



815.344.1300 mchenry  
847.382.3366 barrington  
847.336.6455 gurnee  
www.edercasella.com

**ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATE OF ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

**eder, casella & co.**

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34

TABLE OF CONTENTS

JUNE 30, 2017

	PAGE
INDEPENDENT AUDITOR'S OPINION	1
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4
BASIC FINANCIAL STATEMENTS	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions – Regulatory Basis – All Funds and Account Groups	6
Statement of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses), and Changes in Fund Balances – All Funds Except Agency Funds	8
Statement of Revenue Received – All Funds Except Agency Funds	9
Statement of Expenditures Disbursed – Budget to Actual	
Educational Fund	11
Operations and Maintenance Fund	16
Debt Services Fund	17
Transportation Fund	18
Illinois Municipal Retirement/Social Security Fund	19
Tort Fund	21
Fire Prevention and Safety Fund	22
Notes to Financial Statements	23
SUPPLEMENTAL FINANCIAL INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	42
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	43
Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability	44
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contribution	45

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34

TABLE OF CONTENTS

JUNE 30, 2017

	PAGE
SUPPLEMENTAL FINANCIAL INFORMATION (Continued)	
Schedule of Changes in Assets and Liabilities – Activity Funds	46
Computation of Operating Expense Per Pupil and Per Capita Tuition Charge	47
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION	
Independent Auditor’s Report on Compliance with Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	48
Schedule of Expenditures of Federal Awards (SEFA)	50
Notes to the Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54
Summary Schedule of Prior Audit Findings	57
Corrective Action Plan for Current Year Audit Findings	58

## INDEPENDENT AUDITOR'S OPINION

To the Board of Education  
Antioch Community Consolidated School District No. 34  
Antioch, Illinois

We have audited the accompanying basic financial statements of

Antioch Community Consolidated School District No. 34

as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Illinois State Board of Education, the financial statements are prepared by Antioch Community Consolidated School District No. 34 in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. Also as described in Note 1, Antioch Community Consolidated School District No. 34 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Antioch Community Consolidated School District No. 34 as of June 30, 2017, or changes in financial position for the year then ended.

## **Unmodified Opinion on Regulatory Cash Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Antioch Community Consolidated School District No. 34 as of June 30, 2017, and the revenue it received and expenditures it paid during the fiscal year then ended, on the basis of accounting described in Note 1.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Antioch Community Consolidated School District No. 34’s basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the average daily attendance figure included in the computation of operating expense per pupil, per capita tuition charges, 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 information is

fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2017 on our consideration of Antioch Community Consolidated School District No. 34'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 Antioch Community Consolidated School District No. 34's internal control over financial reporting and compliance.

### **Restriction on Use**

This report is intended solely for the information and use of management, the Board of Education, others within the organization, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
September 29, 2017

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education  
Antioch Community Consolidated School District No. 34  
Antioch, 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

Antioch Community Consolidated School District No. 34

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Antioch Community Consolidated School District No. 34's basic financial statements, and have issued our report thereon dated September 29, 2017. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Antioch Community Consolidated School District No. 34's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Antioch Community Consolidated School District No. 34's internal control. Accordingly, we do not express an opinion on the effectiveness of Antioch Community Consolidated School District No. 34'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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antioch Community Consolidated School District No. 34'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 purpose.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
September 29, 2017



## BASIC FINANCIAL STATEMENTS

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
ALL FUNDS AND ACCOUNT GROUPS  
AT JUNE 30, 2017

<u>ASSETS</u>	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>	<u>WORKING CASH</u>
Cash and Cash Equivalents	\$ 17,121,595	\$ 2,347,914	\$ 269,218	\$ 1,899,128	\$ 753,466	\$ 216,573
Restricted Cash and Cash Equivalents	1,082,560	-	-	-	-	-
Investments	1,791,163	472,770	39,318	296,048	208,565	127,554
Prepaid Payroll Deductions	16,544	-	-	-	13,659	-
Employee Computer Purchase Receivable	1,221	-	-	-	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 20,013,083</b>	<b>\$ 2,820,684</b>	<b>\$ 308,536</b>	<b>\$ 2,195,176</b>	<b>\$ 975,690</b>	<b>\$ 344,127</b>
<u>LIABILITIES AND FUND BALANCE</u>						
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 1,319	\$ -	\$ -
Payroll Deductions and Withholdings	349,964	183	-	-	-	-
Due to Activity Fund Organizations	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 349,964</b>	<b>\$ 183</b>	<b>\$ -</b>	<b>\$ 1,319</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Long-Term Liabilities</b>						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Long-Term Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 349,964</b>	<b>\$ 183</b>	<b>\$ -</b>	<b>\$ 1,319</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE</b>						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Reserved	1,082,560	-	-	-	151,102	-
Unreserved						
Designated	345,325	-	-	-	-	-
Undesignated	18,235,234	2,820,501	308,536	2,193,857	824,588	344,127
<b>Total Fund Balance</b>	<b>\$ 19,663,119</b>	<b>\$ 2,820,501</b>	<b>\$ 308,536</b>	<b>\$ 2,193,857</b>	<b>\$ 975,690</b>	<b>\$ 344,127</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 20,013,083</b>	<b>\$ 2,820,684</b>	<b>\$ 308,536</b>	<b>\$ 2,195,176</b>	<b>\$ 975,690</b>	<b>\$ 344,127</b>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS  
ALL FUNDS AND ACCOUNT GROUPS  
AT JUNE 30, 2017

