1,810,508	1,105,308	1,380,575
Excess of Direct Receipts Over (Under) Direct Disbursements	1,213,068	224,290	(3,903)	(170,310)
Fund Balance, Beginning of Year	9,041,558	229,982	113,451	678,778
Fund Balance, End of Year	\$ 10,254,626	454,272	109,548	508,468

The Notes to Financial Statements are an integral part of this statement.

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total (Memorandum Only) Year Ended June 30, 2020
1,099,097	720,283	119,238	1,123,081	112,133	14,644,722
-	-	-	-	-	10,864,258
-	-	-	-	-	2,192,846
1,099,097	720,283	119,238	1,123,081	112,133	27,701,826
-	-	-	-	-	1,244,830
1,099,097	720,283	119,238	1,123,081	112,133	28,946,656
446,820	-	-	-	-	14,272,684
433,211	599,322	-	984,714	1,435,256	10,846,168
86	-	-	-	-	10,472
-	-	-	-	-	929,626
-	-	-	-	-	1,105,308
880,117	599,322	-	984,714	1,435,256	27,164,258
-	-	-	-	-	1,244,830
880,117	599,322	-	984,714	1,435,256	28,409,088
218,980	120,961	119,238	138,367	(1,323,123)	537,568
366,350	1,198,330	1,345,224	261,680	1,336,487	14,571,840
585,330	1,319,291	1,464,462	400,047	13,364	15,109,408

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received
 All Funds
 For the Year Ended June 30, 2020

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts:				
Local Sources:				
Property Taxes:				
Designated Purposes Levy	\$ 3,923,938	1,066,286	789,263	426,509
Leasing Purposes Levy	106,625	-	-	-
Special Education Purposes Levy	85,302	-	-	-
FICA and Medicare Levies	-	-	-	-
Corporate Personal Property Replacement Taxes	2,813,814	800,000	-	-
Tuition:				
Regular Tuition from Pupils or Parents	20,500	-	-	-
Special Tuition from Other Districts	51,087	-	-	-
Interest on Investments	106,474	8,795	4,840	6,155
Food Services:				
Sales to Pupils - Lunch	117,197	-	-	-
Sales to Pupils - A la Carte	16,026	-	-	-
Sales to Adults	2,003	-	-	-
Other Food Service	22,875	-	-	-
District Activity Income:				
Admissions - Athletic	68,635	-	-	-
Fees	26,635	-	-	-
Textbook Income:				
Regular Textbooks	141,789	-	-	-
Sales	3,231	-	-	-
Other Receipts from Local Sources:				
Rentals	1,748	92,809	-	-
Contributions and Donations from Private Sources	310,160	-	-	-
Sevices Provided by Other	39,311	-	-	-
Refund of Prior Years' Expenditures	1,727	15,758	2,852	-
Drivers' Education Fees	9,950	-	-	-
School Facilities Occupation Tax	-	-	250,000	-
Other Local Receipts	29,371	1,150	54,450	53,625
Total Receipts from Local Sources	7,898,398	1,984,798	1,101,405	486,289
State Sources:				
Evidence Based Funding Formula	9,257,308	-	-	-
Special Education:				
Private Facility Tuition	55,832	-	-	-
Orphanage - Individual	417,635	-	-	31,815
Summer School	9,688	-	-	-
CTE Secondary Program Improvement	17,504	-	-	-
Agriculture Education	11,388	-	-	-
State Free Lunch & Breakfast	7,712	-	-	-
Driver Education	19,603	-	-	-
Transportation Aid:				
Regular	-	-	-	289,373
Special Education	-	-	-	398,759
Maintenance Grant	-	50,000	-	-
Early Childhood - Block Grant	297,641	-	-	-
Total Receipts from State Sources	10,094,311	50,000	-	719,947

The Notes to Financial Statements are an integral part of this statement.

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total Year Ended June 30, 2020
427,365	-	106,625	1,085,693	106,625	7,932,304
-	-	-	-	-	106,625
-	-	-	-	-	85,302
432,482	-	-	-	-	432,482
230,000	-	-	-	-	3,843,814
-	-	-	-	-	20,500
-	-	-	-	-	51,087
9,250	8,486	12,613	8,775	3,141	168,529
-	-	-	-	-	117,197
-	-	-	-	-	16,026
-	-	-	-	-	2,003
-	-	-	-	-	22,875
-	-	-	-	-	68,635
-	-	-	-	-	26,635
-	-	-	-	-	141,789
-	-	-	-	-	3,231
-	-	-	-	-	94,557
-	-	-	-	-	310,160
-	-	-	-	-	39,311
-	-	-	28,613	-	48,950
-	-	-	-	-	9,950
-	711,797	-	-	-	961,797
-	-	-	-	2,367	140,963
1,099,097	720,283	119,238	1,123,081	112,133	14,644,722
-	-	-	-	-	9,257,308
-	-	-	-	-	55,832
-	-	-	-	-	449,450
-	-	-	-	-	9,688
-	-	-	-	-	17,504
-	-	-	-	-	11,388
-	-	-	-	-	7,712
-	-	-	-	-	19,603
-	-	-	-	-	289,373
-	-	-	-	-	398,759
-	-	-	-	-	50,000
-	-	-	-	-	297,641
-	-	-	-	-	10,864,258

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received - All Funds
For the Year Ended June 30, 2020

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts (Continued):				
Federal Sources:				
Rural Education Initiative	\$ 40,761	-	-	-
Food Service:				
National School Lunch Program	385,564	-	-	-
School Breakfast Program	111,607	-	-	-
Summer Food Service Program	167,776	-	-	-
Child and Adult Care Food Program	3,330	-	-	-
Title I - Low Income	958,282	-	-	-
Title I - School Improvement	6,442	-	-	-
Title IV - Safe & Drug Free Schools - Formula	55,427	-	-	-
Special Education:				
IDEA Room & Board	116,435	-	-	4,029
Title II - Teacher Quality	99,428	-	-	-
Medicaid Matching Funds:				
Administrative Outreach	32,217	-	-	-
Fee for Service	207,748	-	-	-
Other Restricted Receipts from Federal Sources	3,800	-	-	-
Total Receipts from Federal Sources	<u>2,188,817</u>	<u>-</u>	<u>-</u>	<u>4,029</u>
Total Direct Receipts	<u>\$ 20,181,526</u>	<u>2,034,798</u>	<u>1,101,405</u>	<u>1,210,265</u>

The Notes to Financial Statements are an integral part of this statement.

Statement C
(Continued)

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total Year Ended June 30, 2020
-	-	-	-	-	40,761
-	-	-	-	-	385,564
-	-	-	-	-	111,607
-	-	-	-	-	167,776
-	-	-	-	-	3,330
-	-	-	-	-	958,282
-	-	-	-	-	6,442
-	-	-	-	-	55,427
-	-	-	-	-	120,464
-	-	-	-	-	99,428
-	-	-	-	-	32,217
-	-	-	-	-	207,748
-	-	-	-	-	3,800
-	-	-	-	-	2,192,846
<u>1,099,097</u>	<u>720,283</u>	<u>119,238</u>	<u>1,123,081</u>	<u>112,133</u>	<u>27,701,826</u>

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Instruction:					
Regular Programs:					
Salaries	\$ 6,365,400	6,368,400	6,114,407	253,993	6,061,867
Employee Benefits	1,024,680	1,059,130	1,020,342	38,788	973,995
Purchased Services	173,630	211,480	189,203	22,277	159,888
Supplies and Materials	339,900	358,400	317,515	40,885	326,779
Capital Outlay	32,700	45,250	43,506	1,744	37,998
Other Objects	4,750	4,750	1,423	3,327	4,650
Termination Benefits	1,000	1,000	-	1,000	2,720
Total Regular Programs	7,942,060	8,048,410	7,686,396	362,014	7,567,897
Pre-K Programs:					
Salaries	150,000	150,000	147,389	2,611	136,668
Employee Benefits	31,950	31,950	34,904	(2,954)	28,769
Total Pre-K Programs	181,950	181,950	182,293	(343)	165,437
Special Education Programs:					
Salaries	2,894,300	2,906,300	3,022,891	(116,591)	2,716,567
Employee Benefits	518,210	518,485	567,715	(49,230)	498,511
Purchased Services	95,500	95,500	4,344	91,156	11,549
Supplies and Materials	13,900	13,900	32,442	(18,542)	5,527
Capital Outlay	6,500	6,500	-	6,500	3,641
Other Objects	350	350	190	160	330
Total Special Education Programs	3,528,760	3,541,035	3,627,582	(86,547)	3,236,125
Remedial and Supplemental Prog. K-12:					
Salaries	665,000	683,000	637,899	45,101	570,477
Employee Benefits	118,200	109,200	115,590	(6,390)	113,339
Purchased Services	422,400	426,400	252,113	174,287	304,653
Supplies and Materials	60,700	60,700	79,818	(19,118)	73,942
Capital Outlay	-	-	-	-	75,658
Total Remedial and Supp. Prog. K-12	1,266,300	1,279,300	1,085,420	193,880	1,138,069
CTE Programs:					
Salaries	310,000	290,000	276,485	13,515	296,005
Employee Benefits	61,645	61,645	61,890	(245)	57,877
Purchased Services	2,000	2,000	248	1,752	-
Supplies and Materials	31,500	36,000	52,064	(16,064)	19,602
Capital Outlay	27,000	27,000	13,420	13,580	28,397
Total CTE Programs	432,145	416,645	404,107	12,538	401,881

