

**CANTON UNION SCHOOL
DISTRICT NO. 66
CANTON, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

CANTON UNION SCHOOL DISTRICT NO. 66

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CANTON UNION SCHOOL DISTRICT NO. 66

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INDEPENDENT AUDITORS' REPORT



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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Canton Union School District No. 66, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of each fund of Canton Union School District No. 66 as of June 30, 2023, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of the financial reporting provisions of the Illinois State Board of Education.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Canton Union School District No. 66, as of June 30, 2023, and the changes in its financial position 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Canton Union School District No. 66, 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 US Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Canton Union School District No. 66 on the basis of the financial reporting provisions 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 comply with 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.

Responsibility 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility 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 auditors' 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 GAAS 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 GAAS 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 Canton Union School District No. 66's financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 Schedule of Expenditures of Federal Awards is fairly presented in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of custodial funds, the pension schedules and assessed valuations, tax rates, tax extensions and tax collections schedule but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We previously audited Canton Union School District No. 66's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on the regulatory basis and an adverse opinion on U.S. GAAP on those audited financial statements in our report dated October 17, 2022. The summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of Canton Union School District No. 66's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Canton Union School District No. 66's internal control over financial reporting and compliance.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
October 16, 2023

FINANCIAL STATEMENTS

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions
 All Funds and Account Groups
 June 30, 2023

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
<u>Assets</u>					
Cash	\$ 25,943,516	1,921,432	981,932	1,754,753	2,248,457
Investments	4,970,259	-	-	-	-
Total Current Assets	<u>30,913,775</u>	<u>1,921,432</u>	<u>981,932</u>	<u>1,754,753</u>	<u>2,248,457</u>
Capital Assets:					
Land	-	-	-	-	-
Building	-	-	-	-	-
Other Improvements	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be provided for Payment of Bonds	-	-	-	-	-
Total Assets	<u>\$ 30,913,775</u>	<u>1,921,432</u>	<u>981,932</u>	<u>1,754,753</u>	<u>2,248,457</u>
<u>Liabilities and Fund Balance</u>					
Long-Term Liabilities:					
Long-Term Debt Payable	\$ -	-	-	-	-
Total Long-Term Liabilities:	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balance:					
Unreserved Fund Balance	29,390,418	1,921,432	981,932	1,754,753	1,674,252
Reserved Fund Balance	1,523,357	-	-	-	574,205
Investment in General Fixed Assets	-	-	-	-	-
Total Fund Balance	<u>30,913,775</u>	<u>1,921,432</u>	<u>981,932</u>	<u>1,754,753</u>	<u>2,248,457</u>
Total Liabilities and Fund Balance	<u>\$ 30,913,775</u>	<u>1,921,432</u>	<u>981,932</u>	<u>1,754,753</u>	<u>2,248,457</u>

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

Statement A

Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Custodial Fund	Account Groups		Total (Memorandum Only) Year Ended June 30, 2023
					General Fixed Assets	General Long-Term Debt	
1,845,822	1,909,750	2,590,331	5,716,384	755,635	-	-	45,668,012
-	-	-	-	-	-	-	4,970,259
1,845,822	1,909,750	2,590,331	5,716,384	755,635	-	-	50,638,271
-	-	-	-	-	253,690	-	253,690
-	-	-	-	-	32,409,522	-	32,409,522
-	-	-	-	-	8,012,633	-	8,012,633
-	-	-	-	-	7,334,515	-	7,334,515
-	-	-	-	-	-	981,932	981,932
-	-	-	-	-	-	8,418,068	8,418,068
1,845,822	1,909,750	2,590,331	5,716,384	755,635	48,010,360	9,400,000	108,048,631
-	-	-	-	-	-	9,400,000	9,400,000
-	-	-	-	-	-	9,400,000	9,400,000
-	-	-	-	-	-	9,400,000	9,400,000
812,786	1,909,750	2,590,331	5,716,384	-	-	-	46,752,038
1,033,036	-	-	-	755,635	-	-	3,886,233
-	-	-	-	-	48,010,360	-	48,010,360
1,845,822	1,909,750	2,590,331	5,716,384	755,635	48,010,360	-	98,648,631
1,845,822	1,909,750	2,590,331	5,716,384	755,635	48,010,360	9,400,000	108,048,631

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

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received, Expenditures Disbursed, Other Financing Sources (Uses),
and Changes in Fund Balances - All Funds
For the Year Ended June 30, 2023

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts:				
Local Sources	\$ 15,213,031	2,877,855	1,377,607	1,245,706
State Sources	10,879,659	50,000	-	657,034
Federal Sources	5,947,400	-	-	-
Total Direct Receipts	32,040,090	2,927,855	1,377,607	1,902,740
Receipts for "On Behalf" Payments	1,287,894	-	-	-
Total Receipts	33,327,984	2,927,855	1,377,607	1,902,740
Disbursements:				
Instruction	15,937,003	-	-	-
Support Services	7,427,099	2,396,579	-	1,542,582
Community Services	15,093	-	-	-
Payments to Other Governmental Units	1,481,852	-	-	-
Debt Service	-	-	1,042,938	-
Total Direct Disbursements	24,861,047	2,396,579	1,042,938	1,542,582
Disbursements for "On Behalf" Payments	1,287,894	-	-	-
Total Expenditures Disbursed	26,148,941	2,396,579	1,042,938	1,542,582
Excess of Direct Receipts Over (Under) Direct Disbursements	7,179,043	531,276	334,669	360,158
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	7,179,043	531,276	334,669	360,158
Fund Balance, Beginning of Year	23,734,732	1,390,156	647,263	1,394,595
Fund Balance, End of Year	\$ 30,913,775	1,921,432	981,932	1,754,753

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

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total (Memorandum Only) Year Ended June 30, 2023
1,308,512	1,301,482	165,354	1,545,291	223,985	25,258,823
-	-	-	-	-	11,586,693
-	-	-	-	-	5,947,400
1,308,512	1,301,482	165,354	1,545,291	223,985	42,792,916
-	-	-	-	-	1,287,894
1,308,512	1,301,482	165,354	1,545,291	223,985	44,080,810
432,976	-	-	39,664	-	16,409,643
430,747	1,256,059	-	921,456	199,991	14,174,513
231	-	-	-	-	15,324
-	-	-	-	-	1,481,852
-	-	-	-	-	1,042,938
863,954	1,256,059	-	961,120	199,991	33,124,270
-	-	-	-	-	1,287,894
863,954	1,256,059	-	961,120	199,991	34,412,164
444,558	45,423	165,354	584,171	23,994	9,668,646
-	-	-	-	5,400,000	5,400,000
-	-	-	-	5,400,000	5,400,000
444,558	45,423	165,354	584,171	5,423,994	15,068,646
1,803,899	1,800,399	1,744,396	2,006,160	292,390	34,813,990
2,248,457	1,845,822	1,909,750	2,590,331	5,716,384	49,882,636

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

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received
 All Funds
 For the Year Ended June 30, 2023

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts:				
Local Sources:				
Property Taxes:				
Designated Purposes Levy	\$ 4,016,573	1,091,457	814,178	436,584
Leasing Purposes Levy	109,146	-	-	-
Special Education Purposes Levy	87,315	-	-	-
FICA and Medicare Levies	-	-	-	-
Corporate Personal Property Replacement Taxes	8,900,434	1,600,000	331,532	750,000
Tuition:				
Regular Tuition from Pupils or Parents	19,620	-	-	-
Special Tuition from Other Districts	77,295	-	-	-
Interest on Investments	710,811	50,992	16,277	43,461
Food Services:				
Sales to Pupils - Lunch	15,639	-	-	-
Sales to Pupils - A la Carte	1,350	-	-	-
Sales to Adults	1,227	-	-	-
Other Food Service	10,273	-	-	-
District Activity Income:				
Admissions - Athletic	73,901	-	-	-
Fees	26,073	-	-	-
Textbook Income:				
Regular Textbooks	97,649	-	-	-
Sales	10,410	-	-	-
Other Receipts from Local Sources:				
Rentals	-	85,111	-	-
Contributions and Donations from Private Sources	358,546	-	-	-
Services Provided by Other	10	-	-	-
Refund of Prior Years' Expenditures	57,716	34,777	-	-
Drivers' Education Fees	7,425	-	-	-
School Facilities Occupation Tax	-	-	210,692	-
Sale of Equipment	-	-	-	6,000
Other Local Receipts	57,599	15,518	4,928	9,661
Student Activity Fund Revenues	574,019	-	-	-
Total Receipts from Local Sources	15,213,031	2,877,855	1,377,607	1,245,706
State Sources:				
Evidence Based Funding Formula	9,664,682	-	-	-
Special Education:				
Private Facility Tuition	146,676	-	-	-
Orphanage - Individual	539,525	-	-	-
Orphanage - Summer	13,372	-	-	-
CTE Secondary Program Improvement	60,864	-	-	-
Agriculture Education	11,413	-	-	-
State Free Lunch & Breakfast	3,753	-	-	-
Driver Education	29,173	-	-	-
Transportation Aid:				
Regular	-	-	-	228,475
Special Education	-	-	-	428,559
State Maintenance Grant	-	50,000	-	-
Early Childhood - Block Grant	409,701	-	-	-
Other State Grants	500	-	-	-
Total Receipts from State Sources	10,879,659	50,000	-	657,034