<u>ASSETS</u>	<u>TORT</u>	<u>FIRE PREVENTION AND SAFETY</u>	<u>AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
Cash and Cash Equivalents	\$ 154,405	\$ 81,636	\$ 42,302	\$ -	\$ -	\$ 22,886,237
Restricted Cash and Cash Equivalents	-	-	-	-	-	1,082,560
Investments	21,200	13,685	-	-	-	2,970,303
Prepaid Payroll Deductions	-	-	-	-	-	30,203
Employee Computer Purchase Receivable	-	-	-	-	-	1,221
Capital Assets						
Land	-	-	-	3,264,362	-	3,264,362
Building and Building Improvements	-	-	-	30,030,486	-	30,030,486
Site Improvements and Infrastructure	-	-	-	3,703,396	-	3,703,396
Capitalized Equipment	-	-	-	7,443,534	-	7,443,534
Amount Available in Debt Services Fund	-	-	-	-	308,536	308,536
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	3,486,398	3,486,398
<b>Total Assets</b>	<b>\$ 175,605</b>	<b>\$ 95,321</b>	<b>\$ 42,302</b>	<b>\$ 44,441,778</b>	<b>\$ 3,794,934</b>	<b>\$ 75,207,236</b>
 <u>LIABILITIES AND FUND BALANCE</u>						
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,319
Payroll Deductions and Withholdings	-	-	-	-	-	350,147
Due to Activity Fund Organizations	-	-	42,302	-	-	42,302
<b>Total Current Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 393,768</b>
<b>Long-Term Liabilities</b>						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 3,794,934	\$ 3,794,934
<b>Total Long-Term Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,794,934</b>	<b>\$ 3,794,934</b>
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,302</b>	<b>\$ -</b>	<b>\$ 3,794,934</b>	<b>\$ 4,188,702</b>
<b>FUND BALANCE</b>						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 44,441,778	\$ -	\$ 44,441,778
Fund Balance						
Reserved	-	-	-	-	-	1,233,662
Unreserved						
Designated	-	-	-	-	-	345,325
Undesignated	175,605	95,321	-	-	-	24,997,769
<b>Total Fund Balance</b>	<b>\$ 175,605</b>	<b>\$ 95,321</b>	<b>\$ -</b>	<b>\$ 44,441,778</b>	<b>\$ -</b>	<b>\$ 71,018,534</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 175,605</b>	<b>\$ 95,321</b>	<b>\$ 42,302</b>	<b>\$ 44,441,778</b>	<b>\$ 3,794,934</b>	<b>\$ 75,207,236</b>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER  
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
<b>REVENUE RECEIVED</b>									
Local Sources	\$ 20,716,797	\$ 3,203,041	\$ 1,491,059	\$ 1,660,679	\$ 1,481,475	\$ 149,186	\$ 179,598	\$ 30,406	\$ 28,912,241
State Sources	6,043,411	-	-	986,437	-	-	-	-	7,029,848
Federal Sources	1,383,459	-	-	-	-	-	-	-	1,383,459
On-Behalf Payments	14,010,863	-	-	-	-	-	-	-	14,010,863
	<u>\$ 42,154,530</u>	<u>\$ 3,203,041</u>	<u>\$ 1,491,059</u>	<u>\$ 2,647,116</u>	<u>\$ 1,481,475</u>	<u>\$ 149,186</u>	<u>\$ 179,598</u>	<u>\$ 30,406</u>	<u>\$ 51,336,411</u>
<b>EXPENDITURES DISBURSED</b>									
Instruction	\$ 17,228,346	\$ -	\$ -	\$ -	\$ 375,648	\$ -	\$ -	\$ -	\$ 17,603,994
Support Services	7,606,732	2,896,408	-	2,428,772	735,522	-	179,361	24,436	13,871,231
Community Services	108,048	-	-	-	14,453	-	-	-	122,501
Payments to Other Districts and Governmental Units	1,119,028	107,552	-	-	42,973	-	-	-	1,269,553
Debt Services	-	-	1,872,638	-	-	-	-	-	1,872,638
On-Behalf Payments	14,010,863	-	-	-	-	-	-	-	14,010,863
	<u>\$ 40,073,017</u>	<u>\$ 3,003,960</u>	<u>\$ 1,872,638</u>	<u>\$ 2,428,772</u>	<u>\$ 1,168,596</u>	<u>\$ -</u>	<u>\$ 179,361</u>	<u>\$ 24,436</u>	<u>\$ 48,750,780</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED</b>	<u>\$ 2,081,513</u>	<u>\$ 199,081</u>	<u>\$ (381,579)</u>	<u>\$ 218,344</u>	<u>\$ 312,879</u>	<u>\$ 149,186</u>	<u>\$ 237</u>	<u>\$ 5,970</u>	<u>\$ 2,585,631</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale or Compensation for Fixed Assets	\$ -	\$ 9,000	\$ -	\$ 110,500	\$ -	\$ -	\$ -	\$ -	\$ 119,500
Interfund Transfers	3,256,900	-	-	(1,100,000)	-	(2,156,900)	-	-	-
	<u>\$ 3,256,900</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ (989,500)</u>	<u>\$ -</u>	<u>\$ (2,156,900)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,500</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES</b>	<u>\$ 5,338,413</u>	<u>\$ 208,081</u>	<u>\$ (381,579)</u>	<u>\$ (771,156)</u>	<u>\$ 312,879</u>	<u>\$ (2,007,714)</u>	<u>\$ 237</u>	<u>\$ 5,970</u>	<u>\$ 2,705,131</u>
<b>FUND BALANCE - JULY 1, 2016</b>	<u>14,324,706</u>	<u>2,612,420</u>	<u>690,115</u>	<u>2,965,013</u>	<u>662,811</u>	<u>2,351,841</u>	<u>175,368</u>	<u>89,351</u>	<u>23,871,625</u>
<b>FUND BALANCE - JUNE 30, 2017</b>	<u>\$ 19,663,119</u>	<u>\$ 2,820,501</u>	<u>\$ 308,536</u>	<u>\$ 2,193,857</u>	<u>\$ 975,690</u>	<u>\$ 344,127</u>	<u>\$ 175,605</u>	<u>\$ 95,321</u>	<u>\$ 26,576,756</u>