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed (continued):					
Instruction (continued):					
Interscholastic Programs:					
Salaries	\$ 407,000	407,000	349,572	57,428	324,516
Employee Benefits	24,065	24,065	22,330	1,735	21,937
Purchased Services	89,350	89,350	83,140	6,210	87,243
Supplies and Materials	51,100	51,100	29,766	21,334	43,917
Capital Outlay	50,500	50,500	46,690	3,810	32,751
Other Objects	11,000	11,000	6,896	4,104	7,318
Total Interscholastic Programs	<u>633,015</u>	<u>633,015</u>	<u>538,394</u>	<u>94,621</u>	<u>517,682</u>
Driver's Education Programs:					
Salaries	60,000	60,000	57,351	2,649	57,477
Employee Benefits	15,240	15,240	15,542	(302)	15,023
Purchased Services	600	1,700	1,707	(7)	-
Supplies and Materials	1,500	1,500	-	1,500	230
Capital Outlay	-	-	23,350	(23,350)	-
Total Driver's Education Programs	<u>77,340</u>	<u>78,440</u>	<u>97,950</u>	<u>(19,510)</u>	<u>72,730</u>
Regular K-12 Programs Private Tuition:					
Other Objects	20,000	20,000	-	20,000	-
Total Regular K-12 Prog. Private Tuition	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Special Ed. Prog. K-12 Private Tuition:					
Other Objects	150,000	185,000	203,722	(18,722)	139,170
Total Sp. Ed. Prog. K-12 Private Tuition	<u>150,000</u>	<u>185,000</u>	<u>203,722</u>	<u>(18,722)</u>	<u>139,170</u>
Total Instruction	<u>14,231,570</u>	<u>14,383,795</u>	<u>13,825,864</u>	<u>557,931</u>	<u>13,238,991</u>
Support Services:					
Attendance and Social Work Services:					
Salaries	105,000	118,000	132,341	(14,341)	93,219
Employee Benefits	12,245	14,245	15,855	(1,610)	8,791
Supplies and Materials	1,000	1,000	577	423	935
Total Attend. and Social Work Services	<u>118,245</u>	<u>133,245</u>	<u>148,773</u>	<u>(15,528)</u>	<u>102,945</u>
Guidance Services:					
Salaries	325,000	325,000	323,885	1,115	317,700
Employee Benefits	27,035	24,135	23,812	323	26,556
Purchased Services	1,500	1,500	247	1,253	-
Supplies and Materials	1,000	1,000	389	611	176
Total Guidance Services	<u>354,535</u>	<u>351,635</u>	<u>348,333</u>	<u>3,302</u>	<u>344,432</u>

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed (continued):					
Support Services (continued):					
Health Services:					
Purchased Services	\$ 12,700	12,700	9,834	2,866	9,597
Total Health Services	12,700	12,700	9,834	2,866	9,597
Psychological Services:					
Salaries	170,000	170,000	165,262	4,738	162,323
Employee Benefits	10,880	10,880	10,090	790	10,184
Purchased Services	400	400	-	400	-
Supplies and Materials	4,000	4,000	1,941	2,059	1,503
Total Psychological Services	185,280	185,280	177,293	7,987	174,010
Speech Path. and Audiology Services:					
Salaries	236,000	238,000	234,601	3,399	227,532
Employee Benefits	29,975	29,975	30,559	(584)	27,701
Supplies and Materials	1,750	1,750	1,985	(235)	91
Total Speech Path. and Aud. Services	267,725	269,725	267,145	2,580	255,324
Improvement of Instruction Services:					
Salaries	171,200	172,700	147,999	24,701	159,634
Employee Benefits	74,570	67,130	38,997	28,133	50,660
Purchased Services	103,050	116,550	110,044	6,506	106,915
Supplies and Materials	16,700	16,700	6,118	10,582	9,024
Total Improv. of Instruction Services	365,520	373,080	303,158	69,922	326,233
Educational Media Services:					
Salaries	497,000	474,000	442,221	31,779	443,831
Employee Benefits	57,530	64,030	57,028	7,002	55,388
Purchased Services	95,200	45,200	16,296	28,904	82,886
Supplies and Materials	71,700	81,700	55,552	26,148	56,404
Capital Outlay	76,500	93,500	93,821	(321)	46,040
Other Objects	-	-	2,852	(2,852)	-
Total Educational Media Services	797,930	758,430	667,770	90,660	684,549
Assessment and Testing:					
Purchased Services	20,700	20,700	8,096	12,604	2,565
Supplies and Materials	5,300	5,300	1,178	4,122	3,699
Total Assessment and Testing	26,000	26,000	9,274	16,726	6,264

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed (continued):					
Support Services (continued):					
Board of Education Services:					
Salaries	\$ 4,000	4,000	2,776	1,224	9,696
Employee Benefits	34,000	34,000	39,766	(5,766)	28,431
Purchased Services	72,000	72,000	49,252	22,748	66,822
Supplies and Materials	14,000	14,000	20,677	(6,677)	13,556
Other Objects	15,000	15,000	14,503	497	13,264
Total Board of Education Services	139,000	139,000	126,974	12,026	131,769
Executive Administration Services:					
Salaries	168,000	168,000	163,423	4,577	162,363
Employee Benefits	34,040	34,040	34,913	(873)	33,745
Purchased Services	4,900	8,500	8,223	277	4,319
Supplies and Materials	4,000	4,000	4,474	(474)	4,616
Other Objects	600	600	473	127	574
Total Executive Administration Services	211,540	215,140	211,506	3,634	205,617
Office of the Principal Services:					
Salaries	790,000	790,000	787,782	2,218	718,658
Employee Benefits	175,900	169,900	157,716	12,184	158,649
Purchased Services	1,700	1,700	890	810	601
Supplies and Materials	2,600	2,600	712	1,888	780
Capital Outlay	200	200	-	200	190
Total Office of the Principal Services	970,400	964,400	947,100	17,300	878,878
Direction of Business Support Services:					
Purchased Services	40,000	37,000	38,491	(1,491)	36,175
Supplies and Materials	1,000	1,000	904	96	731
Other Objects	400	400	650	(250)	335
Total Direction of Business Support Services	41,400	38,400	40,045	(1,645)	37,241
Fiscal Services:					
Salaries	174,500	174,500	171,946	2,554	169,844
Employee Benefits	24,350	27,750	27,493	257	26,835
Purchased Services	10,000	10,000	3,461	6,539	4,977
Supplies and Materials	1,500	1,500	263	1,237	368
Capital Outlay	1,000	1,000	-	1,000	-
Other Objects	500	500	340	160	340
Total Fiscal Services	211,850	215,250	203,503	11,747	202,364

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed (continued):					
Support Services (continued):					
Pupil Transportation Services:					
Purchased Services	\$ 90,000	90,000	40,144	49,856	81,365
Supplies & Materials	20,000	20,000	13,527	6,473	31,551
Total Pupil Transportation Services	110,000	110,000	53,671	56,329	112,916
Food Services:					
Salaries	57,000	50,000	16,024	33,976	35,778
Employee Benefits	4,720	4,720	822	3,898	3,124
Purchased Services	750,000	750,000	663,258	86,742	604,581
Supplies and Materials	15,000	10,000	4,533	5,467	6,308
Capital Outlay	10,000	7,000	3,566	3,434	7,216
Total Food Services	836,720	821,720	688,203	133,517	657,007
Staff Services:					
Salaries	23,500	23,500	-	23,500	-
Total Staff Services	23,500	23,500	-	23,500	-
Total Support Services	4,672,345	4,637,505	4,202,582	434,923	4,129,146
Community Services:					
Salaries	8,400	8,400	4,510	3,890	10,493
Employee Benefits	940	940	289	651	974
Purchased Services	4,675	4,675	727	3,948	1,955
Supplies and Materials	6,375	6,375	4,860	1,515	6,912
Total Community Services	20,390	20,390	10,386	10,004	20,334
Payments to Other Governmental Units:					
Payments for Special Education Prog.:					
Purchased Services	128,000	134,000	77,687	56,313	71,225
Other Objects	52,000	54,000	40,738	13,262	37,746
Total Payments for Special Ed. Prog.	180,000	188,000	118,425	69,575	108,971
Payments for CTE Programs:					
Other Objects	2,500	2,500	2,500	-	2,500
Other Payments:					
Purchased Services	60,000	60,000	57,038	2,962	58,993

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed (continued):					
Payments to Other Gov. Units (continued):					
Tuition Payments:					
Regular Programs	\$ 25,000	25,000	9,270	15,730	4,840
Special Education Programs	680,000	680,000	742,393	(62,393)	706,644
CTE Programs	15,000	15,000	-	15,000	-
Total Tuition Payments	<u>720,000</u>	<u>720,000</u>	<u>751,663</u>	<u>(31,663)</u>	<u>711,484</u>
Total Payments to Other Gov. Units	<u>962,500</u>	<u>970,500</u>	<u>929,626</u>	<u>40,874</u>	<u>881,948</u>
Total Expenditures Disbursed	<u>\$ 19,886,805</u>	<u>20,012,190</u>	<u>18,968,458</u>	<u>1,043,732</u>	<u>18,270,419</u>

The Notes to Financial Statements are an integral part of this statement.

