

***Putnam County Community
Unit School District No. 535***

Granville, Illinois

***Annual Financial Report
and Other Financial Information***

June 30, 2024

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Gorenz and Associates, Ltd.
Certified Public Accountants

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

Jason A. Hobulin, CPA
Kyle P. Hendrickson, CPA

Independent Auditor's Report

To the Board of Education
Putnam County Community Unit School District No. 535
Granville, Illinois

Opinions

We have audited the accompanying financial statements of Putnam County Community Unit School District No. 535 (the District) which comprise the Statement of Assets and Liabilities Arising from Cash Transactions of each fund and account group as of June 30, 2024, 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 (All Funds) for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2024, and each funds' 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, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions. 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 and *Government 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 and *Government 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 "Supplementary 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 "Supplementary 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025, 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
January 21, 2025

Gorenz and Associates, Ltd.

Certified Public Accountants

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

Jason A. Hobulin, CPA
Kyle P. Hendrickson, 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
Putnam County Community Unit School District No. 535
Granville, 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, 2024, 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 Putnam County Community Unit School District No. 535 (the District) which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 21, 2025. 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 regulatory 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 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
January 21, 2025

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2024

	<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</u>													
<u>Current Assets</u>													
Cash and Cash Equivalents	15,279,299	3,177,347	740	603,534	502,862		1,072,130	294,430	596,655	53,204			21,580,201
Investments	1,569,094	794,559					1,922,750						4,286,403
<u>Capital Assets</u>													
Land											241,877		241,877
Buildings & Building Improvements											19,788,319		19,788,319
Site Improvements & Infrastructure											3,066,528		3,066,528
Capitalized Equipment											910,765		910,765
Amounts Available in Debt Service Funds												740	740
Amounts to be Provided for Payment of Debt												(740)	(740)
Total Assets	16,848,393	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	53,204	24,007,489	0	49,874,093
<u>Liabilities and Fund Balances</u>													
<u>Liabilities:</u>													
Total Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Fund Balances:</u>													
Reserved	120,198				164,188					53,204			337,590
Unreserved	16,728,195	3,971,906	740	603,534	338,674	0	2,994,880	294,430	596,655				25,529,014
Investments in General Fixed Assets											24,007,489		24,007,489
Total Fund Balances	16,848,393	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	53,204	24,007,489	0	49,874,093
Total Liabilities and Fund Balances	16,848,393	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	53,204	24,007,489	0	49,874,093

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
JUNE 30, 2024

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	Account Groups		Total (Memorandum Only)	
											General Fixed Assets	General Long Term Debt		
Assets/Liabilities for Student Activity Funds														
<u>Current Assets</u>														
Student Activity Fund Cash and Investments		215,760												215,760
Total Current Assets for Student Activity Funds		<u>215,760</u>												<u>215,760</u>
<u>Current Liabilities</u>														
Fund Balance Reserved for Student Activity Funds		215,760												215,760
Total Liabilities and Fund Balance for Student Activity Funds		<u>215,760</u>												<u>215,760</u>
Total Assets/Liabilities District and Student Activity Funds														
Total Current Assets and Student Activity Funds	17,064,153	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	53,204				26,082,364
Total Capital Assets and Student Activity Funds											24,007,489	0		<u>24,007,489</u>
Total Assets with Student Activity Funds (Memorandum Only)														<u>50,089,853</u>
Reserved Fund Balance and Student Activity Funds	335,958	0	0	0	164,188	0	0	0	0	53,204				553,350
Unreserved Fund Balance and Student Activity Funds	16,728,195	3,971,906	740	603,534	338,674	0	2,994,880	294,430	596,655	0				25,529,014
Investments in General Fixed Assets											24,007,489			24,007,489
Total Liabilities and Fund Balance and Student Activity Funds	<u>17,064,153</u>	<u>3,971,906</u>	<u>740</u>	<u>603,534</u>	<u>502,862</u>	<u>0</u>	<u>2,994,880</u>	<u>294,430</u>	<u>596,655</u>	<u>53,204</u>	<u>24,007,489</u>	<u>0</u>		<u>50,089,853</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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	10,482,687	1,951,145	13	761,967	415,549	11,245	190,027	420,295	110,630	14,343,558
State Sources	1,585,605	50,000		747,866						2,383,471
Federal Sources	1,023,385	647,207								1,670,592
Total Direct Receipts	13,091,677	2,648,352	13	1,509,833	415,549	11,245	190,027	420,295	110,630	18,397,621
Receipts for On-Behalf Payments	3,040,526									3,040,526
Total Receipts	16,132,203	2,648,352	13	1,509,833	415,549	11,245	190,027	420,295	110,630	21,438,147
Disbursements:										
Instruction	7,117,811				168,214			107,063		7,393,088
Support Services	2,736,790	1,903,336		1,074,165	215,062	554,977		340,436		6,824,766
Payments to Other Governmental Units	365,707							77,017		442,724
Total Direct Disbursements	10,220,308	1,903,336	0	1,074,165	383,276	554,977	0	524,516	0	14,660,578
Disbursements for On-Behalf Payments	3,040,526									3,040,526
Total Disbursements	13,260,834	1,903,336	0	1,074,165	383,276	554,977	0	524,516	0	17,701,104
Excess of Direct Receipts Over (Under) Direct Disbursements	2,871,369	745,016	13	435,668	32,273	(543,732)	190,027	(104,221)	110,630	3,737,043
Other Sources of Funds:										0
Other (Uses) of Funds:										0
Total Other Sources and (Uses) of Funds	0	0	0	0	0	0	0	0	0	0
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	2,871,369	745,016	13	435,668	32,273	(543,732)	190,027	(104,221)	110,630	3,737,043
Fund Balances without Student Activity Funds - July 1, 2023	13,977,024	3,226,890	727	167,866	470,589	543,732	2,804,853	398,651	486,025	22,076,357
Fund Balances without Student Activity Funds - June 30, 2024	16,848,393	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	25,813,400