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
<b>REVENUE RECEIVED</b>									
<b>Local Sources</b>									
Ad Valorem Taxes Levied									
Designated Purpose Levies	\$ 18,505,978	\$ 2,911,492	\$ 1,485,663	\$ 1,654,892	\$ 763,739	\$ 148,657	\$ 178,955	\$ 30,297	\$ 25,679,673
Special Education Purpose Levy	1,305,053	-	-	-	-	-	-	-	1,305,053
FICA/Medicare Only Purposes Levy	-	-	-	-	591,118	-	-	-	591,118
Other Tax Levies	-	-	-	-	42,330	-	-	-	42,330
<b>Payments in Lieu of Taxes</b>									
Corporate Personal Property Replacement Taxes	-	157,684	-	-	79,268	-	-	-	236,952
<b>Tuition</b>									
Summer School Tuition from Pupils or Parents (In State)	50,840	-	-	-	-	-	-	-	50,840
Interest on Investments	71,276	10,615	5,396	5,787	5,020	529	643	109	99,375
<b>Food Service</b>									
Sales to Pupils - Lunch	370,166	-	-	-	-	-	-	-	370,166
Sales to Pupils - Other	425	-	-	-	-	-	-	-	425
Sales to Adults	2,258	-	-	-	-	-	-	-	2,258
<b>District/School Activity Income</b>									
Admissions - Athletic	1,408	-	-	-	-	-	-	-	1,408
Fees	150,906	-	-	-	-	-	-	-	150,906
Other District/School Activity Revenue	10,082	-	-	-	-	-	-	-	10,082
<b>Textbooks</b>									
Rentals - Regular Textbook	225,505	-	-	-	-	-	-	-	225,505
Rentals	1,600	10,280	-	-	-	-	-	-	11,880
Impact Fees From Municipal or County Governments	-	112,970	-	-	-	-	-	-	112,970
Refund of Prior Years' Expenditures	2,677	-	-	-	-	-	-	-	2,677
Other Local Revenues	18,623	-	-	-	-	-	-	-	18,623
<b>Total Local Sources</b>	<b>\$ 20,716,797</b>	<b>\$ 3,203,041</b>	<b>\$ 1,491,059</b>	<b>\$ 1,660,679</b>	<b>\$ 1,481,475</b>	<b>\$ 149,186</b>	<b>\$ 179,598</b>	<b>\$ 30,406</b>	<b>\$ 28,912,241</b>
<b>State Sources</b>									
<b>Unrestricted Grants-In-Aid</b>									
General State Aid - Sec. 18-8	\$ 4,834,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,834,069
<b>Restricted Grants-In-Aid</b>									
<b>Special Education</b>									
Private Facility Tuition	53,652	-	-	-	-	-	-	-	53,652
Extraordinary	273,518	-	-	-	-	-	-	-	273,518
Personnel	490,701	-	-	-	-	-	-	-	490,701
Orphanage - Individual	43,784	-	-	-	-	-	-	-	43,784
State Free Lunch and Breakfast	1,251	-	-	-	-	-	-	-	1,251
<b>Transportation</b>									
Regular/Vocational	-	-	-	403,943	-	-	-	-	403,943
Special Education	-	-	-	582,494	-	-	-	-	582,494
Early Childhood - Block Grant	346,436	-	-	-	-	-	-	-	346,436
<b>Total State Sources</b>	<b>\$ 6,043,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 986,437</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,029,848</b>

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUE RECEIVED  
ALL FUNDS EXCEPT AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

REVENUE RECEIVED (Continued)	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
Federal Sources									
Restricted Grants-In-Aid Received Directly from the Federal Government through the State									
Food Service									
National School Lunch Program	\$ 313,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,679
Special Milk Program	3,994	-	-	-	-	-	-	-	3,994
Title I									
Low Income	281,300	-	-	-	-	-	-	-	281,300
Federal - Special Education									
Preschool - Flow Through	40,306	-	-	-	-	-	-	-	40,306
IDEA - Flow Through/Low Incidence	358,804	-	-	-	-	-	-	-	358,804
Title II - Teacher Quality	90,655	-	-	-	-	-	-	-	90,655
Medicaid Matching Funds - Administrative Outreach	115,630	-	-	-	-	-	-	-	115,630
Medicaid Matching Funds - Fee-For-Service Program	179,091	-	-	-	-	-	-	-	179,091
Total Federal Sources	<u>\$ 1,383,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,383,459</u>
Total Direct Revenue	<u>\$ 28,143,667</u>	<u>\$ 3,203,041</u>	<u>\$ 1,491,059</u>	<u>\$ 2,647,116</u>	<u>\$ 1,481,475</u>	<u>\$ 149,186</u>	<u>\$ 179,598</u>	<u>\$ 30,406</u>	<u>\$ 37,325,548</u>

