

Mercer County School District No. 404

Aledo, Illinois

*Annual Financial Report
and Other Financial Information*

June 30, 2022

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Gorenz and Associates, Ltd.

Certified Public Accountants

Tim C. Custis, CPA
Jason A. Hobulin, CPA

Russell J. Rumbold II, CPA
Cory S. Cowan, CPA

Independent Auditor's Report

To the Board of Education
Mercer County School District No. 404
Aledo, Illinois

Opinions

We have audited the accompanying financial statements of Mercer County School District No. 404 (the District) which comprise the Statement of Assets and Liabilities Arising from Cash Transactions of each fund and account group as of June 30, 2022, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances (All Funds), the Statement of Revenues Received (All Funds), and the Statements of Expenditures Disbursed - Budget to Actual for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of each fund and account group of the District as of June 30, 2022, and each fund's respective revenues received, expenditures disbursed, other sources (uses) and changes in fund balances, revenues received, and expenditures disbursed -budget to actual, for the year then ended in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note #1.

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" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or changes in net position or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note #1, the financial statements are prepared by the District on the basis of the financial reporting provisions of 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 meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note #1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The "Supplemental Information" listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 "Supplemental Information" as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the “Other Information” as listed in the table of contents. The other information comprises the items listed in the table of contents as “Other Information” but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Gorenz and Associates, Ltd.

Peoria, Illinois
December 19, 2022

Gorenz and Associates, Ltd.

Certified Public Accountants

Tim C. Custis, CPA
Jason A. Hobulin, CPA

Russell J. Rumbold II, CPA
Cory S. Cowan, CPA

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

To the Board of Education
Mercer County School District No. 404
Aledo, 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 Statement of Assets and Liabilities Arising from Cash Transactions of each fund and each account group as of June 30, 2022, and the related Statement of Revenues Received, Expenditures Disbursed, Other Sources (Uses) and Changes in Fund Balances (All Funds), the Statement of Revenues Received (All Funds), and the Statements of Expenditures Disbursed - Budget to Actual for the year then ended and the related notes to the financial statements of Mercer County School District No. 404 which collectively comprise the District's, basic financial statements, and have issued our report thereon dated December 19, 2022. Our opinions were adverse due to the financial statements not being prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with financial reporting provisions of the Illinois State Board of Education as described in Note #1.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

The District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Gorenz and Associates, Ltd.

Peoria, Illinois
December 19, 2022

MERCER COUNTY SCHOOL DISTRICT NO. 404
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2022

	Account Groups											Total (Memorandum Only)	
	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets		General Long Term Debt
<u>Assets</u>													
<u>Current Assets</u>													
Cash and Cash Equivalents	2,770,475	9,093,692	150,881	962,357	831,017	1,607,751	4,321,835	603,217	1,107,282	884,323			22,332,830
Investments		3,000,000					3,327,400						6,327,400
Other Receivables	98												98
<u>Capital Assets</u>													
Land											235,697		235,697
Buildings & Building Improvements											17,977,834		17,977,834
Site Improvements & Infrastructure											6,546,528		6,546,528
Capitalized Equipment											2,270,311		2,270,311
Construction in Progress											865,972		865,972
Amounts Available in Debt Service Funds												150,881	150,881
Amounts to be Provided for Payment of Debt												18,431,119	18,431,119
Total Assets	2,770,573	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	884,323	27,896,342	18,582,000	75,138,670
<u>Liabilities and Fund Balances</u>													
<u>Liabilities:</u>													
Long Term Debt Payable												18,582,000	18,582,000
Total Liabilities	0	0	0	0	0	0	0	0	0	0	0	18,582,000	18,582,000
<u>Fund Balances:</u>													
Reserved		95,291	54,963		351,931	1,607,751				884,323			2,994,259
Unreserved	2,770,573	11,998,401	95,918	962,357	479,086	0	7,649,235	603,217	1,107,282				25,666,069
Investments in General Fixed Assets											27,896,342		27,896,342
Total Fund Balances	2,770,573	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	884,323	27,896,342	0	56,556,670
Total Liabilities and Fund Balances	2,770,573	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	884,323	27,896,342	18,582,000	75,138,670

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2022

											<u>Account Groups</u>		Total (Memorandum Only)
	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	
<u>Assets/Liabilities for Student Activity Funds</u>													
<u>Current Assets</u>													
Student Activity Fund Cash and Investments		221,673											221,673
Total Current Assets for Student Activity Funds		<u>221,673</u>											<u>221,673</u>
<u>Current Liabilities</u>													
Fund Balance Reserved for Student Activity Funds		221,673											221,673
Total Liabilities and Fund Balance for Student Activity Funds		<u>221,673</u>											<u>221,673</u>
<u>Total Assets/Liabilities District and Student Activity Funds</u>													
Total Current Assets and Student Activity Funds	2,992,246	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	884,323			28,882,001
Total Capital Assets and Student Activity Funds											27,896,342	18,582,000	<u>46,478,342</u>
Total Assets with Student Activity Funds (Memorandum Only)													<u>75,360,343</u>
Long-Term Liabilities and Student Activity Funds													
Reserved Fund Balance and Student Activity Funds	221,673	95,291	54,963	0	351,931	1,607,751	0	0	0	884,323		18,582,000	18,582,000
Unreserved Fund Balance and Student Activity Funds	2,770,573	11,998,401	95,918	962,357	479,086	0	7,649,235	603,217	1,107,282	0			25,666,069
Investments in General Fixed Assets											27,896,342		27,896,342
Total Liabilities and Fund Balance and Student Activity Funds	<u>2,992,246</u>	<u>12,093,692</u>	<u>150,881</u>	<u>962,357</u>	<u>831,017</u>	<u>1,607,751</u>	<u>7,649,235</u>	<u>603,217</u>	<u>1,107,282</u>	<u>884,323</u>	<u>27,896,342</u>	<u>18,582,000</u>	<u>75,360,343</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:										
Local Sources	7,321,768	1,513,114	566,246	622,189	541,952	502,685	169,383	752,919	94,923	12,085,179
State Sources	4,378,719	50,000		603,096						5,031,815
Federal Sources	1,881,345									1,881,345
Total Direct Receipts	13,581,832	1,563,114	566,246	1,225,285	541,952	502,685	169,383	752,919	94,923	18,998,339
Receipts for On-Behalf Payments	3,544,492									3,544,492
Total Receipts	17,126,324	1,563,114	566,246	1,225,285	541,952	502,685	169,383	752,919	94,923	22,542,831
Disbursements:										
Instruction	8,158,297				187,532			109,110		8,454,939
Support Services	4,322,593	1,373,656		1,083,701	290,486			695,855	196,911	7,963,202
Community Services	513									513
Payments to Other Governmental Units	581,488									581,488
Debt Services			945,881	13,283						959,164
Total Direct Disbursements	13,062,891	1,373,656	945,881	1,096,984	478,018	0	0	804,965	196,911	17,959,306
Disbursements for On-Behalf Payments	3,544,492									3,544,492
Total Disbursements	16,607,383	1,373,656	945,881	1,096,984	478,018	0	0	804,965	196,911	21,503,798
Excess of Direct Receipts Over (Under) Direct Disbursements	518,941	189,458	(379,635)	128,301	63,934	502,685	169,383	(52,046)	(101,988)	1,039,033
Other Sources of Funds:										
Permanent Transfers -										
Transfer of Working Cash Interest	55,370									55,370
Transfer of Interest	29,700									29,700
Sale of Bonds										
Principal on Bonds Sold			382,100				5,500,000			5,882,100
Other Sources		9,500,000								9,500,000
Other (Uses) of Funds:										
Permanent Transfers -										
Transfer of Working Cash Interest							(55,370)			(55,370)
Transfer of Interest		(29,700)								(29,700)
Total Other Sources and (Uses) of Funds	85,070	9,470,300	382,100	0	0	0	5,444,630	0	0	15,382,100
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	604,011	9,659,758	2,465	128,301	63,934	502,685	5,614,013	(52,046)	(101,988)	16,421,133
Fund Balances without Student Activity Funds - July 1, 2021	2,166,562	2,433,934	148,416	834,056	767,083	1,105,066	2,035,222	655,263	1,209,270	11,354,872
Fund Balances without Student Activity Funds - June 30, 2022	2,770,573	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	27,776,005

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Student Activity Fund Balance - July 1, 2021	191,942									191,942
Receipts - Student Activity Funds										
Total Student Activity Direct Receipts	389,977									389,977
Disbursements - Student Activity Funds										
Total Student Activity Fund Disbursements	360,246									360,246
Excess Direct Receipts Over(Under) Direct Disbursements	29,731									29,731
Student Activity Fund Balance - June 30, 2022	221,673									221,673
Receipts (with Student Activity Funds):										
Local Sources	7,711,745	1,513,114	566,246	622,189	541,952	502,685	169,383	752,919	94,923	12,475,156
State Sources	4,378,719	50,000		603,096						5,031,815
Federal Sources	1,881,345									1,881,345
Total Direct Receipts	13,971,809	1,563,114	566,246	1,225,285	541,952	502,685	169,383	752,919	94,923	19,388,316
Receipts for On-Behalf Payments	3,544,492									3,544,492
Total Receipts (with Student Activity Funds)	17,516,301	1,563,114	566,246	1,225,285	541,952	502,685	169,383	752,919	94,923	22,932,808
Disbursements (with Student Activity Funds):										
Instruction	8,518,543				187,532			109,110		8,815,185
Support Services	4,322,593	1,373,656		1,083,701	290,486			695,855	196,911	7,963,202
Community Services	513									513
Payments to Other Governmental Units	581,488									581,488
Debt Services			945,881	13,283						959,164
Total Direct Disbursements	13,423,137	1,373,656	945,881	1,096,984	478,018	0	0	804,965	196,911	18,319,552
Disbursements for On-Behalf Payments	3,544,492									3,544,492
Total Disbursements (with Student Activity Funds)	16,967,629	1,373,656	945,881	1,096,984	478,018	0	0	804,965	196,911	21,864,044
Excess of Direct Receipts Over (Under) Direct Disbursements	548,672	189,458	(379,635)	128,301	63,934	502,685	169,383	(52,046)	(101,988)	1,068,764
Other Sources/Uses of Funds (with Student Activity Funds):										
Other Sources of Funds:										
Total Other Sources of Funds	85,070	9,500,000	382,100	0	0	0	5,500,000	0	0	15,467,170
Other (Uses) of Funds:										
Total Other Uses of Funds	0	(29,700)	0	0	0	0	(55,370)	0	0	(85,070)
Total Other Sources and (Uses) of Funds	85,070	9,470,300	382,100	0	0	0	5,444,630	0	0	15,382,100
Fund Balances (All sources) - June 30, 2022	2,992,246	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	27,997,678

