

**KANKAKEE AREA CAREER CENTER,
BOURBONNAIS, ILLINOIS**

Annual Financial Report

**As of and for the Year Ended
June 30, 2009**

**Kankakee Area Career Center
Annual Financial Report
As of and for the year ended June 30, 2009**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Kankakee Area Career Center

We have audited the accompanying financial statements of Kankakee Area Career Center, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Kankakee Area Career Center. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Kankakee Area Career Center's financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Also, as described in Note 5 to these financial statements, detailed property records are not presently maintained; consequently, we are unable to express an opinion on the General Fixed Asset Account Group, and the effect on the financial statements is not determinable.

In our opinion, because of matters discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Kankakee Area Career Center, as of June 30, 2009, or the changes in financial position for the year then ended.

Additionally, in our opinion, except for the General Fixed Asset Account Group, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Kankakee Area Career Center as of June 30, 2009, and its receipts and disbursements during the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2009, on our consideration of Kankakee Area Career Center's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information as identified in the table of contents is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Kankakee Area Career Center, taken as a whole. The accompanying information listed in the table of contents as Other Supplementary Information is presented for purposes of additional analysis and is not a required part of the financial statements of Kankakee Area Career Center. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Smith, Koelling, Dykstra and Ohm, P.C.

November 12, 2009

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**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
Kankakee Area Career Center
Bourbonnais, Illinois 60914

We have audited the financial statements of Kankakee Area Career Center, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 12, 2009. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, except for the General Fixed Asset Account Group, 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 accounting principles generally accepted in the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

1. Formal reconciliations of bank balances to the general ledger are not prepared resulting in an understatement of cash by approximately \$203,000 on the unadjusted general ledger at June 30, 2009. During our audit, we made numerous adjustments to various cash accounts that had balances on the general ledger. We also noted a number of errors that were made in the recording of cash transactions that were not detected because of the absence of account reconciliations.

2. Beginning fund balances were not properly recorded in the new accounting software.
3. Payroll withholding liabilities were overstated by approximately \$298,000 with a resulting overstatement of expenses in the same amount on the unadjusted general ledger at June 30, 2009.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiencies describe above are considered to be material weaknesses.

Center's response:

Finding 1 – Bank reconciliations will be prepared monthly on a regular and consistent basis. They will be presented to/approved by the Director and/or Assistant Director on a monthly basis and presented to/approved by the Finance Committee at least on a quarterly basis. No exceptions to this procedure will be allowed. Staffing changes have been made since the end of the year and the reconciliations have been completed for June 30, 2009.

Finding 2 – New financial software was purchased before 2008 audited numbers were received. Adjustments to balance the amounts have been entered to correct this issue.

Finding 3 – Cash Balance reports will be given to Director monthly and to the Finance Committee at a minimum of a quarterly basis to ensure that the payroll withholding liabilities have been cleared.

The Center's response to the findings identified in our audit is described above. We did not audit the Center's response, and accordingly, we express no opinion on it.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Kankakee Area Career Center in a separate letter dated November 10, 2009.

This report is intended solely for the information and use of management, the management of Kankakee Area Career Center, others within the entity, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Smith, Koelling, Dykstra and Ohm, P.C.

November 12, 2009

Kankakee Area Career Center
 Statement of Assets and Liabilities Arising From Cash Transactions
 All Funds and Account Groups
 June 30, 2009

| | Operations and | | | | | Account Groups | | |
|--|----------------|-------------|--------------|----------------|----------------|----------------------|------------------------|--|
| | Educational | Maintenance | Debt Service | Transportation | Activity Funds | General Fixed Assets | General Long-Term Debt | |
| Assets: | | | | | | | | |
| Cash | \$ 222,739 | \$ 195,467 | \$ (33,090) | \$ 14,126 | \$ 25,500 | \$ - | \$ - | |
| Property and equipment | - | - | - | - | - | 5,231,157 | - | |
| Amount available in Debt Service Fund | - | - | - | - | - | - | (33,090) | |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | - | 723,090 | |
| Total assets | \$ 222,739 | \$ 195,467 | \$ (33,090) | \$ 14,126 | \$ 25,500 | \$ 5,231,157 | \$ 690,000 | |
| Liabilities: | | | | | | | | |
| Due to organizations | \$ - | \$ - | \$ - | \$ - | \$ 25,500 | \$ - | \$ - | |
| Bonds and loans payable | - | - | - | - | - | - | 690,000 | |
| Payroll deduction payable | - | - | - | - | - | - | - | |
| Other payable | (2,719) | - | - | - | - | - | - | |
| Total liabilities | (2,719) | - | - | - | 25,500 | - | 690,000 | |
| Fund equity: | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | 5,231,157 | - | |
| Unreserved fund balance | 225,458 | 195,467 | (33,090) | 14,126 | - | - | - | |
| Total fund equity | 225,458 | 195,467 | (33,090) | 14,126 | - | 5,231,157 | - | |
| Total liabilities and fund equity | \$ 222,739 | \$ 195,467 | \$ (33,090) | \$ 14,126 | \$ 25,500 | \$ 5,231,157 | \$ 690,000 | |