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Instruction		
Regular Programs		
Salaries	\$ 11,977,560	\$ 11,161,821
Employee Benefits	1,741,300	1,015,998
Purchased Services	309,950	331,570
Supplies and Materials	741,762	504,794
Capital Outlay	153,000	149,607
Other Objects	7,500	25,251
Non-Capitalized Equipment	480,600	503,956
	<u>\$ 15,411,672</u>	<u>\$ 13,692,997</u>
Pre-K Programs		
Salaries	\$ 180,000	\$ 238,131
Employee Benefits	31,218	22,615
Purchased Services	1,200	1,096
Supplies and Materials	2,970	4,820
	<u>\$ 215,388</u>	<u>\$ 266,662</u>
Special Education Programs		
Salaries	\$ 2,318,800	\$ 1,883,519
Employee Benefits	573,700	247,515
Purchased Services	94,000	50,632
Supplies and Materials	86,510	33,307
Non-Capitalized Equipment	30,000	30,192
	<u>\$ 3,103,010</u>	<u>\$ 2,245,165</u>
Special Education Programs Pre-K		
Salaries	\$ 348,900	\$ 175,466
Employee Benefits	2,000	39,011
Purchased Services	5,500	-
Supplies and Materials	13,440	6,849
	<u>\$ 369,840</u>	<u>\$ 221,326</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 72,100	\$ -
Supplies and Materials	57,000	15,195
Non-Capitalized Equipment	-	54,238
	<u>\$ 129,100</u>	<u>\$ 69,433</u>
Interscholastic Programs		
Salaries	\$ 113,600	\$ 30,809
Employee Benefits	1,900	2,909
Purchased Services	11,300	9,751
	<u>\$ 126,800</u>	<u>\$ 43,469</u>
Summer School Programs		
Salaries	\$ -	\$ 52,234
Employee Benefits	-	3,331
Purchased Services	500	-
Supplies and Materials	10,000	828
	<u>\$ 10,500</u>	<u>\$ 56,393</u>
Gifted Programs		
Salaries	\$ 249,400	\$ 203,399
Employee Benefits	29,300	10,444
Purchased Services	1,500	300
Supplies and Materials	1,250	875
Other Objects	6,000	-
	<u>\$ 287,450</u>	<u>\$ 215,018</u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Bilingual Programs		
Salaries	\$ -	\$ 2,881
Employee Benefits	400	398
Supplies and Materials	1,381	1,837
	<u>\$ 1,781</u>	<u>\$ 5,116</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 8,000	\$ 1,530
Special Education Programs K-12	486,000	411,237
	<u>\$ 494,000</u>	<u>\$ 412,767</u>
Total Instruction	<u>\$ 20,149,541</u>	<u>\$ 17,228,346</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 360,000	\$ 388,294
Employee Benefits	65,900	31,473
Supplies and Materials	2,000	491
	<u>\$ 427,900</u>	<u>\$ 420,258</u>
Health Services		
Salaries	\$ 389,800	\$ 426,715
Employee Benefits	66,300	31,411
Purchased Services	4,500	2,947
Supplies and Materials	7,000	4,567
	<u>\$ 467,600</u>	<u>\$ 465,640</u>
Psychological Services		
Salaries	\$ 420,200	\$ 450,238
Employee Benefits	52,200	36,252
Supplies and Materials	7,000	5,113
	<u>\$ 479,400</u>	<u>\$ 491,603</u>
Speech Pathology and Audiology Services		
Salaries	\$ 462,200	\$ 443,499
Employee Benefits	66,800	44,331
Purchased Services	206,000	141,302
Supplies and Materials	5,000	1,936
	<u>\$ 740,000</u>	<u>\$ 631,068</u>
Other Support Services - Pupils		
Salaries	\$ -	\$ 514
Employee Benefits	-	173
Purchased Services	700	-
	<u>\$ 700</u>	<u>\$ 687</u>
Total Support Services - Pupils	<u>\$ 2,115,600</u>	<u>\$ 2,009,256</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 144,400	\$ 85,906
Employee Benefits	11,600	1,728
Purchased Services	700,988	345,100
Supplies and Materials	81,890	11,938
	<u>\$ 938,878</u>	<u>\$ 444,672</u>