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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, 2023	194,064									194,064
Receipts - Student Activity Funds										
Total Student Activity Direct Receipts	293,272									293,272
Disbursements - Student Activity Funds										
Total Student Activity Fund Disbursements	<u>271,576</u>									<u>271,576</u>
Excess Direct Receipts Over(Under) Direct Disbursements	<u>21,696</u>									<u>21,696</u>
Student Activity Fund Balance - June 30, 2024	<u>215,760</u>									<u>215,760</u>
Receipts (with Student Activity Funds):										
Local Sources	10,775,959	1,951,145	13	761,967	415,549	11,245	190,027	420,295	110,630	14,636,830
State Sources	1,585,605	50,000		747,866						2,383,471
Federal Sources	1,023,385	647,207								1,670,592
Total Direct Receipts	<u>13,384,949</u>	<u>2,648,352</u>	<u>13</u>	<u>1,509,833</u>	<u>415,549</u>	<u>11,245</u>	<u>190,027</u>	<u>420,295</u>	<u>110,630</u>	<u>18,690,893</u>
Receipts for On-Behalf Payments	<u>3,040,526</u>									<u>3,040,526</u>
Total Receipts (with Student Activity Funds)	<u>16,425,475</u>	<u>2,648,352</u>	<u>13</u>	<u>1,509,833</u>	<u>415,549</u>	<u>11,245</u>	<u>190,027</u>	<u>420,295</u>	<u>110,630</u>	<u>21,731,419</u>
Disbursements (with Student Activity Funds):										
Instruction	7,389,387				168,214			107,063		7,664,664
Support Services	2,736,790	1,903,336		1,074,165	215,062	554,977		340,436		6,824,766
Payments to Other Governmental Units	365,707							77,017		442,724
Total Direct Disbursements	<u>10,491,884</u>	<u>1,903,336</u>	<u>0</u>	<u>1,074,165</u>	<u>383,276</u>	<u>554,977</u>	<u>0</u>	<u>524,516</u>	<u>0</u>	<u>14,932,154</u>
Disbursements for On-Behalf Payments	<u>3,040,526</u>									<u>3,040,526</u>
Total Disbursements (with Student Activity Funds)	<u>13,532,410</u>	<u>1,903,336</u>	<u>0</u>	<u>1,074,165</u>	<u>383,276</u>	<u>554,977</u>	<u>0</u>	<u>524,516</u>	<u>0</u>	<u>17,972,680</u>
Excess of Direct Receipts Over (Under) Direct Disbursements	<u>2,893,065</u>	<u>745,016</u>	<u>13</u>	<u>435,668</u>	<u>32,273</u>	<u>(543,732)</u>	<u>190,027</u>	<u>(104,221)</u>	<u>110,630</u>	<u>3,758,739</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
 OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Other Sources/Uses of Funds (with Student Activity Funds):										
Other Sources of Funds:										
Total Other Sources of Funds	0	0	0	0	0	0	0	0	0	0
Other (Uses) of Funds:										
Total Other Uses of Funds	0	0	0	0	0	0	0	0	0	0
Total Other Sources and (Uses) of Funds	0	0	0	0	0	0	0	0	0	0
Fund Balances (All sources) - June 30, 2024	17,064,153	3,971,906	740	603,534	502,862	0	2,994,880	294,430	596,655	26,029,160

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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	4,417,412	812,024		324,809	104,857		81,202	399,484	81,202	6,220,990
Leasing Levy	81,202									81,202
Special Education Levy	64,962									64,962
Social Security/Medicare Levy					134,816					134,816
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	3,232	575		230	170		57	283	57	4,604
Corporate Personal Property Replacement Taxes	4,418,970	977,903		400,000	150,000					5,946,873
Tuition:										
Regular - Tuition From Other LEAs (In State)	305,404									305,404
Special Ed - Tuition From Other LEAs (In State)	60,319									60,319
Interest on Investments	766,096	154,504	13	30,424	25,706	11,245	108,768	20,528	29,371	1,146,655
Food Services:										
Sales to Pupils - Lunch	141,574									141,574
Sales to Pupils - Breakfast	467									467
Sales to Adults	8,072									8,072
District/School Activity Income:										
Admissions - Athletic	14,123									14,123
Admissions - Other	7,727									7,727
Fees	14,983									14,983
Other Pupil Activity Revenue	3,933									3,933
Student Activity Fund Revenues	293,272									
Textbook Income:										
Rentals - Regular Textbooks	29,760									29,760
Other Receipts from Local Sources:										
Contributions from Private Sources	49,108									49,108
Services Provided Other LEAs	12,198									12,198
Refund of Prior Years' Expenditures	46,704									46,704
Drivers' Education Fees	1,335									1,335
Other Local Revenue	35,106	6,139		6,504						47,749
Total Receipts from Local Sources (without Student Activity Funds)	<u>10,482,687</u>	<u>1,951,145</u>	<u>13</u>	<u>761,967</u>	<u>415,549</u>	<u>11,245</u>	<u>190,027</u>	<u>420,295</u>	<u>110,630</u>	<u>14,343,558</u>
Total Receipts from Local Sources (with Student Activity Funds)	<u>10,775,959</u>									