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

Kankakee Area Career Center
Statement of Receipts, Disbursements, Other Financing
Sources and Uses and Changes in Fund Balances
All Funds
For the year ended June 30, 2009

Exhibit B

| | <u>Educational</u> | <u>Operations and Maintenance</u> | <u>Debt Service</u> | <u>Transportation</u> |
|--|--------------------|---|-------------------------|-----------------------|
| Receipts: | | | | |
| Local sources | \$ 1,100,432 | \$ 337,013 | \$ 180,226 | \$ 10,305 |
| State sources | 585,418 | - | - | 25,170 |
| Total direct receipts | <u>1,685,850</u> | <u>337,013</u> | <u>180,226</u> | <u>35,475</u> |
| Receipts for "on behalf" payments | 218,783 | - | - | - |
| Total receipts | <u>1,904,633</u> | <u>337,013</u> | <u>180,226</u> | <u>35,475</u> |
| Disbursements: | | | | |
| Instruction | 1,405,462 | - | - | - |
| Supporting services | 385,377 | 302,106 | - | 32,487 |
| Debt services | - | - | 187,230 | - |
| Total direct disbursements | <u>1,790,839</u> | <u>302,106</u> | <u>187,230</u> | <u>32,487</u> |
| Disbursements for "on behalf" payments | 218,783 | - | - | - |
| Total disbursements | <u>2,009,622</u> | <u>302,106</u> | <u>187,230</u> | <u>32,487</u> |
| Excess (deficiency) of receipts over disbursements | (104,989) | 34,907 | (7,004) | 2,988 |
| Fund balance - beginning of year | <u>330,447</u> | <u>160,560</u> | <u>(26,086)</u> | <u>11,138</u> |
| Fund balance - end of year | <u>\$ 225,458</u> | <u>\$ 195,467</u> | <u>\$ (33,090)</u> | <u>\$ 14,126</u> |

**Kankakee Area Career Center
Statement of Revenues Received - All Funds
For the year ended June 30, 2009**

Exhibit C

| | <u>Educational</u> | <u>Operations and Maintenance</u> | <u>Debt Service</u> | <u>Transportation</u> |
|---|---------------------|---|-------------------------|-----------------------|
| Receipts from local sources | | | | |
| Tuition | | | | |
| Summer school tuition from pupils or parents | \$ 8,390 | \$ - | \$ - | \$ - |
| CTE - tuition from other districts | 603,487 | - | - | - |
| Total tuition | <u>611,877</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Earnings on investments | | | | |
| Interest on investments | 3,052 | - | - | - |
| Total earnings on investments | <u>3,052</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Pupil activities | | | | |
| Fees | 25,331 | - | - | - |
| Other district/school activity revenue | 84,432 | - | - | - |
| Total pupil activities | <u>109,763</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Textbooks | | | | |
| Rentals - regular textbooks | 4,658 | - | - | - |
| Total textbooks | <u>4,658</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other revenue from local sources | | | | |
| Services provided other districts | 72,616 | - | - | - |
| Payment from other districts | 258,848 | 337,013 | 180,226 | 10,305 |
| Other local revenues | 39,618 | - | - | - |
| Total other revenue from local sources | <u>371,082</u> | <u>337,013</u> | <u>180,226</u> | <u>10,305</u> |
| Total receipts from local sources | <u>1,100,432</u> | <u>337,013</u> | <u>180,226</u> | <u>10,305</u> |
| Receipts from state sources | | | | |
| Career and technical education (CTE) | | | | |
| CTE education - Secondary Program Improvement | 585,418 | - | - | - |
| Total career and technical education | <u>585,418</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Transportation | | | | |
| Transportation - regular/vocational | - | - | - | 25,170 |
| Total transportation | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,170</u> |
| Total restricted grants-in-aid | 585,418 | - | - | 25,170 |
| Total receipts from state sources | <u>585,418</u> | <u>-</u> | <u>-</u> | <u>25,170</u> |
| Total direct receipts | <u>\$ 1,685,850</u> | <u>\$ 337,013</u> | <u>\$ 180,226</u> | <u>\$ 35,475</u> |

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

Kankakee Area Career Center
 Statement of Expenditures Disbursed, Budget to Actual - All Funds
 For the year ended June 30, 2009