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



ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Educational Media Services		
Salaries	\$ 123,400	\$ 185,419
Employee Benefits	18,600	12,966
Purchased Services	300	30
Supplies and Materials	37,500	35,267
	<u>\$ 179,800</u>	<u>\$ 233,682</u>
Assessment and Testing		
Purchased Services	\$ 37,200	\$ 6,969
	<u>\$ 37,200</u>	<u>\$ 6,969</u>
 Total Support Services - Instructional Staff	 <u>\$ 1,155,878</u>	 <u>\$ 685,323</u>
 General Administration		
Board of Education Services		
Employee Benefits	\$ 2,000	\$ 1,017
Purchased Services	429,673	361,003
Supplies and Materials	26,500	11,250
Other Objects	12,000	10,486
	<u>\$ 470,173</u>	<u>\$ 383,756</u>
Executive Administration Services		
Salaries	\$ 261,700	\$ 314,252
Employee Benefits	150,100	47,271
Purchased Services	69,500	52,363
Supplies and Materials	20,000	17,246
Other Objects	19,000	12,567
	<u>\$ 520,300</u>	<u>\$ 443,699</u>
Special Area Administration Services		
Salaries	\$ 278,100	\$ 202,363
Employee Benefits	-	45,819
Supplies and Materials	1,000	429
	<u>\$ 279,100</u>	<u>\$ 248,611</u>
Tort Immunity Services		
Employee Benefits	\$ -	\$ 1,821
Other Objects	3,000	20,000
	<u>\$ 3,000</u>	<u>\$ 21,821</u>
 Total Support Services - General Administration	 <u>\$ 1,272,573</u>	 <u>\$ 1,097,887</u>
 School Administration		
Office of the Principal Services		
Salaries	\$ 1,171,400	\$ 1,247,900
Employee Benefits	302,900	200,712
Purchased Services	-	281
Other Objects	3,500	219
	<u>\$ 1,477,800</u>	<u>\$ 1,449,112</u>
 Total Support Services - School Administration	 <u>\$ 1,477,800</u>	 <u>\$ 1,449,112</u>
 Business		
Direction of Business Support Services		
Salaries	\$ 131,300	\$ 87,762
Employee Benefits	17,600	18,040
	<u>\$ 148,900</u>	<u>\$ 105,802</u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Fiscal Services		
Salaries	\$ 161,100	\$ 209,269
Employee Benefits	30,700	22,005
Supplies and Materials	2,200	2,392
	<u>\$ 194,000</u>	<u>\$ 233,666</u>
Operation and Maintenance of Plant Services		
Purchased Services	\$ 169,000	\$ 160,558
	<u>\$ 169,000</u>	<u>\$ 160,558</u>
Food Services		
Salaries	\$ 304,900	\$ 331,378
Employee Benefits	27,100	4,454
Purchased Services	3,600	1,222
Supplies and Materials	390,900	310,821
Other Objects	3,500	3,334
Non-Capitalized Equipment	11,700	11,953
	<u>\$ 741,700</u>	<u>\$ 663,162</u>
Internal Services		
Salaries	\$ 14,400	\$ 25,250
	<u>\$ 14,400</u>	<u>\$ 25,292</u>
Total Support Services - Business	<u>\$ 1,268,000</u>	<u>\$ 1,188,480</u>
Central		
Direction of Central Support Services		
Salaries	\$ 327,000	\$ 320,314
Employee Benefits	17,300	26,218
	<u>\$ 344,300</u>	<u>\$ 346,532</u>
Planning, Research, Development and Evaluation Services		
Salaries	\$ 51,900	\$ 29,552
Employee Benefits	-	248
	<u>\$ 51,900</u>	<u>\$ 29,800</u>
Information Services		
Purchased Services	\$ 316,000	\$ 429,916
Supplies and Materials	1,000	474
	<u>\$ 317,000</u>	<u>\$ 430,390</u>
Staff Services		
Salaries	\$ 54,100	\$ 54,819
Employee Benefits	-	6,589
Purchased Services	16,700	16,255
Supplies and Materials	3,000	2,926
	<u>\$ 73,800</u>	<u>\$ 80,589</u>
Data Processing Services		
Salaries	\$ 132,500	\$ 130,752
Employee Benefits	27,300	15,811
Purchased Services	74,000	115,849
Supplies and Materials	62,000	26,951
	<u>\$ 295,800</u>	<u>\$ 289,363</u>
Total Support Services - Central	<u>\$ 1,082,800</u>	<u>\$ 1,176,674</u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Other Support Services		
Supplies and Materials	\$ 1,500	\$ -
Total Other Support Services	<u>\$ 1,500</u>	<u>\$ -</u>
Total Support Services	<u>\$ 8,374,151</u>	<u>\$ 7,606,732</u>
Community Services		
Salaries	\$ 80,808	\$ 87,761
Employee Benefits	6,620	13,069
Purchased Services	43,614	4,362
Supplies and Materials	13,927	2,856
Total Community Services	<u>\$ 144,969</u>	<u>\$ 108,048</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	\$ 6,000	\$ -
	<u>\$ 6,000</u>	<u>\$ -</u>
Payments for Special Education Programs		
Purchased Services	\$ 70,200	\$ 65,894
	<u>\$ 70,200</u>	<u>\$ 65,894</u>
Other Payments to In-State Governmental Units		
Other Objects	\$ 3,000	\$ -
	<u>\$ 3,000</u>	<u>\$ -</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 79,200</u>	<u>\$ 65,894</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Regular Programs	\$ 5,000	\$ -
Payments for Special Education Programs	1,174,027	1,053,134
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,179,027</u>	<u>\$ 1,053,134</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,258,227</u>	<u>\$ 1,119,028</u>
Provision for Contingencies	<u>\$ 500,000</u>	<u>\$ -</u>
Total Direct Expenditures	<u><u>\$ 30,426,888</u></u>	<u><u>\$ 26,062,154</u></u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
OPERATIONS AND MAINTENANCE FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 103,000	\$ 140,073