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF REVENUES RECEIVED (ALL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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	902,932									902,932
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	155,689									155,689
Orphanage - Individual	80,822									80,822
Career and Technical Education (CTE):										
CTE - Secondary Program Improvement (CTEI)	26,239									26,239
CTE - Agriculture Education	27,264									27,264
State Free Lunch and Breakfast	2,996									2,996
Driver Education	10,325									10,325
Transportation:										
Transportation - Regular / Vocational				525,900						525,900
Transportation - Special Education				221,966						221,966
Early Childhood - Block Grant	377,638									377,638
School Infrastructure - Maintenance Projects		50,000								50,000
Other Restricted Revenues from State Funds	1,700									1,700
Total Receipts from State Sources	1,585,605	50,000	0	747,866	0	0	0	0	0	2,383,471
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received										
Directly from the Federal Govt.:										
Other Direct Federal Sources	12,332									12,332
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
Food Service										
National School Lunch Program	172,941									172,941
School Breakfast Program	37,447									37,447
Title 1:										
Low Income	270,792									270,792
Other	81,345									81,345
Federal - Special Education:										
Pre-School Flow Through	15,453									15,453
I.D.E.A.-Flow Through	296,360									296,360
Medicaid Matching - Administrative Outreach	12,999									12,999
Medicaid Matching - Fee for Service Program	7,109									7,109
Other Federal	116,607	647,207								763,814
Total Receipts from Federal Sources	1,023,385	647,207	0	0	0	0	0	0	0	1,670,592
Total Direct Receipts (without Student Activity Funds)	13,091,677	2,648,352	13	1,509,833	415,549	11,245	190,027	420,295	110,630	18,397,621
Total Direct Receipts (with Student Activity Funds)	13,384,949									