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Local Sources:										
Ad Valorem Taxes Levied By Local Education Agency:										
Designated Purposes Levies	4,624,295	1,198,888	560,542	342,660	237,730		85,790	698,292	85,790	7,833,987
Leasing Levy	85,790									85,790
Special Education Levy	68,632									68,632
Social Security/Medicare Levy					273,533					273,533
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	994	249	117	71	107		18	145	18	1,719
Local Housing Authorities	4,095	1,027	480	297	371		77	697	77	7,121
Corporate Personal Property										
Replacement Taxes	1,930,459	215,000		268,499	20,000					2,433,958
Other Payments in Lieu of Taxes	24,960	6,262	2,926	1,790	2,677		448	3,638	448	43,149
Tuition:										
Regular - Tuition From Pupils or Parents (In State)	10,478									10,478
Interest on Investments	48,878	86,281	2,181	7,161	7,534	9,937	83,050	5,962	8,590	259,574
Food Services:										
Sales to Pupils - Lunch	52									52
Sales to Pupils - Ala Carte	51,321									51,321
Sales to Adults	2,293									2,293
Other Food Services	10,063									10,063
District/School Activity Income:										
Admissions - Athletic	34,420									34,420
Admissions - Other	8,200									8,200
Fees	10,004	1,353								11,357
Other Pupil Activity Revenue	12,350									12,350
Student Activity Fund Revenues	389,977									
Textbook Income:										
Rentals - Regular Textbooks	63,178									63,178
Rentals - Adult/Continuing Educ. Textbooks	11,617									11,617
Other Receipts from Local Sources:										
Contributions from Private Sources	20,250	4,034						44,185		68,469
Refund of Prior Years' Expenditures	1,053									1,053
Drivers' Education Fees	4,554									4,554
School Facility Occupation Tax Proceeds						492,748				492,748
Other Local Revenue	293,832	20		1,711						295,563
Total Receipts from Local Sources (without Student Activity Funds)	7,321,768	1,513,114	566,246	622,189	541,952	502,685	169,383	752,919	94,923	12,085,179
Total Receipts from Local Sources (with Student Activity Funds)	7,711,745									

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
 STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From State Sources:										
Unrestricted Grants-in-Aid:										
Evidence Based Funding Formula - Sec. 18-8.15	3,927,633									3,927,633
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	60,095									60,095
Orphanage - Individual	33,657									33,657
Career and Technical Education (CTE):										
CTE - Secondary Program Improvement (CTEI)	21,791									21,791
CTE - Agriculture Education	25,576									25,576
State Free Lunch and Breakfast	11,883									11,883
Driver Education	17,270									17,270
Transportation:										
Transportation - Regular / Vocational				533,742						533,742
Transportation - Special Education				69,354						69,354
Early Childhood - Block Grant	279,584									279,584
School Infrastructure - Maintenance Projects		50,000								50,000
Other Restricted Revenues from State Funds	1,230									1,230
Total Receipts from State Sources	4,378,719	50,000	0	603,096	0	0	0	0	0	5,031,815
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
Food Service										
National School Lunch Program	567,017									567,017
School Breakfast Program	98,135									98,135
Summer Food Service Program	7,711									7,711
Title I:										
Low Income	181,877									181,877
Other	61,583									61,583
Title IV -										
Student Support & Academic Enrichment	13,962									13,962
Federal - Special Education:										
Pre-School Flow Through	26,154									26,154
I.D.E.A.-Flow Through	276,202									276,202
I.D.E.A.-Room & Board	9,323									9,323
Title II - Teacher Quality	45,517									45,517
Medicaid Matching - Administrative Outreach	45,365									45,365
Medicaid Matching - Fee for Service Program	20,044									20,044
Other Federal	528,455									528,455
Total Receipts from Federal Sources	1,881,345	0	0	0	0	0	0	0	0	1,881,345
Total Direct Receipts (without Student Activity Funds)	13,581,832	1,563,114	566,246	1,225,285	541,952	502,685	169,383	752,919	94,923	18,998,339
Total Direct Receipts (with Student Activity Funds)	13,971,809									