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-Capitalized Equipment | Termination Benefits | Total | Budget |
|--|------------|-------------------|--------------------|----------------------|----------------|---------------|---------------------------|----------------------|--------------|--------------|
| Educational Fund | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| CTE programs | \$ 908,216 | \$ 276,608 | \$ 22,233 | \$ 193,083 | \$ - | \$ 5,322 | \$ - | \$ - | \$ 1,405,462 | \$ 1,466,906 |
| Total instruction | 908,216 | 276,608 | 22,233 | 193,083 | - | 5,322 | - | - | 1,405,462 | 1,466,906 |
| Support services | | | | | | | | | | |
| Support services - instructional staff | | | | | | | | | | |
| Educational media services | - | - | - | - | - | - | - | - | - | 700 |
| Total support services - instructional staff | - | - | - | - | - | - | - | - | - | 700 |
| Support services - general administration | | | | | | | | | | |
| Board of education services | - | - | 24,744 | - | - | 280 | - | - | 25,024 | 25,300 |
| Executive administration services | 133,828 | 50,463 | 30,078 | 6,081 | - | - | - | - | 220,450 | 228,400 |
| Total support services - general administration | 133,828 | 50,463 | 54,822 | 6,081 | - | 280 | - | - | 245,474 | 253,700 |
| Support services - school administration | | | | | | | | | | |
| Office of the principal services | 97,669 | 38,286 | 3,690 | 258 | - | - | - | - | 139,903 | 151,950 |
| Total support services - school administration | 97,669 | 38,286 | 3,690 | 258 | - | - | - | - | 139,903 | 151,950 |
| Total support services | 231,497 | 88,749 | 58,512 | 6,339 | - | 280 | - | - | 385,377 | 406,350 |
| Provisions for contingencies | - | - | - | - | - | - | - | - | - | 5,000 |
| Total direct disbursements | 1,139,713 | 365,357 | 80,745 | 199,422 | - | 5,602 | - | - | 1,790,839 | 1,878,256 |
| Excess (deficiency) of receipts over disbursements | | | | | | | | | \$ (104,989) | |
| Operations and Maintenance Fund | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Operation & maintenance of plant services | 104,327 | 28,897 | 78,448 | 63,495 | 26,939 | - | - | - | 302,106 | 341,751 |
| Total support services - business | 104,327 | 28,897 | 78,448 | 63,495 | 26,939 | - | - | - | 302,106 | 341,751 |
| Total support services | 104,327 | 28,897 | 78,448 | 63,495 | 26,939 | - | - | - | 302,106 | 341,751 |
| Total direct disbursements | 104,327 | 28,897 | 78,448 | 63,495 | 26,939 | - | - | - | 302,106 | 341,751 |
| Excess (deficiency) of receipts over disbursements | | | | | | | | | \$ 34,907 | |

Kankakee Area Career Center
 Statement of Expenditures Disbursed, Budget to Actual - All Funds
 For the year ended June 30, 2009

| | Salaries | Employee Benefits | Purchased Services | Supplies & Materials | Capital Outlay | Other Objects | Non-Capitalized Equipment | Termination Benefits | Total | Budget |
|--|----------|-------------------|--------------------|----------------------|----------------|---------------|---------------------------|----------------------|------------|---------|
| Debt Service Fund | | | | | | | | | | |
| Debt services | | | | | | | | | | |
| Interest on long-term debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 31,880 | \$ - | \$ - | \$ 31,880 | \$ - |
| Payments of principal on long-term debt | - | - | - | - | - | 155,000 | - | - | 155,000 | 187,230 |
| Other | - | - | - | - | - | 350 | - | - | 350 | - |
| Total debt services | - | - | - | - | - | 187,230 | - | - | 187,230 | 187,230 |
| Total direct disbursements | - | - | - | - | - | 187,230 | - | - | 187,230 | 187,230 |
| Excess (deficiency) of receipts over disbursements | | | | | | | | | \$ (7,004) | |
| Transportation Fund | | | | | | | | | | |
| Support services | | | | | | | | | | |
| Support services - business | | | | | | | | | | |
| Pupil transportation services | 13,383 | 1,662 | 13,237 | 4,205 | - | - | - | - | 32,487 | 33,458 |
| Total support services - business | 13,383 | 1,662 | 13,237 | 4,205 | - | - | - | - | 32,487 | 33,458 |
| Total support services | 13,383 | 1,662 | 13,237 | 4,205 | - | - | - | - | 32,487 | 33,458 |
| Total direct disbursements | 13,383 | 1,662 | 13,237 | 4,205 | - | - | - | - | 32,487 | 33,458 |
| Excess (deficiency) of receipts over disbursements | | | | | | | | | \$ 2,988 | |

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

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 1 – Nature of Operations, Reporting Entity, Description of Funds and Summary of Significant Accounting Policies

Nature of Operations

The Kankakee Area Career Center (KACC) is an intergovernmental joint venture, which is funded primarily by tuition and assessments of venture participants and grants and contracts with the Illinois State Board of Education to provide vocational training programs.