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	2,889,279	3,248,480	359,201
Employee Benefits	714,790	765,700	50,910
Purchased Services	48,976	80,578	31,602
Supplies and Materials	594,414	653,126	58,712
Capital Outlay	5,906	64,000	58,094
Other Objects	2,346	2,400	54
Total Regular Programs	<u>4,255,711</u>	<u>4,814,284</u>	<u>558,573</u>
Payments to Charter School - Tuition	0	4,000	4,000
Pre-K Programs:			
Salaries	176,943	190,000	13,057
Employee Benefits	39,215	43,000	3,785
Purchased Services	1,337	1,800	463
Supplies and Materials	7,442	8,000	558
Total Pre-K Programs	<u>224,937</u>	<u>242,800</u>	<u>17,863</u>
Special Education Programs:			
Salaries	1,124,490	1,155,000	30,510
Employee Benefits	236,167	217,750	(18,417)
Purchased Services	67,472	136,200	68,728
Supplies and Materials	11,655	54,750	43,095
Other Objects	250	300	50
Total Special Education Programs	<u>1,440,034</u>	<u>1,564,000</u>	<u>123,966</u>
Special Education Programs Pre-K:			
Salaries	57,501	69,500	11,999
Employee Benefits	11,570	13,700	2,130
Purchased Services	0	500	500
Supplies and Materials	0	800	800
Total Special Education Programs Pre-K	<u>69,071</u>	<u>84,500</u>	<u>15,429</u>
Remedial and Supplemental Programs K-12:			
Salaries	194,881	166,000	(28,881)
Employee Benefits	51,310	56,500	5,190
Purchased Services	3,536	7,983	4,447
Supplies and Materials	42,047	9,000	(33,047)
Total Remedial and Supplemental Programs K-12	<u>291,774</u>	<u>239,483</u>	<u>(52,291)</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
CTE Programs:			
Salaries	180,836	181,200	364
Employee Benefits	36,606	43,800	7,194
Purchased Services	1,246	6,200	4,954
Supplies and Materials	9,519	10,557	1,038
Other Objects	82	600	518
Total CTE Programs	<u>228,289</u>	<u>242,357</u>	<u>14,068</u>
Interscholastic Programs:			
Salaries	233,957	213,900	(20,057)
Employee Benefits	20,850	20,000	(850)
Purchased Services	33,597	42,200	8,603
Supplies and Materials	57,025	41,545	(15,480)
Capital Outlay	10,894	32,700	21,806
Other Objects	29,306	36,200	6,894
Total Interscholastic Programs	<u>385,629</u>	<u>386,545</u>	<u>916</u>
Summer School Programs:			
Salaries	3,150	4,000	850
Employee Benefits	384	500	116
Supplies and Materials	0	250	250
Total Summer School Programs	<u>3,534</u>	<u>4,750</u>	<u>1,216</u>
Driver's Education Programs:			
Salaries	18,127	17,000	(1,127)
Employee Benefits	2,320	1,125	(1,195)
Purchased Services	6,296	8,000	1,704
Supplies and Materials	1,849	2,000	151
Total Drivers Education Programs	<u>28,592</u>	<u>28,125</u>	<u>(467)</u>
Special Education Programs K-12 - Private Tuition	190,240	295,000	104,760
Student Activity Fund Expenditures	271,576	0	(271,576)
Total Instruction (Without Student Activity Funds)	<u>7,117,811</u>	<u>7,905,844</u>	<u>788,033</u>
Total Instruction (With Student Activity Funds)	<u>7,389,387</u>	<u>7,905,844</u>	<u>516,457</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	154,616	181,000	26,384
Employee Benefits	35,653	39,000	3,347
Purchased Services	276	1,200	924
Supplies and Materials	1,447	1,500	53
Total Attendance and Social Work Services	<u>191,992</u>	<u>222,700</u>	<u>30,708</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
Guidance Services:			
Salaries	58,367	57,000	(1,367)
Employee Benefits	9,423	16,000	6,577
Purchased Services	0	850	850
Supplies and Materials	0	450	450
Other Objects	0	100	100
Total Guidance Services	<u>67,790</u>	<u>74,400</u>	<u>6,610</u>
Health Services:			
Salaries	71,780	94,000	22,220
Employee Benefits	13,711	11,500	(2,211)
Purchased Services	747	1,600	853
Supplies and Materials	2,250	3,000	750
Total Health Services	<u>88,488</u>	<u>110,100</u>	<u>21,612</u>
Psychological Services:			
Salaries	21,890	24,000	2,110
Employee Benefits	4,159	8,000	3,841
Purchased Services	66,232	71,250	5,018
Supplies and Materials	459	1,500	1,041
Total Psychological Services	<u>92,740</u>	<u>104,750</u>	<u>12,010</u>
Other Support Services-Pupils:			
Salaries	1,431	0	(1,431)
Purchased Services	0	1,800	1,800
Supplies and Materials	1,387	2,000	613
Total Other Support Services-Pupils	<u>2,818</u>	<u>3,800</u>	<u>982</u>
Total Support Services-Pupils	<u>443,828</u>	<u>515,750</u>	<u>71,922</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	49,021	52,000	2,979
Employee Benefits	5,891	7,800	1,909
Purchased Services	61,827	56,500	(5,327)
Supplies and Materials	35,111	125,000	89,889
Total Improvement of Instructional Services	<u>151,850</u>	<u>241,300</u>	<u>89,450</u>
Educational Media Services:			
Salaries	287,646	277,500	(10,146)
Employee Benefits	43,199	45,000	1,801
Purchased Services	10,437	20,600	10,163
Supplies and Materials	13,989	17,690	3,701
Total Educational Media Services	<u>355,271</u>	<u>360,790</u>	<u>5,519</u>
Total Support Services-Instructional Staff	<u>507,121</u>	<u>602,090</u>	<u>94,969</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
Support Services-General Administration:			
Board of Education Services:			
Salaries	8,466	8,800	334
Purchased Services	72,792	96,430	23,638
Supplies and Materials	54,850	72,000	17,150
Capital Outlay	0	10,000	10,000
Other Objects	19,924	40,000	20,076
Total Board of Education Services	<u>156,032</u>	<u>227,230</u>	<u>71,198</u>
Executive Administration Services:			
Salaries	110,000	113,000	3,000
Employee Benefits	42,446	44,000	1,554
Purchased Services	16,090	12,000	(4,090)
Supplies and Materials	8,122	4,000	(4,122)
Capital Outlay	14,829	10,000	(4,829)
Other Objects	3,053	2,000	(1,053)
Total Executive Administration Services	<u>194,540</u>	<u>185,000</u>	<u>(9,540)</u>
Total Support Services-General Administration	<u>350,572</u>	<u>412,230</u>	<u>61,658</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	606,505	649,500	42,995
Employee Benefits	191,185	212,000	20,815
Purchased Services	2,476	7,500	5,024
Supplies and Materials	9,443	12,420	2,977
Other Objects	6,193	6,100	(93)
Total Office of the Principal Service	<u>815,802</u>	<u>887,520</u>	<u>71,718</u>
Total Support Services-School Administration	<u>815,802</u>	<u>887,520</u>	<u>71,718</u>
Support Services-Business:			
Fiscal Services:			
Salaries	118,734	120,000	1,266
Employee Benefits	96	150	54
Supplies and Materials	1,991	0	(1,991)
Total Fiscal Services	<u>120,821</u>	<u>120,150</u>	<u>(671)</u>
Food Services:			
Salaries	202,506	231,650	29,144
Employee Benefits	31,495	41,025	9,530
Purchased Services	79	2,800	2,721
Supplies and Materials	242,993	255,700	12,707
Other Objects	1,067	1,500	433
Total Food Services	<u>478,140</u>	<u>532,675</u>	<u>54,535</u>
Total Support Services-Business	<u>598,961</u>	<u>652,825</u>	<u>53,864</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-Central:			
Information Services:			
Purchased Services	110	500	390
Total Information Services	<u>110</u>	<u>500</u>	<u>390</u>
Data Processing Services:			
Purchased Services	1,250	2,500	1,250
Supplies and Materials	19,146	19,000	(146)
Total Data Processing Services	<u>20,396</u>	<u>21,500</u>	<u>1,104</u>
Total Support Service-Central	<u>20,506</u>	<u>22,000</u>	<u>1,494</u>
Total Supporting Services	<u>2,736,790</u>	<u>3,092,415</u>	<u>355,625</u>
Payments to Other Governmental Units (In-State):			
Payments for Special Education Programs:			
Other Objects	0	5,000	5,000
Total Payments for Spec. Ed. Programs	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Other Payments to Governmental Units:			
Purchased Services	0	180,000	180,000
Other Objects	889	1,000	111
Total Other Payments to Governmental Units	<u>889</u>	<u>181,000</u>	<u>180,111</u>
Total Payments to Other Governmental Units (In-State)	<u>889</u>	<u>186,000</u>	<u>185,111</u>
Payments to Other Governmental Units - Tuition (In-State):			
Regular Programs - Tuition	22,073	18,000	(4,073)
Special Education Programs - Tuition	132,285	140,000	7,715
CTE Programs - Tuition	87,656	90,000	2,344
Total Payments to Other Governmental Units - Tuition (In-State)	<u>242,014</u>	<u>248,000</u>	<u>5,986</u>
Payments to Other Governmental Units - Transfers (In-State):			
Special Education Programs - Transfers	122,804	0	(122,804)
Total Payments to Other Governmental Units - Transfers (In-State)	<u>122,804</u>	<u>0</u>	<u>(122,804)</u>
Total Payments to Other Governmental Units	<u>365,707</u>	<u>434,000</u>	<u>68,293</u>
Total Direct Disbursements (without Student Activity Funds)	<u>10,220,308</u>	<u>11,432,259</u>	<u>1,211,951</u>
Total Direct Disbursements (with Student Activity Funds)	<u>10,491,884</u>	<u>11,432,259</u>	<u>940,375</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Operation and Maintenance of			
Plant Services:			
Salaries	364,895	491,000	126,105
Employee Benefits	54,609	59,500	4,891
Purchased Services	327,719	456,500	128,781
Supplies and Materials	540,829	631,500	90,671
Capital Outlay	615,232	631,000	15,768
Other Objects	52	60	8
Total Support Services	<u>1,903,336</u>	<u>2,269,560</u>	<u>366,224</u>
Total Direct Disbursements	<u><u>1,903,336</u></u>	<u><u>2,269,560</u></u>	<u><u>366,224</u></u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	18,146	20,800	2,654
Employee Benefits	1,847	2,700	853
Purchased Services	1,044,591	1,152,500	107,909
Supplies and Materials	9,581	9,100	(481)
Total Supporting Services	1,074,165	1,185,100	110,935
Total Direct Disbursements	1,074,165	1,185,100	110,935