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	4,137,662	4,170,800	33,138
Employee Benefits	529,434	577,900	48,466
Purchased Services	7,885	12,750	4,865
Supplies and Materials	116,777	143,100	26,323
Capital Outlay	4,350	5,000	650
Other Objects	385	400	15
Total Regular Programs	<u>4,796,493</u>	<u>4,909,950</u>	<u>113,457</u>
Pre-K Programs:			
Salaries	154,235	158,600	4,365
Employee Benefits	25,674	34,400	8,726
Purchased Services	354	1,000	646
Supplies and Materials	3,967	17,000	13,033
Capital Outlay	0	1,000	1,000
Total Pre-K Programs	<u>184,230</u>	<u>212,000</u>	<u>27,770</u>
Special Education Programs:			
Salaries	1,064,650	1,149,100	84,450
Employee Benefits	188,777	199,470	10,693
Purchased Services	1,466	4,500	3,034
Supplies and Materials	5,406	10,500	5,094
Capital Outlay	0	1,000	1,000
Total Special Education Programs	<u>1,260,299</u>	<u>1,364,570</u>	<u>104,271</u>
Special Education Programs Pre-K:			
Salaries	88,706	96,350	7,644
Employee Benefits	8,296	9,725	1,429
Supplies and Materials	716	0	(716)
Total Special Education Programs Pre-K	<u>97,718</u>	<u>106,075</u>	<u>8,357</u>
Remedial and Supplemental Programs K-12:			
Salaries	138,945	158,000	19,055
Employee Benefits	38,651	49,400	10,749
Purchased Services	139,608	211,000	71,392
Supplies and Materials	50,341	76,000	25,659
Capital Outlay	19,954	177,500	157,546
Total Remedial and Supplemental Programs K-12	<u>387,499</u>	<u>671,900</u>	<u>284,401</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
CTE Programs:			
Salaries	305,163	308,500	3,337
Employee Benefits	41,141	45,000	3,859
Purchased Services	8,275	6,365	(1,910)
Supplies and Materials	30,827	41,500	10,673
Capital Outlay	75,578	90,200	14,622
Total CTE Programs	<u>460,984</u>	<u>491,565</u>	<u>30,581</u>
Interscholastic Programs:			
Salaries	464,364	451,000	(13,364)
Employee Benefits	37,371	40,650	3,279
Purchased Services	72,739	79,750	7,011
Supplies and Materials	63,028	71,000	7,972
Capital Outlay	0	15,000	15,000
Other Objects	102	0	(102)
Total Interscholastic Programs	<u>637,604</u>	<u>657,400</u>	<u>19,796</u>
Summer School Programs:			
Salaries	29,784	15,500	(14,284)
Employee Benefits	4,570	900	(3,670)
Supplies and Materials	76	0	(76)
Total Summer School Programs	<u>34,430</u>	<u>16,400</u>	<u>(18,030)</u>
Driver's Education Programs:			
Salaries	99,978	100,000	22
Employee Benefits	16,070	18,200	2,130
Purchased Services	4,206	5,350	1,144
Supplies and Materials	1,311	2,250	939
Total Drivers Education Programs	<u>121,565</u>	<u>125,800</u>	<u>4,235</u>
Truants' Alternative & Optional Programs:			
Purchased Services	5,000	5,000	0
Total Truants' Alternative Programs	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Special Education Programs K-12 - Private Tuition	172,475	215,000	42,525
Student Activity Fund Expenditures	360,246	150,000	(210,246)
Total Instruction (Without Student Activity Funds)	<u>8,158,297</u>	<u>8,775,660</u>	<u>617,363</u>
Total Instruction (With Student Activity Funds)	<u>8,518,543</u>	<u>8,925,660</u>	<u>407,117</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Supporting Services:			
Support Services - Pupils:			
Guidance Services:			
Salaries	259,862	269,500	9,638
Employee Benefits	37,058	39,225	2,167
Purchased Services	0	500	500
Supplies and Materials	219	1,500	1,281
Capital Outlay	0	1,500	1,500
Total Guidance Services	<u>297,139</u>	<u>312,225</u>	<u>15,086</u>
Health Services:			
Salaries	120,463	124,000	3,537
Employee Benefits	24,688	24,850	162
Purchased Services	4,552	1,300	(3,252)
Supplies and Materials	1,923	3,000	1,077
Capital Outlay	2,550	4,500	1,950
Total Health Services	<u>154,176</u>	<u>157,650</u>	<u>3,474</u>
Speech Pathology and Audiology Services:			
Salaries	138,180	138,000	(180)
Employee Benefits	21,268	21,900	632
Purchased Services	1,849	2,500	651
Supplies and Materials	51	500	449
Total Speech Pathology and Audiology Services:	<u>161,348</u>	<u>162,900</u>	<u>1,552</u>
Other Support Services-Pupils:			
Salaries	1,493	2,500	1,007
Employee Benefits	132	270	138
Purchased Services	1,555	2,500	945
Total Other Support Services-Pupils	<u>3,180</u>	<u>5,270</u>	<u>2,090</u>
Total Support Services-Pupils	<u>615,843</u>	<u>638,045</u>	<u>22,202</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	0	60,225	60,225
Purchased Services	82,074	57,000	(25,074)
Supplies and Materials	2,390	9,000	6,610
Total Improvement of Instructional Services	<u>84,464</u>	<u>126,225</u>	<u>41,761</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Educational Media Services:			
Salaries	266,670	271,500	4,830
Employee Benefits	52,368	53,200	832
Purchased Services	212,386	239,000	26,614
Supplies and Materials	102,557	122,300	19,743
Capital Outlay	30,257	38,000	7,743
Total Educational Media Services	<u>664,238</u>	<u>724,000</u>	<u>59,762</u>
Assessment and Testing:			
Purchased Services	14,644	15,000	356
Total Assessment and Testing	<u>14,644</u>	<u>15,000</u>	<u>356</u>
Total Support Services-Instructional Staff	<u>763,346</u>	<u>865,225</u>	<u>101,879</u>
Support Services-General Administration:			
Board of Education Services:			
Salaries	41,437	48,500	7,063
Employee Benefits	11,822	14,600	2,778
Purchased Services	50,931	57,400	6,469
Supplies and Materials	275	1,000	725
Total Board of Education Services	<u>104,465</u>	<u>121,500</u>	<u>17,035</u>
Executive Administration Services:			
Salaries	141,876	146,000	4,124
Employee Benefits	29,150	28,000	(1,150)
Purchased Services	4,146	4,750	604
Supplies and Materials	166	500	334
Other Objects	1,923	2,500	577
Total Executive Administration Services	<u>177,261</u>	<u>181,750</u>	<u>4,489</u>
Total Support Services-General Administration	<u>281,726</u>	<u>303,250</u>	<u>21,524</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	621,171	627,500	6,329
Employee Benefits	92,835	99,950	7,115
Purchased Services	2,301	2,500	199
Supplies and Materials	1,321	2,500	1,179
Other Objects	1,825	2,500	675
Total Office of the Principal Service	<u>719,453</u>	<u>734,950</u>	<u>15,497</u>
Total Support Services-School Administration	<u>719,453</u>	<u>734,950</u>	<u>15,497</u>
Support Services-Business:			
Direction of Business Support Services:			
Purchased Services	14,878	17,000	2,122
Total Direction of Business Support Services	<u>14,878</u>	<u>17,000</u>	<u>2,122</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Fiscal Services:			
Salaries	56,477	61,500	5,023
Employee Benefits	7,436	8,600	1,164
Purchased Services	8,594	12,500	3,906
Supplies and Materials	443	1,500	1,057
Total Fiscal Services	<u>72,950</u>	<u>84,100</u>	<u>11,150</u>
Operation and Maintenance of Plant Services:			
Purchased Services	68,797	1,371,000	1,302,203
Supplies and Materials	29,804	80,000	50,196
Capital Outlay	1,194,018	95,000	(1,099,018)
Total Operation and Maintenance of Plant Services	<u>1,292,619</u>	<u>1,546,000</u>	<u>253,381</u>
Food Services:			
Salaries	164,882	166,500	1,618
Employee Benefits	35,250	36,500	1,250
Purchased Services	55	1,000	945
Supplies and Materials	346,971	371,000	24,029
Capital Outlay	6,003	10,000	3,997
Total Food Services	<u>553,161</u>	<u>585,000</u>	<u>31,839</u>
Total Support Services-Business	<u>1,933,608</u>	<u>2,232,100</u>	<u>298,492</u>
Support Services-Central:			
Staff Services:			
Salaries	7,419	7,500	81
Employee Benefits	1,198	1,300	102
Total Staff Services	<u>8,617</u>	<u>8,800</u>	<u>183</u>
Total Support Service-Central	<u>8,617</u>	<u>8,800</u>	<u>183</u>
Total Supporting Services	<u>4,322,593</u>	<u>4,782,370</u>	<u>459,777</u>
Community Services:			
Purchased Services	400	500	100
Supplies and Materials	113	500	387
Total Community Services	<u>513</u>	<u>1,000</u>	<u>487</u>
Payments to Other Governmental Units (In-State):			
Payments for Regular Programs:			
Purchased Services	0	500	500
Total Payments for Regular Programs	<u>0</u>	<u>500</u>	<u>500</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Payments for Special Education Programs:			
Purchased Services	409,793	450,000	40,207
Other Objects	61,680	62,000	320
Total Payments for Spec. Ed. Programs	<u>471,473</u>	<u>512,000</u>	<u>40,527</u>
Payments for Adult/Continuing Education Programs:			
Purchased Services	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Total Payments for Adult/Continuing Education Programs	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Other Payments to Governmental Units:			
Purchased Services	<u>9,617</u>	<u>0</u>	<u>(9,617)</u>
Total Other Payments to Governmental Units	<u>9,617</u>	<u>0</u>	<u>(9,617)</u>
Total Payments to Other Governmental Units (In-State)	<u>481,090</u>	<u>515,000</u>	<u>33,910</u>
Payments to Other Governmental Units - Tuition (In-State):			
Special Education Programs - Tuition	<u>100,398</u>	<u>215,000</u>	<u>114,602</u>
Total Payments to Other Governmental Units - Tuition (In-State)	<u>100,398</u>	<u>215,000</u>	<u>114,602</u>
Total Payments to Other Governmental Units	<u>581,488</u>	<u>730,000</u>	<u>148,512</u>
Total Direct Disbursements (without Student Activity Funds)	<u>13,062,891</u>	<u>14,289,030</u>	<u>1,226,139</u>
Total Direct Disbursements (with Student Activity Funds)	<u>13,423,137</u>	<u>14,439,030</u>	<u>1,015,893</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Facilities Acquisition and			
Construction Services:			
Purchased Services	21,934	30,000	8,066
Capital Outlay	161,833	180,000	18,167
Total Facilities Acquisition and			
Construction Services:	183,767	210,000	26,233
Operation and Maintenance of			
Plant Services:			
Salaries	482,402	475,000	(7,402)
Employee Benefits	72,610	80,650	8,040
Purchased Services	126,277	128,150	1,873
Supplies and Materials	411,444	454,000	42,556
Capital Outlay	97,156	125,000	27,844
Total Operation and Maintenance of			
Plant Services	1,189,889	1,262,800	72,911
Total Direct Disbursements	1,373,656	1,472,800	99,144

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 DEBT SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	104,381	110,000	5,619
Payments of Principal on Long-Term Debt	459,400	465,000	5,600
Debt Service-Other:			
Purchased Services	<u>382,100</u>	<u>98,500</u>	<u>(283,600)</u>
Total Direct Disbursements	<u><u>945,881</u></u>	<u><u>673,500</u></u>	<u><u>(272,381)</u></u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	231,460	254,500	23,040
Employee Benefits	35,272	40,725	5,453
Purchased Services	619,488	486,800	(132,688)
Supplies and Materials	128,014	130,000	1,986
Capital Outlay	41,500	243,000	201,500
Total Pupil Transportation Services	<u>1,055,734</u>	<u>1,155,025</u>	<u>99,291</u>
Other Support Services:			
Salaries	23,850	24,000	150
Employee Benefits	4,117	4,925	808
Total Other Support Services	<u>27,967</u>	<u>28,925</u>	<u>958</u>
Total Supporting Services	<u>1,083,701</u>	<u>1,183,950</u>	<u>100,249</u>
Debt Service:			
Interest on Long-Term Debt	<u>13,283</u>	<u>13,500</u>	<u>217</u>
Total Direct Disbursements	<u><u>1,096,984</u></u>	<u><u>1,197,450</u></u>	<u><u>100,466</u></u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	57,914	60,560	2,646
Pre-K Programs:			
Employee Benefits	6,771	9,600	2,829
Special Education Programs:			
Employee Benefits	83,609	96,050	12,441
Special Education Programs Pre-K:			
Employee Benefits	8,098	9,850	1,752
Remedial and Supplemental Programs K-12:			
Employee Benefits	10,529	15,800	5,271
CTE Programs:			
Employee Benefits	4,535	4,610	75
Interscholastic Programs:			
Employee Benefits	13,560	15,500	1,940
Summer School Programs:			
Employee Benefits	1,126	700	(426)
Driver's Education Programs:			
Employee Benefits	1,390	1,500	110
Total Instruction	<u>187,532</u>	<u>214,170</u>	<u>26,638</u>
Supporting Services:			
Support Services-Pupils:			
Guidance Services:			
Employee Benefits	14,852	7,000	(7,852)
Health Services:			
Employee Benefits	9,288	18,200	8,912
Speech Pathology and Audiology:			
Employee Benefits	1,934	2,000	66
Other Support Services-Pupils:			
Employee Benefits	25	525	500
Total Support Services-Pupils	<u>26,099</u>	<u>27,725</u>	<u>1,626</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	0	150	150
Educational Media Services:			
Employee Benefits	38,284	45,800	7,516
Total Support Services-Instructional Staff	<u>38,284</u>	<u>45,950</u>	<u>7,666</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	7,067	13,000	5,933
Executive Administration Services:			
Employee Benefits	7,341	7,500	159
Risk Management and Claims Service Payments			
Employee Benefits	14	0	(14)
Total Support Services-General Administration	<u>14,422</u>	<u>20,500</u>	<u>6,078</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	40,369	45,000	4,631
Support Services-Business:			
Fiscal Services:			
Employee Benefits	9,768	13,500	3,732
Operation and Maintenance of Plant Services:			
Employee Benefits	91,305	92,100	795
Pupil Transportation Services:			
Employee Benefits	40,132	51,250	11,118
Food Services:			
Employee Benefits	29,655	31,500	1,845
Total Support Services-Business	<u>170,860</u>	<u>188,350</u>	<u>17,490</u>
Support Services-Central:			
Staff Services:			
Employee Benefits	106	150	44
Other Support Services:			
Employee Benefits	346	350	4
Total Support Services	<u>290,486</u>	<u>328,025</u>	<u>37,539</u>
Total Direct Disbursements	<u><u>478,018</u></u>	<u><u>542,195</u></u>	<u><u>64,177</u></u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Capital Outlay	<u>0</u>	<u>350,000</u>	<u>350,000</u>
 Total Direct Disbursements	 <u><u>0</u></u>	 <u><u>350,000</u></u>	 <u><u>350,000</u></u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	8,355	8,500	145
Employee Benefits	1,130	1,395	265
Total Regular Programs	<u>9,485</u>	<u>9,895</u>	<u>410</u>
Special Education Programs:			
Salaries	67,965	70,000	2,035
Employee Benefits	11,048	12,900	1,852
Total Special Education Programs	<u>79,013</u>	<u>82,900</u>	<u>3,887</u>
CTE Programs:			
Salaries	12,020	15,000	2,980
Employee Benefits	1,444	1,925	481
Total CTE Programs	<u>13,464</u>	<u>16,925</u>	<u>3,461</u>
Interscholastic Programs:			
Salaries	1,234	1,500	266
Employee Benefits	138	330	192
Total Interscholastic Programs	<u>1,372</u>	<u>1,830</u>	<u>458</u>
Driver's Education Programs:			
Salaries	5,085	5,000	(85)
Employee Benefits	691	975	284
Total Drivers Education Programs	<u>5,776</u>	<u>5,975</u>	<u>199</u>
Total Instruction	<u>109,110</u>	<u>117,525</u>	<u>8,415</u>
Support Services:			
Support Services - Pupils:			
Guidance Services:			
Salaries	26,777	28,000	1,223
Employee Benefits	2,685	2,850	165
Total Guidance Services	<u>29,462</u>	<u>30,850</u>	<u>1,388</u>
Health Services:			
Salaries	28,992	35,000	6,008
Employee Benefits	5,218	6,195	977
Total Health Services	<u>34,210</u>	<u>41,195</u>	<u>6,985</u>
Total Support Services-Pupils	<u>63,672</u>	<u>72,045</u>	<u>8,373</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Executive Administration Services:			
Salaries	23,850	24,000	150
Employee Benefits	4,117	4,860	743
Total Executive Administration Services	<u>27,967</u>	<u>28,860</u>	<u>893</u>
Claims Paid from Self Insurance Fund:			
Purchased Services	<u>246,905</u>	<u>259,500</u>	<u>12,595</u>
Risk Management and Claims Services Payments:			
Salaries	80	2,000	1,920
Employee Benefits	0	150	150
Purchased Services	153,764	209,000	55,236
Supplies and Materials	77	2,500	2,423
Total Risk Management and Claims Payments	<u>153,921</u>	<u>213,650</u>	<u>59,729</u>
Total Support Services-General Administration	<u>428,793</u>	<u>502,010</u>	<u>73,217</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	113,966	120,000	6,034
Employee Benefits	11,067	14,000	2,933
Total Office of the Principal Service	<u>125,033</u>	<u>134,000</u>	<u>8,967</u>
Total Support Services-School Administration	<u>125,033</u>	<u>134,000</u>	<u>8,967</u>
Support Services-Business:			
Operation and Maintenance of Plant Services:			
Salaries	52,916	55,000	2,084
Employee Benefits	7,547	9,000	1,453
Total Operation and Maintenance of Plant Services	<u>60,463</u>	<u>64,000</u>	<u>3,537</u>
Pupil Transportation Services:			
Salaries	7,639	9,000	1,361
Employee Benefits	1,014	1,475	461
Total Pupil Transportation Services	<u>8,653</u>	<u>10,475</u>	<u>1,822</u>
Food Services:			
Salaries	7,667	8,500	833
Employee Benefits	1,574	2,200	626
Total Food Services	<u>9,241</u>	<u>10,700</u>	<u>1,459</u>
Total Support Services-Business	<u>78,357</u>	<u>85,175</u>	<u>6,818</u>
Total Supporting Services	<u>695,855</u>	<u>793,230</u>	<u>97,375</u>
Total Direct Disbursements	<u>804,965</u>	<u>910,755</u>	<u>105,790</u>