Supplies and Materials	-	443
Capital Outlay	750,000	753,381
Non-Capitalized Equipment	90,200	2,635
	<u>\$ 943,200</u>	<u>\$ 896,532</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 935,343	\$ 831,239
Employee Benefits	159,200	80,728
Purchased Services	499,800	420,735
Supplies and Materials	667,300	609,887
Capital Outlay	100,000	12,904
Other Objects	2,000	1,433
Non-Capitalized Equipment	105,000	42,950
	<u>\$ 2,468,643</u>	<u>\$ 1,999,876</u>
Total Support Services - Business	<u>\$ 3,411,843</u>	<u>\$ 2,896,408</u>
Total Support Services	<u>\$ 3,411,843</u>	<u>\$ 2,896,408</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 105,363	\$ 107,552
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 105,363</u>	<u>\$ 107,552</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 105,363</u>	<u>\$ 107,552</u>
Total Direct Expenditures	<u><u>\$ 3,517,206</u></u>	<u><u>\$ 3,003,960</u></u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
DEBT SERVICES FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 162,100	\$ 130,475
Total Debt Services - Interest	<u>\$ 162,100</u>	<u>\$ 130,475</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 1,732,500	\$ 1,741,213
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 1,732,500</u>	<u>\$ 1,741,213</u>
Debt Services - Other		
Purchased Services	\$ 1,000	\$ 950
Total Debt Services - Other	<u>\$ 1,000</u>	<u>\$ 950</u>
Total Debt Services	<u>\$ 1,895,600</u>	<u>\$ 1,872,638</u>
Total Direct Expenditures	<u><u>\$ 1,895,600</u></u>	<u><u>\$ 1,872,638</u></u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
TRANSPORTATION FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 1,076,200	\$ 1,004,520
Employee Benefits	52,300	31,657
Purchased Services	767,900	764,376
Supplies and Materials	283,000	178,531
Capital Outlay	535,000	448,998
Other Objects	200	65
Non-Capitalized Equipment	6,000	625
	<u>\$ 2,720,600</u>	<u>\$ 2,428,772</u>
Total Support Services - Business	<u>\$ 2,720,600</u>	<u>\$ 2,428,772</u>
Total Support Services	<u>\$ 2,720,600</u>	<u>\$ 2,428,772</u>
 Total Direct Expenditures	 <u><u>\$ 2,720,600</u></u>	 <u><u>\$ 2,428,772</u></u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 240,000	\$ 180,985
Pre-K Programs		
Employee Benefits	12,000	12,148
Special Education Programs		
Employee Benefits	149,900	163,504
Special Education Programs - Pre-K		
Employee Benefits	23,400	11,955
Interscholastic Programs		
Employee Benefits	2,000	1,597
Summer School Programs		
Employee Benefits	-	2,523
Gifted Programs		
Employee Benefits	3,600	2,896
Bilingual Programs		
Employee Benefits	-	40
Total Instruction	<u>\$ 430,900</u>	<u>\$ 375,648</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 5,200	\$ 5,456
Health Services		
Employee Benefits	64,600	70,948
Psychological Services		
Employee Benefits	7,700	4,809
Speech Pathology and Audiology Services		
Employee Benefits	8,100	6,299
Other Support Services - Pupils		
Employee Benefits	-	95
Total Supports Services - Pupils	<u>\$ 85,600</u>	<u>\$ 87,607</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 2,600	\$ 2,307
Educational Media Services		
Employee Benefits	1,700	20,465
Total Support Services - Instructional Staff	<u>\$ 4,300</u>	<u>\$ 22,772</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 20,700	\$ 21,506
Special Area Administrative Services		
Employee Benefits	-	11,052
Total Support Services - General Administration	<u>\$ 20,700</u>	<u>\$ 32,558</u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 90,900	\$ 82,574
Total Support Services - School Administration	<u>\$ 90,900</u>	<u>\$ 82,574</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 1,900	\$ 2,189
Fiscal Services		
Employee Benefits	32,200	38,786
Operation and Maintenance of Plant Services		
Employee Benefits	175,400	147,309
Pupil Transportation Services		
Employee Benefits	185,500	185,483
Food Services		
Employee Benefits	50,100	53,922
Internal Services		
Employee Benefits	-	4,829
Total Support Services - Business	<u>\$ 445,100</u>	<u>\$ 432,518</u>
Central		
Direction of Central Support Services		
Employee Benefits	\$ -	\$ 23,758
Planning, Research, Development and Evaluation Services		
Employee Benefits	39,700	5,620
Staff Services		
Employee Benefits	1,900	10,316
Data Processing Services		
Employee Benefits	29,400	37,799
Total Support Services - Central	<u>\$ 71,000</u>	<u>\$ 77,493</u>
Total Support Services	<u>\$ 717,600</u>	<u>\$ 735,522</u>
Community Services		
Employee Benefits	\$ 14,375	\$ 14,453
Total Community Services	<u>\$ 14,375</u>	<u>\$ 14,453</u>
Payments to Other Districts and Governmental Units		
Payments for Special Education Programs		
Employee Benefits	\$ 44,900	\$ 42,973
Total Payments to Other Districts and Governmental Units	<u>\$ 44,900</u>	<u>\$ 42,973</u>
Total Direct Expenditures	<u>\$ 1,207,775</u>	<u>\$ 1,168,596</u>