**CANTON UNION SCHOOL DISTRICT NO. 66
OPERATIONS AND MAINTENANCE FUND**

Statement E

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Support Services:					
Operation & Maintenance of Plant Services:					
Salaries	\$ 872,000	891,000	850,339	40,661	869,049
Employee Benefits	114,420	126,220	124,456	1,764	103,319
Purchased Services	364,650	355,250	224,683	130,567	271,300
Supplies and Materials	603,650	631,650	559,851	71,799	507,639
Capital Outlay	80,000	81,000	51,179	29,821	84,411
Termination Benefits	12,000	12,000	-	12,000	11,390
Total Operation & Maint. of Plant Services	<u>2,046,720</u>	<u>2,097,120</u>	<u>1,810,508</u>	<u>286,612</u>	<u>1,847,108</u>
Total Support Services	<u>2,046,720</u>	<u>2,097,120</u>	<u>1,810,508</u>	<u>286,612</u>	<u>1,847,108</u>
Total Expenditures Disbursed	<u>\$ 2,046,720</u>	<u>2,097,120</u>	<u>1,810,508</u>	<u>286,612</u>	<u>1,847,108</u>

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
DEBT SERVICE FUND

Statement F

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Debt Service:					
Interest on Long-Term Debt	\$ 1,065,000	1,085,000	185,614	899,386	218,447
Principal on Long-Term Debt	73,000	73,000	919,194	(846,194)	894,525
Other	2,000	2,000	500	1,500	1,000
Total Expenditures Disbursed	<u>\$ 1,140,000</u>	<u>1,160,000</u>	<u>1,105,308</u>	<u>54,692</u>	<u>1,113,972</u>

The Notes to Financial Statements are an integral part of this statement.

**CANTON UNION SCHOOL DISTRICT NO. 66
TRANSPORTATION FUND**

Statement G

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Year Ended June 30, 2020</u>	<u>(Over) / Under Budget</u>	<u>Actual Year Ended June 30, 2019</u>
Expenditures Disbursed:					
Support Services:					
Pupil Transportation Services:					
Salaries	\$ 750,000	785,000	736,754	48,246	739,252
Employee Benefits	77,500	90,500	87,521	2,979	66,023
Purchased Services	100,000	160,000	184,639	(24,639)	85,289
Supplies and Materials	170,000	170,000	164,847	5,153	157,267
Capital Outlay	190,000	210,000	206,814	3,186	156,466
Total Pupil Transportation Services	<u>1,287,500</u>	<u>1,415,500</u>	<u>1,380,575</u>	<u>34,925</u>	<u>1,204,297</u>
Total Support Services	<u>1,287,500</u>	<u>1,415,500</u>	<u>1,380,575</u>	<u>34,925</u>	<u>1,204,297</u>
Total Expenditures Disbursed	<u>\$ 1,287,500</u>	<u>1,415,500</u>	<u>1,380,575</u>	<u>34,925</u>	<u>1,204,297</u>

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND

Statement H

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Instruction:					
Employee Benefits:					
Regular Programs	\$ 68,900	68,900	91,232	(22,332)	91,166
Pre-K Programs	43,130	43,130	10,376	32,754	9,424
Special Education Programs	256,850	256,850	277,823	(20,973)	224,131
Remedial and Supplemental Prog. K-12	51,550	53,950	47,302	6,648	41,846
CTE Programs	5,300	5,300	3,678	1,622	3,986
Interscholastic Programs	16,100	17,800	15,687	2,113	13,874
Driver's Education Programs	800	800	722	78	727
Total Instruction	442,630	446,730	446,820	(90)	385,154
Support Services:					
Employee Benefits:					
Attendance and Social Work	1,500	1,800	1,624	176	1,335
Guidance Services	17,100	17,100	16,750	350	15,718
Psychological Services	9,800	9,800	8,486	1,314	8,216
Speech Pathology & Audiology	4,200	4,200	3,233	967	3,161
Improvement of Instruction	5,150	5,150	3,502	1,648	3,413
Educational Media Services	65,200	65,200	55,941	9,259	55,455
Board of Education Services	1,150	1,150	309	841	832
Executive Administration	10,500	10,500	8,602	1,898	8,917
Risk Management and Claims Services	2,950	2,950	2,628	322	2,298
Educational, Inspectional, Supervisory Services					
Related to Loss Prev. or Reduction	10,950	11,850	9,239	2,611	7,329
Office of the Principal Services	56,900	56,900	50,473	6,427	48,244
Direction of Business	8,000	8,000	-	8,000	5,027
Fiscal Services	18,000	18,000	16,331	1,669	16,023
Operation and Maint. of Plant Service	173,450	175,000	137,849	37,151	139,212
Pupil Transportation Services	134,000	134,000	115,658	18,342	119,218
Food Services	9,405	9,405	2,586	6,819	6,188
Staff Services	100	100	-	100	-
Total Support Services	528,355	531,105	433,211	97,894	440,586
Community Services	420	420	86	334	270
Total Expenditures Disbursed	\$ 971,405	978,255	880,117	98,138	826,010

The Notes to Financial Statements are an integral part of this statement.

**CANTON UNION SCHOOL DISTRICT NO. 66
CAPITAL PROJECTS FUND**

Statement I

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Support:					
Facilities Acquisition and Construction:					
Purchased Services	\$ 1,600,000	1,600,000	555,486	1,044,514	451,332
Supplies and Materials	200,000	200,000	16,765	183,235	28,464
Capital Outlay	75,000	75,000	27,071	47,929	4,050
Total Facilities Acquisition and Construction	<u>1,875,000</u>	<u>1,875,000</u>	<u>599,322</u>	<u>1,275,678</u>	<u>483,846</u>
Total Expenditures Disbursed	<u>\$ 1,875,000</u>	<u>1,875,000</u>	<u>599,322</u>	<u>1,275,678</u>	<u>483,846</u>

The Notes to Financial Statements are an integral part of this statement.

CANTON UNION SCHOOL DISTRICT NO. 66
TORT FUND

Statement J

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Support:					
Workers' Compensation Payments	\$ 325,000	325,000	247,367	77,633	256,831
Unemployment Insurance Payments	15,000	15,000	1,676	13,324	1,202
Insurance Payments	175,000	175,000	165,372	9,628	169,664
Risk Management and Claims Services Payments:					
Salaries	75,000	75,000	65,281	9,719	62,572
Employee Benefits	13,020	13,020	12,135	885	11,675
Termination Benefits	-	-	-	-	2,848
Educational, Inspectional, Supervisory Services					
Related to Loss Prevention or Reduction:					
Salaries	227,000	214,000	195,988	18,012	159,201
Employee Benefits	43,395	43,395	34,335	9,060	33,193
Purchased Services	200,000	200,000	93,534	106,466	199,418
Supplies and Materials	15,000	30,000	25,937	4,063	18,153
Legal Services	105,000	120,000	143,089	(23,089)	96,685
Total Facilities Acquisition and Construction	1,193,415	1,210,415	984,714	225,701	1,011,442
Total Expenditures Disbursed	\$ 1,193,415	1,210,415	984,714	225,701	1,011,442

The Notes to Financial Statements are an integral part of this statement.

**CANTON UNION SCHOOL DISTRICT NO. 66
FIRE PREVENTION AND SAFETY FUND**

Statement K

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Year Ended June 30, 2020	(Over) / Under Budget	Actual Year Ended June 30, 2019
Expenditures Disbursed:					
Support:					
Operation & Maintenance of Plant Services:					
Salaries	\$ 30,000	30,000	15,908	14,092	12,549
Employee Benefits	3,970	3,970	2,413	1,557	1,741
Purchased Services	1,325,000	1,215,000	1,404,414	(189,414)	1,797,304
Supplies and Materials	23,300	13,900	12,521	1,379	7,630
Capital Outlay	11,000	-	-	-	2,730
Total Support	<u>1,393,270</u>	<u>1,262,870</u>	<u>1,435,256</u>	<u>(172,386)</u>	<u>1,821,954</u>
Total Expenditures Disbursed	<u>\$ 1,393,270</u>	<u>1,262,870</u>	<u>1,435,256</u>	<u>(172,386)</u>	<u>1,821,954</u>

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Canton Union School District No. 66 conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide and comply with regulatory provisions prescribed by the Illinois State Board of Education. The following is a summary of the significant policies.

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

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

B. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities (arising from cash transactions), fund balance, revenues received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education.

District resources are allocated to and accounted for in individual funds based upon the purpose 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 balance of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Fund Accounting – (Continued)

Governmental Funds – (Continued)

The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The Special Education levy and Leasing levy are included in the Educational Fund.

The Operations and Maintenance Fund is used to account for cash received from specific sources that are restricted for specified purposes.

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 is used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Municipal Retirement/Social Security Fund is used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

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

The Tort Fund accounts for financial resources held by the District to be used for tort immunity and tort judgment purposes.

The Fire Prevention and Safety Fund and the Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

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

The Trust Fund (Self-Funded Insurance Plan Fund) is used to account for the District's self-insured employee health plan.

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

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Fund Accounting – (Continued)

Fiduciary Funds – (Continued)

The Agency Funds include Student Activity Funds, which account for assets held by the District as an agent for the students and 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 on an annual basis. These funds are custodial in nature and do not involve the measurement of the results of operations. The amount due to the scholarship fund organizations are equal to the assets.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The two account groups described below are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

The General Fixed Assets Account Group is used to account for all capital assets used in governmental operations.

The General Long-Term Debt Account Group is established to account for all long-term liabilities expected to be financed from 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 accompanying financial statements include Memorandum Only totals columns, which present total assets, liabilities, fund balances, revenues and expenditures for all of the District's funds and account groups.