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
FIRE PREVENTION AND SAFETY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	77,815	85,000	7,185
Supplies and Materials	0	5,000	5,000
Capital Outlay	119,096	150,000	30,904
Total Facilities Acquisition & Construction	196,911	240,000	43,089
Total Direct Disbursements	196,911	240,000	43,089

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies

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

A. Principles Used to Determine the Scope of the Reporting Entity

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

Component Units

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

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. Basis of Presentation - Fund Accounting

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

Governmental Funds -

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

The Educational Fund 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 Educational Fund includes the Student Activity Funds. These funds are used to account for financial resources used for student programs.

The Operations and Maintenance Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

B. Basis of Presentation - Fund Accounting (cont'd)

Governmental Funds - (cont'd)

The Transportation Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

The Municipal Retirement/Social Security Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

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

The Tort Fund 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 (other than those financed by Trust Funds).

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.

Scholarship Funds account for assets held by the District for the purpose of providing scholarships to District graduates on an annual basis.

Governmental and Expendable Trust Funds - Measurement Focus

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

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

B. Basis of Presentation - Fund Accounting (cont'd)

General Fixed Assets and General Long-Term Debt Account Group

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. 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 SD50-35/JA50-60) includes depreciation of \$761,916 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$14,365,261. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Depreciable Land	50 years
Buildings	
Permanent	50 years
Temporary	20 years
Infrastructure Improvements other than Building	20 years
Capitalized Equipment	3-10 years

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

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

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the account and how they are 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. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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

Proceeds from sales of bonds and long-term notes are included as other financing sources 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.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

D. 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 22, 2021 and was amended on June 22, 2022.

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

The District follows these procedures in establishing the budgetary data reflected on 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 disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 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.

G. Inventories

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

H. Fund Balances

In accordance with Government Accounting Standards, fund balances are classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

H. Fund Balances (cont'd)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. As of June 30, 2022, the District has classified \$98 as nonspendable.

Restricted - 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, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has certain funds that are, by definition, restricted for specified purposes. These funds consist of the reserved amounts in the Educational Fund as identified in Note #3, the Operations and Maintenance, Debt Services, Transportation, Municipal Retirement/Social Security, Capital Projects, Tort, and the Fire Prevention and Safety funds.

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

The School Board commits fund balance by making motions or passing resolutions to adopt policies or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. As of June 30, 2022, the District did not classify any amounts as committed.

Assigned - The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself by assigning amounts to be used for specific purposes. As of June 30, 2022, the District did not classify any amounts as assigned.

Unassigned - The unassigned fund balance classification is the residual classification for amounts in the general funds (Educational and Working Cash) for amounts that have not been restricted, committed, or assigned to specific purposes within the general funds.

It is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

The District follows the regulatory basis of reporting fund balances under guidelines prescribed by the Illinois State Board of Education, which is a special purpose reporting framework. The regulatory basis reports Reserved and Unreserved fund balance. See Note #3 for more detail.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #1 - Summary of Significant Accounting Policies (cont'd)

I. Leases

The District accounts for leases as follows:

Lease contracts that transfer ownership – lease expenditures are recognized in the individual funds as capital outlay and included in the General Fixed Assets Account Group when paid.

All other lease contracts – lease expenditures are recognized in the individual funds as purchased services when paid.

The future minimum lease payments for all lease contracts are not included in the General Long-Term Debt Account Group. Future lease commitments are disclosed in Note #15. GASB No. 87 - *Leases* is effective for financial statement periods ending after June 15, 2022. This pronouncement did not impact the preparation of these financial statements due to the basis of accounting as previously described in Note #1.

J. Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line-item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

Note #2 - Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes are levied in Mercer, Henderson, and Rock Island Counties. The 2021 levy was passed by the board on December 15, 2021. 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 in the months following June and September. The District received \$88,595 from the 2021 tax levy prior to June 30, 2022. The balance of taxes in these statements are from the 2020 and prior tax levies.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	Maximum <u>Rate</u>	Actual <u>2021 Rate</u>	Actual <u>2020 Rate</u>	Actual <u>2019 Rate</u>
Educational	2.70000	2.70000	2.66815	2.69994
Operations and Maintenance	0.50000	0.70000	0.69174	0.69999
Transportation	0.20000	0.20000	0.19771	0.20000
Debt Services	None	0.34901	0.32318	0.34125
Municipal Retirement	None	0.07971	0.13781	0.12272
Social Security	None	0.14602	0.15791	0.22031
Tort Immunity	None	0.50445	0.40192	0.36351
Leasing	0.05000	0.05000	0.04950	0.05000
Special Education	0.04000	0.04000	0.03960	0.04000
Fire Prevention and Safety	0.05000	0.05000	0.04950	0.05000
Working Cash	0.05000	<u>0.05000</u>	<u>0.04950</u>	<u>0.05000</u>
Total		<u>4.86919</u>	<u>4.76652</u>	<u>4.83772</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #3 - Regulatory Fund Balances

The District follows the regulatory basis of reporting fund balances under guidelines prescribed by the Illinois State Board of Education, which consists of Reserved and Unreserved Fund Balances. Reserved Fund Balances results when constraints placed on fund balance use is either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. Unreserved Fund Balances consists of fund balance that does not meet the criteria of the preceding category.

The District has the following categories of reserved fund balances:

1. Special Education Levy

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

2. Leasing Levy

Cash disbursed and the related cash receipts of this tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no reserved fund balance. The District did not account for this tax levy in the Operations and Maintenance Fund in the current year; however, it has done so in prior years. Unspent cash receipts from the tax levies of previous years were presented as a reserved balance of \$34,929 in this fund for the current year.

3. Social Security Levy

Cash disbursed and the related cash receipts of this tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$351,931.

4. School Facility Occupation Tax

Proceeds from the school facility occupation tax have been included in the Debt Service Fund and Capital Projects Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$54,963 and \$1,607,751 in the Debt Service and Capital Projects Funds, respectively.

5. Student Activity Funds

The District has Student Activity Funds that are included in the Educational Fund balance. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$221,673.

6. Trust and Agency Funds

The District had various trust accounts for scholarships and memorials during the fiscal year totaling \$117,717. This balance is included in the financial statements as reserved in the Trust and Agency Funds.

Cash received and related cash disbursements from the District's Self-Funded Insurance Fund are accounted for in the Trust and Agency Funds. The Net Asset Available for Benefits in the Self-Funded Insurance Fund at June 30, 2022 was \$766,606. This balance is included in the financial statements as Reserved in the Trust and Agency Funds.

7. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Operations and Maintenance, and Transportation Funds. Revenue received in a prior year exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$60,362 in the Operations and Maintenance Fund.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #3 - Regulatory Fund Balances (cont'd)

8. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no reserved fund balance.

When both reserved and unreserved resources are available for use, it is the District's policy to use reserved resources first to finance qualifying activities, then unreserved resources as they are needed.