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	46,228	56,760	10,532
Pre-K Programs:			
Employee Benefits	10,945	12,000	1,055
Special Education Programs:			
Employee Benefits	80,720	115,625	34,905
Special Education Programs Pre-K:			
Employee Benefits	4,157	8,100	3,943
Remedial and Supplemental Programs K-12:			
Employee Benefits	13,640	11,000	(2,640)
CTE Programs:			
Employee Benefits	2,737	3,540	803
Interscholastic Programs:			
Employee Benefits	8,887	10,450	1,563
Summer School Programs:			
Employee Benefits	45	101	56
Driver's Education Programs:			
Employee Benefits	855	1,200	345
Total Instruction	<u>168,214</u>	<u>218,776</u>	<u>50,562</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	5,411	8,400	2,989
Guidance Services:			
Employee Benefits	820	1,500	680
Health Services:			
Employee Benefits	13,958	20,500	6,542
Psychological Services:			
Employee Benefits	3,520	6,000	2,480
Total Support Services-Pupils	<u>23,709</u>	<u>36,400</u>	<u>12,691</u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	1,010	2,600	1,590
Educational Media Services:			
Employee Benefits	34,022	38,700	4,678
Total Support Services-Instructional Staff	<u>35,032</u>	<u>41,300</u>	<u>6,268</u>
Support Services-General Administration:			
Board of Education Services:			
Employee Benefits	963	1,500	537
Executive Administration Services:			
Employee Benefits	1,686	2,500	814
Total Support Services-General Administration	<u>2,649</u>	<u>4,000</u>	<u>1,351</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	31,885	37,000	5,115
Total Support Services-School Administration	<u>31,885</u>	<u>37,000</u>	<u>5,115</u>
Support Services-Business:			
Fiscal Services:			
Employee Benefits	19,310	25,000	5,690
Operation and Maintenance of Plant Services:			
Employee Benefits	68,145	81,300	13,155
Pupil Transportation Services:			
Employee Benefits	554	1,050	496
Food Services:			
Employee Benefits	33,778	37,927	4,149
Total Support Services-Business	<u>121,787</u>	<u>145,277</u>	<u>23,490</u>
Total Support Services	<u>215,062</u>	<u>263,977</u>	<u>48,915</u>
Total Direct Disbursements	<u><u>383,276</u></u>	<u><u>482,753</u></u>	<u><u>99,477</u></u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 STATEMENT OF EXPENDITURES DISBURSED
 BUDGET TO ACTUAL
 CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Capital Outlay	554,977	554,977	0
Total Support Services	<u>554,977</u>	<u>554,977</u>	<u>0</u>
Total Direct Disbursements	<u><u>554,977</u></u>	<u><u>554,977</u></u>	<u><u>0</u></u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	37,041	40,300	3,259
Employee Benefits	4,538	6,950	2,412
Total Regular Programs	41,579	47,250	5,671
Special Education Programs:			
Salaries	6,725	9,000	2,275
Employee Benefits	824	1,300	476
Total Special Education Programs	7,549	10,300	2,751
CTE Programs:			
Salaries	10,777	11,500	723
Employee Benefits	1,320	2,400	1,080
Total CTE Programs	12,097	13,900	1,803
Driver's Education Programs:			
Salaries	40,835	41,500	665
Employee Benefits	5,003	5,300	297
Total Drivers Education Programs	45,838	46,800	962
Total Instruction	107,063	118,250	11,187
Support Services:			
Support Services - Pupils:			
Health Services:			
Salaries	17,118	19,000	1,882
Total Support Services-Pupils	17,118	19,000	1,882
Support Services-Instructional Staff:			
Educational Media Services:			
Salaries	858	1,200	342
Employee Benefits	105	250	145
Total Support Services-Instructional Staff	963	1,450	487
Support Services-General Administration:			
Board of Education Services:			
Purchased Services	35,070	0	(35,070)
Total Board of Education Services	35,070	0	(35,070)
Executive Administration Services:			
Salaries	6,250	7,500	1,250
Employee Benefits	766	1,500	734
Total Executive Administration Services	7,016	9,000	1,984