Reporting Entity

In defining the reporting entity of the Kankakee Area Career Center, the basic, but not the only criterion for including a governmental department agency, or institution in the Center's reporting entity, is the ability to exercise oversight responsibility over such entities or affiliated groups by management of the Center. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and the ability to significantly influence management. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships. The Center is not aware of any entity which would exercise such oversight as to result in the Center being considered a component unit of the entity.

The Center has determined that the Kankakee Area Regional Vocational Education System (KARVES) meets the above criteria; however, since KARVES separately reports to the Illinois State Board of Education, it has not been included as a component unit in this financial report. Financial statements of KARVES can be obtained from the administrative offices at 4083 N 1000 W Rd, Bourbonnais, Illinois 60914.

Significant Accounting Policies

Fund Accounting

The accounts of the Center are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The Center 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. Center resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following funds and account groups are used by the Center:

The Educational Fund, Operations and Maintenance, and Transportation Funds are the general operating funds. They are used to account for all financial resources except those required to be accounted for in another fund.

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

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 1 – Nature of Operations, Reporting Entity, Description of Funds and Summary of Significant Accounting Policies (Continued)

Activity funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Activity Funds include Student Activity Funds, Convenience Accounts, and Trust and Agency Funds. They account for assets held by the Center as an agent for the students and teachers. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of changes in financial position.

Measurement Focus

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

General Fixed Assets and General Long-Term Debt Account Groups

Fixed assets used in operations are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment are recorded as capital outlay expenditures of the various funds and as additions to the General Fixed Assets Account Group. Depreciation has not been reflected in the statement of general fixed assets, nor has interest been capitalized.

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

The two account groups are not “funds”. They are concerned only with the measurement of financial position. They are not involved with measurement of changes in financial position.

Basis of Accounting

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

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 1 – Nature of Operations, Reporting Entity, Description of Funds and Summary of Significant Accounting Policies (Continued)

Cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. Debt principal payments and purchases of property and equipment are recorded as expenditures of the various funds on the cash basis.

Investments

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

Other

Under the terms of grant agreements, the Center funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funds available to finance the program. It is the Center's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Note 2 – Budgetary Data

The budget 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 of the Illinois Compiled Statutes (105 ILCS 5/10-17). All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Center at the fund level. Any budgetary modifications may only be made by resolution of the Board. The budget was passed on August 14, 2008.

The Center follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements:

- 1) A proposed operating budget is submitted to the Center for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Formal budgetary integration is employed as a management control device during the fiscal year for all funds. Actual expenditures may not exceed budgetary amounts at the fund level.
- 4) The Center's Board 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.
- 5) The Center's Board may amend the budget by the same procedures required of its original adoption.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 2 – Budgetary Data (Continued)

State of Illinois law provides that a local government shall not incur expenditures in excess of the amount appropriated.

Note 3 – Cash and Investments

The Center has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

The Center is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act and Section 8-7 of the School Code. All amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for Center 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, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements. The preferred method of safekeeping is to have securities registered in the Center's name and held by a third-party custodian.

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

Occasionally, certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board.

The Center also follows the practice of pooling excess cash for investment purposes. Each fund's portion of total investments is under accounting control. Earnings are prorated to each fund when recognized as revenue.

The Center's cash and investments are subject to credit risk (the risk that an issuer or counterparty to an investment will not fulfill its obligation) and custodial credit risk (the risk that in the event of a bank failure, the government's deposits may not be returned to it).

At June 30, 2009, the Center had \$200,010 deposited in bank accounts. All of the deposits were covered by federal depository insurance.

Note 4 – Bonds Payable

During the fiscal year ended June 30, 2003, the Center issued General Obligation Bonds in the amount of \$1,555,000. The bonds were used for improvements to the Career Center building. The bonds are the obligation of the Career Center; however, the bond issue was approved by ten districts participating in the joint venture and will be repaid by these ten districts based on their Equalized Assessed Valuation.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 4 – Bonds Payable (Continued)

Changes in the long-term debt are as follows:

| | <u>Beginning Balance</u> | <u>Retired</u> | <u>Ending Balance</u> |
|-------------------------------|--------------------------|------------------|-----------------------|
| 2003 General Obligation Bonds | <u>\$845,000</u> | <u>\$155,000</u> | <u>\$690,000</u> |
| Totals | <u>\$845,000</u> | <u>\$155,000</u> | <u>\$690,000</u> |

The bonds payable at June 30, 2009 are General Obligation bonds due in annual installments of \$165,000 to \$180,000 through May 1, 2013; interest at 3.70% to 3.90%. The bonds are not rated.