Note #4 - 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 Section 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 is the risk that in the event of a bank failure, the government'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.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's 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, 2022, none of the District's bank balances were exposed to custodial credit risk.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #4 – Deposits and Investments (cont'd)

Interest Rate Risk

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

As of June 30, 2022, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Investment in School District Bonds	<u>6,327,400</u>	<u>6,327,400</u>	<u>192,400</u>	<u>926,700</u>	<u>1,350,900</u>	<u>3,857,400</u>
Total	<u>6,327,400</u>	<u>6,327,400</u>	<u>192,400</u>	<u>926,700</u>	<u>1,350,900</u>	<u>3,857,400</u>

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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

Credit Risk

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 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, 2022, 100% of the District's investments were in School District Bonds.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District had no foreign currency risk as of June 30, 2022.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #5 – General Fixed Asset Account Group

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Non-Depreciable Land	235,697	0	0	235,697
Permanent Buildings	17,320,434	657,400	0	17,977,834
Improvements Other than Buildings	6,531,315	15,213	0	6,546,528
Capitalized Equipment – 10 Year Equipment	1,803,913	172,210	74,557	1,901,566
Capitalized Equipment – 5 Year Equipment	292,315	41,500	6,500	327,315
Capitalized Equipment – 3 Year Equipment	41,430	0	0	41,430
Construction in Progress	<u>0</u>	<u>865,972</u>	<u>0</u>	<u>865,972</u>
Totals	<u>26,225,104</u>	<u>1,752,295</u>	<u>81,057</u>	<u>27,896,342</u>

Note #6 – Pension Disclosures

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The aggregate employer recognized pension expense on a cash basis for the year ended June 30, 2022, was \$269,127.

A. Teacher’s Retirement System of the State of Illinois

Plan description

The employer participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. 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. The District employed 144 TRS members during the current fiscal year.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2021>; 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 consecutive 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.

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 highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than Tier 1.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier 1 members to receive a partial lumpsum 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 began in 2019 and are 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 June 30, 2021, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2022, state of Illinois contributions recognized by the employer were based on the state's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$3,483,204 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2022, were calculated to be \$41,078 and \$41,065 was actually paid during the year ended June 30, 2022. Additionally, the District paid \$924 to complete the prior year's required contribution.

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

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

For the year ended June 30, 2022, the employer pension contribution was 10.31 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2022, salaries totaling \$140,687 were paid from federal and special trust funds that required employer contributions of \$14,505. \$14,505 was actually paid during the year ended June 30, 2022. Additionally, the District paid \$144 to complete the prior year's required contribution.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd)

A. Teacher's Retirement System of the State of Illinois (cont'd)

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2022, the employer paid \$2,257 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

Pension Expense

For the year ended June 30, 2022, the employer recognized TRS pension expense of \$58,895 on a cash basis under this plan.

B. Illinois Municipal Retirement Fund

Plan Description.

The District's defined benefit pension plan for non-certified 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, for the plan as a whole, but not for individual employers. That report is available for download at <https://www.imrf.org/en/publications-and-archive/annual-financial-reports>.

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 three IMRF benefit plans have two tiers. Tier 2 benefits are lower than Tier 1, and cost about 40% less to provide. All IMRF members initially hired on or after January 1, 2011, are in Tier 2.

Both the member and the employer contribute toward retirement benefits. Members contribute a percentage of their salary as established by the Pension Code. The percentage depends on the plan in which the member participates. Regular members contribute 4.5%. SLEP and ECO members contribute 7.5%. Members also have the option of making voluntary after-tax contributions up to 10% of their salary. Employer contribution rates are actuarially calculated annually for each employer. Employers pay most of the cost for member and survivor pensions and all of the cost for supplemental retirement, death, and disability benefits. All contributions are pooled for investment purposes.

Since 1982, investment returns account for 65% of IMRF revenue.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #6 – Pension Disclosures (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

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.

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	76
Active employees	<u>97</u>
Total Members	277

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 for calendar year 2021 was 10.42%. The total employer contribution paid for 2021 was \$208,307. The District's contribution rate for the calendar year 2022 is 9.80%. The actual contributions paid during the fiscal year ended June 30, 2022 were \$210,232. 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.

Note #7 – Other Post-Employment Benefits

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

A. Teacher Health Insurance Security

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants 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.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #7 – Other Post-Employment Benefits (cont'd)

A. Teacher Health Insurance Security (cont'd)

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

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 0.90 percent of pay for the year ended June 30, 2022. State of Illinois contributions were \$61,288, and the employer recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2022. For the year ended June 30, 2022, the employer paid \$47,452 to the THIS Fund, which was 100 percent of the required contribution. Additionally, the District paid \$3,431 to complete the prior year's required contribution.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Reports prior to FY2013 are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

B. Post-Retirement Health Care Plan

The District provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees are responsible for a portion of the entire premium payment to secure coverage. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2022.

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 have a trust fund and therefore 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 for the District to pay for post-retirement medical insurance benefits or premiums as they occur. The District requires retirees to contribute 100% of the premium for their desired coverage. The premiums are established for the employee/retiree group, which currently range from \$795 per month for individual coverage to \$2,415 per month for family coverage. 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 premium established is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. Therefore, there are no cash-basis expenditures reported by the District in regard to the plan benefits for retirees.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #8 – General Long-Term Debt Account Group

Long-term debt at June 30, 2022, 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.

Bonded indebtedness consists of three General Obligation Working Cash Bonds dated March 15, 2022 in the amounts of \$6,327,400, \$8,973,100, and \$3,281,500.

Debt Defeasance—

During the year ended June 30, 2022, the District issued General Obligation Working Cash & Refunding School Bonds, Series 2022A in the amount of \$6,327,400 to refund the Life Safety & Refunding Bonds, Series 2018, which were called. Principal due on the Life Safety & Refunding Bonds, Series 2018 was \$3,199,900 and interest was \$367,562. The total economic loss on the refunding is \$1,037,213.

During the year ended June 30, 2022, the District issued Debt Certificates, 2021 in the amount of \$9,500,000 on December 14, 2021, which were called. Principal due on the Debt Certificate, 2021 was \$9,500,000 and interest was \$26,415.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2022:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due In Less Than One Year</u>
Bonds									
Life Safety Bonds, 2016	1,700,000	12/1/16	12/1/21	1.00-2.00%	316,900	0	(316,900)	0	0
Life Safety & Refunding Bonds, 2018	3,525,200	3/8/18	12/1/27	1.85-3.35%	3,342,400	0	(3,342,400)	0	0
Debt Certificates	9,500,000	12/14/21	12/1/41	1.10%	0	9,500,000	(9,500,000)	0	0
Working Cash & Refunding Bonds, 2022A	6,327,400	3/15/22	12/1/41	2.75%	0	6,327,400	0	6,327,400	192,400
Working Cash & Refunding Bonds, 2022B	8,973,100	3/15/22	12/1/41	1.05-3.10%	0	8,973,100	0	8,973,100	0
Working Cash & Refunding Bonds, 2022C	3,281,500	3/15/22	12/1/35	0.75-2.45%	0	<u>3,281,500</u>	<u>0</u>	<u>3,281,500</u>	<u>209,000</u>
Total					<u>3,659,300</u>	<u>28,082,000</u>	<u>(13,159,300)</u>	<u>18,582,000</u>	<u>401,400</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #8 – General Long-Term Debt Account Group (cont'd)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	401,400	470,707	872,107
2024	483,800	452,561	936,361
2025	519,900	444,281	964,181
2026	558,600	434,616	993,216
2027	599,600	423,722	1,023,322
2028	643,100	411,503	1,054,603
2029	689,500	397,706	1,087,206
2030	738,600	382,450	1,121,050
2031	790,400	365,835	1,156,235
2032	845,200	347,635	1,192,835
2033	903,100	327,756	1,230,856
2034	964,400	306,037	1,270,437
2035	1,029,600	282,029	1,311,629
2036	1,098,900	255,535	1,354,435
2037	1,172,300	226,697	1,398,997
2038	1,250,600	194,678	1,445,278
2039	1,334,200	159,055	1,493,255
2040	1,423,200	120,143	1,543,343
2041	1,517,700	77,634	1,595,334
2042	<u>1,617,900</u>	<u>31,527</u>	<u>1,649,427</u>
	<u>18,582,000</u>	<u>6,112,101</u>	<u>24,694,101</u>

Debt Services Fund Balance –

At June 30, 2022, the excess of assets over liabilities of the Debt Services Fund was allocable to the following:

Working Cash Bonds, Series 2022A	146,803
Working Cash Bonds, Series 2022B	1,936
Working Cash Bonds, Series 2022C	<u>2,142</u>
Total	<u>150,881</u>

Legal Debt Limit –

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 equalized assessed value as of January 1, 2021 was \$188,376,088.

Legal Debt Limit	\$25,995,900
Less Qualifying Debt	<u>(18,582,000)</u>
Legal Debt Margin	\$7,413,900

Note #9 - Tax Anticipation Warrants

There were no tax anticipation warrants issued, retired, or outstanding during the fiscal year ended June 30, 2022.

Note #10 - Interfund Loans and Transfers

The District transferred investment interest of \$29,700 from the Operations and Maintenance Fund and \$55,370 from the Working Cash Fund into the Educational Fund, during the fiscal year ended June 30, 2022 for general operations. There were no interfund loans during the year ended June 30, 2022.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #11 - Deficit Fund Balances

As of June 30, 2022, the District had no deficit fund balances.

Note #12 - Disbursements and Transfers in Excess of Budget

The District had the following disbursements and/or transfers in excess of budget for the year ended June 30, 2022:

	<u>Actual</u>	<u>Budget</u>
Debt Services Fund	945,881	673,500
Working Cash Fund	55,370	-0-

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, 2015, the District implemented a self-administered plan for medical coverage provided to District personnel. BlueCross BlueShield 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 \$65,000. Aggregate stop loss insurance is \$1,035,124 as of June 30, 2022. Therefore, the plan has not fully protected itself from loss in excess of funds it has set aside in its plan.

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, 2022.

Note #14 - Contingencies

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

Existing and pending lawsuits, claims and other actions in which the District is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of District management, remotely recoverable by plaintiffs.

Note #15 - Commitments

As of June 30, 2022, the District had the following commitments:

Leases –

The District leases copiers with monthly lease payments between \$230-\$5,164 under 60-month lease agreements with rotating end dates. These lease payments have been recorded in the Educational Fund as purchased services.