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
STATEMENT OF EXPENDITURES DISBURSED
BUDGET TO ACTUAL
TORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Actual	Budget	Variance with Budget
Claims Paid from Self Insurance Fund:			
Purchased Services	0	190,299	190,299
Total Claims Paid from Self Insurance Fund	<u>0</u>	<u>190,299</u>	<u>190,299</u>
Risk Management and Claims Services Payments:			
Purchased Services	32,384	107,000	74,616
Supplies and Materials	6,920	45,000	38,080
Total Risk Management and Claims Payments	<u>39,304</u>	<u>152,000</u>	<u>112,696</u>
Total Support Services-General Administration	<u>81,390</u>	<u>351,299</u>	<u>269,909</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	23,110	27,000	3,890
Employee Benefits	2,832	3,800	968
Total Support Services-School Administration	<u>25,942</u>	<u>30,800</u>	<u>4,858</u>
Support Services-Business:			
Operation and Maintenance of Plant Services:			
Salaries	78,975	81,000	2,025
Total Operation and Maintenance of Plant Services	<u>78,975</u>	<u>81,000</u>	<u>2,025</u>
Food Services:			
Salaries	9,807	12,300	2,493
Total Food Services	<u>9,807</u>	<u>12,300</u>	<u>2,493</u>
Total Support Services-Business	<u>88,782</u>	<u>93,300</u>	<u>4,518</u>
Other Support Services:			
Purchased Services	126,241	0	(126,241)
Total Other Supporting Services	<u>126,241</u>	<u>0</u>	<u>(126,241)</u>
Total Supporting Services	<u>340,436</u>	<u>495,849</u>	<u>155,413</u>
Payments to Other Governmental Units (In-State):			
Other Payments to Governmental Units:			
Purchased Services	77,017	56,000	(21,017)
Total Payments to Other Governmental Units	<u>77,017</u>	<u>56,000</u>	<u>(21,017)</u>
Total Direct Disbursements	<u><u>524,516</u></u>	<u><u>670,099</u></u>	<u><u>145,583</u></u>

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

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #1 - Summary of Significant Accounting Policies

The District's accounting policies conform to the modified cash basis of accounting as prescribed by the Illinois State Board of Education within Title 23 Education and Cultural Resources of the Illinois Administrative Code. Part 100 of Title 23 provides the requirements for accounting, budgeting, financial reporting, and auditing of school districts within the State of Illinois.

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 that 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, which 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 following funds and account groups are used by the District:

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.

Operations and Maintenance Fund, the Transportation Fund, and the Municipal Retirement/Social Security Fund are 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 disbursements for specified purposes.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

Governmental Funds - (cont'd.)

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

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the 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, Safety Fund, and Capital Projects 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 Agency Funds include Trusts Funds. They account for assets held by the District as an agent for certain Trust Funds. These funds are custodial in nature and do not involve the measurement of the results of operations. The net assets available for benefits are shown as a reserve fund balance in these financial statements.

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.

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 as 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 follows 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 \$598,194 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$11,736,243. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 (cont'd.)

The estimated useful lives are as follows:

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

Long-term liabilities 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 bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

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

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the account and how they are reported in the financial statements. The District maintains its accounting records for all funds and account groups on the modified 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 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.

D. Budgets and Budgetary Accounting

The budget for all Governmental Funds and for the Expendable Trust Fund is prepared on the modified 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 approved and adopted on September 19, 2023, and was amended on June 18, 2024. 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.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

D. Budgets and Budgetary Accounting (cont'd.)

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 that have maturities of 90 days or less.

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.

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, 2024, the District has \$48,687 of Trust Funds classified as Nonspendable as identified in Note #3.

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.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

H. Fund Balances (cont'd.)

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, 2024, the District had no amounts designated as committed.

Assigned - The assigned fund balance classifications 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 assigned amounts to be used for specific purposes. As of June 30, 2024, the District had no amounts designated 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.

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.

No right-of-use asset and corresponding liability has been recorded in the financial statements in accordance with the basis of accounting described in this note.

J. Subscription-Based Information Technology Arrangements

The District accounts for subscription-based technology arrangements by recognizing expenditures in the individual funds as purchased services when paid. No right-of-use asset and corresponding liability has been recorded in the financial statements in accordance with the basis of accounting described in this note.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

K. Use of Estimates

The preparation of financial statements in conformity with the guidelines prescribed by the Illinois State Board of Education requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities arising from cash transactions and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues received and expenditures disbursed during the reporting period. Accordingly, actual results may differ from those estimates.

L. 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 Putnam, Marshall, and LaSalle Counties. The 2023 levy was passed by the Board on December 12, 2023. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June and September. The District receives significant distributions of tax receipts approximately one month after these due dates. The balance of taxes shown in these financial statements are from the 2022 and prior tax levies.

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

	Maximum Rate	Actual 2023 Rate	Actual 2022 Rate	Actual 2021 Rate
Educational	2.72000	2.72000	2.72000	2.72000
Operations and Maintenance	0.50000	0.50000	0.50000	0.50000
Transportation	0.20000	0.20000	0.20000	0.20000
Debt Services	None	0.00000	0.00000	0.00000
Municipal Retirement	None	0.03063	0.06457	0.04490
Social Security	None	0.10301	0.08302	0.05131
Tort Immunity	None	0.27840	0.24597	0.28860
Leasing	0.05000	0.02283	0.05000	0.05000
Special Education	0.04000	0.04000	0.04000	0.04000
Fire Prevention and Safety	0.05000	0.05000	0.05000	0.05000
Working Cash	0.05000	0.05000	0.05000	0.05000
Total		<u>3.99487</u>	<u>4.00356</u>	<u>3.99481</u>

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 are 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 a fund balance that does not meet the criteria of the preceding category.

The District has the following categories of reserved fund balances:

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

Leasing Levy - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$120,198.

Social Security Levy - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a reserved fund balance of \$164,188.

Driver's Education - Proceeds from Driver's Education fees, state reimbursement revenue, 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.