C. Measurement Focus

The financial statements of all governmental funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their statements of assets and liabilities. Their reported fund balance (net current assets) is considered a measure of "available spendable resources."

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus – (Continued)

Governmental fund operating statements present increases (cash receipts and other financial 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.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in 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. Revenues are recognized when cash is received and expenditures are recognized when cash is disbursed. Assets of a fund are only recorded when a right to receive cash exists which arises from previous cash transactions. Liabilities of a fund, similarly, result from previous cash transactions.

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

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

E. Budgets and Budgetary 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 23, 2019 and was amended on June 22, 2020.

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

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Budgets and Budgetary Accounting – (Continued)

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is placed on file and a public hearing is held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Formal budgetary integration is employed as a management control device at the functional/objective level 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.

F. Cash and Cash Equivalents

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

G. Investments

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

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

H. General Fixed Assets

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The District records purchases of property and equipment and expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes. The District does not have a formal capitalization policy, but does follow grant guidelines when applicable.

No depreciation has been provided on fixed assets in these financial statements. The Illinois State Board of Education’s Annual Financial Report (ISBE Form SD 50-35/JA50-60) includes depreciation of \$1,038,397 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$23,169,976. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives for fixed assets are as follows:

<u>Property Type</u>	<u>Estimated Useful Life (Years)</u>
Depreciable Land	50
Buildings:	
Permanent	50
Temporary	20
Infrastructure other than Buildings	20
Capitalized Equipment	3-10

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 2: DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235), and Sections 8-7 of the School Code of Illinois (105 ILCS 5). These include the following items:

1. in bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. in interest-bearing savings accounts, interest-bearing certificates of deposits, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
3. in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
4. in money market mutual funds registered under the Investment Company Act of 1940;
5. in short-term discount obligations of the Federal National Mortgage Association;
6. in dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States and is located within the State of Illinois;
7. in a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
8. in the Illinois School District Liquid Asset Fund Plus;
9. in repurchase agreements of government securities;
10. in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto.

Custodial Credit 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 to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 2: DEPOSITS AND INVESTMENTS – (Continued)

Custodial Credit Risk Related to Deposits with Financial Institutions – (Continued)

The District’s investment policy states the preferred method for safekeeping of collateral is to have securities registered in the Districts name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board’s Statement III, Category I, the highest recognized safekeeping procedures.

As of June 30, 2020, \$1,056,099 of the District’s bank balances were exposed to custodial credit risk as follows, and the remaining balance of \$10,606,058 was held in sweep and trust accounts, not subject to collateralization requirements per the District’s investment policy:

Insured	\$ 500,000
Uninsured and collateralized with securities held by the pledging financial institution	556,099
Uninsured and uncollateralized	-
Total	<u>\$ 1,056,099</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

As of June 30, 2020, the District’s total investments were \$4,932,004 (excluding activity funds), and the District has no investments subject to interest rate risk.

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 possession of an outside party. The District does not have a policy for custodial credit risk. At year end, none of the District’s investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the District and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the District’s name

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 2: DEPOSITS AND INVESTMENTS – (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Public Funds Investment Act contained in the Illinois Compiled Statutes limits the types of investments a public agency may purchase. The investment policy adopted by the District does not limit further its investment choices.

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 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, 2020, the District has no investments subject to concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. None of the District's investments are directly subject to foreign currency risk. The District's investment policy does not address foreign currency risk.

NOTE 3: PROPERTY TAXES

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes are levied in Fulton County. The 2019 levy in the amount of \$8,263,500, increased by bond & interest and reduced by statutory limitations to \$9,019,259, was passed by the board on November 18, 2019. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and September. The District receives significant distributions of tax receipts approximately one month after these due dates.

The 2019 tax levy will be received in the subsequent year. The District received \$8,555,028 from the 2018 tax levy during the year ending June 30, 2020. The remainder of \$140,269 of the 2018 tax levy was received in the prior year.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 4: GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Non Depreciable Land	\$ 253,690	-	-	253,690
Permanent Buildings	25,705,526	1,048,272	-	26,753,798
Improvements Other than Buildings	7,267,229	-	-	7,267,229
Capitalized Equipment - 10 Year	2,853,900	-	-	2,853,900
Capitalized Equipment - 5 Year	2,798,519	256,158	-	3,054,677
Capitalized Equipment - 3 Year	15,643	-	-	15,643
Construction in Progress	581,940	-	581,940	-
Total General Fixed Assets	<u>\$ 39,476,447</u>	<u>1,304,430</u>	<u>581,940</u>	<u>40,198,937</u>

Significant additions for the year ending June 30, 2020 include the following:

Ingersoll Ceiling Additions	\$364,201
High School Window Replacement	684,071
2020 Chevy Equinox	26,245
2020 Ford F-450 Dump Truck	36,637
Two 2020 71 Passenger Buses	163,568
2020 Ford F-250	29,708

NOTE 5: GENERAL LONG-TERM DEBT

Long-term debt at June 30, 2020 is comprised of the following:

Bonded Indebtedness

Bonded 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 Services Fund which consists principally of property taxes collected by the District and interest earnings.

The District defeased a portion of the Life Safety Bonds dated September 1, 2008 by placing the proceeds of new Life Safety Bonds in an escrow account to provide a portion of the future debt service payments on the old bonds. The escrow account assets and the liability for the defeased bonds are not included in the District's financial statements.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 5: LONG-TERM OBLIGATIONS – (Continued)

Capital Leases

Lease purchase obligations of the District are reflected in the General Long-Term Debt Account Group. The District has entered into a lease purchase agreement dated March 24, 2006 with MidAmerica National Bank to fund the addition to Ingersoll Middle School that will house West Central Illinois Special Education Cooperative students. The term of the lease requires monthly payments of \$6,050 for the term of 15 years. At June 30, 2020 the lease was paid in full.

The following is a summary of the District’s general long-term debt activity for the year ended June 30, 2020:

	Principal Outstanding 6/30/2019	Increases	Decreases	Principal Outstanding 6/30/2020	Amount Due in One Year
General Obligation Bonds:					
Life Safety Bond (2012)	\$ 3,055,000	-	725,000	2,330,000	745,000
Life Safety Bond (2017)	4,530,000	-	135,000	4,395,000	140,000
Total Bonds	<u>7,585,000</u>	<u>-</u>	<u>860,000</u>	<u>6,725,000</u>	<u>885,000</u>
Capital Leases:					
Ingersoll	59,194	-	59,194	-	-
Total	<u>\$ 7,644,194</u>	<u>-</u>	<u>919,194</u>	<u>6,725,000</u>	<u>885,000</u>

The annual debt service requirements of general obligation bonds and leases are as follows:

Year Ended June 30,	Principal	Interest
2021	\$ 885,000	158,153
2022	910,000	133,999
2023	930,000	112,858
2024	920,000	89,378
2025	985,000	65,089
2026	1,015,000	39,589
2027	1,080,000	13,761
Totals	<u>\$ 6,725,000</u>	<u>612,827</u>

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 6: LEGAL DEBT MARGIN

Under Section 5/19-1 of the Illinois School Code, the District is allowed to incur qualifying debt up to 13.8% of its latest equalized assessed value. The District's statutory debt limitation as of June 30, 2020 is calculated as follows:

Assessed Valuation - 2019 Tax Year	<u>\$ 222,417,662</u>
Statutory Debt Limitation (13.8%)	\$ 30,693,637
Less: Applicable Debt	<u>6,725,000</u>
Legal Debt Margin	<u>\$ 23,968,637</u>

NOTE 7: CONTRACTS, COMMITMENTS, AND CONTINGENCIES

Teachers' Contracts

Employees' contracts for services rendered during the school year for teachers are paid over twelve-month pay schedules and are recorded in the fiscal year when such checks are drawn. At June 30, 2020, the total amount of unpaid teachers' contracts for services performed during the fiscal year amounted to \$1,381,107 and are reported as reserved fund balance in the Educational Fund.

Compensated Absences

Vacation Pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2020 the estimated unused vacation pay liability is \$34,739.

Sick pay is considered to be an expenditure in the year paid as well. Accumulated sick pay benefits are available to eligible employees to use in future years. At June 30, 2020, the estimated liability for sick pay payable is \$2,000.

Teacher's Health Insurance Security (THIS) Fund

The District has committed to pay 35% of retiree's health insurance premiums for five years, or until the retiree turns 65. The District paid \$23,785 in premiums in the current year.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 7: CONTRACTS, COMMITMENTS, AND CONTINGENCIES – (Continued)

Operating Lease Commitments

The District entered into a non-cancelable operating lease agreement with Digital Copy Systems. The terms of the lease require monthly payments of \$2,829 for the term of 48 months, which began on July 1, 2019.

The District entered into a non-cancelable operating lease agreement with Midwest Mailing and Shipping for a postage meter. The terms of the lease required monthly payments of \$122 for the term of 30 months, beginning in November 2017. The lease has continued on a month-to-month basis since termination.

The District has entered into an operating lease with Unite Private Networks Illinois, LLC for WAN Services. The terms of the lease require variable payments, beginning in February 2011, and continuing for a term of 180 months.

The District has entered into a non-cancelable operating lease agreement with Providence Capital Network for student laptops. The terms of the lease require annual payments of \$48,945 for the term of 4 years, beginning in July 2016. The lease terminated during the current fiscal year.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for a 14-Passenger Bus. The terms of the lease require annual payments of \$9,450 for the term of 3 years, beginning in December 2019.