The District leases buses with annual lease payments between \$20,735-\$82,125 under a 6-year lease agreement. These lease payments have been recorded in the Transportation Fund as purchased services.

The District leases computer and IT equipment with annual lease payments of \$22,956 under a 4-year lease agreement.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #15 – Commitments (cont'd)

These lease payments have been recorded in the Educational Fund as capital outlay.

The total amount paid for leases during the fiscal year was \$280,230, of which \$91,492 was paid from the Educational Fund and \$188,738 was paid from the Transportation Fund. As of June 30, 2022, the future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Fund</u>		<u>Total Lease Payments</u>
	<u>Educational</u>	<u>Transportation</u>	
2023	64,726	121,007	185,733
2024	1,611	121,007	122,618
2025	0	103,772	103,772
2026	<u>0</u>	<u>19,199</u>	<u>19,199</u>
Total	<u>\$ 66,337</u>	<u>\$ 364,985</u>	<u>\$ 431,322</u>

Unpaid Teacher's Contracts – Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2022, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2022, amounted to \$994,939.

Vacation Pay – Vacation pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2022, the estimated unused vacation pay liability is \$1,483.

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

Construction Commitments –

<u>Contractor</u>	<u>Project</u>	<u>Fund to be Paid Out Of</u>	<u>Outstanding Contract Amount</u>
Bruce Builders	Junior High School Addition	Educational	\$875,475
Bruce Builders	High School Tuckpointing and Flooring	Fire Prevention and Safety	<u>\$404,813</u>
			<u>\$1,280,288</u>

Note #16 - Joint Agreements

Along with other area school districts, the District is a member of the Black Hawk Area Special Education District (BHASED) located at 4680 11th St, East Moline, IL 61244. The District is also a member of Quad City Career and Technical Education Consortium (QCCTEC) located at 1275 Avenue of the Cities, East Moline, IL 61244-4100. The District's pupils 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.

During the year, the District made payments of \$571,871 to BHASED for special education services and tuition.

Note #17 – Risk Management – Claims and Judgments

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended June 30, 2022, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

MERCER COUNTY SCHOOL DISTRICT NO. 404
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #17 – Risk Management – Claims and Judgments (cont'd)

The District is insured under a guaranteed cost plan for worker's compensation coverage. During the year ended June 30, 2022, there were no significant adjustments in premiums based on actual experience.

Note #18 – 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, 2022, twelve employees have notified the District of their intent to retire. Future payments under this program are estimated to total \$85,216.

Note #19 – Other Receivables

As of June 30, 2022, employees owed the District \$98 for advances made to purchase computer equipment.

Note #20 – Other Sources

As of June 30, 2022, the District reported \$9,500,000 of Debt Certificates as Other Sources. See Note #8 for more information.

Note #21 – COVID-19 Impact

The District is monitoring the global outbreak of the novel coronavirus (COVID-19). During the fiscal year, certain operations of the district were affected by the pandemic. The District received and will continue to receive additional federal funding provided by legislation brought on by the coronavirus. The District believes the ultimate impact of the COVID-19 pandemic is likely to be determined by factors which are uncertain, unpredictable and outside of the District's control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially impact the District.

Note #22 – Change in Accounting Principle

In prior financial statements the District reported a liability for capital lease agreements within the General Long-Term Debt Account Group under a modified cash basis presentation that did not arise from previous cash transactions. In the current financial statements, all lease agreements are recognized on the cash basis of accounting, as described in Note #1, and no liability has been presented in the General Long-Term Debt Account Group. Prior period adjustments of \$21,915 were made to restate the June 30, 2021 balances of *Long Term Debt Payable* (Liability) and *Amounts to be Provided for Payment of Debt* (Asset) in the General Long-Term Debt Account Group.

	<u>General Long-Term Debt Account Group</u>
Long Term Debt Payable at June 30, 2021	\$ 3,681,215
Prior Period Adjustment for Capital Lease Agreements	<u>(21,915)</u>
Long Term Debt Payable at June 30, 2021, as Restated	<u>\$ 3,659,300</u>
Amounts to be Provided for Payment of Debt at June 30, 2021	\$ 3,532,799
Prior Period Adjustment for Capital Lease Agreements	<u>(21,915)</u>
Amounts to be Provided for Payment of Debt at June 30, 2021, as Restated	<u>\$ 3,510,884</u>

Refer to Note #1, Summary of Significant Accounting Policies, for additional information on the basis of accounting and treatment of leases in the financial statements.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note #23 – Subsequent Events

The District evaluates events and transactions that occur subsequent to year-end for potential recognition or disclosure in the financial statements through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF REVENUES RECEIVED,
 EXPENDITURES DISBURSED, AND FUND BALANCE
 ALL STUDENT ACTIVITY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	High School Activity Fund	Junior High School Activity Fund	Intermediate School Activity Fund	New Boston Elementary School Activity Fund	Apollo Elementary School Activity Fund	Total
Beginning Activity Fund Balance, July 1, 2021	118,686	37,469	6,000	21,028	8,759	191,942
Revenues Received	316,983	56,353	4,322	6,281	6,038	389,977
Expenditures Disbursed	(299,143)	(36,992)	(8,375)	(8,964)	(6,772)	(360,246)
Ending Activity Fund Balances, June 30, 2022	<u>136,526</u>	<u>56,830</u>	<u>1,947</u>	<u>18,345</u>	<u>8,025</u>	<u>221,673</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
MERCER COUNTY HIGH SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Activity Tickets	200.00	2,320.00	2,320.00	200.00
All Purpose	39.54	1,321.00	1,320.20	40.34
Art Fundraiser	409.88	753.00	490.14	672.74
Athletic Fund	1,616.87	0.00	0.00	1,616.87
Band	167.75	27,560.82	26,451.16	1,277.41
Baseball	912.77	19,599.63	18,438.19	2,074.21
Bass Fishing Club	889.74	175.00	67.68	997.06
Body Conditioning	227.95	0.00	0.00	227.95
Boys & Girls Golf	466.42	310.00	233.76	542.66
Boys Basketball	2,738.60	14,030.27	10,473.46	6,295.41
Bryant J Luxmore Memorial Fund	0.00	1,000.00	1,000.00	0.00
Business Office	2,890.57	922.13	2,817.68	995.02
Care Fund	497.77	156.00	610.58	43.19
Cheerleaders	7,113.83	570.20	3,726.93	3,957.10
Chorus	1,270.39	1,708.01	2,636.44	341.96
Class of 2022	296.65	0.00	296.65	0.00
Class of 2023	0.00	8,021.00	6,688.28	1,332.72
Class of 2023	0.00	155.00	0.00	155.00
Creative Writing Club	19.01	0.00	0.00	19.01
Cross Country	793.60	5,132.00	5,316.55	609.05
Dick Hogan Band Memorial Fund	584.76	0.00	0.00	584.76
Drama Class/Fall Play	1,313.17	827.00	1,110.90	1,029.27
Dr Education	1,320.01	62.00	438.70	943.31
Faculty Fund/Memorials	149.11	449.00	414.75	183.36
Faculty Lounge	51.23	421.80	472.80	0.23
FCA	1,644.60	200.00	457.41	1,387.19
FFA	5,933.46	51,928.30	41,523.15	16,338.61
FFA (Car Raffle)	10,675.20	20,904.67	19,809.15	11,770.72
FFA (Donated Money for Student Use)	14,647.32	3,815.00	1,000.00	17,462.32
FFA (Section 4 Officers)	1,873.67	857.09	1,622.35	1,108.41
FFA (Section 4 Teachers)	605.33	450.00	439.50	615.83
FFA (Torch Mate)	2,777.98	8,602.86	1,944.39	9,436.45
Flag Squad	434.69	0.00	0.00	434.69
Football	4,374.36	12,460.60	14,304.50	2,530.46
Girls Basketball	3,824.38	9,965.44	8,375.56	5,414.26
Girls Track	4,572.63	2,105.81	3,163.76	3,514.68
Greenhouse	0.00	2,936.00	2,384.92	551.08
Guidance Department	327.00	655.00	491.60	490.40
Hall of Fame	168.01	0.01	76.26	91.76
Jazz Band	325.60	543.86	793.44	76.02
Key Club	1,312.30	1,583.23	1,656.85	1,238.68