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

Statement C

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total Year Ended June 30, 2023
509,648	-	109,146	1,477,434	109,146	8,564,166
-	-	-	-	-	109,146
-	-	-	-	-	87,315
509,648	-	-	-	-	509,648
230,000	200,000	-	-	-	12,011,966
-	-	-	-	-	19,620
-	-	-	-	-	77,295
59,216	46,026	56,208	66,782	114,839	1,164,612
-	-	-	-	-	15,639
-	-	-	-	-	1,350
-	-	-	-	-	1,227
-	-	-	-	-	10,273
-	-	-	-	-	73,901
-	-	-	-	-	26,073
-	-	-	-	-	97,649
-	-	-	-	-	10,410
-	-	-	-	-	85,111
-	-	-	-	-	358,546
-	-	-	-	-	10
-	-	-	-	-	92,493
-	-	-	-	-	7,425
-	1,055,456	-	-	-	1,266,148
-	-	-	-	-	6,000
-	-	-	1,075	-	88,781
-	-	-	-	-	574,019
<u>1,308,512</u>	<u>1,301,482</u>	<u>165,354</u>	<u>1,545,291</u>	<u>223,985</u>	<u>25,258,823</u>
-	-	-	-	-	9,664,682
-	-	-	-	-	146,676
-	-	-	-	-	539,525
-	-	-	-	-	13,372
-	-	-	-	-	60,864
-	-	-	-	-	11,413
-	-	-	-	-	3,753
-	-	-	-	-	29,173
-	-	-	-	-	228,475
-	-	-	-	-	428,559
-	-	-	-	-	50,000
-	-	-	-	-	409,701
-	-	-	-	-	500
-	-	-	-	-	<u>11,586,693</u>

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

CANTON UNION SCHOOL DISTRICT NO. 66

Statement of Revenues Received - All Funds
For the Year Ended June 30, 2023

	Educational Fund	Operations & Maintenance Fund	Debt Service Fund	Transportation Fund
Receipts (Continued):				
Federal Sources:				
Rural Education Initiative	\$ 62,037	-	-	-
Food Service:				
National School Lunch Program	706,254	-	-	-
School Breakfast Program	153,918	-	-	-
Title I - Low Income	910,910	-	-	-
Title IV - Student Support & Academic Enrichment	47,160	-	-	-
Special Education:				
IDEA Flow-through Preschool	31,787	-	-	-
IDEA Flow-through	637,462	-	-	-
Title II - Teacher Quality	93,032	-	-	-
Medicaid Matching Funds:				
Administrative Outreach	43,663	-	-	-
Fee for Service	102,645	-	-	-
Other Restricted Receipts from Federal Sources	3,158,532	-	-	-
Total Receipts from Federal Sources	<u>5,947,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Receipts	<u>\$ 32,040,090</u>	<u>2,927,855</u>	<u>1,377,607</u>	<u>1,902,740</u>

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

Statement C
(Continued)

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Immunity Fund	Fire Prevention and Safety Fund	Total Year Ended June 30, 2023
-	-	-	-	-	62,037
-	-	-	-	-	706,254
-	-	-	-	-	153,918
-	-	-	-	-	910,910
-	-	-	-	-	47,160
-	-	-	-	-	31,787
-	-	-	-	-	637,462
-	-	-	-	-	93,032
-	-	-	-	-	43,663
-	-	-	-	-	102,645
-	-	-	-	-	3,158,532
-	-	-	-	-	5,947,400
<u>1,308,512</u>	<u>1,301,482</u>	<u>165,354</u>	<u>1,545,291</u>	<u>223,985</u>	<u>42,792,916</u>

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:					
Instruction:					
Regular Programs:					
Salaries	\$ 6,762,626	6,762,626	6,668,821	93,805	6,539,553
Employee Benefits	1,071,400	1,094,900	1,137,682	(42,782)	1,045,976
Purchased Services	190,200	190,200	223,667	(33,467)	176,578
Supplies and Materials	309,350	320,100	265,168	54,932	142,155
Capital Outlay	92,650	96,650	91,034	5,616	30,776
Other Objects	3,300	3,300	2,895	405	3,135
Termination Benefits	1,000	1,000	-	1,000	1,000
Total Regular Programs	8,430,526	8,468,776	8,389,267	79,509	7,939,173
Pre-K Programs:					
Salaries	140,000	140,000	136,218	3,782	137,474
Employee Benefits	34,650	34,650	29,208	5,442	34,308
Total Pre-K Programs	174,650	174,650	165,426	9,224	171,782
Special Education Programs:					
Salaries	3,085,000	3,185,000	3,186,155	(1,155)	3,053,174
Employee Benefits	593,795	593,795	613,509	(19,714)	584,187
Purchased Services	6,115	7,915	5,110	2,805	2,610
Supplies and Materials	20,600	24,600	23,768	832	11,182
Capital Outlay	16,000	34,600	34,851	(251)	1,427
Other Objects	375	375	375	-	180
Total Special Education Programs	3,721,885	3,846,285	3,863,768	(17,483)	3,652,760
Remedial and Supplemental Prog. K-12:					
Salaries	840,150	840,150	806,546	33,604	864,986
Employee Benefits	104,955	104,955	106,340	(1,385)	108,814
Purchased Services	328,900	351,900	276,844	75,056	368,966
Supplies and Materials	110,505	113,505	85,614	27,891	866,463
Capital Outlay	41,200	48,200	-	48,200	-
Total Remedial and Supp. Prog. K-12	1,425,710	1,458,710	1,275,344	183,366	2,209,229
CTE Programs:					
Salaries	335,500	335,500	339,577	(4,077)	293,673
Employee Benefits	69,315	69,315	88,450	(19,135)	68,883
Purchased Services	1,000	1,000	-	1,000	-
Supplies and Materials	32,000	32,000	45,190	(13,190)	29,319
Capital Outlay	31,000	31,000	22,082	8,918	36,588
Total CTE Programs	468,815	468,815	495,299	(26,484)	428,463

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed (Continued):					
Instruction (Continued):					
Interscholastic Programs:					
Salaries	\$ 382,000	397,000	387,150	9,850	371,025
Employee Benefits	23,835	23,835	24,641	(806)	22,962
Purchased Services	126,800	146,800	142,690	4,110	115,977
Supplies and Materials	66,100	71,100	70,917	183	55,078
Capital Outlay	51,000	67,500	51,183	16,317	17,637
Other Objects	10,000	10,000	4,686	5,314	3,555
Total Interscholastic Programs	<u>659,735</u>	<u>716,235</u>	<u>681,267</u>	<u>34,968</u>	<u>586,234</u>
Driver's Education Programs:					
Salaries	66,000	66,000	42,699	23,301	65,533
Employee Benefits	11,050	11,050	3,752	7,298	10,396
Purchased Services	500	500	304	196	133
Supplies and Materials	250	250	751	(501)	-
Capital Outlay	3,000	3,000	-	3,000	-
Total Driver's Education Programs	<u>80,800</u>	<u>80,800</u>	<u>50,099</u>	<u>30,701</u>	<u>76,062</u>
Special Ed. Prog. K-12 Private Tuition:					
Other Objects	196,500	256,500	442,629	(186,129)	242,790
Total Sp. Ed. Prog. K-12 Private Tuition	<u>196,500</u>	<u>256,500</u>	<u>442,629</u>	<u>(186,129)</u>	<u>242,790</u>
Student Activity Fund Expenditures	-	545,000	573,904	(28,904)	416,449
Total Instruction	<u>15,158,621</u>	<u>16,015,771</u>	<u>15,937,003</u>	<u>78,768</u>	<u>15,722,942</u>
Support Services:					
Attendance and Social Work Services:					
Salaries	130,000	130,000	129,459	541	124,243
Employee Benefits	5,005	5,005	4,282	723	3,289
Supplies and Materials	825	825	1,212	(387)	1,500
Total Attend. and Social Work Services	<u>135,830</u>	<u>135,830</u>	<u>134,953</u>	<u>877</u>	<u>129,032</u>
Guidance Services:					
Salaries	298,000	298,000	312,004	(14,004)	284,069
Employee Benefits	33,425	33,425	38,763	(5,338)	33,838
Purchased Services	1,250	1,250	991	259	1,225
Supplies and Materials	1,000	1,000	2,008	(1,008)	790
Total Guidance Services	<u>333,675</u>	<u>333,675</u>	<u>353,766</u>	<u>(20,091)</u>	<u>319,922</u>