The District has entered into a non-cancelable operating lease with KS State Bank for student laptops. The terms of the lease require annual payments of \$44,678 for the term of 4 years, beginning in July 2017.

The District has entered into a non-cancelable operating lease with Apple Financial Services for computer equipment. The terms of the lease require annual payments of \$37,813 for the term of 4 years, beginning in September 2017.

CANTON UNION SCHOOL DISTRICT NO. 66

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 7: CONTRACTS, COMMITMENTS, AND CONTINGENCIES – (Continued)

Operating Lease Commitments – (Continued)

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2021	\$ 88,076
2022	43,398
Total	<u>\$ 131,474</u>

Grant Audits

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. Any disallowed claims resulting from such audits could become a liability of the District. In the opinion of the District, any such disallowed claims will not have a material adverse impact on the overall financial position of the District.

Litigation

Various claims and lawsuits are pending against the District. In the opinion of District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT FUND COMMITMENTS

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

General Information about the Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2019>; 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
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Benefits Provided – (continued)

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

Contributions

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

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

On Behalf Contributions to TRS – The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, state of Illinois contributions recognized by the District were \$1,115,116.

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$60,672.

Federal and Special Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contributions 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.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions – (Continued)

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$187,528 were paid from federal and special trust funds that required employer contributions of \$19,990.

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 District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2020, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

B. Illinois Municipal Retirement Defined Benefit Pension Plan

IMRF Plan Description

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

Benefits Provided

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

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries	140
Inactive, non-retired members	54
Active members	<u>161</u>
Total	<u><u>355</u></u>

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

B. Illinois Municipal Retirement Defined Benefit Pension Plan (Continued)

Contributions

As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate and actual District contributions for calendar year 2019 and the fiscal year ended June 30, 2020 are summarized below. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
District required contribution rate for 2019	8.26%
District required contribution rate for 2020	10.57%
District actual contributions for 2019	\$ 328,392
District actual contributions for fiscal year 2020	\$ 397,251

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Teachers’ Health Insurance Security Fund

The District participates in the Teachers’ Health Insurance Security (THIS) Fund of the State of Illinois. THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the city of Chicago (members). All District employees receiving monthly benefits from the Teachers’ Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan 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. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under “Central Management Services” (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – (continued)

A. *Teachers' Health Insurance Security Fund – (continued)*

Benefits Provided. THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

Contributions. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2020, required contributions are as follows:

- Active members contribute 1.24 percent of covered payroll.
- Employers contribute 0.92 percent of covered payroll. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2020, the District paid \$96,239 to the THIS Fund, which was 100 percent of the required contribution.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.24 percent of covered payroll. For the year ended June 30, 2020, State of Illinois contributions on behalf of the District's employees were \$129,714 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent by year by statute. The Federal Government provides a Medicare Part D subsidy.

NOTE 10: POST-RETIREMENT HEALTH CARE PLAN

The District provides post-retirement health care benefits for eligible retirees and their dependents. Non-certified support staff retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees will be reimbursed twenty percent (20%) of their retirees' share of the cost of the lowest rate District plan (per COBRA cost) until age 65 or five (5) years, whichever occurs sooner. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2020.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 10: POST-RETIREMENT HEALTH CARE PLAN (Continued)

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

Funding Policy. The contribution requirements of the District may be amended by the School Board. Current policy is to pay for post-retirement medical and insurance benefits or premiums as they occur. The premiums are established for the employee/retiree group. Although with regard to retirees, this amount contains an implied rate subsidy by the District through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Contributions Made. Because the retiree insurance premium established is reimbursed twenty percent (20%) by the District, there is a net cash outflow by the District related to these benefits when paid. The cash-basis expenditures reported by the District in regard to the plan benefits for retirees during the fiscal year ended June 30, 2020 was \$3,724.

NOTE 11: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District is exposed to various risks of loss including, but not limited to, general liability, property casualty, auto liability, workers' compensation and public official liability. To limit exposure to these risks the District purchased commercial insurance, and is insured under a guaranteed cost plan for workers' compensation coverage. There has not been a significant reduction in the District's insurance coverage during the year ended June 30, 2020. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE 12: REQUIRED INDIVIDUAL FUND DISCLOSURES

Excess of Expenditures over Appropriations

For the year ended June 30, 2020, the District operated within the confines of the adopted budget.

Interfund Loans and Transfers

During the year ended June 30, 2020, the Board approved a loan of \$300,000 from the Working Cash Fund to the Operations & Maintenance Fund in anticipation of the collection of taxes from the Operations & Maintenance Fund. The loan was repaid during the year, and there were no outstanding interfund loans at June 30, 2020.

CANTON UNION SCHOOL DISTRICT NO. 66

Notes to Financial Statements For the Year Ended June 30, 2020

NOTE 13: SELF-INSURANCE PLAN

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.

Employee Health Insurance

Effective January 1, 1983 the District implemented a self-administered plan for medical coverage provided to the District personnel. Blue Cross Blue Shield of Illinois, Inc. administers claims for a fixed fee per enrolled employee. The plan is a contributory plan in amounts determinable from time to time by the Plan's insurance committee.

The District carries stop loss insurance to cover individual medical claims in excess of \$85,000.

The District has established a separate Self-Funded Insurance Plan Fund (Trust Fund) to account for the operation of this self-insurance plan. Outstanding claims are not able to be estimated as of June 30, 2020.

NOTE 14: JOINT AGREEMENTS

Along with other area school districts, the District is a member of the West Central Illinois Special Education Cooperative located at 130 ½ S. Lafayette St, Macomb, IL 61455. The District is also a member of the Fulton Area Vocational System located at 23235 N. Cty. 22, Canton, IL 61520 c/o Spoon River College. The District's students benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have an equity interest in the joint agreements. The joint agreements are separately audited and are not included in these financial statements. Audited financial statements for these joint agreements may be obtained from the administrative offices as listed above.

NOTE 15: TERMINATION BENEFITS

The District's termination benefit plan provides an increase in compensation not to exceed 6% over the prior year's salary for up to three years to qualified employees. As of June 30, 2020, two employees have notified the District of their intent to retire. Future payments under this program are estimated to total \$5,103.

As of June 30, 2020, the District pays up to \$1,000 for unused sick days not needed for retirement purposes employees. The amount of unused sick and vacation pay to be paid after June 30, 2020 is not estimated to be significant.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 16: TAX ABATEMENT

The District negotiates property tax abatements on an individual basis under Section 18-165 of the Property Tax Code providing that any taxing district, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that county to abate any portion of its taxes on certain types of property, including the property of any commercial firm having been newly created within the State during the immediately preceding year; provided however that the abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000 (35 ILCS 200/18-165).

The District has a tax abatement agreement with Spoon River College Foundation, an Illinois not-for-profit corporation, as of June 30, 2020. Commencing in tax year 2018 and continuing through tax year 2022, the District agrees to abate fifty-five percent (55%) of property taxes extended. For the fiscal year ended June 30, 2020, the abatement amounted to \$0.

For tax years through 2018 through 2022, the County Clerk will extend property taxes levied to determine the original tax extension amount. After the extensions are made, the property tax bills will be calculated by applying the abatement percentages to the original tax amounts extended to determine the adjusted tax amounts. The County Treasurer will then prepare the property tax bills using the adjusted tax amounts.

The Foundation desires to develop and construct a student housing apartment complex consisting of approximately 21 units. The District and other taxing bodies find it is in the best interest of the community to provide quality education to those in the community.

In the event that the District receives notices from the Illinois State Board of Education or otherwise becomes aware that the abatement of the assessed valuation shall cause, or has caused a reduction in the amount of state aid that the District would otherwise be entitled to receive under the evidence-based funding formula, then the District shall be entitled to reimbursement in an amount equal to the amount of such reduction.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2020**

NOTE 17: FUND BALANCE PRESENTATION

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

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Reserved	Unreserved
Educational	\$ -	-	1,381,107	-	8,873,519	1,381,107	8,873,519
Operations & Maintenance	-	-	-	-	454,272	-	454,272
Debt Services	-	109,548	-	-	-	-	109,548
Transportation	-	508,468	-	-	-	-	508,468
IMRF & Social Security	-	585,330	-	-	-	317,364	267,966
Capital Projects	-	866,081	-	453,210	-	866,081	453,210
Working Cash	-	-	-	-	1,464,462	-	1,464,462
Tort	-	400,047	-	-	-	-	400,047
Fire Prevention & Safety	-	13,364	-	-	-	-	13,364
Total	<u>\$ -</u>	<u>2,482,838</u>	<u>1,381,107</u>	<u>453,210</u>	<u>10,792,253</u>	<u>2,564,552</u>	<u>12,544,856</u>

A. Non-spendable Fund Balance

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

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity 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. The Debt Service Fund and 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. Revenues of \$85,302 were received during the year ended June 30, 2020, and all was spent, resulting in no restricted fund balance.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 17: FUND BALANCE PRESENTATION – (Continued)

B. Restricted Fund Balance – (Continued)

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Educational Fund. Revenues of \$106,625 were received during the year ended June 30, 2020, and all was spent, resulting in no restricted fund balance.

3. School Facility Occupation Tax

Proceeds from School Facility Occupation Tax and the related expenditures have been included in the Capital Projects Fund. At June 30, 2020, revenue received from School Facility Occupation Tax exceeded expenditures disbursed, resulting in a restricted balance of \$866,081. This balance is included in the financial statements as reserved in the Capital Projects Fund.