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



ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
TORT FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 155,000	\$ 167,361
	<u>\$ 155,000</u>	<u>\$ 167,361</u>
Insurance Payments		
Purchased Services	\$ 13,000	\$ 12,000
	<u>\$ 13,000</u>	<u>\$ 12,000</u>
Total Support Services - General Administration	<u>\$ 168,000</u>	<u>\$ 179,361</u>
Total Support Services	<u>\$ 168,000</u>	<u>\$ 179,361</u>
Total Direct Expenditures	<u><u>\$ 168,000</u></u>	<u><u>\$ 179,361</u></u>

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

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL  
FIRE PREVENTION AND SAFETY FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Operation and Maintenance of Plant Services		
Purchased Services	\$ 35,000	\$ -
Capital Outlay	-	24,436
	\$ 35,000	\$ 24,436
 Total Support Services	 \$ 35,000	 \$ 24,436
 Total Direct Expenditures	 \$ 35,000	 \$ 24,436

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

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Antioch Community Consolidated School District No. 34's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

*A. Principles Used to Determine Scope of Entity*

The reporting entity includes the 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 its citizens, 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, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

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

*B. Basis of Presentation – Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for tax-financed bond payments. Operations of this fund are generally financed by a special tax levied for these purposes.

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Tort Fund – The Tort Fund is used to account for the proceeds of specific revenue sources that are legally restricted for tort expenditures.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

Agency Fund – The Agency Fund is used to account for Student Activity Funds and Convenience Accounts, which are assets held by the District as an agent for the students and teachers. This fund is custodial in nature and does not involve the measurement of the results of operations. The amounts due to the Activity Fund organizations are equal to the assets.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

### Measurement Focus

The financial statements of all funds, except the Agency Fund and two account groups, 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.” 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

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted

## NOTES TO FINANCIAL STATEMENTS (Continued)

for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

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

### C. *Basis of Accounting*

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

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

Proceeds from sales of bonds 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.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

### D. *Budgets and Budgetary Accounting*

The budget for all 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 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 22, 2016.

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

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

1. A tentative budget is prepared more than 30 days in advance of a public hearing. 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. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.

## NOTES TO FINANCIAL STATEMENTS (Continued)

5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

### E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the 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. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2017.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

### F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

### G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

### H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment). The District's capitalization threshold for fixed assets is \$5,000.

### I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

NOTES TO FINANCIAL STATEMENTS (Continued)

J. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board on December 20, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

K. *Total Memorandum Only*

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

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Act 235/Articles 2 and 6; and Chapter 105, Section 5/8-7.

*Investments*

As of June 30, 2017, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 22,326,011	\$ 22,326,011	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments based on credit risk. The District has no investment policy that would further limit its investment choices. As of June 30, 2017, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

**NOTE 3 - RESTRICTED CASH AND CASH EQUIVALENTS**

The Educational Fund reflects a reserved cash and cash equivalents balance in the amount of \$1,082,560 representing the amount the District has invested in the Self-Insurance Cooperative (Lake Region Schools Benefit Cooperative) at June 30, 2017. This amount is to be expended for insurance claims. See Notes 7, 8, 16, and 18 for more information.

NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 4 - FAIR VALUE MEASUREMENT**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

- State Investment Pools of \$22,326,011 million are valued using quoted market prices (Level 1 inputs)

**NOTE 5 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 3,264,362	\$ -	\$ -	\$ 3,264,362
Building and Building Improvements	29,367,606	662,880	-	30,030,486
Site Improvements and Infrastructure	3,683,468	19,928	-	3,703,396
Capitalized Equipment	7,233,897	698,791	489,154	7,443,534
	<u>\$ 43,549,333</u>	<u>\$ 1,381,599</u>	<u>\$ 489,154</u>	<u>\$ 44,441,778</u>

**NOTE 6 - CHANGES IN GENERAL LONG-TERM DEBT**

Changes in general long-term debt are summarized as follows:

	Balance July 1, 2016	Additions	Retirement	Balance June 30, 2017	Amounts Due Within One Year
<b>Long-Term Debt</b>					
Series 2014 General Obligation Refunding Bonds Dated 10/8/2014	\$ 2,835,000	\$ -	\$ 1,390,000	\$ 1,445,000	\$ 1,445,000
Special Education Bonds Dated 4/27/2015	220,666	-	71,213	149,453	73,675
Debt Certificates Series 2010 Dated 8/30/2010	2,455,000	-	280,000	2,175,000	285,000
Lease/Purchase Agreements	90,799	300,934	65,318	326,415	128,654
<b>Total Long-Term Debt</b>	<u>\$ 5,601,465</u>	<u>\$ 300,934</u>	<u>\$ 1,806,531</u>	<u>\$ 4,095,868</u>	<u>\$ 1,932,329</u>

General long-term debt consisted of the following at June 30, 2017:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Series 2014 General Obligation Refunding Bonds Dated 10/8/2014	1/1/2018	2.00%-3.00%	\$ 4,260,000	\$ 1,445,000
Special Education Bonds Dated 4/27/2015	8/1/2018	3.0% - 5.0%	289,900	149,453
Debt Certificates Series 2010 Dated 8/30/2010	12/1/2023	2.0% - 3.55%	3,360,000	2,175,000
Lease/Purchase Agreement Dell Financial Services	5/1/2018	2.69%	75,950	25,481
Lease/Purchase Agreement American Capital	7/1/2019	2.85%	300,934	300,934



NOTES TO FINANCIAL STATEMENTS (Continued)

As described in Note 16, the District is a member of the Special Education District of Lake County (SEDOL). On April 27, 2015, SEDOL issued its Special Education Refunding Bonds, Series 2015B, in the principal amount of \$4,845,000, which replaced the bonds issued originally issued on October 1, 2008, in the amount of \$10,700,000 in Special Education Bonds. The bond proceeds were used to construct a facility for severe/profound students and to provide housing for behavior disorder students. Each SEDOL member district is liable for a portion of the debt payments for both issues through the maturity of the bonds regardless of their continued membership in the joint agreement.