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
MERCER COUNTY HIGH SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Library	152.67	867.29	642.11	377.85
LTC Art Festival	0.00	940.00	937.67	2.33
MCHS Musical	3,258.42	4,650.83	2,929.50	4,979.75
Music Theory	1,238.55	1,479.84	981.07	1,737.32
Music Trip	12,665.93	39,693.80	48,968.30	3,391.43
PE Bowling	1,549.72	3,208.00	3,300.00	1,457.72
Physical Education	0.00	324.80	0.00	324.80
Pom Pon Squad	603.33	726.71	825.42	504.62
S.T.E.P. Program	0.00	979.90	729.29	250.61
Scholastic Bowl	1,382.67	700.00	61.00	2,021.67
Softball	3,915.62	9,003.67	7,841.99	5,077.30
Student Council	2,791.54	12,160.16	8,566.78	6,384.92
Track	1,270.62	2,144.00	2,523.47	891.15
Vending Machine	92.66	12,279.74	10,930.48	1,441.92
Volleyball	1,251.59	7,721.61	7,293.72	1,679.48
Wood Shop	3,431.26	11,665.25	9,278.41	5,818.10
Wrestling	1,334.39	4,309.00	2,070.32	3,573.07
Yearbook	6,280.51	1,627.00	7,895.51	12.00
Total	<u>118,685.63</u>	<u>316,983.33</u>	<u>299,142.73</u>	<u>136,526.23</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
 MERCER COUNTY JUNIOR HIGH SCHOOL ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Band	6,316.04	16,949.00	12,843.10	10,421.94
Calculator Orders	575.28	0.00	0.00	575.28
Care Fund	430.60	0.00	0.00	430.60
Chorus	2,852.78	3,117.37	2,175.93	3,794.22
Sports Fees	125.00	0.00	0.00	125.00
Counselor	120.99	0.00	110.93	10.06
Flower Fund	223.54	133.09	356.63	0.00
General Fund	447.47	10,080.00	313.60	10,213.87
JH Boys Basketball	11.75	1,103.07	291.91	822.91
JH Girls Basketball	1,882.17	2,701.83	916.00	3,668.00
JH Cheer	2,437.74	0.00	0.00	2,437.74
JH Cross Country	204.15	144.00	87.75	260.40
JH Football	0.61	0.00	0.00	0.61
JH Softball	470.00	51.00	0.00	521.00
JH Student Senate	3,547.03	14,062.51	10,284.13	7,325.41
JH Track	1,099.91	931.00	731.77	1,299.14
JH Volleyball	194.99	3,418.58	2,540.19	1,073.38
JH Wrestling	455.83	1,317.80	1,459.30	314.33
LRC/Book Fund	3,168.82	17.00	0.00	3,185.82
Other	115.04	0.00	0.00	115.04
P.E.	1,372.68	21.00	0.00	1,393.68
Prairieland Conference	3,962.46	290.00	1,985.00	2,267.46
Science	302.58	0.00	156.59	145.99
Student Assistance Team	175.69	76.93	252.62	0.00
Student Awards	127.65	0.00	0.00	127.65
Student Improvement	417.36	0.00	64.86	352.50
Teacher's Pop Fund	632.00	107.92	22.20	717.72
Technology Fund	17.83	0.00	0.00	17.83
Tournaments	4,652.51	260.00	1,316.71	3,595.80
Vending Machines	804.01	943.40	248.56	1,498.85
Yearbook Orders	117.01	427.85	497.36	47.50
ZAP Program	(0.00)	92.00	92.00	0.00
Interest Income	207.79	107.32	245.02	70.09
Total	<u>37,469.31</u>	<u>56,352.67</u>	<u>36,992.16</u>	<u>56,829.82</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
 MERCER COUNTY INTERMEDIATE SCHOOL ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
5th Grade Science	13.81	350.00	83.30	280.51
Art Fund	2.54	0.00	0.00	2.54
Band Fund	945.32	374.00	941.88	377.44
Care Fund	730.88	0.00	725.70	5.18
Chorus Fund	360.27	469.00	822.80	6.47
General Fund	1,725.37	852.74	2,454.65	123.46
Gift Fund	11.16	0.00	0.00	11.16
Library	871.79	30.00	137.57	764.22
McCaw Memorial Fund	227.05	27.61	0.00	254.66
PBIS	253.85	0.00	224.25	29.60
Pop Fund	16.49	2,219.30	2,224.99	10.80
Rewards Fund	3.77	0.00	0.00	3.77
Student Assitsance	474.03	0.00	398.97	75.06
Yearbook	363.33	0.00	361.19	2.14
Total	<u>5,999.66</u>	<u>4,322.65</u>	<u>8,375.30</u>	<u>1,947.01</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
 NEW BOSTON ELEMENTARY SCHOOL ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
Donation	6,130.98	0.00	1,657.00	4,473.98
Duncan's Scholastic Reader's Program	0.48	0.00	0.48	0.00
General	10,204.46	5,379.16	4,703.81	10,879.81
Library Fund	1,946.88	324.00	2,162.37	108.51
Nurse Grant	720.07	0.00	0.00	720.07
Pop Fund	543.95	61.50	30.95	574.50
Sensory Room	160.95	0.00	0.00	160.95
Summer School	832.85	0.00	0.00	832.85
Sunshine Club	487.97	516.00	410.00	593.97
Total	<u>21,028.59</u>	<u>6,280.66</u>	<u>8,964.61</u>	<u>18,344.64</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF FUND BALANCE, REVENUES RECEIVED AND EXPENDITURES DISBURSED
 APOLLO ELEMENTARY SCHOOL ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Activities	Beginning Fund Balance	Revenues Received	Expenditures Disbursed	Ending Fund Balance
4th Grade Science	264.73	111.00	0.00	375.73
Apollo Care Fund	2,061.20	1,900.75	2,338.09	1,623.86
Art Fund	1,226.00	650.00	650.00	1,226.00
Butterfly Garden Fund	3.99	0.00	0.00	3.99
Flower Fund	314.83	844.15	753.80	405.18
Library Fund	819.01	162.68	0.00	981.69
Music Fund	656.16	549.00	657.75	547.41
PBIS-Principal Fund	1,637.38	1,753.70	2,172.22	1,218.86
Pencil Fund	377.29	0.00	0.00	377.29
Pop Fund	188.87	66.66	200.00	55.53
Sensory Room	773.00	0.00	0.00	773.00
Maker Space	436.81	0.00	0.00	436.81
Total	<u>8,759.27</u>	<u>6,037.94</u>	<u>6,771.86</u>	<u>8,025.35</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
 COMBINING SCHEDULE OF ASSETS, LIABILITIES, FUND BALANCE
 AND OTHER CREDITS ARISING FROM CASH TRANSACTIONS
 ALL TRUST AND AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>ASSETS</u>	Scholarship Funds	Self-Funded Insurance Plan Fund	Total
Cash and Cash Equivalents	117,717	766,606	884,323
Total Assets	117,717	766,606	884,323
<u>LIABILITIES</u>			
Total Liabilities	0	0	0
<u>FUND BALANCE AND OTHER CREDITS</u>			
Net Assets Available for Benefits-Reserved Fund Balance	117,717	766,606	884,323
Total-Reserved Fund Balance	117,717	766,606	884,323
<u>TOTAL LIABILITIES, FUND BALANCE, AND OTHER CREDITS</u>	117,717	766,606	884,323

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE
 SCHOLARSHIP FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
<u>ASSETS</u>				
Cash and Cash Equivalents	125,398.05	3,328.40	11,009.40	117,717.05
Total Assets	125,398.05	3,328.40	11,009.40	117,717.05
<u>LIABILITIES (Due to other Organizations)</u>				
Total Liabilities (Due to other Organizations)	0.00	0.00	0.00	0.00
<u>FUND BALANCE AND OTHER CREDITS</u>				
ABC Scholarship	44,548.89	246.46	1,000.00	43,795.35
Connie Sue Smith Scholarship	26,134.62	135.84	1,000.00	25,270.46
DeVry Scholarship	8,000.00	0.00	0.00	8,000.00
McMeekin Scholarship	36,418.82	2,869.55	8,000.00	31,288.37
McKinney Memorial	10,295.72	76.55	1,009.40	9,362.87
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	125,398.05	3,328.40	11,009.40	117,717.05

MERCER COUNTY SCHOOL DISTRICT NO. 404
 SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED AND
 CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS-
 FIDUCIARY FUND TYPE - TRUST FUND
 SELF-FUNDED INSURANCE PLAN FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Additions:		
Contributions	1,345,727.19	
Interest	5,532.69	
Total Additions		1,351,259.88
Deductions:		
Benefits Paid	1,402,392.20	
Total Deductions		1,402,392.20
Change in Net Assets		(51,132.32)
Net Assets Available for Benefits, July 1, 2021		817,738.65
Net Assets Available for Benefits, June 30, 2022		766,606.33

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE BEFORE ADVANCE TAXES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Revenue Received Before Advance Taxes:										
Local Sources										
Real Estate Taxes (1)	4,770,885	1,196,922	559,224	342,099	511,761		85,651	695,372	85,651	8,247,565
Other Local Revenue	2,543,051	314,226	5,704	279,529	30,689	502,685	83,593	54,627	9,133	3,823,237
Evidence Based Funding	3,927,633									3,927,633
Other State Sources	451,086	50,000		603,096						1,104,182
Federal Sources	1,881,345									1,881,345
Total Direct Receipts	13,574,000	1,561,148	564,928	1,224,724	542,450	502,685	169,244	749,999	94,784	18,983,962
Expenditures Disbursed:										
Instruction	8,158,297				187,532			109,110		8,454,939
Support Services	4,322,593	1,373,656		1,083,701	290,486			695,855	196,911	7,963,202
Community Services	513									513
Payments to Other Governmental Units	581,488									581,488
Debt Services			945,881	13,283						959,164
Total Direct Disbursements	13,062,891	1,373,656	945,881	1,096,984	478,018	0	0	804,965	196,911	17,959,306
Excess of Receipts Over (Under) Disbursements	511,109	187,492	(380,953)	127,740	64,432	502,685	169,244	(54,966)	(102,127)	1,024,656
Other Sources (Uses):										
Other Sources	85,070	9,500,000	382,100	0	0	0	5,500,000	0	0	15,467,170
Other Uses	0	(29,700)	0	0	0	0	(55,370)	0	0	(85,070)
Total Other Sources (Uses)	85,070	9,470,300	382,100	0	0	0	5,444,630	0	0	15,382,100
Excess of Receipts Over (Under) Disbursements and Other Sources (Uses)	596,179	9,657,792	1,147	127,740	64,432	502,685	5,613,874	(54,966)	(102,127)	16,406,756
Fund Balance Before Advanced Taxes, July 1, 2021	2,123,630	2,423,163	143,384	830,978	762,478	1,105,066	2,034,451	649,005	1,208,499	11,280,654
Fund Balance Before Advanced Taxes, June 30, 2022	2,719,809	12,080,955	144,531	958,718	826,910	1,607,751	7,648,325	594,039	1,106,372	27,687,410
Advanced Taxes Received Prior to June 30, 2022	50,764	12,737	6,350	3,639	4,107	0	910	9,178	910	88,595
Fund Balance After Advanced Taxes, June 30, 2022	2,770,573	12,093,692	150,881	962,357	831,017	1,607,751	7,649,235	603,217	1,107,282	27,776,005

(1) Real Estate Receipts have been reduced by the 2021 Levy received prior to June 30, 2022, and increased by the 2020 Levy received prior to June 30, 2021.