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed (Continued):					
Support Services (Continued):					
Health Services:					
Purchased Services	\$ 47,500	67,500	64,985	2,515	9,533
Total Health Services	47,500	67,500	64,985	2,515	9,533
Psychological Services:					
Salaries	192,000	192,000	138,126	53,874	181,551
Employee Benefits	10,660	10,660	17,993	(7,333)	7,098
Purchased Services	30,235	30,235	68,016	(37,781)	3,416
Supplies and Materials	2,200	2,200	331	1,869	1,517
Total Psychological Services	235,095	235,095	224,466	10,629	193,582
Speech Path. and Audiology Services:					
Salaries	255,000	255,000	213,495	41,505	247,790
Employee Benefits	27,200	27,200	27,406	(206)	26,286
Purchased Services	-	37,000	34,542	2,458	-
Supplies and Materials	1,305	1,305	1,952	(647)	906
Total Speech Path. and Aud. Services	283,505	320,505	277,395	43,110	274,982
Improvement of Instruction Services:					
Salaries	169,250	169,250	146,771	22,479	160,027
Employee Benefits	38,379	38,379	31,881	6,498	42,745
Purchased Services	116,900	116,900	101,605	15,295	99,438
Supplies and Materials	23,200	23,200	15,796	7,404	9,361
Capital Outlay	-	-	1,025	(1,025)	-
Total Improv. of Instruction Services	347,729	347,729	297,078	50,651	311,571
Educational Media Services:					
Salaries	615,000	615,000	585,499	29,501	473,618
Employee Benefits	66,170	78,170	113,636	(35,466)	65,946
Purchased Services	74,320	107,320	91,031	16,289	77,590
Supplies and Materials	83,300	101,300	66,745	34,555	86,016
Capital Outlay	65,000	65,000	37,374	27,626	62,658
Other Objects	3,000	3,000	2,876	124	2,725
Total Educational Media Services	906,790	969,790	897,161	72,629	768,553
Assessment and Testing:					
Purchased Services	15,000	15,000	4,563	10,437	5,122
Supplies and Materials	102,900	102,900	745	102,155	1,148
Total Assessment and Testing	117,900	117,900	5,308	112,592	6,270

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed (Continued):					
Support Services (Continued):					
Board of Education Services:					
Salaries	\$ 1,500	1,500	1,900	(400)	960
Employee Benefits	39,500	39,500	21,871	17,629	38,617
Purchased Services	50,000	50,000	60,038	(10,038)	41,447
Supplies and Materials	20,000	40,000	37,061	2,939	9,843
Other Objects	8,000	8,000	20,472	(12,472)	6,640
Total Board of Education Services	119,000	139,000	141,342	(2,342)	97,507
Executive Administration Services:					
Salaries	165,000	170,000	194,372	(24,372)	163,648
Employee Benefits	28,340	28,340	37,312	(8,972)	27,675
Purchased Services	2,200	2,200	2,395	(195)	1,761
Supplies and Materials	5,000	5,000	7,168	(2,168)	4,048
Other Objects	100	100	5	95	10
Termination Benefits	10,000	10,000	-	10,000	10,314
Total Executive Administration Services	210,640	215,640	241,252	(25,612)	207,456
Office of the Principal Services:					
Salaries	720,000	720,000	727,305	(7,305)	694,334
Employee Benefits	135,850	135,850	136,995	(1,145)	132,553
Purchased Services	1,800	1,800	1,857	(57)	1,618
Supplies and Materials	6,500	6,500	5,355	1,145	1,304
Capital Outlay	200	200	-	200	-
Total Office of the Principal Services	864,350	864,350	871,512	(7,162)	829,809
Direction of Business Support Services:					
Purchased Services	50,000	60,000	81,401	(21,401)	48,731
Supplies and Materials	1,000	1,000	1,008	(8)	54
Other Objects	8,000	8,000	1,495	6,505	8,060
Total Direction of Business Support Services	59,000	69,000	83,904	(14,904)	56,845
Fiscal Services:					
Salaries	190,000	190,000	190,624	(624)	187,612
Employee Benefits	36,750	36,750	34,796	1,954	34,802
Purchased Services	5,000	5,000	5,624	(624)	4,471
Supplies and Materials	2,000	2,000	2,196	(196)	2,082
Total Fiscal Services	233,750	233,750	233,240	510	228,967

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed (Continued):					
Support Services (Continued):					
Operation and Maintenance of Plant Services:					
Purchased Services	\$ 2,834,000	3,814,000	2,778,014	1,035,986	746,905
Total Operation and Maintenance of Plant Services	2,834,000	3,814,000	2,778,014	1,035,986	746,905
Pupil Transportation Services:					
Salaries	50,000	50,000	-	50,000	-
Purchased Services	-	52,000	51,402	598	-
Total Pupil Transportation Services	50,000	102,000	51,402	50,598	-
Food Services:					
Purchased Services	760,000	760,000	753,776	6,224	756,492
Supplies and Materials	10,000	10,000	5,609	4,391	1,180
Capital Outlay	7,000	12,000	11,936	64	-
Total Food Services	777,000	782,000	771,321	10,679	757,672
Total Support Services	7,555,764	8,747,764	7,427,099	1,320,665	4,938,606
Community Services:					
Salaries	4,600	4,600	8,845	(4,245)	5,310
Employee Benefits	590	590	719	(129)	358
Purchased Services	30,030	30,030	3,018	27,012	29,154
Supplies and Materials	4,700	4,700	2,511	2,189	4,873
Total Community Services	39,920	39,920	15,093	24,827	39,695
Payments to Other Governmental Units:					
Payments for Special Education Prog.:					
Purchased Services	482,600	482,600	493,644	(11,044)	496,657
Other Objects	63,000	63,000	42,876	20,124	63,605
Total Payments for Special Ed. Prog.	545,600	545,600	536,520	9,080	560,262
Payments for CTE Programs:					
Other Objects	2,500	2,500	2,500	-	2,500
Other Payments:					
Purchased Services	-	67,000	36,368	30,632	-

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

CANTON UNION SCHOOL DISTRICT NO. 66
EDUCATIONAL FUND

Statement D
(Continued)

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed (Continued):					
Payments to Other Gov. Units (Continued):					
Tuition Payments:					
Regular Programs	\$ 15,000	15,000	3,000	12,000	14,510
Special Education Programs	728,000	788,000	903,464	(115,464)	728,499
CTE Programs	-	-	-	-	31,365
Total Tuition Payments	<u>743,000</u>	<u>803,000</u>	<u>906,464</u>	<u>(103,464)</u>	<u>774,374</u>
Payments to Other Gov. Units - Transfers					
Regular Programs	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>-</u>
 Total Payments to Other Gov. Units	 <u>1,323,100</u>	 <u>1,450,100</u>	 <u>1,481,852</u>	 <u>(31,752)</u>	 <u>1,337,136</u>
 Total Expenditures Disbursed	 <u>\$ 24,077,405</u>	 <u>26,253,555</u>	 <u>24,861,047</u>	 <u>1,392,508</u>	 <u>22,038,379</u>

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

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

Statement E

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:					
Support Services:					
Operation & Maintenance of Plant Services:					
Salaries	\$ 892,000	940,000	930,721	9,279	881,478
Employee Benefits	152,920	152,920	164,264	(11,344)	150,926
Purchased Services	287,470	376,470	288,673	87,797	253,503
Supplies and Materials	598,750	850,150	766,010	84,140	578,815
Capital Outlay	105,500	275,500	246,911	28,589	26,812
Termination Benefits	2,150	2,150	-	2,150	2,239
Total Operation & Maint. of Plant Services	<u>2,038,790</u>	<u>2,597,190</u>	<u>2,396,579</u>	<u>200,611</u>	<u>1,893,773</u>
Other Payments to In-State Government Units	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>14,845</u>
Total Support Services	<u>2,053,790</u>	<u>2,612,190</u>	<u>2,396,579</u>	<u>215,611</u>	<u>1,908,618</u>
Total Expenditures Disbursed	<u>\$ 2,053,790</u>	<u>2,612,190</u>	<u>2,396,579</u>	<u>215,611</u>	<u>1,908,618</u>