Bond Maturities:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|------------------|------------------|
| 2010 | \$ 165,000 | \$ 26,145 | \$191,145 |
| 2011 | 170,000 | 19,958 | 189,958 |
| 2012 | 175,000 | 13,582 | 188,582 |
| 2013 | <u>180,000</u> | <u>7,020</u> | <u>187,020</u> |
| Totals | <u>\$690,000</u> | <u>\$ 66,705</u> | <u>\$756,705</u> |

Note 5 – General Fixed Assets

The Center does not maintain historical records of fixed assets. The General Fixed Assets Account Group includes costs of fixed assets purchased less proceeds from the sale of assets. They do not necessarily reflect losses, thefts, or abandonments.

Changes in general fixed assets for the year ended June 30, 2009:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Ending Balance</u> |
|--------------------------|--------------------------|------------------|-----------------------|
| Fixed Assets: | | | |
| Land & improvements | \$ 284,504 | \$ - | \$ 284,504 |
| Buildings & improvements | 2,960,250 | 26,549 | 2,986,799 |
| Other improvements | 181,281 | - | 181,281 |
| Other equipment | <u>1,778,573</u> | <u>-</u> | <u>1,778,573</u> |
| Total fixed assets | <u>\$5,204,608</u> | <u>\$26,549</u> | <u>\$5,231,157</u> |

Note 6 – Retirement Commitments

The personnel employed at the Kankakee Area Regional Vocational Education System are treated as employees of Kankakee Area Career Center and are included on the Center's payroll for retirement reporting purposes.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 6 – Retirement Commitments (Continued)

Municipal Retirement Fund

Plan Description. The Center’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 Center’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Center’s Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.81 percent of annual covered payroll. The Center 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the Center’s annual pension cost of \$21,087 for the Regular plan was equal to the employer’s required and actual contributions.

Three-Year Trend Information for the Regular Plan

| <u>Actuarial Valuation Date</u> | <u>Annual Pension Cost</u> | <u>% of APC Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------------|----------------------------|-----------------------------|-------------------------------|
| 12/31/08 | \$21,087 | 100% | \$-0- |
| 12/31/07 | 29,355 | 100% | -0- |
| 12/31/06 | 33,933 | 100% | -0- |

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Center’s plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Center’s Regular plan’s overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008, was 5 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 113.56 percent funded. The actuarial accrued liability for benefits was \$426,080 and the actuarial value of assets was \$483,864, resulting in an overfunded actuarial accrued liability (UAAL) of \$57,784. The covered payroll (annual payroll of active employees covered by the plan) was \$214,958 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 6 – Retirement Commitments (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Illinois Teachers' Retirement System

The Center 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.

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 State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2009, was 9.4% of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2008 and June 30, 2007.

The State of Illinois makes contributions directly to TRS on behalf of the Center's TRS-covered employees.

On-behalf contributions – The State of Illinois makes employer pension contributions on behalf of the Center. For the year ended June 30, 2009, State of Illinois contributions were based on 17.08 percent of creditable earnings not paid from federal funds, and the Center recognized revenue and expenditures of \$208,512 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2008 and June 30, 2007, the on-behalf contributions to TRS that were made by the State of Illinois as percentage of creditable earnings not paid from federal funds were 13.11% (\$148,648) and 9.78% (\$113,777), respectively.

The state contributions for the years ended June 30, 2009 and June 30, 2008 were based on an actuarial formula. The state contribution for the year ended June 30, 2007 was based on a dollar amount specified by the statute and was not actuarially determined.

The Center makes other types of employer contributions directly to TRS.

2.2 formula contributions – Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2009 were \$7,109. Contributions for the years ending June 30, 2008 and 2007, were \$6,876 and \$6,748, respectively.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 6 – Retirement Commitments (Continued)

Federal and Trust Fund Contributions – When TRS members are paid from federal and special trust funds administered by the Center, there is a statutory requirement for the Center to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. For the year ending June 30, 2009, the employer pension contribution was 17.08 percent of salaries paid from federal and special trust funds. For the years ending June 30, 2008 and June 30, 2007, the employer contributions were 13.11 and 9.78 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2009, salaries totaling \$1,900 were paid from federal and special trust funds that required employer contributions of \$324. For the years ended June 30, 2008 and 2007, required Center contributions were \$6,772 and \$7,056, respectively.

Early Retirement Option – The Center is also required to make one-time employer contributions to TRS for members retiring under Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a Pipeline ERO program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they met certain conditions and retired on or before July 1, 2007. If members do not meet these conditions, they can retire under the “Modified ERO” program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualified for the Pipeline ERO).

Under the Pipeline ERO program, the maximum employer contribution is 100% of the member’s highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5%.