4. Tort Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Tort Fund. Revenues of \$1,085,693 were received from this levy during the year ended June 30, 2020, and \$984,714 was spent, resulting in a cumulative restricted fund balance of \$400,047, which is reported as unreserved in the Tort Fund.

5. State Grants

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

6. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2020, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.

7. Municipal Retirement / Social Security Fund

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement / Social Security Fund. At June 30, 2020, cumulative revenues received for Social Security purposes exceeded cumulative expenditures disbursed from the Social Security levy by \$317,364, resulting in a restricted fund balance of this amount, which is reported as reserved in the Municipal Retirement / Social Security Fund. At June 30, 2020, cumulative revenues received for IMRF purposes exceeded cumulative expenditures disbursed from the IMRF levy by \$267,966, resulting in an unassigned fund balance of this amount, which is reported as unreserved in the Municipal Retirement / Social Security Fund.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 17: FUND BALANCE PRESENTATION – (Continued)

B. Restricted Fund Balance – (Continued)

8. Fire Prevention & Life Safety Levy

Cash disbursed and the related cash receipts of this restricted levy, as well as proceeds of certain bond issuances, are accounted for in the Fire Prevention & Safety Fund. Revenues of \$112,133 were received during the year ended June 30, 2020, and \$1,435,256 was spent, resulting in a cumulative restricted fund balance of \$13,364 which is reported as unreserved in the Fire Prevention & Safety Fund.

9. Transportation Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Transportation Fund. Revenues of \$486,289 were received from this levy during the year ended June 30, 2020, and \$1,380,575 was spent, resulting in a cumulative restricted fund balance of \$508,468, which is reported as unreserved in the Transportation Fund.

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 Board of Education). 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 Board of Education commits fund balances 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 funds 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. The total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2020 amounted to \$1,381,107. This amount is shown as reserved 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 Board of Education itself or (b) the finance committee or by the Superintendent when the District Board has delegated the authority to assign amounts to be used for specific purposes.

The remaining balance of \$453,210 in the Capital Projects fund is assigned for future capital expenditures.

Notes to Financial Statements
For the Year Ended June 30, 2020

NOTE 17: FUND BALANCE PRESENTATION – (Continued)

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General 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 & 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. 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 not the fund balance identified.

NOTE 18: SUBSEQUENT EVENTS

Management evaluated subsequent events through , the date which financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of June 30, 2020.

SUPPLEMENTARY INFORMATION

CANTON UNION SCHOOL DISTRICT NO. 66
TRUST AND AGENCY FUNDS

Schedule A-1

Combining Schedule of Assets, Liabilities, and Fund Balance
 Arising from Cash Transactions
 June 30, 2020

	<u>Flex Benefit Plan Fund</u>	<u>Self-Funded Insurance Plan Fund</u>	<u>Ingersoll Middle School Activity Fund</u>	<u>High School Activity Fund</u>	<u>Eastview Elementary School Activity Fund</u>	<u>Westview Elementary School Activity Fund</u>	<u>Lincoln Elementary and McCall School Activity Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
<u>Assets</u>									
Cash	\$ 24,823	838,540	107,646	147,008	21,136	19,227	23,471	76,325	1,258,176
Investments	-	-	-	-	-	-	-	53,926	53,926
Total Assets	<u>\$ 24,823</u>	<u>838,540</u>	<u>107,646</u>	<u>147,008</u>	<u>21,136</u>	<u>19,227</u>	<u>23,471</u>	<u>130,251</u>	<u>1,312,102</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Others	\$ -	-	107,646	147,008	21,136	19,227	23,471	130,251	448,739
Fund Balance:									
Available for Benefits	24,823	838,540	-	-	-	-	-	-	863,363
Total Liabilities and Fund Balances,	<u>\$ 24,823</u>	<u>838,540</u>	<u>107,646</u>	<u>147,008</u>	<u>21,136</u>	<u>19,227</u>	<u>23,471</u>	<u>130,251</u>	<u>1,312,102</u>

CANTON UNION SCHOOL DISTRICT NO. 66
TRUST AND AGENCY FUNDS

Schedule A-2

Schedule of Changes in Assets, Liabilities, Fund Balances
 And Other Credits Arising from Cash Transactions
 For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Trust Funds:				
Flexible Benefit Plan Fund	\$ 23,493	62,290	60,960	24,823
Self-Funded Insurance Plan Fund	591,631	2,951,268	2,704,359	838,540
Total Trust Funds	615,124	3,013,558	2,765,319	863,363
Agency Funds:				
Ingersoll Middle School:				
Activity	10,991	-	300	10,691
Administrators' Gift	253	-	-	253
Book Club	246	1,533	1,329	450
Boys Basketball	122	-	-	122
Cheerleading	-	25	-	25
Club Unify	80	-	-	80
Cross Country	3,901	-	850	3,051
D.A.R.E.	6,704	-	-	6,704
General Fund	2,037	49,885	50,880	1,042
Gift	1,245	1,525	1,093	1,677
Girls Basketball	472	255	216	511
Grants	1,760	2	480	1,282
Handbooks	406	193	-	599
History Club	788	1,064	527	1,325
Incentive Team	9,572	7,800	8,598	8,774
Library	1,763	974	1,055	1,682
Music (combined Band & Chorus)	20,539	2,246	2,324	20,461
Outward Ingersoll	8,967	3,714	623	12,058
PBIS	-	1,000	681	319
Pictures	5,665	1,347	1,823	5,189
Postage	21	-	-	21
Science Olympics	54	-	-	54
Scholastic Bowl	153	386	474	65
Box Tops	4,358	8	-	4,366
Student Council	4,120	4,862	5,026	3,956
Team	2,993	10,275	5,956	7,312
Track Teams	296	3,418	3,365	349
Track - Pop Machines	6,314	6,832	5,156	7,990
Volleyball	380	-	-	380
Wrestling	26	111	-	137
Yearbook	7,847	395	1,521	6,721
Total Ingersoll Middle School	102,073	97,850	92,277	107,646
High School:				
After Prom	824	-	-	824
Art	3,901	7,067	5,439	5,529
Athletics - General	64,130	81,038	125,057	20,111
Band	958	500	1,623	(165)
Baseball	3,799	2,360	1,724	4,435
Best Buddies	594	300	270	624
Book Store	122	-	-	122
Boys Basketball	3,691	5,941	12,894	(3,262)
Boys Golf	3,621	2,066	3,091	2,596
Building Trades	1,391	-	360	1,031
Cantonian	(3,045)	12,391	8,000	1,346

CANTON UNION SCHOOL DISTRICT NO. 66
TRUST AND AGENCY FUNDS

Schedule A-2
(Continued)

Schedule of Changes in Assets, Liabilities, Fund Balances
And Other Credits Arising from Cash Transactions
For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Agency Funds (continued):				
High School (continued):				
CATA	\$ 52	-	-	52
Cheerleaders	654	16,607	16,779	482
Chorus	182	332	582	(68)
Class of 2018	3,607	-	-	3,607
Class of 2019	1,573	-	-	1,573
Class of 2020	-	733	667	66
Class of 2021	616	10,391	2,491	8,515
Class of 2022	57	468	434	91
Class of 2023	-	839	661	179
Construction	513	466	263	716
C.V.E.	131	-	-	131
Cross Country	398	1,065	1,058	405
Fashion Design	1,028	200	-	1,228
Fees	6,495	75,053	79,398	2,150
FFA	(20)	11,322	6,963	4,340
Football	4,419	33,696	35,996	2,120
General Items	17,347	16,879	14,489	19,736
German Club	210	623	412	421
Giant Pride	1,414	375	82	1,707
Girls Basketball	5,837	1,226	4,852	2,211
Girls Soccer	1,393	288	599	1,082
Incubator	2,360	1	650	1,711
Key Club	2,905	8,624	7,752	3,777
LG Café	816	100	-	916
LG Care Closet	-	11,415	1,954	9,461
Library	501	885	408	978
Madrigal	1,970	8,031	7,043	2,958
Manufacturing	844	5	-	849
N.H.S.	132	140	138	134
Pom Pom	2,898	6,228	7,540	1,586
P.E.	614	2,372	3,125	(139)
Pop Machine	1,049	1,486	1,444	1,091
Revolving Account	7,996	18,324	18,420	7,900
S.A.D.D.	744	600	-	1,344
Scholastic Bowl	658	120	369	409
Science Club	114	-	-	114
Science Olympiad	549	300	300	549
Social Comm.	284	470	50	704
Softball	27	2,591	1,312	1,306
Spanish Club	2,528	117	-	2,645
Speech	5,197	5,051	3,255	6,993
Student Council	2,600	12,708	12,746	2,562
Tech	856	894	1,304	446
Thespian	5,552	7,278	8,501	4,330
Volleyball	6,477	2,820	3,109	6,188
Wrestling	3,195	2,150	1,080	4,265
Total High School	176,758	374,935	404,684	147,008

CANTON UNION SCHOOL DISTRICT NO. 66
TRUST AND AGENCY FUNDS

Schedule A-2
(Continued)