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

CANTON UNION SCHOOL DISTRICT NO. 66
DEBT SERVICE FUND

Statement F

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:					
Debt Service:					
Interest on Long-Term Debt	\$ 1,050,000	1,070,000	112,438	957,562	133,588
Principal on Long-Term Debt	-	-	930,000	(930,000)	910,000
Other	-	-	500	(500)	500
Total Expenditures Disbursed	<u>\$ 1,050,000</u>	<u>1,070,000</u>	<u>1,042,938</u>	<u>27,062</u>	<u>1,044,088</u>

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

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

Statement G

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:					
Support Services:					
Pupil Transportation Services:					
Salaries	\$ 810,000	950,000	972,477	(22,477)	799,877
Employee Benefits	50,400	75,400	59,204	16,196	40,139
Purchased Services	325,000	360,000	314,229	45,771	226,655
Supplies and Materials	160,000	200,000	196,121	3,879	147,171
Capital Outlay	-	-	551	(551)	-
Total Pupil Transportation Services	<u>1,345,400</u>	<u>1,585,400</u>	<u>1,542,582</u>	<u>42,818</u>	<u>1,213,842</u>
Total Support Services	<u>1,345,400</u>	<u>1,585,400</u>	<u>1,542,582</u>	<u>42,818</u>	<u>1,213,842</u>
Total Expenditures Disbursed	<u>\$ 1,345,400</u>	<u>1,585,400</u>	<u>1,542,582</u>	<u>42,818</u>	<u>1,213,842</u>

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

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

Statement H

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original & Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:				
Instruction:				
Employee Benefits:				
Regular Programs	\$ 66,655	112,745	(46,090)	95,198
Pre-K Programs	44,315	8,054	36,261	9,117
Special Education Programs	263,750	238,233	25,517	259,487
Remedial and Supplemental Prog. K-12	69,047	50,216	18,831	64,101
CTE Programs	4,400	4,557	(157)	3,993
Interscholastic Programs	17,670	18,561	(891)	17,523
Driver's Education Programs	900	610	290	902
Total Instruction	466,737	432,976	33,761	450,321
Support Services:				
Employee Benefits:				
Attendance and Social Work	1,850	1,876	(26)	1,797
Guidance Services	16,800	15,202	1,598	16,479
Psychological Services	9,400	7,397	2,003	8,950
Speech Pathology & Audiology	3,600	2,910	690	3,344
Improvement of Instruction	4,145	3,508	637	3,832
Educational Media Services	57,950	47,612	10,338	54,872
Board of Education Services	300	502	(202)	161
Executive Administration	9,800	11,608	(1,808)	9,443
Risk Management and Claims Services	-	367	(367)	-
Office of the Principal Services	59,700	52,824	6,876	59,376
Direction of Business	20,000	18,620	1,380	-
Fiscal Services	19,400	15,126	4,274	19,296
Operation and Maint. of Plant Service	146,050	128,315	17,735	139,091
Pupil Transportation Services	127,000	124,880	2,120	122,288
Total Support Services	475,995	430,747	45,248	438,929
Community Services	160	231	(71)	169
Total Expenditures Disbursed	\$ 942,892	863,954	78,938	889,419

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

CANTON UNION SCHOOL DISTRICT NO. 66
CAPITAL PROJECTS FUND

Statement I

Statement of Expenditures Disbursed
 Budget and Actual
 For the Year Ended June 30, 2023

	Original & Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:				
Support:				
Facilities Acquisition and Construction:				
Purchased Services	\$ 1,500,000	1,255,777	244,223	536,837
Supplies and Materials	15,000	282	14,718	11,744
Capital Outlay	1,500	-	1,500	12,181
Total Facilities Acquisition and Construction	<u>1,516,500</u>	<u>1,256,059</u>	<u>260,441</u>	<u>560,762</u>
Total Expenditures Disbursed	<u>\$ 1,516,500</u>	<u>1,256,059</u>	<u>260,441</u>	<u>560,762</u>

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

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original & Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:				
Instructional:				
Interscholastic Programs:				
Salaries	\$ 32,000	32,760	(760)	31,763
Employee Benefits	6,770	6,904	(134)	6,535
Total Interscholastic Programs	38,770	39,664	(894)	38,298
Total Instruction	38,770	39,664	(894)	38,298
Support Services:				
Improvement of Instruction Services				
Salaries	10,000	14,975	(4,975)	9,199
Employee Benefits	1,380	1,837	(457)	1,130
Total Executive Administrative Services	11,380	16,812	(5,432)	10,329
Executive Administrative Services				
Salaries	24,000	21,660	2,340	21,082
Employee Benefits	5,470	9,633	(4,163)	9,158
Purchased Services	510,000	406,021	103,979	501,963
Total Executive Administrative Services	539,470	437,314	102,156	532,203
Risk Management and Claims Services Payments				
Salaries	-	24,575	(24,575)	-
Employee Benefits	-	2,907	(2,907)	-
Purchased Services	-	-	-	4,649
Total Risk Management and Claims Services Payments	-	27,482	(27,482)	4,649
Office of the Principal Services:				
Salaries	226,000	199,967	26,033	218,849
Employee Benefits	46,140	35,814	10,326	44,126
Purchased Services	90,000	108,373	(18,373)	80,278
Supplies and Materials	20,000	24,007	(4,007)	9,250
Total Office of the Principal Services:	382,140	368,161	13,979	352,503
Fiscal Services:				
Salaries	35,000	33,630	1,370	31,725
Employee Benefits	9,110	4,126	4,984	3,893
Total Fiscal Services	44,110	37,756	6,354	35,618
Operation & Maintenance of Plant Services:				
Salaries	16,000	15,842	158	15,617
Employee Benefits	2,450	1,727	723	2,387
Total Op. & Maint. Of Plant Services	18,450	17,569	881	18,004
Pupil Transportation Services:				
Salaries	15,000	12,451	2,549	11,452
Employee Benefits	2,050	3,911	(1,861)	1,581
Total Pupil Transportation Services	17,050	16,362	688	13,033
Total Support Services	1,012,600	921,456	91,144	966,339
Total Expenditures Disbursed	\$ 1,051,370	961,120	90,250	1,004,637

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

Statement K

Statement of Expenditures Disbursed
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Year Ended June 30, 2023	(Over) / Under Budget	Actual Year Ended June 30, 2022
Expenditures Disbursed:					
Support:					
Operation & Maintenance of Plant Services:					
Salaries	\$ -	-	20,187	(20,187)	-
Employee Benefits	-	-	4,527	(4,527)	-
Purchased Services	212,560	790,560	175,277	615,283	-
Total Support	212,560	790,560	199,991	590,569	-
Total Expenditures Disbursed	\$ 212,560	790,560	199,991	590,569	-

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

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Fund Accounting

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

District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District uses the following funds and account groups:

Governmental Funds

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

Notes to Financial Statements
For the Year Ended June 30, 2023

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

B. Fund Accounting – (Continued)

Governmental Funds – (Continued)

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

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

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

The District's only fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. Custodial funds report resources to various trust funds.

Notes to Financial Statements
For the Year Ended June 30, 2023

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

B. Fund Accounting – (Continued)

Fiduciary Funds – (Continued)

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

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

Account Groups

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

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

The General Long-Term Debt Account Group is established to account for all long-term liabilities expected to be financed from governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

The accompanying financial statements include Memorandum Only totals columns, which present total assets, liabilities, fund balances, revenues and expenditures for all of the District's funds and account groups.

C. Measurement Focus

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

Notes to Financial Statements
For the Year Ended June 30, 2023

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

C. Measurement Focus – (Continued)

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

While GASB 87 and 96 were in effect as of June 30, 2023, the financial statements have not been adjusted for this as they are reported on the cash basis of accounting. The expenditures are reported in the applicable funds when incurred. See Note 7 relating to lease commitments for further information.

D. Basis of Accounting

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

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

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

E. Budgets and Budgetary Accounting

The budget for all governmental funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Compiled Statutes. The original budget was passed on September 19, 2022 and was amended on June 26, 2023.