Both the 100% and the 117.5% maximums apply when the member is age 55 at retirement.

For the year ended June 30, 2009, the Center paid \$-0- to TRS for employer contributions under the ERO programs. For the years ended June 30, 2008 and June 30, 2007, the Center paid \$0 to TRS in employer ERO contributions.

Salary increased over 6 percent and excess sick leave. Public Act 94-0004 added two additional employer contributions to TRS.

- If an employer grants salary increase over 6 percent and those salaries are used to calculate a retiree’s final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2009, the Center paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2008 and June 30, 2007, the Center paid \$-0- and \$-0- to TRS employer contributions due on salary increases in excess of 6 percent, respectively.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 6 – Retirement Commitments (Continued)

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.67 percent of salary during the year ended June 30, 2009).

For the year ended June 30, 2009, the Center paid \$-0- to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2008 and June 30, 2007, the Center paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2008. The report for the year ended June 30, 2009, is expected to be available in late 2009.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

THIS Fund Employer Contributions

The Center (employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides mental, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

**Kankakee Area Career Center
Notes to Financial Statements
As of and for the year ended June 30, 2009**

Note 6 – Retirement Commitments (Continued)

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Center. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2009. State of Illinois contributions were \$10,271, and the Center recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2008 and 2007 were 0.80 percent of pay. State contributions on behalf of Center employees were \$9,958 and \$9,307, respectively.

Employer contributions to THIS Fund. The Center also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2009 and June 30, 2008 and 0.60 percent during the year ended June 30, 2007. For the year ended June 30, 2009, the Center paid \$7,703 to the THIS Fund. For the years ended June 30, 2008 and June 30, 2007, the Center paid \$7,469 and \$6,980 to the THIS Fund, respectively, which was 100 percent of the required contribution.

Further Information on THIS Fund

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Avenue, Springfield, Illinois 62763-3838.

Note 7 – Contingencies

During the fiscal year ending June 30, 2009, the Center was the recipient of various state grants. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Note 8 – Risk Management

The Center is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Center carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

Kankakee Area Career Center
Required Supplementary Information
As of and for the year ended June 30, 2009

IMRF Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) --Entry Age (b)</u> | <u>Unfunded AAL (UAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll {(b-a)/c}</u> |
|---|--|--|--|-------------------------------|------------------------------------|--|
| 12/31/08 | \$483,864 | \$426,080 | \$(57,784) | 113.56% | \$214,958 | 0.00% |
| 12/31/07 | 590,226 | 529,714 | (60,512) | 111.42% | 197,543 | 0.00% |
| 12/31/06 | 505,523 | \$530,988 | 25,465 | 95.20% | 215,312 | 11.83% |

Kankakee Area Career Center
 Statement of Receipts, Disbursements and Changes in Fund Balances
 Budget and Actual - All Funds
 For the year ended June 30, 2009

| | Educational Fund | | Operations and Maintenance Fund | | Debt Service Fund | | Transportation Fund | | Total (Memorandum Only) | |
|---|---------------------|-------------------|---------------------------------|-------------------|-------------------|--------------------|---------------------|------------------|-------------------------|-------------------|
| | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| Receipts | | | | | | | | | | |
| Local sources | \$ 1,084,219 | \$ 1,100,432 | \$ 336,599 | \$ 337,013 | \$ 187,230 | \$ 180,226 | \$ 32,705 | \$ 10,305 | \$ 1,640,753 | \$ 1,627,976 |
| State sources | 585,418 | 585,418 | - | - | - | - | - | 25,170 | 585,418 | 610,588 |
| Total receipts | <u>1,669,637</u> | <u>1,685,850</u> | <u>336,599</u> | <u>337,013</u> | <u>187,230</u> | <u>180,226</u> | <u>32,705</u> | <u>35,475</u> | <u>2,226,171</u> | <u>2,238,564</u> |
| Disbursements | | | | | | | | | | |
| Instruction | 1,466,906 | 1,405,462 | - | - | - | - | - | - | 1,466,906 | 1,405,462 |
| Supporting services | 406,350 | 385,377 | 341,751 | 302,106 | - | - | 33,458 | 32,487 | 781,559 | 719,970 |
| Debt services | - | - | - | - | 187,230 | 187,230 | - | - | 187,230 | 187,230 |
| Contingencies | 5,000 | - | - | - | - | - | - | - | 5,000 | - |
| Total disbursements | <u>1,878,256</u> | <u>1,790,839</u> | <u>341,751</u> | <u>302,106</u> | <u>187,230</u> | <u>187,230</u> | <u>33,458</u> | <u>32,487</u> | <u>2,440,695</u> | <u>2,312,662</u> |
| Excess (deficiency) of receipts over disbursements | (208,619) | (104,989) | (5,152) | 34,907 | - | (7,004) | (753) | 2,988 | (214,524) | (74,098) |
| Other financing sources (uses) | | | | | | | | | | |
| On-behalf payments made by the State of Illinois | - | 218,783 | - | - | - | - | - | - | - | 218,783 |
| Pension contributions to the Teachers' Retirement System/THIS | - | (218,783) | - | - | - | - | - | - | - | (218,783) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources (uses) over disbursements | <u>\$ (208,619)</u> | <u>(104,989)</u> | <u>\$ (5,152)</u> | <u>34,907</u> | <u>\$ -</u> | <u>(7,004)</u> | <u>\$ (753)</u> | <u>2,988</u> | <u>\$ (214,524)</u> | <u>(74,098)</u> |
| Fund balance - beginning of year | | 330,447 | | 160,560 | | (26,086) | | 11,138 | | 476,059 |
| Fund balance - end of year | | <u>\$ 225,458</u> | | <u>\$ 195,467</u> | | <u>\$ (33,090)</u> | | <u>\$ 14,126</u> | | <u>\$ 401,961</u> |