Trust and Agency Funds - The District had two trust accounts during the fiscal year totaling \$53,204. The Sarah G. Swaney Trust Fund consisted of \$41,500 principal (nonspendable) and \$2,166 accumulated interest, and the Fred H. Farnsworth Trust Fund consisted of \$7,187 principal (nonspendable) and \$2,351 accumulated interest. Both trust funds are held in separate money market accounts. The principal for both is to remain intact. The income from the Sarah G. Swaney Trust Fund is to be used as the Board of Education deems appropriate while the income from the Fred H. Farnsworth Trust Fund is to be used to finance the Fred H. Farnsworth awards for essays on the subject of ecology. The District transfers income from the Fred H. Farnsworth Trust Fund to the Educational Fund for payment of the awards. The total balance of \$53,204 for the total principal and total accumulated interest is included in the financial statements as Reserved in the Trust and Agency Funds.

State Grants - Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Operations and Maintenance Funds. Expenditures disbursed exceeded revenue received for those specific purposes, resulting in no reserved fund balance.

Federal Grants - Proceeds from federal grants and the related expenditures have been included in the Educational and Operations and Maintenance Funds. Expenditures disbursed exceeded revenue received for those specific purposes, resulting in no reserved fund balance.

Student Activity Funds - The District has Student Activity Funds that are included in the Educational Fund balance. The net revenue over expenditures resulted in a reserved balance as of June 30, 2024 of \$215,760.

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.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 ICS 235), and Section 8-7 of the School Code of Illinois (105 ILCS 5).

A. 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, 2024, \$18,377,721 of the District’s bank balances were exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held by the pledging financial institution’s trust department, but not in the District’s name	\$18,377,721
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B. Investments

The District had no marketable investments during the year ended June 30, 2024. The District includes CDs and money market accounts as investments on Statement 1, but these amounts are included in bank deposits for disclosure purposes.

Note #5 – General Fixed Asset Account Group

A summary of changes in general fixed assets follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Non-Depreciable Land	\$ 241,877	\$ 0	\$ 0	\$ 241,877
Permanent Buildings	18,609,690	1,178,629	0	19,788,319
Improvements Other than Buildings	3,017,317	49,211	0	3,066,528
10-Year Equipment	923,826	97,364	110,425	910,765
5-Year Equipment	34,871	0	34,871	0
Construction in Progress	123,366	0	123,366	0
Total	\$ 22,950,947	\$ 1,325,204	\$ 268,662	\$ 24,007,489

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 modified cash basis for the year ended June 30, 2024, was \$207,794.

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.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2023>; 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.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #6 – Pension Disclosures (cont'd)

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

Benefits provided. (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, 2026. 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, 2023, 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, 2024, 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 \$3,006,358 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 remitted for the year ended June 30, 2024, were \$33,067.

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, 2024, the employer pension contribution was 10.6 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling \$115,790 were paid from federal and special trust funds that required employer contributions of \$12,274. Contributions remitted for the year ended June 30, 2024, were \$12,274.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, the employer paid \$-0- 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, 2024, the employer recognized TRS pension expense of \$45,341 on a modified 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 Annual Comprehensive 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. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #6 – Pension Disclosures (cont'd)

B. Illinois Municipal Retirement Fund (cont'd)

Benefits provided. (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:

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

Employees covered by benefit terms - At December 31, 2023, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	62
Inactive employees entitled to but not yet receiving benefits	49
Active employees	53
Total members	164

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 rates for calendar years 2023 and 2024 were 8.67% and 8.76%, respectively. For the fiscal year ended June 30, 2024, the District contributed \$162,453 to the plan, which is the recognized pension expense on the basis of accounting described in Note #1. 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.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024. State of Illinois contributions were \$34,168, 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, 2024. Contributions remitted for the year ended June 30, 2024, were \$38,200.

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-THISE.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

Plan Description - The District provides post-retirement health care benefits for the retirees and their dependents through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, and an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

The District provides limited health care coverage at the active employee rate to all eligible employees in accordance with Illinois Statutes, which creates an implicit subsidy of retiree health care coverage. To be eligible for benefits, an employee must qualify for retirement under one of the Districts retirement plans. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer.

Funding Policy - Current policy is for the District to pay for post-retirement health care benefits or premiums as they occur. The District requires retirees to contribute 100% of the premium for their desired coverage.

Contributions - Contributions made by the District during the fiscal year ended June 30, 2024 were \$-0-. The District did not have an actuarial valuation performed for the plan as of June 30, 2024.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #8 – General Long-Term Debt Account Group

There is no long-term debt activity for the year ended June 30, 2024.

Debt Services Fund Balance – At June 30, 2024, the total excess of assets over liabilities of the Debt Services Fund was \$740, which was attributable to unallocated funds.

Legal Debt Limit – The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the latest equalized assessed valuation, which was \$179,702,589.

The estimated legal debt margin of the District at June 30, 2024, was calculated as follows:

Legal Debt Limit	\$ 24,798,957
Less Qualifying Debt	(0)
Legal Debt Margin	\$ 24,798,957

Note #9 - Tax Anticipation Warrants

There were no tax anticipation warrants issued, retired, or outstanding during the fiscal year ended June 30, 2024.

Note #10 - Interfund Loans and Transfers

For the year ended June 30, 2024, the District had no interfund loans.

No permanent transfers were made during the year ended June 30, 2024.

Note #11 - Common Bank Accounts

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Note #12 – Contingencies

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

Risk Management - Significant losses are covered by commercial insurance for all major programs: property, liability and worker’s compensation. During the year ended June 30, 2024, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts which have exceeded insurance coverage for the past three years.

The District is insured under a self-insured pool for worker’s compensation coverage. Premiums are based on a budgeted fixed cost and PSIC administers the claims. During the year ended June 30, 2024, there were no significant adjustments in premiums based on actual experience.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
 NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #13 - Commitments

As of June 30, 2024, the District had the following commitments:

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, 2024, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2024, amounted to \$640,982.

Compensated Absences – Vacation pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2024, the estimated unused vacation pay liability is \$-0-. 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.