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

Notes to Financial Statements
For the Year Ended June 30, 2023

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

E. Budgets and Budgetary Accounting – (Continued)

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is placed on file and a public hearing is held to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Formal budgetary integration is employed as a management control device at the functional/objective level during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

F. Cash and Cash Equivalents

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

G. Investments

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

Notes to Financial Statements
For the Year Ended June 30, 2023

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

H. General Fixed Assets

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

No depreciation has been provided on fixed assets in these financial statements. The Illinois State Board of Education’s Annual Financial Report (ISBE Form SD 50-35/JA50-60) includes depreciation of \$1,153,229 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$26,228,049. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives for fixed assets are as follows:

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

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 2: DEPOSITS AND INVESTMENTS

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

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

Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 2: DEPOSITS AND INVESTMENTS – (Continued)

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

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

At June 30, 2023, the carrying amount of the District’s deposits was \$50,638,271, including petty cash. Bank balances totaled \$51,349,502. As of June 30, 2023, \$4,570,948 of the District’s bank balances were exposed to custodial credit risk as follows, and the remaining balance of \$41,494,992 was held in sweep and trust accounts, not subject to collateralization requirements per the District’s investment policy:

Insured	\$ 500,000
Uninsured and collateralized with securities held by the pledging financial institution	4,954,549
Total	<u>\$ 5,454,549</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2023, the District’s total investments were \$4,970,259, and the District has no investments subject to interest rate risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have a policy for custodial credit risk. At year end, none of the District’s investments were subject to custodial credit risk due to one of the following:

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

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 2: DEPOSITS AND INVESTMENTS – (Continued)

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The District's investment policy places no limit on the amount the District may invest in any one issuer. As of June 30, 2023, the District has no investments subject to concentration of credit risk.

Foreign Currency Risk

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

NOTE 3: PROPERTY TAXES

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes are levied in Fulton County. The 2022 levy in the amount of \$9,230,314, decreased by bond & interest and reduced by statutory limitations to \$9,107,073, was passed by the board on November 14, 2022. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and September. The District receives significant distributions of tax receipts approximately one month after these due dates.

The District received \$3,609,970 from the 2021 tax levy during the year ending June 30, 2023. The 2020 collections were lower than the extension due to cancellations for a closed power plant and prior year real estate tax adjustment for a hospital property that should have been tax exempt. The District also received \$5,660,306 from the 2022 tax levy during the year ending June 30, 2023. The remainder of the 2022 tax levy will be received in the subsequent year.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 4: GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Non Depreciable Land	\$ 253,690	-	-	253,690
Permanent Buildings	27,059,189	5,350,333	-	32,409,522
Improvements Other than Buildings	7,267,229	745,404	-	8,012,633
Capitalized Equipment - 10 Year	2,859,395	1,364,895	-	4,224,290
Capitalized Equipment - 5 Year	3,087,582	7,000	-	3,094,582
Capitalized Equipment - 3 Year	15,643	-	-	15,643
Total General Fixed Assets	<u>\$ 40,542,728</u>	<u>7,467,632</u>	<u>-</u>	<u>48,010,360</u>

Significant additions for the year ending June 30, 2023 include the following:

Culinary Kitchen & Science Room Remodel	\$ 933,800
Ground Master 5900 Mower	109,329
2020 Dodge Ram Pickup	50,541
Snow Plow	9,500
Dodge Ram Pickup	46,829
CHS Stadium Paving	330,504
Track Improvement	414,900
HVAC Replacement	1,137,000
Canton High School Addition	4,060,000
Oven	7,000
Lighting Equipment	11,696
Window Replacement	618,000

NOTE 5: GENERAL LONG-TERM DEBT

Long-term debt at June 30, 2023 is comprised of the following:

Bonded Indebtedness

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

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 5: LONG-TERM OBLIGATIONS – (Continued)

The following is a summary of the District’s general long-term debt activity for the year ended June 30, 2023:

	Principal Outstanding 6/30/2022	Increases	Decreases	Principal Outstanding 6/30/2023	Amount Due in One Year
General Obligation Bonds:					
Life Safety Bond (2012)	\$ 820,000	-	785,000	35,000	35,000
Life Safety Bond (2017)	4,110,000	-	145,000	3,965,000	920,000
Life Safety Bond (2023)	-	5,400,000	-	5,400,000	-
Total Bonds	\$ 4,930,000	5,400,000	930,000	9,400,000	955,000

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

Year Ended June 30,	Principal	Interest
2024	\$ 955,000	425,837
2025	985,000	316,909
2026	1,015,000	291,409
2027	1,045,000	265,581
2028	820,000	232,550
2029-2034	4,580,000	536,394
Totals	\$ 9,400,000	2,068,680

NOTE 6: LEGAL DEBT MARGIN

Under Section 5/19-1 of the Illinois School Code, the District is allowed to incur qualifying debt up to 13.8% of its latest equalized assessed value. The District’s statutory debt limitation as of June 30, 2023 is calculated as follows:

Assessed Valuation - 2022 Tax Year	<u>\$ 214,521,315</u>
Statutory Debt Limitation (13.8%)	\$ 29,603,941
Less: Applicable Debt	<u>9,400,000</u>
Legal Debt Margin	<u>\$ 20,203,941</u>

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 7: CONTRACTS, COMMITMENTS, AND CONTINGENCIES

Teachers' Contracts

Employees' contracts for services rendered during the school year for teachers are paid over twelve-month pay schedules and are recorded in the fiscal year when such checks are drawn. At June 30, 2023, the total amount of unpaid teachers' contracts for services performed during the fiscal year amounted to \$1,523,357 and are reported as reserved fund balance in the Educational Fund.

Compensated Absences

Vacation Pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2023 the estimated unused vacation pay liability is \$35,817.

Teachers' Health Insurance Security (THIS) Fund

The District has committed to pay 35% of retirees' health insurance premiums for five years, or until the retiree turns 65. The District paid \$13,892 in premiums in the current year.

Notes to Financial Statements
For the Year Ended June 30, 2023

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

Operating Lease Commitments

The District entered into a non-cancelable operating lease agreement with Digital Copy Systems. The terms of the lease require monthly payments of \$2,829 for the term of 48 months, which began on July 1, 2019. This lease expired as of June 30, 2023.

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

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for a 14-Passenger Bus. The terms of the lease require annual payments of \$11,669 for the term of 2 years, beginning in December 2022.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for four buses. The terms of the lease require annual payments of \$63,158 for the term of 3 years, beginning in August 2020. This lease expires in August 2023.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for four buses. The terms of the lease require annual payments of \$64,103 for the term of 3 years, beginning in July 2021.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for a 65-Passenger Bus. The terms of the lease require annual payments of \$19,416 for the term of 3 years, beginning in December 2021.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for five buses. The terms of the lease require annual payments of \$95,849 for the term of 3 years, beginning in July 2022.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for a 14-Passenger Bus. The terms of the lease require annual payments of \$11,669 for the term of 2 years, beginning in December 2022.

The District has entered into a non-cancelable operating lease agreement with Midwest Bus Sales for four buses. The terms of the lease require annual payments of \$104,567 for the term of 3 years, beginning in July 2023.

CANTON UNION SCHOOL DISTRICT NO. 66

Notes to Financial Statements
For the Year Ended June 30, 2023

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

Operating Lease Commitments – (Continued)

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ 231,501
2025	200,417
2026	104,567
Totals	<u>\$ 536,485</u>

Grant Audits

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

Litigation

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

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

General Information about the Plan

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 <http://www.trsil.org/financial/acfrs/fy2022>; 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 from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Benefits Provided – (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but has not yet gone into effect. 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 lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs 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 ended June 30, 2022, 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, 2023, 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 \$1,186,129 in pension contributions from the state of Illinois.

2.2 Formula Contributions – Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023 were \$65,582.

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 contributions rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions – (Continued)

For the year ended June 30, 2023, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$252,652 were paid from federal and special trust funds that required employer contributions of \$26,503.

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, 2023, the District 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.