Kankakee Area Career Center
Detailed Receipts - Budget and Actual
Educational Fund
For the year ended June 30, 2009

Schedule 2

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Actual Over Or (Under) Budget</u> |
|------------------------------------|--|---------------------|--|
| Receipts: | | | |
| Local sources: | | | |
| Summer school tuition | \$ 12,000 | \$ 8,390 | \$ (3,610) |
| CTE - tuition from other districts | 877,498 | 603,487 | (274,011) |
| Earnings on investments | 10,000 | 3,052 | (6,948) |
| Fees | 24,528 | 25,331 | 803 |
| Other district/school activities | 66,750 | 84,432 | 17,682 |
| Rentals - regular textbooks | 6,712 | 4,658 | (2,054) |
| Services provided other districts | 5,000 | 72,616 | 67,616 |
| Payment from other districts | 81,731 | 258,848 | 177,117 |
| Other revenue - local | - | 39,618 | 39,618 |
| Total local sources | <u>1,084,219</u> | <u>1,100,432</u> | <u>16,213</u> |
| State sources: | | | |
| Career and technical education | <u>585,418</u> | <u>585,418</u> | <u>-</u> |
| Total state sources | <u>585,418</u> | <u>585,418</u> | <u>-</u> |
| Total receipts | <u>\$ 1,669,637</u> | <u>\$ 1,685,850</u> | <u>\$ 16,213</u> |

Kankakee Area Career Center
Detailed Disbursements - Budget and Actual
Educational Fund
For the year ended June 30, 2009

Schedule 3

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Actual Over Or (Under) Budget</u> |
|--------------------------------|--|---------------------|--|
| Instruction: | | | |
| CTE programs: | | | |
| Salaries | \$ 935,361 | \$ 908,216 | \$ (27,145) |
| Employee benefits | 288,349 | 276,608 | (11,741) |
| Purchased services | 36,400 | 22,233 | (14,167) |
| Supplies and materials | 173,500 | 193,083 | 19,583 |
| Other | 5,000 | 5,322 | 322 |
| Total CTE programs | <u>1,466,906</u> | <u>1,405,462</u> | <u>(61,444)</u> |
| Total instruction | <u>1,466,906</u> | <u>1,405,462</u> | <u>(61,444)</u> |
| Support services: | | | |
| Education media: | | | |
| Supplies and materials | 700 | - | (700) |
| Total education media | <u>700</u> | <u>-</u> | <u>(700)</u> |
| General administration: | | | |
| Board of Education: | | | |
| Purchased services | 25,300 | 24,744 | (556) |
| Other | - | 280 | 280 |
| Total general administration | <u>25,300</u> | <u>25,024</u> | <u>(276)</u> |
| Executive administration: | | | |
| Salaries | 136,907 | 133,828 | (3,079) |
| Employee benefits | 48,593 | 50,463 | 1,870 |
| Purchased services | 34,400 | 30,078 | (4,322) |
| Supplies and materials | 8,500 | 6,081 | (2,419) |
| Total executive administration | <u>228,400</u> | <u>220,450</u> | <u>(7,950)</u> |
| School administration: | | | |
| Office of the principal: | | | |
| Salaries | 98,901 | 97,669 | (1,232) |
| Employee benefits | 40,649 | 38,286 | (2,363) |
| Purchased services | 8,900 | 3,690 | (5,210) |
| Supplies and materials | 3,500 | 258 | (3,242) |
| Total office of the principal | <u>151,950</u> | <u>139,903</u> | <u>(12,047)</u> |
| Total support services | <u>406,350</u> | <u>385,377</u> | <u>(20,973)</u> |
| Provision for contingencies | <u>5,000</u> | <u>-</u> | <u>(5,000)</u> |
| Total disbursements | <u>\$ 1,878,256</u> | <u>\$ 1,790,839</u> | <u>\$ (87,417)</u> |