Schedule of Changes in Assets, Liabilities, Fund Balances
 And Other Credits Arising from Cash Transactions
 For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Agency Funds (continued):				
Eastview Elementary School:				
Coffee	\$ 38	-	-	38
General	9,387	4,517	5,845	8,059
Faculty/Staff Fund	1,085	1,689	1,710	1,064
Grade 4 Adventure Day	984	-	-	984
Grade 4 Gifts	37	-	-	37
Library	970	3,095	3,159	906
Pencil, Eraser	1,189	313	474	1,027
PBIS	1,601	600	781	1,420
Resource	2,423	6,031	2,586	5,868
Sunshine	337	360	546	151
Yearbook	2,366	15	799	1,582
Total Eastview Elementary School	<u>20,417</u>	<u>16,619</u>	<u>15,901</u>	<u>21,136</u>
Westview Elementary School:				
Accelerated Reader	571	-	-	571
Box Tops	1,371	2,825	2,413	1,783
Coffee	36	50	28	58
Donated Lunches	1,450	-	1,119	331
Elementary Track	180	50	-	230
Faculty Fund	520	-	-	520
General	11,712	1,034	4,098	8,648
Library	508	429	19	918
Pictures	556	1,045	-	1,601
Pop	1,610	852	628	1,834
Recycling	60	5	65	-
Sensory Room	1,000	300	261	1,039
Sunshine	109	430	169	370
Westview Day	50	-	-	50
Yearbook	1,547	579	851	1,275
Westview Elementary School	<u>21,280</u>	<u>7,599</u>	<u>9,652</u>	<u>19,227</u>

CANTON UNION SCHOOL DISTRICT NO. 66
TRUST AND AGENCY FUNDS

Schedule A-2
(Continued)

Schedule of Changes in Assets, Liabilities, Fund Balances
And Other Credits Arising from Cash Transactions
For the Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Lincoln Elementary and McCall Schools:				
Club Unify	\$ 557	1,620	1,084	1,093
Coffee	8	35	-	43
Every "Buddies" Coffee	636	841	717	760
Field Trips	-	495	475	20
General	436	9,330	7,840	1,926
Grant	1,065	-	323	742
KIDS Donation	525	95	620	-
Library	782	3,342	2,378	1,746
Lunch Donation	832	-	728	104
Memorial	270	-	-	270
PBIS	277	1,500	1,290	487
Pencil and Paper	391	146	242	295
Pop	26	204	37	193
School Store	530	867	960	437
Sensory	556	300	421	435
Speech	200	-	106	94
Sunshine and Gift	693	250	158	785
Special Olympics	9,883	6,250	3,498	12,635
Yearbook	3,143	1,226	2,963	1,406
Water	-	372	372	-
Total Lincoln Elementary and McCall Schools	<u>20,810</u>	<u>26,873</u>	<u>24,212</u>	<u>23,471</u>
Scholarship Funds	<u>135,767</u>	<u>19,114</u>	<u>24,630</u>	<u>130,251</u>
Total Agency Funds	<u>477,105</u>	<u>535,391</u>	<u>561,704</u>	<u>448,739</u>
Total Trust and Agency Funds	<u>\$ 1,092,229</u>	<u>3,548,949</u>	<u>3,327,023</u>	<u>1,312,102</u>

Illinois Municipal Retirement Fund
Multi-Year Schedule of Changes in Net Pension Liability and Related Ratios

Calendar Year Ending December 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability									
Service Cost	\$ 418,210	401,204	433,567	430,928	443,407	477,853	-	-	-
Interest on the Total Pension Liability	1,605,282	1,510,468	1,513,081	1,469,400	1,403,433	1,294,270	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(457,804)	705,217	(228,782)	(284,021)	61,132	(170,290)	-	-	-
Assumption Changes	-	592,216	(642,961)	(69,624)	45,073	809,836	-	-	-
Benefit Payments and Refunds	(1,283,381)	(1,147,344)	(1,039,780)	(1,048,748)	(978,351)	(849,562)	-	-	-
Net Change in Total Pension Liability	282,307	2,061,761	35,125	497,935	974,694	1,562,107	-	-	-
Total Pension Liability - Beginning	22,574,408	20,512,647	20,477,522	19,979,587	19,004,893	17,442,786	-	-	-
Total Pension Liability - Ending	<u>\$ 22,856,715</u>	<u>22,574,408</u>	<u>20,512,647</u>	<u>20,477,522</u>	<u>19,979,587</u>	<u>19,004,893</u>	-	-	-
Plan Fiduciary Net Position									
Employer Contributions	\$ 328,392	420,499	422,542	420,492	426,639	434,653	-	-	-
Employee Contributions	179,462	178,150	192,007	182,216	179,892	177,695	-	-	-
Pension Plan Net Investment Income	3,715,961	(1,140,789)	3,216,435	1,216,487	89,177	1,041,858	-	-	-
Benefit Payments and Refunds	(1,283,381)	(1,147,344)	(1,039,780)	(1,048,748)	(978,351)	(849,562)	-	-	-
Other	(409,009)	574,311	(569,936)	(115,791)	10,960	18,451	-	-	-
Net Change in Plan Fiduciary Net Position	2,531,425	(1,115,173)	2,221,268	654,656	(271,683)	823,095	-	-	-
Plan Fiduciary Net Position - Beginning	19,510,411	20,625,584	18,404,316	17,749,660	18,021,343	17,198,248	-	-	-
Plan Fiduciary Net Position - Ending	<u>\$ 22,041,836</u>	<u>19,510,411</u>	<u>20,625,584</u>	<u>18,404,316</u>	<u>17,749,660</u>	<u>18,021,343</u>	-	-	-
Net Pension Liability (Asset)	<u>\$ 814,879</u>	<u>3,063,997</u>	<u>(112,937)</u>	<u>2,073,206</u>	<u>2,229,927</u>	<u>983,550</u>	-	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.43%	86.43%	100.55%	89.88%	88.84%	94.82%	N/A	N/A	N/A
Covered Valuation Payroll	\$ 3,975,684	3,949,349	3,879,932	3,804,363	3,906,949	3,838,727	N/A	N/A	N/A
Net Pension Liability as a Percentage of the Covered Valuation Payroll	20.50%	77.58%	-2.91%	54.50%	57.08%	25.62%	N/A	N/A	N/A

* This schedule is intended to display ten years' information and will be built prospectively from 2014.

Illinois Municipal Retirement Fund
Multi-Year Schedule of Contributions

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2019	\$ 328,391	328,392	(1)	3,975,684	8.26%
12/31/2018	415,472	420,499	(5,027)	3,949,349	10.65%
12/31/2017	414,765	422,542	(7,777)	3,879,932	10.89%
12/31/2016	413,534	420,492	(6,958)	3,804,363	11.05%
12/31/2015	426,639	426,639	-	3,906,949	10.92%
12/31/2014	425,715	434,653	(8,938)	3,838,727	11.32%

Notes to Schedule:Valuation Date:*Notes*

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

Methods and Assumptions used to Determine 2019 Contribution Rate:

<i>Actuarial Cost Method</i>	Aggregate Entry Age Normal
<i>Amortization Method</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 year selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
<i>Asset Valuation Method</i>	5-Year smoothed market; 20% corridor
<i>Wage Growth</i>	3.25%
<i>Price Inflation</i>	2.50%
<i>Salary Increases</i>	3.35% to 14.25% including inflation
<i>Investment Rate of Return</i>	7.50%
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:*Notes*

There were no benefit changes during the year.

* This schedule is intended to display ten years' information and will be built prospectively from 2014.

CANTON UNION SCHOOL DISTRICT NO. 66

Teachers' Retirement System of the State of Illinois

Schedule B-3

Schedule of District's Share of the Net Pension Liability

	Fiscal Year*					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0013%	0.0014%	0.0036%	0.0048%	0.0051%	0.0057%
District's Proportionate Share of the Net Pension Liability	\$ 1,057,329	1,112,402	2,753,515	3,783,357	3,309,894	3,448,153
State's Proportionate Share of the Net Pension Liability Associated with the District	75,248,924	76,204,169	77,983,497	83,159,433	71,534,258	69,027,952
Total	\$ 76,306,253	77,316,571	80,737,012	86,942,790	74,844,152	72,476,105
District's Covered-Employee Payroll	\$ 10,177,618	10,223,682	10,534,197	10,492,977	11,079,902	11,204,042
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	10.39%	10.88%	26.14%	36.06%	29.87%	30.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.60%	40.00%	39.30%	36.40%	36.40%	41.50%

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

Schedule B-4

Schedule of Contributions

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Statutorily-Required Contribution	\$ 60,672	59,030	59,297	61,098	60,859	64,263
Contributions in Relation to the Statutorily-Required Contribution	60,672	59,030	59,297	61,098	60,859	64,263
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-
District's Covered-Employee Payroll	\$ 10,460,755	10,177,618	10,223,682	10,534,197	10,492,977	11,079,902
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

*This schedule is intended to show information for ten years and additional years' information will be displayed as it comes available.

Notes:

Changes of assumptions

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

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

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

CANTON UNION SCHOOL DISTRICT NO. 66

Teachers' Health Insurance Security Fund of the State of Illinois

Schedule B-5

Schedule of District's Share of the Collective Net OPEB Liability

	Fiscal Year*		
	2019	2018	2017
District's Proportion of the Collective Net OPEB Liability	0.0414%	0.0431%	0.0458%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 11,460,479	11,362,670	11,883,543
State's Proportionate Share of the Collective Net OPEB Liability Associated with the District	11,447,487	15,257,672	15,241,116
Total	\$ 22,907,966	26,620,342	27,124,659
District's Covered-Employee Payroll	\$ 10,177,618	10,223,682	10,534,197
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of Covered Payroll	112.60%	111.14%	112.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.25%	-0.07%	-0.07%

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

Schedule B-6

Schedule of Contributions

	Fiscal Year		
	2020	2019	2018
Statutorily-Required Contribution	\$ 96,239	93,634	89,968
Contributions in Relation to the Statutorily-Required Contribution	96,239	93,634	89,968
Contribution Deficiency (Excess)	\$ -	-	-
District's Covered-Employee Payroll	\$ 10,460,755	10,177,618	10,223,682
Contributions as a Percentage of Covered-Employee Payroll	0.92%	0.92%	0.88%

*This schedule is intended to show information for ten years and additional years' information will be displayed as it comes available.