B. Illinois Municipal Retirement Defined Benefit Pension Plan

IMRF Plan Description

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

Benefits Provided

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

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Benefits Provided – (Continued)

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries	157
Inactive, non-retired members	85
Active members	<u>169</u>
Total	<u><u>411</u></u>

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8: RETIREMENT FUND COMMITMENTS – (Continued)

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

Contributions

As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate and actual District contributions for calendar year 2022 and the fiscal year ended June 30, 2023 are summarized below. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Plan member required contribution rate	4.50%
District required contribution rate for 2022	7.87%
District required contribution rate for 2023	5.23%
District actual contributions for 2022	\$ 375,754
District actual contributions for fiscal year 2023	\$ 303,008

NOTE 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Teachers’ Health Insurance Security Fund

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor’s approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under “Central Management Services” (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

Notes to Financial Statements
For the Year Ended June 30, 2023

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

A. Teachers' Health Insurance Security Fund – (Continued)

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

Contributions. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2023, required contributions are as follows:

- Active members contribute 0.90 percent of covered payroll.
- Employers contribute 0.67 percent of covered payroll. The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2023, the District paid \$75,758 to the THIS Fund, which was 100 percent of the required contribution.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed .90 percent of covered payroll. For the year ended June 30, 2023, State of Illinois contributions on behalf of the District's employees were \$101,765 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent by year by statute. The Federal Government provides a Medicare Part D subsidy.

NOTE 10: POST-RETIREMENT HEALTH CARE PLAN

The District provides post-retirement health care benefits for eligible retirees and their dependents. Non-certified support staff retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees will be reimbursed twenty percent (20%) of their retirees' share of the cost of the lowest rate District plan (per COBRA cost) until age 65 or five (5) years, whichever occurs sooner. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2023.

Notes to Financial Statements
For the Year Ended June 30, 2023

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

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

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

Contributions Made. Because the retiree insurance premium established is reimbursed twenty percent (20%) by the District, there is a net cash outflow by the District related to these benefits when paid.

NOTE 11: RISK MANAGEMENT- CLAIMS AND JUDGMENTS

The District is exposed to various risks of loss including, but not limited to, general liability, property casualty, auto liability, workers' compensation and public official liability. To limit exposure to these risks the District purchased commercial insurance, and is insured under a guaranteed cost plan for workers' compensation coverage. There has not been a significant reduction in the District's insurance coverage during the year ended June 30, 2023. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 12: SELF-INSURANCE PLAN

Unemployment Insurance

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

Employee Health Insurance

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

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

The District has established a separate Self-Funded Insurance Plan Fund (Trust Fund) to account for the operation of this self-insurance plan. Outstanding claims are not able to be estimated as of June 30, 2023.

NOTE 13: JOINT AGREEMENTS

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

NOTE 14: TERMINATION BENEFITS

The District's termination benefit plan provides an increase in compensation not to exceed 6% over the prior year's salary for up to three years to qualified employees.

As of June 30, 2023, the District pays up to \$1,000 for unused sick days not needed for retirement purposes employees. The amount of unused sick and vacation pay to be paid after June 30, 2023 is not estimated to be significant.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 15: TAX ABATEMENT

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

The District has a tax abatement agreement with Spoon River College Foundation, an Illinois not-for-profit corporation, as of June 30, 2023. Commencing in tax year 2018 and continuing through tax year 2022, the District agrees to abate fifty-five percent (55%) of property taxes extended. For the fiscal year ended June 30, 2023, the abatement amounted to \$39,304.

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

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

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

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to Financial Statements
For the Year Ended June 30, 2023**

NOTE 16: FUND BALANCE PRESENTATION

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

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Reserved	Unreserved
Educational	\$ -	-	1,523,357	483,265	28,907,153	1,523,357	29,390,418
Operations & Maintenance	-	-	-	-	1,921,432	-	1,921,432
Debt Services	-	981,932	-	-	-	-	981,932
Transportation	-	1,754,753	-	-	-	-	1,754,753
IMRF & Social Security	-	2,248,457	-	-	-	574,205	1,674,252
Capital Projects	-	1,033,036	-	812,786	-	1,033,036	812,786
Working Cash	-	-	-	-	1,909,750	-	1,909,750
Tort	-	2,590,331	-	-	-	-	2,590,331
Fire Prevention & Safety	-	5,716,384	-	-	-	-	5,716,384
Total	\$ -	14,324,893	1,523,357	1,296,051	32,738,335	3,130,598	46,752,038

A. *Non-spendable Fund Balance*

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

B. *Restricted Fund Balance*

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

1. *Special Education*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Revenues of \$87,315 were received during the year ended June 30, 2023, and all was spent, resulting in no restricted fund balance.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 16: FUND BALANCE PRESENTATION – (Continued)

B. Restricted Fund Balance – (Continued)

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Educational Fund. Revenues of \$109,146 were received during the year ended June 30, 2023, and all was spent, resulting in no restricted fund balance.

3. School Facility Occupation Tax

Proceeds from School Facility Occupation Tax and the related expenditures have been included in the Capital Projects Fund. At June 30, 2023, revenue received from School Facility Occupation Tax exceeded expenditures disbursed, resulting in a restricted balance of \$1,033,036. This balance is included in the financial statements as reserved in the Capital Projects Fund.

4. Tort Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Tort Fund. Revenues of \$1,545,291 were received from this levy during the year ended June 30, 2023, and \$961,090 was spent, resulting in a cumulative restricted fund balance of \$2,590,331, which is reported as unreserved in the Tort Fund.

5. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Operations & Maintenance, and Transportation Funds. At June 30, 2023, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.

6. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2023, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.

7. Municipal Retirement / Social Security Fund

Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement / Social Security Fund. At June 30, 2023, cumulative revenues received for Social Security purposes exceeded cumulative expenditures disbursed from the Social Security levy by \$574,205, resulting in a restricted fund balance of this amount, which is reported as reserved in the Municipal Retirement / Social Security Fund. At June 30, 2023, cumulative revenues received for IMRF purposes exceeded cumulative expenditures disbursed from the IMRF levy by \$1,674,252, resulting in a restricted fund balance of this amount, which is reported as unreserved in the Municipal Retirement / Social Security Fund.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 16: FUND BALANCE PRESENTATION – (Continued)

B. Restricted Fund Balance – (Continued)

8. Fire Prevention & Life Safety Levy

Cash disbursed and the related cash receipts of this restricted levy, as well as proceeds of certain bond issuances, are accounted for in the Fire Prevention & Safety Fund. Revenues of \$223,985 were received during the year ended June 30, 2023, and \$199,991 was spent, and bond issuances of \$5,400,000, resulting in a cumulative restricted fund balance of \$5,716,384 which is reported as unreserved in the Fire Prevention & Safety Fund.

9. Transportation Levy

Cash disbursed and the related cash receipts of this restricted levy are accounted for in the Transportation Fund. Revenues of \$1,902,740 were received from this levy during the year ended June 30, 2023, and \$1,542,582 was spent, resulting in a cumulative restricted fund balance of \$1,754,753, which is reported as unreserved in the Transportation Fund.

10. Bond & Interest Levy

Cash disbursed and the related cash receipts of this restricted tax levy is accounted for in the Debt Service Fund. At June 30, 2023, cumulative revenues received for this purpose exceeded cumulative expenditures disbursed, resulting in a restricted fund balance of \$981,932, which is reported as unreserved in the Debt Service Fund.

C. Committed Fund Balance

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

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

Employee contracts for services rendered during the school year for employees electing twelve-month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. The total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2023 amounted to \$1,523,357. This amount is shown as reserved in the Educational Fund.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 16: FUND BALANCE PRESENTATION – (Continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the Board of Education itself or (b) the finance committee or by the Superintendent when the District Board has delegated the authority to assign amounts to be used for specific purposes. The remaining balance of \$812,786 in the Capital Projects fund is assigned for future capital expenditures and the remaining balance of \$483,265 in the Education Fund is assigned for Student Activity and Scholarship funds.

E. Unassigned Fund Balance

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

F. Regulatory – Fund Balance Definitions

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

G. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification not the fund balance identified.

NOTE 17: SUBSEQUENT EVENTS

Management evaluated subsequent events through October 16, 2023, the date which financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of June 30, 2023.