Kankakee Area Career Center
Detailed Receipts and Disbursements - Budget and Actual
Operations and Maintenance Fund
For the year ended June 30, 2009

Schedule 4

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Actual Over Or (Under) Budget</u> |
|---|--|--------------------------|--|
| Receipts: | | | |
| Local sources: | | | |
| Payment from other districts | \$ 336,599 | \$ 337,013 | \$ 414 |
| Total local sources | <u>336,599</u> | <u>337,013</u> | <u>414</u> |
| Total receipts | <u><u>\$ 336,599</u></u> | <u><u>\$ 337,013</u></u> | <u><u>\$ 414</u></u> |
| Disbursements: | | | |
| Operations and maintenance of plant services: | | | |
| Salaries | \$ 108,584 | \$ 104,327 | \$ (4,257) |
| Employee benefits | 38,091 | 28,897 | (9,194) |
| Purchased services | 77,376 | 78,448 | 1,072 |
| Supplies and materials | 92,700 | 63,495 | (29,205) |
| Capital outlay | <u>25,000</u> | <u>26,939</u> | <u>1,939</u> |
| Total operations and maintenance of plant services | <u>341,751</u> | <u>302,106</u> | <u>(39,645)</u> |
| Total disbursements | <u><u>\$ 341,751</u></u> | <u><u>\$ 302,106</u></u> | <u><u>\$ (39,645)</u></u> |

Kankakee Area Career Center
Detailed Receipts and Disbursements - Budget and Actual
Debt Service Fund
For the year ended June 30, 2009

Schedule 5

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Actual Over Or (Under) Budget</u> |
|------------------------------|--|--------------------------|--|
| Receipts: | | | |
| Local sources: | | | |
| Payment from other districts | \$ 187,230 | \$ 180,226 | \$ (7,004) |
| Total local sources | <u>187,230</u> | <u>180,226</u> | <u>(7,004)</u> |
| Total receipts | <u><u>\$ 187,230</u></u> | <u><u>\$ 180,226</u></u> | <u><u>\$ (7,004)</u></u> |
| Disbursements: | | | |
| Debt service: | | | |
| Principal retirement | \$ 187,230 | \$ 155,000 | \$ (32,230) |
| Interest | - | 31,880 | 31,880 |
| Other | - | 350 | 350 |
| Total disbursements | <u><u>\$ 187,230</u></u> | <u><u>\$ 187,230</u></u> | <u><u>\$ -</u></u> |

Kankakee Area Career Center
Detailed Receipts and Disbursements - Budget and Actual
Transportation Fund
For the year ended June 30, 2009

Schedule 6

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Actual Over Or (Under) Budget</u> |
|---|--|------------------|--|
| Receipts: | | | |
| Local sources: | | | |
| CTE transportation - payment from other districts | \$ 32,705 | \$ 10,305 | \$ (22,400) |
| Total local sources | <u>32,705</u> | <u>10,305</u> | <u>(22,400)</u> |
| State sources: | | | |
| Transportation - CTE | <u>-</u> | <u>25,170</u> | <u>25,170</u> |
| Total state sources | <u>-</u> | <u>25,170</u> | <u>25,170</u> |
| Total receipts | <u>\$ 32,705</u> | <u>\$ 35,475</u> | <u>\$ 2,770</u> |
| Disbursements: | | | |
| Support services: | | | |
| Pupil transportation services: | | | |
| Salaries | \$ 12,000 | \$ 13,383 | \$ 1,383 |
| Employee benefits | 1,458 | 1,662 | 204 |
| Purchased services | 12,000 | 13,237 | 1,237 |
| Supplies and materials | <u>8,000</u> | <u>4,205</u> | <u>(3,795)</u> |
| Total pupil transportation services | <u>33,458</u> | <u>32,487</u> | <u>(971)</u> |
| Total disbursements | <u>\$ 33,458</u> | <u>\$ 32,487</u> | <u>\$ (971)</u> |

Kankakee Area Career Center
Schedule of Bonded Debt Maturities and Interest

Schedule 7

| | General Obligations School Bonds June 30, 2003 | | Total |
|--------------------------------------|---|------------------|-------------------|
| | Principal | Interest | |
| Due Year End June 30, | | | |
| 2010 | \$ 165,000 | \$ 26,145 | \$ 191,145 |
| 2011 | 170,000 | 19,958 | 189,958 |
| 2012 | 175,000 | 13,582 | 188,582 |
| 2013 | 180,000 | 7,020 | 187,020 |
| Total | \$ 690,000 | \$ 66,705 | \$ 756,705 |