Termination Benefits – The District has negotiated a retirement incentive plan for teachers who provide advance notification of their impending retirement. This commitment represents the difference between a 6% annual raise over what the normal raise would have been for the period of the retirement incentive plan. As of June 30, 2024, the known future payments under this incentive program total \$16,720.

Construction Commitments –

The District has the following construction commitments as of June 30, 2024:

Contractor	Project	Fund to be Paid Out of	Outstanding Contract Amount
Chapman's Mechanical	Sewer Line Repair	Fire Safety	109,491

Note #14 – Disbursements and/or Transfers in Excess of Budget

As of June 30, 2024, the District had no disbursements and/or transfers in excess of budget.

Note #15 - Joint Agreements

The District is a member of LaSalle/Putnam County Educational Alliance for Special Education (L.E.A.S.E.) and Starved Rock Associates for Vocational and Technical Education (SRAVTE). 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 these joint agreements. The joint agreements are separately audited and are not included in these financial statements. The District paid \$169,758 to L.E.A.S.E. during the fiscal year ended June 30, 2024 for speech improvement and special education services. The District paid \$889 to SRAVTE during the fiscal year ended June 30, 2024 for vocational programs.

The report for LaSalle/Putnam County Educational Alliance for Special Education may be obtained by writing to L.E.A.S.E, 1009 Boyce Memorial Drive, Ottawa, Illinois 61350.

The report for Starved Rock Associates for Vocational and Technical Education may be obtained by writing to SRAVTE, 200 Ninth Street, Peru, Illinois 61354.

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Note #16 - Deficit Fund Balances

As of June 30, 2024, the District did not have a deficit fund balance in any fund.

Note #17 – 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.

SUPPLEMENTARY INFORMATION

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
SCHEDULE OF TAXES EXTENDED AND COLLECTED
JUNE 30, 2024

		<u>Educational Levy</u>	<u>Special Education Levy</u>	<u>Leasing Levy</u>	<u>Operation & Maintenance 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>2021 Levy</u>												
Assessed Valuation	155,924,940											
Tax Rate per \$100.00		<u>2.72000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.20000</u>	<u>0.04490</u>	<u>0.05131</u>	<u>0.05000</u>	<u>0.28860</u>	<u>0.05000</u>	<u>3.99481</u>
Taxes Extended		<u>4,241,158</u>	<u>62,370</u>	<u>77,962</u>	<u>779,625</u>	<u>311,850</u>	<u>70,010</u>	<u>80,005</u>	<u>77,962</u>	<u>449,999</u>	<u>77,962</u>	<u>6,228,903</u>
Taxes Collected	99.32%	<u>4,212,397</u>	<u>61,947</u>	<u>77,434</u>	<u>774,338</u>	<u>309,735</u>	<u>69,536</u>	<u>79,463</u>	<u>77,434</u>	<u>446,948</u>	<u>77,434</u>	<u>6,186,666</u>
<u>2022 Levy</u>												
Assessed Valuation	162,622,849											
Tax Rate per \$100.00		<u>2.72000</u>	<u>0.04000</u>	<u>0.05000</u>	<u>0.50000</u>	<u>0.20000</u>	<u>0.06457</u>	<u>0.08302</u>	<u>0.05000</u>	<u>0.24597</u>	<u>0.05000</u>	<u>4.00356</u>
Taxes Extended		<u>4,423,341</u>	<u>65,049</u>	<u>81,311</u>	<u>813,114</u>	<u>325,246</u>	<u>105,006</u>	<u>135,009</u>	<u>81,311</u>	<u>400,003</u>	<u>81,311</u>	<u>6,510,701</u>
Taxes Collected	99.84%	<u>4,416,322</u>	<u>64,946</u>	<u>81,182</u>	<u>811,824</u>	<u>324,729</u>	<u>104,839</u>	<u>134,795</u>	<u>81,182</u>	<u>399,368</u>	<u>81,182</u>	<u>6,500,369</u>
<u>2023 Levy</u>												
Assessed Valuation	179,702,589											
Tax Rate per \$100.00		<u>2.72000</u>	<u>0.04000</u>	<u>0.02283</u>	<u>0.50000</u>	<u>0.20000</u>	<u>0.03063</u>	<u>0.10301</u>	<u>0.05000</u>	<u>0.27840</u>	<u>0.05000</u>	<u>3.99487</u>
Taxes Extended		<u>4,887,910</u>	<u>71,881</u>	<u>41,026</u>	<u>898,513</u>	<u>359,405</u>	<u>55,043</u>	<u>185,112</u>	<u>89,851</u>	<u>500,292</u>	<u>89,851</u>	<u>7,178,884</u>

PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT NO. 535
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:

2024 -001

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

Internal controls should be designed to allow management or employees, in the normal course of performing their assigned functions, to prevent, detect, or correct misstatements and safeguard assets. A concept in a strong system of internal controls is the reconciliation of key accounts, such as cash and cash equivalents.

4. Condition

Bank reconciliations were not completed on a timely basis throughout the fiscal year. There were material misstatements in the financial statements that were not prevented, detected, or corrected in a timely manner by the District's system of internal controls.

5. Context

The District's bank account balances recorded in the accounting records were not reconciled to the monthly bank statements on a timely basis.

6. Effect

The financial statements contained material misstatements relating to cash and cash equivalents that were detected by the external auditor.

7. Cause

The District accounting staff were not able to timely identify variances between the bank statements and the accounting records of the District.

8. Recommendation

The District's cash balances should be reconciled to the bank statements on a monthly basis. Any discrepancies should be identified and any resulting entry to the accounting records should be entered on a timely basis.

9. Management's response

Management will review the current procedures for bank reconciliations and implement internal controls to timely identify and correct discrepancies that are identified.