SUPPLEMENTAL INFORMATION

**CANTON UNION SCHOOL DISTRICT NO. 66
CUSTODIAL FUNDS**

Combining Schedule of Assets, Liabilities, and Fund Balance
Arising from Cash Transactions
June 30, 2023

	<u>Assets</u>	<u>Flex Benefit Plan Fund</u>	<u>Self-Funded Insurance Plan Fund</u>	<u>Total</u>
Cash		\$ 13,607	742,028	755,635
Total Assets		<u>\$ 13,607</u>	<u>742,028</u>	<u>755,635</u>
	<u>Fund Balances</u>			
Fund Balance:				
Available for Benefits		\$ 13,607	742,028	755,635
Fund Balances		<u>\$ 13,607</u>	<u>742,028</u>	<u>755,635</u>

**CANTON UNION SCHOOL DISTRICT NO. 66
CUSTODIAL FUNDS**

Schedule A-2

Schedule of Changes in Assets, Liabilities, Fund Balances
And Other Credits Arising from Cash Transactions
For the Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Trust Funds:				
Flexible Benefit Plan Fund	\$ 17,554	61,230	65,177	13,607
Self-Funded Insurance Plan Fund	596,961	3,080,595	2,935,528	742,028
Total Trust Funds	<u>\$ 614,515</u>	<u>3,141,825</u>	<u>3,000,705</u>	<u>755,635</u>

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

Calendar Year Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 391,336	324,233	422,528	418,210	401,204	433,567	430,928	443,407	477,853
Interest on the Total Pension Liability	1,700,545	1,643,044	1,625,107	1,605,282	1,510,468	1,513,081	1,469,400	1,403,433	1,294,270
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	728,718	187,828	(245,597)	(457,804)	705,217	(228,782)	(284,021)	61,132	(170,290)
Assumption Changes	-	-	(191,268)	-	592,216	(642,961)	(69,624)	45,073	809,836
Benefit Payments and Refunds	(1,468,031)	(1,323,039)	(1,305,409)	(1,283,381)	(1,147,344)	(1,039,780)	(1,048,748)	(978,351)	(849,562)
Net Change in Total Pension Liability	1,352,568	832,066	305,361	282,307	2,061,761	35,125	497,935	974,694	1,562,107
Total Pension Liability - Beginning	23,994,142	23,162,076	22,856,715	22,574,408	20,512,647	20,477,522	19,979,587	19,004,893	17,442,786
Total Pension Liability - Ending	<u>\$ 25,346,710</u>	<u>23,994,142</u>	<u>23,162,076</u>	<u>22,856,715</u>	<u>22,574,408</u>	<u>20,512,647</u>	<u>20,477,522</u>	<u>19,979,587</u>	<u>19,004,893</u>
Plan Fiduciary Net Position									
Employer Contributions	\$ 375,754	385,465	379,120	328,392	420,499	422,542	420,492	426,639	434,653
Employee Contributions	206,359	177,930	173,382	179,462	178,150	192,007	182,216	179,892	177,695
Pension Plan Net Investment Income	(3,590,152)	4,194,589	3,171,683	3,715,961	(1,140,789)	3,216,435	1,216,487	89,177	1,041,858
Benefit Payments and Refunds	(1,468,031)	(1,323,039)	(1,305,409)	(1,283,381)	(1,147,344)	(1,039,780)	(1,048,748)	(978,351)	(849,562)
Other	118,234	(119,164)	563	(409,009)	574,311	(569,936)	(115,791)	10,960	18,451
Net Change in Plan Fiduciary Net Position	(4,357,836)	3,315,781	2,419,339	2,531,425	(1,115,173)	2,221,268	654,656	(271,683)	823,095
Plan Fiduciary Net Position - Beginning	27,776,956	24,461,175	22,041,836	19,510,411	20,625,584	18,404,316	17,749,660	18,021,343	17,198,248
Plan Fiduciary Net Position - Ending	<u>\$ 23,419,120</u>	<u>27,776,956</u>	<u>24,461,175</u>	<u>22,041,836</u>	<u>19,510,411</u>	<u>20,625,584</u>	<u>18,404,316</u>	<u>17,749,660</u>	<u>18,021,343</u>
Net Pension Liability (Asset)	<u>\$ 1,927,590</u>	<u>(3,782,814)</u>	<u>(1,299,099)</u>	<u>814,879</u>	<u>3,063,997</u>	<u>(112,937)</u>	<u>2,073,206</u>	<u>2,229,927</u>	<u>983,550</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.40%	115.77%	105.61%	96.43%	86.43%	100.55%	89.88%	88.84%	94.82%
Covered Valuation Payroll	\$ 4,537,925	3,885,733	3,586,753	3,975,684	3,949,349	3,879,932	3,804,363	3,906,949	3,838,727
Net Pension Liability as a Percentage of the Covered Valuation Payroll	42.48%	-97.35%	-36.22%	20.50%	77.58%	-2.91%	54.50%	57.08%	25.62%

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

Illinois Municipal Retirement Fund
Multi-Year Schedule of Contributions

Calendar Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
12/31/2022	\$ 357,135 *	375,754	(18,619)	4,537,925	8.28%
12/31/2021	385,465	385,465	-	3,885,733	9.92%
12/31/2020	379,120	379,120	-	3,586,753	10.57%
12/31/2019	328,391	328,392	(1)	3,975,684	8.26%
12/31/2018	415,472	420,499	(5,027)	3,949,349	10.65%
12/31/2017	414,765	422,542	(7,777)	3,879,932	10.89%
12/31/2016	413,534	420,492	(6,958)	3,804,363	11.05%
12/31/2015	426,639	426,639	-	3,906,949	10.92%
12/31/2014	425,715	434,653	(8,938)	3,838,727	11.32%

* Estimated based on contribution rate of 7.87% and covered valuation payroll of \$4,537,925.

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions used to Determine 2022 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 21-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 year selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 16 years for most employers (five employers were financed over 17 years; one employer was financed over 18 years; two employers were financed over 19 years; one employer was financed over 20 years; three employers were financed over 25 years; four employers were financed over 26 years and one employer was financed over 27 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.85% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

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

Schedule B-3

Schedule of District's Share of the Net Pension Liability

	Fiscal Year*								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0012%	0.0012%	0.0013%	0.0013%	0.0014%	0.0036%	0.0048%	0.0051%	0.0057%
District's Proportionate Share of the Net Pension Liability	\$ 900,449	902,973	1,073,850	1,057,329	1,112,402	2,753,515	3,783,357	3,309,894	3,448,153
State's Proportionate Share of the Net Pension Liability Associated with the District	78,108,012	75,678,722	84,109,505	75,248,924	76,204,169	77,983,497	83,159,433	71,534,258	69,027,952
Total	\$ 79,008,461	76,581,695	85,183,355	76,306,253	77,316,571	80,737,012	86,942,790	74,844,152	72,476,105
District's Covered-Employee Payroll	\$ 10,989,658	10,381,457	10,460,755	10,177,618	10,223,682	10,534,197	10,492,977	11,079,902	11,204,042
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	8.19%	8.70%	10.27%	10.39%	10.88%	26.14%	36.06%	29.87%	30.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.80%	45.10%	37.80%	39.60%	40.00%	39.30%	36.40%	41.50%	43.00%

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

Schedule B-4

Schedule of Contributions

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily-Required Contribution	\$ 65,582	63,740	60,167	60,672	59,030	59,297	61,098	60,859	64,263
Contributions in Relation to the Statutorily-Required Contribution	65,582	63,740	60,167	60,672	59,030	59,297	61,098	60,859	64,263
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 11,307,235	10,989,658	10,381,457	10,460,755	10,177,618	10,223,682	10,534,197	10,492,977	11,079,902
Contributions as a Percentage of Covered-Employee Payroll	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

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

Notes:

Changes of assumptions

For the 2021 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

For the 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

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

CANTON UNION SCHOOL DISTRICT NO. 66

Teachers' Health Insurance Security Fund of the State of Illinois

Schedule B-5

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

	Fiscal Year*					
	2022	2021	2020	2019	2018	2017
District's Proportion of the Collective Net OPEB Liability	0.0399%	0.0400%	0.0414%	0.0414%	0.0431%	0.0458%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 2,728,114	8,820,622	11,055,152	11,460,479	11,362,670	11,883,543
State's Proportionate Share of the Collective Net OPEB Liability Associated with the District	2,728,099	8,820,660	11,055,142	11,447,487	15,257,672	15,241,116
Total	\$ 5,456,213	17,641,282	22,110,294	22,907,966	26,620,342	27,124,659
District's Covered-Employee Payroll	\$ 10,989,658	10,381,457	10,460,755	10,177,618	10,223,682	10,534,197
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of Covered Payroll	24.82%	84.97%	105.68%	112.60%	111.14%	112.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.53%	1.42%	0.70%	0.25%	-0.07%	-0.23%

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

Schedule B-6

Schedule of Contributions

	Fiscal Year					
	2023	2022	2021	2021	2020	2019
Statutorily-Required Contribution	\$ 75,758	73,631	95,509	96,239	93,634	89,968
Contributions in Relation to the Statutorily-Required Contribution	75,758	73,631	95,509	96,239	93,634	89,968
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-
District's Covered-Employee Payroll	\$ 11,307,235	10,989,658	10,381,457	10,460,755	10,177,618	10,223,682
Contributions as a Percentage of Covered-Employee Payroll	0.67%	0.67%	0.92%	0.92%	0.92%	0.88%