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Maximum	Tax Year			
		2016	2017	2018	2019
Assessed Valuations		\$ 208,382,298	215,460,625	216,076,850	222,417,662
Tax Rates:					
Educational	1.8400	1.8400	1.8333	1.8400	1.8400
Bond & Interest	Unlimited	0.3823	0.3694	0.3701	0.3565
Operations & Maintenance	0.5000	0.5000	0.5000	0.5000	0.5000
IMRF	Unlimited	0.1440	0.1145	0.2004	0.1934
Transportation	0.2000	0.2000	0.1996	0.2000	0.2000
Working Cash	0.0500	0.0500	0.0499	0.0500	0.0500
Fire Prevention / Safety	0.0500	0.0500	0.0499	0.0500	0.0500
Special Education	0.0400	0.0400	0.0400	0.0400	0.0400
Tort - Liability Insurance	Unlimited	0.4128	0.5570	0.5091	0.5845
Social Security	Unlimited	0.2256	0.1671	0.2028	0.1907
Lease	0.0500	0.0500	0.0499	0.0500	0.0500
Totals		3.8947	3.9306	4.0124	4.0551
Tax Extensions:					
Educational		\$ 3,834,234	3,950,040	3,975,814	4,092,485
Bond & Interest		796,646	795,912	799,700	792,919
Operations & Maintenance		1,041,911	1,077,303	1,080,384	1,112,088
IMRF		300,071	246,702	433,018	430,156
Transportation		416,765	430,059	432,154	444,835
Working Cash		104,191	107,515	108,038	111,209
Fire Prevention / Safety		104,191	107,515	108,038	111,209
Special Education		83,353	86,184	86,431	88,967
Tort - Liability Insurance		860,202	1,200,116	1,100,047	1,300,031
Social Security		470,110	360,035	438,204	424,150
Lease		104,191	107,515	108,038	111,209
Totals		\$ 8,115,865	8,468,896	8,669,866	9,019,259
Tax Collections		\$ 8,108,516	8,538,678	8,695,297	-

OTHER INFORMATION



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance with Government Auditing Standards**

To the Board of Education
Canton Union School
District No. 66
Canton, 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 Canton Union School District No. 66 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Canton Union School District No. 66's basic financial statements, and have issued our report thereon dated September 21, 2020. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Canton Union School District No. 66'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 Canton Union School District No. 66's internal control. Accordingly, we do not express an opinion on the effectiveness of Canton Union School District No. 66's internal control.

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

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

We noted certain matters that we reported to management of Canton Union School District No. 66, in a separate letter dated September 21, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Canton Union School District No. 66'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 purposes.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

September 21, 2020
Morris, Illinois

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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Compliance
for Each Major Program and On Internal
Control over Compliance Required by the Uniform Guidance**

To the Board of Education
Canton Union School District No. 66
Canton, Illinois

Report on Compliance for Each Major Federal Program

We have audited Canton Union School District No. 66'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 Canton Union School District No. 66's major federal programs for the year ended June 30, 2020. Canton Union School District No. 66's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements, laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Canton Union School District No. 66'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 Canton Union School District No. 66'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 Canton Union School District No. 66's compliance.

Opinion on Each Major Federal Program

In our opinion, Canton Union School District No. 66 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, 2020.

Report on Internal Control Over Compliance

Management of Canton Union School District No. 66 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 Canton Union School District No. 66's internal control over compliance with the types requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Canton Union School District No. 66's internal control over compliance.

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

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

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

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

September 21, 2020
Morris, Illinois

CANTON UNION SCHOOL DISTRICT NO. 66

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Project #</i>	<i>Federal Expenditures</i>
U.S. Department of Education			
Special Education Cluster			
<i>Passed Through Illinois State Board of Education</i>			
IDEA Room & Board - 2019	84.027A	2019-4625	\$ 120,464
<i>Passed Through West Central Illinois Special Education Cooperative</i>			
IDEA - Flow Through - 2020	84.027A	2020-4620	106,306
IDEA - Preschool Flow Through - 2020	84.173	2020-4600	542
<i>Total Passed Through West Central Illinois Special Education Cooperative</i>			<u>106,848</u>
Total Special Education Cluster			<u>227,312</u>
Other Programs			
<i>Passed Through Illinois State Board of Education</i>			
Rural Education - 2019	84.358	2020-4107	48,389
Title I - Low Income (M)			
Title I Low Income - 2020	84.010	2020-4300	760,651
Title I Low Income - 2019	84.010	2019-4300	19,096
Total Title I - Low Income			<u>779,747</u>
Title II - Teacher Quality			
Title II - Teacher Quality - 2020	84.367A	2020-4932	85,920
Title II - Teacher Quality - 2019	84.367A	2019-4932	13,387
Total Title II - Teacher Quality			<u>99,307</u>
Title IV A - Student Support and Academic Enrichment - 2020	84.424	2020-4400	67,565
Elementary & Secondary School Emergency Relief	84.425D	2020-4998	24,633
<i>Total Passed Through Illinois State Board of Education</i>			<u>1,019,641</u>
<i>Passed Through Illinois Department of Human Services</i>			
STEP - DORS	84.126	2020-4999	3,800
<i>Total Passed Through Illinois Department of Human Services</i>			<u>3,800</u>
Total Other Programs			<u>1,023,441</u>
Total U.S. Department of Education			<u>1,250,753</u>

CANTON UNION SCHOOL DISTRICT NO. 66

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Project #</i>	<i>Federal Expenditures</i>
U.S. Department of Agriculture			
Child Nutrition Cluster (M)			
<i>Passed Through Department of Defense</i>			
Commodity Credit - 2020	10.555	2020-4250	<u>25,803</u>
<i>Passed Through Illinois State Board of Education</i>			
School Breakfast Program:			
School Breakfast Program - 2020	10.553	2020-4220	87,537
School Breakfast Program - 2019	10.553	2019-4220	<u>24,071</u>
Total School Breakfast Program			<u>111,608</u>
National School Lunch Program:			
Commodity Credit	10.555	200-4250	42,084
National School Lunch Program - 2020	10.555	2020-4210	297,122
National School Lunch Program - 2019	10.555	2019-4210	<u>88,442</u>
Total National School Lunch Program			<u>427,648</u>
Summer Food Service Program for Children:			
Summer Food Service Program - 2020	10.559	2020-4225	<u>167,776</u>
<i>Total Passed Through Illinois State Board of Education</i>			<u>707,032</u>
Total Child Nutrition Cluster			<u>732,835</u>
Other Programs			
<i>Passed Through Illinois State Board of Education</i>			
Child & Adult Food Care Program			
Child & Adult Food Care Program - 2020	10.558	2020-4226	2,522
Child & Adult Food Care Program - 2019	10.558	2019-4226	<u>808</u>
Total Child & Adult Food Care Program			<u>3,330</u>
<i>Total Passed Through Illinois State Board of Education</i>			<u>3,330</u>
Total Other Programs			<u>3,330</u>
Total U.S. Department of Agriculture			<u>736,165</u>
U.S. Department of Health and Human Services			
<i>Passed Through Illinois Department of Healthcare & Family Services</i>			
Medical Assistance Program	93.778	2020-4991	<u>38,396</u>
<i>Total Passed Through Illinois Department of Healthcare & Family Services</i>			<u>38,396</u>
Total U.S. Department of Health & Human Services			<u>38,396</u>
Total Expenditures of Federal Awards			<u>\$ 2,025,314</u>

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

NOTE A: BASIS OF PRESENTATION AND ACCOUNTING

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Canton Union School District No. 66, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic Financial Statements.

Basis of Accounting

Under the cash basis of accounting, 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.

NOTE B: INDIRECT FACILITIES & ADMINISTRATION COSTS

Canton Union School District No. 66 did not elect to use the 10% de minimis cost rate.

NOTE C: SUB RECIPIENTS

Canton Union School District No. 66 did not provide federal awards to sub recipients.

NOTE D: NON-CASH AWARDS

The amount of commodities reported on the schedule (\$67,887) is the value of commodities distributed by the Lanter Delivery System during the current year and priced as prescribed by the U.S. Department of Agriculture (CFDA # 10.555).

NOTE E: OTHER DISCLOSURES

Amount of federal insurance, loans, and loan guarantees in effect during the year - None.

Federal Grants requiring matching expenditures – No.

CANTON UNION SCHOOL DISTRICT NO. 66

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditors' Report expresses an adverse opinion on the financial statements of Canton Union School District No. 66.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Canton Union School District No. 66 were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Auditors' Report on Compliance for the major federal award programs for Canton Union School District No. 66 expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Canton Union School District No. 66 are reported in Part C of this schedule.
7. The programs tested as major programs include Title I – CFDA # 84.010, and the Child Nutrition Cluster – CFDA #s 10.553, 10.555, and 10.559.
8. Total federal expenditures for the year ended June 30, 2020 were \$2,025,314, and 74.684% of that total was tested as a major program.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. Canton Union School District No. 66 was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

CANTON UNION SCHOOL DISTRICT NO. 66

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2020**

None.