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2022

Taxable General Obligation School Bonds Series 2022A
Dated: March 15, 2022
Interest Due: December 1

Due Date	Interest Rate	Principal December 1	Interest December 1	Total
2022-23	2.75%	192,400	123,736	316,136
2023-24	2.75%	155,800	168,713	324,513
2024-25	2.75%	170,300	164,428	334,728
2025-26	2.75%	184,900	159,745	344,645
2026-27	2.75%	199,600	154,660	354,260
2027-28	2.75%	216,100	149,171	365,271
2028-29	2.75%	232,800	143,228	376,028
2029-30	2.75%	251,200	136,826	388,026
2030-31	2.75%	269,700	129,918	399,618
2031-32	2.75%	288,400	122,502	410,902
2032-33	2.75%	308,800	114,571	423,371
2033-34	2.75%	329,400	106,079	435,479
2034-35	2.75%	351,800	97,020	448,820
2035-36	2.75%	376,000	87,346	463,346
2036-37	2.75%	400,300	77,006	477,306
2037-38	2.75%	424,800	65,997	490,797
2038-39	2.75%	451,000	54,315	505,315
2039-40	2.75%	479,200	41,913	521,113
2040-41	2.75%	507,400	28,735	536,135
2041-42	2.75%	537,500	14,781	552,281
Totals		<u>6,327,400</u>	<u>2,140,690</u>	<u>8,468,090</u>

General Obligation School Bonds Series 2022B
Dated: March 15, 2022
Interest Due: December 1 and June 1

Due Date	Interest Rate	Principal December 1	Interest		Total
			December 1	June 1	
2022-23	-	-	154,938	108,941	263,879
2023-24	1.05%	328,000	108,941	107,219	544,160
2024-25	1.30%	349,600	107,219	104,946	561,765
2025-26	1.45%	373,700	104,946	102,237	580,883
2026-27	1.55%	400,000	102,237	99,137	601,374
2027-28	1.70%	427,000	99,137	95,507	621,644
2028-29	1.85%	456,700	95,507	91,283	643,490
2029-30	1.90%	487,400	91,283	86,653	665,336
2030-31	-	-	86,653	86,653	173,306
2031-32	-	-	86,653	86,653	173,306
2032-33	-	-	86,653	86,653	173,306
2033-34	2.20%	635,000	86,653	79,667	801,320
2034-35	-	-	79,667	79,667	159,334
2035-36	-	-	79,667	79,667	159,334
2036-37	2.50%	772,000	79,667	70,018	921,685
2037-38	2.75%	825,800	70,018	58,663	954,481
2038-39	2.85%	883,200	58,663	46,077	987,940
2039-40	2.95%	944,000	46,077	32,153	1,022,230
2040-41	3.05%	1,010,300	32,153	16,746	1,059,199
2041-42	3.10%	1,080,400	16,746	-	1,097,146
Totals		<u>8,973,100</u>	<u>1,673,478</u>	<u>1,518,540</u>	<u>12,165,118</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF BONDED INDEBTEDNESS
JUNE 30, 2022

General Obligation School Bonds Series 2022C

Dated: March 15, 2022

Interest Due: December 1 and June 1

The Bonds maturing on or after December 1, 2030, will be subject to redemption prior to maturity at the option of the District as a whole or in part on any date on or after December 1, 2026, at a redemption price of par plus accrued interest to the redemption date.

Due Date	Interest Rate	Principal December 1	Interest		Total
			December 1	June 1	
2022-23	0.75%	209,000	49,248	33,844	292,092
2023-24	-	-	33,844	33,844	67,688
2024-25	-	-	33,844	33,844	67,688
2025-26	-	-	33,844	33,844	67,688
2026-27	-	-	33,844	33,844	67,688
2027-28	-	-	33,844	33,844	67,688
2028-29	-	-	33,844	33,844	67,688
2029-30	-	-	33,844	33,844	67,688
2030-31	1.95%	520,700	33,844	28,767	583,311
2031-32	2.05%	556,800	28,767	23,060	608,627
2032-33	2.10%	594,300	23,060	16,819	634,179
2033-34	-	-	16,819	16,819	33,638
2034-35	2.35%	677,800	16,820	8,855	703,475
2035-36	2.45%	722,900	8,855	-	731,755
Totals		<u>3,281,500</u>	<u>414,321</u>	<u>365,072</u>	<u>4,060,893</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
SCHEDULE OF TAXES EXTENDED AND COLLECTED
JUNE 30, 2022

	<u>Educational Levy</u>	<u>Special Education Levy</u>	<u>Leasing Levy</u>	<u>Operation & Maintenance Levy</u>	<u>Debt Services Levy</u>	<u>Trans- portation Levy</u>	<u>Municipal Retirement Levy</u>	<u>Social Security Levy</u>	<u>Working Cash Levy</u>	<u>Tort Immunity Levy</u>	<u>Fire Safety Levy</u>	<u>Total All Levies</u>	
<u>2019 Levy</u>													
Assessed Valuation	164,057,160												
Tax Rate per \$100.00	<u>2.69994</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.69999</u>	<u>0.34125</u>	<u>0.20000</u>	<u>0.12272</u>	<u>0.22031</u>	<u>0.05000</u>	<u>0.36351</u>	<u>0.05000</u>	<u>4.83772</u>	
Taxes Extended	<u>4,429,445</u>	<u>65,623</u>	<u>82,029</u>	<u>1,148,384</u>	<u>559,845</u>	<u>328,114</u>	<u>201,331</u>	<u>361,434</u>	<u>82,029</u>	<u>596,364</u>	<u>82,029</u>	<u>7,936,627</u>	
Taxes Collected	99.15%	<u>4,391,985</u>	<u>65,068</u>	<u>81,335</u>	<u>1,138,672</u>	<u>555,110</u>	<u>325,339</u>	<u>199,628</u>	<u>358,378</u>	<u>81,335</u>	<u>591,321</u>	<u>81,335</u>	<u>7,869,506</u>
<u>2020 Levy</u>													
Assessed Valuation	174,205,833												
Tax Rate per \$100.00	<u>2.66815</u>	<u>0.03960</u>	<u>0.04950</u>	<u>0.69174</u>	<u>0.32318</u>	<u>0.19771</u>	<u>0.13781</u>	<u>0.15791</u>	<u>0.04950</u>	<u>0.40192</u>	<u>0.04950</u>	<u>4.76652</u>	
Taxes Extended	<u>4,648,073</u>	<u>68,986</u>	<u>86,232</u>	<u>1,205,051</u>	<u>562,998</u>	<u>344,422</u>	<u>240,073</u>	<u>275,088</u>	<u>86,232</u>	<u>700,168</u>	<u>86,232</u>	<u>8,303,555</u>	
Advance Taxes Received Prior to June 30, 2021	41,544	617	771	10,771	5,032	3,078	2,146	2,459	771	6,258	771	74,218	
Taxes received July 1, 2021 thru June 30, 2022	<u>4,570,598</u>	<u>67,836</u>	<u>84,795</u>	<u>1,184,966</u>	<u>553,614</u>	<u>338,682</u>	<u>236,072</u>	<u>270,503</u>	<u>84,795</u>	<u>688,498</u>	<u>84,795</u>	<u>8,165,154</u>	
Taxes Collected	99.23%	<u>4,612,142</u>	<u>68,453</u>	<u>85,566</u>	<u>1,195,737</u>	<u>558,646</u>	<u>341,760</u>	<u>272,962</u>	<u>85,566</u>	<u>694,756</u>	<u>85,566</u>	<u>8,239,372</u>	
<u>2021 Levy</u>													
Assessed Valuation	188,376,088												
Tax Rate per \$100.00	<u>2.70000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.70000</u>	<u>0.34901</u>	<u>0.20000</u>	<u>0.07971</u>	<u>0.14602</u>	<u>0.05000</u>	<u>0.50445</u>	<u>0.05000</u>	<u>4.86919</u>	
Taxes Extended	<u>5,086,154</u>	<u>75,350</u>	<u>94,188</u>	<u>1,318,633</u>	<u>657,451</u>	<u>376,752</u>	<u>150,155</u>	<u>275,067</u>	<u>94,188</u>	<u>950,263</u>	<u>94,188</u>	<u>9,172,389</u>	
Advance Taxes Received Prior to June 30, 2022	49,126	728	910	12,737	6,350	3,639	1,450	2,657	910	9,178	910	88,595	
Taxes Receivable	<u>5,037,028</u>	<u>74,622</u>	<u>93,278</u>	<u>1,305,896</u>	<u>651,101</u>	<u>373,113</u>	<u>148,705</u>	<u>272,410</u>	<u>93,278</u>	<u>941,085</u>	<u>93,278</u>	<u>9,083,794</u>	

Mercer County School District No. 404
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2022- 001

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported?

2011

3. Criteria or specific requirement

AU-C 265 has prescribed definitions for significant deficiencies and material weaknesses in an entity's internal control structure. Internal controls are designed to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements and safeguard assets. A concept in a good system of internal control is adequate segregation of duties.

4. Condition

A limited number of key employees have the primary responsibility for performing most of the accounting and financial duties including key functions of recording, reconciling, and reporting cash transactions. This structure reduces certain aspects of the internal control system which rely on adequate segregation of duties

5. Context¹²

All District accounting and financial records are maintained by a limited number of employees.

6. Effect

One individual has the ability to complete and record accounting functions which ideally would be segregated to allow for a more controlled system of checks and balances.

7. Cause

Limited funding currently precludes the hiring of additional staff.

8. Recommendation

Segregation of duties is normally difficult to accomplish within a small governmental entity. Management should be ever mindful of areas that could be improved including, but not limited to, hiring additional personnel.

9. Management's response¹³

Currently, the District relies on management oversight and budgetary controls to help mitigate the effects of a limited number of accounting personnel. The District will review the internal control system annually and when the benefits of hiring additional personnel can be realized on a cost effect basis, the District will pursue this option.

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2022 would be assigned a reference number of 2022-001, 2022-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.)

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

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

OTHER INFORMATION



Mercer County School District #404

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**Mercer County School District No. 404
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
Year Ending June 30, 2022**

Corrective Action Plan

Finding No.: **2022- 001**

Condition:

A limited number of employees have the primary responsibility for performing most of the accounting and financial duties including key functions of recording, reconciling, and reporting cash transactions. This structure reduces certain aspects of the internal control system which rely on adequate segregation of duties.

Plan:

The District will conduct an annual review of assigned duties, staffing needs, and resources available.

Anticipated Date of Completion: June 30, 2023

Name of Contact Person: Scott Petrie , Superintendent

Management Response: The Board of Education has determined that the current internal control system is acceptable, providing a tolerable amount of risk.