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

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	Maximum	Tax Year				
		2018	2019	2020	2021	2022
Assessed Valuations		\$ 216,076,850	222,417,662	221,846,137	213,847,190	214,521,315
Tax Rates:						
Educational	1.8400	1.8400	1.8400	1.8400	1.8400	1.8400
Bond & Interest	Unlimited	0.3701	0.3565	0.3602	0.3731	0.3729
Operations & Maintenance	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
IMRF	Unlimited	0.2004	0.1934	0.2254	0.2339	0.2332
Transportation	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Working Cash	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Fire Prevention / Safety	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Special Education	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Tort - Liability Insurance	Unlimited	0.5091	0.5845	0.6189	0.6781	0.6760
Social Security	Unlimited	0.2028	0.1907	0.2254	0.2339	0.2332
Lease	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Totals		4.0124	4.0551	4.1599	4.2490	4.2453
Tax Extensions:						
Educational		\$ 3,975,814	4,092,485	4,081,969	3,934,788	3,947,192
Bond & Interest		799,700	792,919	799,090	797,864	799,950
Operations & Maintenance		1,080,384	1,112,088	1,109,231	1,069,236	1,072,606
IMRF		433,018	430,156	500,041	500,188	500,264
Transportation		432,154	444,835	443,692	427,694	429,042
Working Cash		108,038	111,209	110,923	106,924	107,261
Fire Prevention / Safety		108,038	111,209	110,923	106,924	107,261
Special Education		86,431	88,967	88,738	85,539	85,808
Tort - Liability Insurance		1,100,047	1,300,031	1,373,006	1,450,098	1,450,164
Social Security		438,204	424,150	500,041	500,188	500,264
Lease		108,038	111,209	110,923	106,924	107,261
Totals		\$ 8,669,866	9,019,259	9,228,577	9,086,367	9,107,073
Tax Collections		\$ 8,695,297	9,066,049	8,503,231	9,122,788	5,660,305

OTHER REPORTS



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CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Canton Union School District No. 66 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Canton Union School District No. 66's basic financial statements, and have issued our report thereon dated October 16, 2023. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

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

We noted certain matters that we reported to management of Canton Union School District No. 66, in a separate letter dated October 16, 2023.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Canton Union School District No. 66's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mack & Associates, P. C.

Mack & Associates, P.C.

Certified Public Accountants

October 16, 2023
Morris, Illinois

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CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Canton Union School District No. 66's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Canton Union School District No. 66's major federal programs for the year ended June 30, 2023. Canton Union School District No. 66's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Canton Union School District No. 66 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Canton Union School District No. 66 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Canton Union School District No. 66's compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants applicable to Canton Union School District No. 66's federal programs.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Canton Union School District No. 66's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report about Canton Union School District No. 66's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance 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 Canton Union School District No. 66's compliance with the requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Canton Union School District No. 66's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Canton Union School District No. 66's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the accompanying financial statements of Canton Union School District No. 66, as of and for the year ended June 30, 2023, and have issued our report thereon dated October 16, 2023, which contains an unmodified opinion the regulatory basis and an adverse opinion on U.S. GAAP on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly presented in all material respects in relation to the basic financial statements as a whole.

Mack & Associates, P. C.

Mack & Associates, P.C.
Certified Public Accountants

October 16, 2023
Morris, Illinois

CANTON UNION SCHOOL DISTRICT NO. 66

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Project #</i>	<i>Federal Expenditures</i>
U.S. Department of Education			
Special Education Cluster			
<i>Passed Through Illinois State Board of Education</i>			
IDEA Pre-School Flow Through - 2022	84.027A	2022-4600	\$ 7,028
IDEA Pre-School Flow Through - 2023	84.027A	2023-4600	31,835
ARP IDEA - ID - 2022	84.027X	2022-4998-ID	112,152
IDEA Room & Board - 2022	84.173A	2022-4625	163,018
IDEA Room & Board - 2023	84.173A	2023-4625	606,678
ARP IDEA Pre-School Flow-Through - 2022	84.173X	2022-4998-PS	11,076
<i>Total Passed Through Illinois State Board of Education</i>			<u>931,787</u>
Total Special Education Cluster			<u>931,787</u>
Other Programs			
<i>Passed Through Illinois DHS</i>			
STEP Grant - 2022	84.126	2022-4999	55,000
<i>Passed Through Illinois State Board of Education</i>			
Rural Education - 2023	84.358	2023-4107	28,527
Title I - Low Income			
Title I Low Income - 2023	84.010	2023-4300	692,957
Total Title I - Low Income			<u>692,957</u>
Title II - Teacher Quality			
Title II - Teacher Quality - 2023	84.367A	2023-4932	90,644
Total Title II - Teacher Quality			<u>90,644</u>
Title IV A - Student Support and Academic Enrichment - 2023	84.424	2023-4400	83,690
Elementary & Secondary School Emergency Relief (M)			
Elementary & Secondary School Emergency Relief - 2023	84.425D	2023-4998-ST	47,050
Elementary & Secondary School Emergency Relief - 2022	84.425D	2023-4998-ER	1,799,602
Elementary & Secondary School Emergency Relief - 2022	84.425U	2022-4998-E3	1,218,897
Total Elementary & Secondary School Emergency Relief			<u>3,065,549</u>
<i>Total Passed Through Illinois State Board of Education</i>			<u>4,016,367</u>
<i>Passed Through Illinois Department of Human Services</i>			
Total Other Programs			<u>4,016,367</u>
Total U.S. Department of Education			<u>4,948,154</u>

CANTON UNION SCHOOL DISTRICT NO. 66

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Project #</i>	<i>Federal Expenditures</i>
<i>U.S. Department of Agriculture</i>			
Child Nutrition Cluster			
<i>Passed Through Department of Defense</i>			
Commodity Credit - 2022	10.555	2023-4250	\$ 80,597
<i>Passed Through Illinois State Board of Education</i>			
National School Lunch Program:			
National School Lunch Program - 2022	10.555	2022-4210	119,704
National School Lunch Program - 2023	10.555	2023-4210	504,404
National School Lunch Program - 2022	10.649	2022-4210-BT	3,135
National School Lunch Program - 2022	10.555	2022-4210-SC	43,857
National School Lunch Program - 2023	10.555	2023-4210-SC	35,155
Total National School Lunch Program			<u>706,254</u>
School Breakfast Program:			
School Breakfast Program - 2022	10.553	2022-4220	32,320
School Breakfast Program - 2023	10.555	2023-4220	121,599
Total Summer Food Service Program for Children			<u>153,919</u>
<i>Total Passed Through Illinois State Board of Education</i>			<u>860,173</u>
Total Child Nutrition Cluster			<u>940,770</u>
<i>Total U.S. Department of Agriculture</i>			<u>940,770</u>
<i>U.S. Department of Health and Human Services</i>			
<i>Passed Through Illinois Department of Healthcare & Family Services</i>			
Medical Assistance Program	93.778	2023-4991	44,807
<i>Total Passed Through Illinois Department of Healthcare & Family Services</i>			<u>44,807</u>
<i>Total U.S. Department of Health & Human Services</i>			<u>44,807</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 5,933,731</u>

CANTON UNION SCHOOL DISTRICT NO. 66

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditors' Report expresses an adverse opinion on the financial statements of Canton Union School District No. 66.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Canton Union School District No. 66 were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Auditors' Report on Compliance for the major federal award programs for Canton Union School District No. 66 expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Canton Union School District No. 66 are reported in Part C of this schedule.
7. The program tested as major programs includes ESSER – CFDA # 84.425.
8. Total federal expenditures for the year ended June 30, 2023 were \$5,933,731, and 51.6% of that total was tested as a major program.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. Canton Union School District No. 66 was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

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

None.

CANTON UNION SCHOOL DISTRICT NO. 66

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

NOTE A: BASIS OF PRESENTATION AND ACCOUNTING

Basis of Presentation

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

Basis of Accounting

Under the cash basis of accounting, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash.

NOTE B: INDIRECT FACILITIES & ADMINISTRATION COSTS

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

NOTE C: SUB RECIPIENTS

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

NOTE D: NON-CASH AWARDS

The amount of commodities reported on the schedule (\$80,597) is the value of commodities distributed by the Lanter Delivery System during the current year and priced as prescribed by the U.S. Department of Agriculture (CFDA # 10.555).

NOTE E: OTHER DISCLOSURES

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

Federal Grants requiring matching expenditures – No.

CANTON UNION SCHOOL DISTRICT NO. 66

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023**

None.