At June 30, 2017 the annual debt service requirements to service all long-term debt is as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ 1,932,329	\$ 85,907	\$ 2,018,236
2019	468,255	64,946	533,201
2020	405,284	51,208	456,492
2021	320,000	38,475	358,475
2022	330,000	27,908	357,908
2023	340,000	16,515	356,515
2024	300,000	5,325	305,325
	\$ 4,095,868	\$ 290,284	\$ 4,386,152

**NOTE 7 - SPECIAL TAX LEVIES AND RESERVED EQUITY**

A. *Social Security Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion, \$99,028, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future Social Security disbursements.

B. *SEDOL Municipal Retirement Tax Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion, \$52,074, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future SEDOL Municipal Retirement disbursements.

C. *Self-Insurance*

The Educational Fund reflects a reserved fund balance in the amount of \$1,082,560 representing the unexpended portion of self-insurance contribution at Lake Region Schools Benefit Cooperative at June 30, 2017. This amount is to be expended for insurance claims.

**NOTE 8 - DESIGNATED FUND BALANCE**

The Educational Fund reflects a designated fund balance in the amount of \$345,325 representing the portion of the District's money they have earmarked for self-insurance costs at June 30, 2017. This amount is to be expended for insurance claims.

**NOTE 9 - DEFICIT FUND BALANCE**

No District fund had a deficit fund balance at June 30, 2017.

NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 10 - PROPERTY TAXES**

Taxes recorded in these financial statements are from the 2015 (\$13,496,202) and 2016 (\$14,121,972) tax levies. A summary of the assessed valuations, rates, and extensions for tax years 2016, 2015, and 2014 follows:

TAX YEAR ASSESSED VALUATION	2016 \$546,315,809		2015 \$529,985,999		2014 \$532,115,122	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.3612	\$ 18,362,898	3.5000	\$ 18,549,510	3.5000	\$ 18,624,030
Tort Immunity	0.0324	176,984	0.0340	180,004	0.0318	169,005
Special Education	0.2562	1,399,885	0.2264	1,200,005	0.2005	1,067,003
Operations and Maintenance	0.5296	2,893,316	0.5500	2,914,923	0.5500	2,926,633
Transportation	0.3225	1,761,645	0.2896	1,535,004	0.2745	1,461,002
Municipal Retirement	0.1396	762,389	0.1434	760,005	0.1353	720,005
Social Security	0.1077	588,595	0.1113	590,002	0.1052	560,003
SEDOL Municipal Retirement	0.0077	42,323	0.0081	42,977	0.0074	39,153
Working Cash	0.0270	147,456	0.0283	150,002	0.0252	134,002
Debt Service	0.2725	1,488,640	0.2783	1,475,211	0.2777	1,477,529
Fire Prevention and Safety	0.0055	29,998	0.0057	30,003	0.0051	27,005
	<u>5.0619</u>	<u>\$ 27,654,129</u>	<u>5.1751</u>	<u>\$ 27,427,646</u>	<u>5.1127</u>	<u>\$ 27,205,370</u>

**NOTE 11 - OVEREXPENDITURE OF BUDGET**

For the year ended June 30, 2017, the following fund had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Tort Fund	\$ 168,000	\$ 179,361	\$ 11,361

The over-expenditure was covered by available fund balance.

**NOTE 12 - OPERATING LEASES**

The District leases copier/printers under an operating lease. Total equipment leasing expense for the year ended June 30, 2017 was \$144,348.

Future minimum rental payments on all operating leases are as follows:

Year Ending June 30	Amount
2018	\$ 144,348
2019	144,348
2020	144,348
2021	144,348
Thereafter	24,058
	<u>\$ 601,450</u>

**NOTE 13 - RETIREMENT FUND COMMITMENTS**

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

*General Information About the Pension Plan*

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3% 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 II annual increases will be the lesser of 3% of the original benefit or ½% 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.

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% 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, 2016 was 9.4% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

NOTES TO FINANCIAL STATEMENTS (Continued)

On-Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$13,836,296 in pension contributions from the State of Illinois.

2.2 Formula Contributions

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017 were \$90,401.

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 a policy adopted by the TRS Board of Trustees that has been in effect since 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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$8,900 were paid from federal and special trust funds that required District contributions of \$3,430.

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 retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% 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, 2017, the District paid \$433 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2017, the District has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,126,291
State's proportionate share of the net pension liability associated with the District	<u>140,890,400</u>
Total	<u><u>\$ 143,016,691</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.0026937%, which was a decrease of 0.0009138% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$13,836,296 and revenue of \$13,836,296 for support provided by the State. At June 30, 2017, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 15,722	\$ (1,442)	\$ 14,280
Net difference between projected and actual earnings on pension investments	60,071	-	60,071
Changes of assumptions	182,617	-	182,617
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,777	(504,622)	(473,845)
Employer contributions subsequent to the measurement date	93,831	-	93,831
	<u>\$ 383,018</u>	<u>\$ (506,064)</u>	<u>\$ (123,046)</u>

\$93,831 of deferred outflows of resources related to pensions results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending June 30	Amount
2018	\$ (58,493)
2019	(58,493)
2020	(30,975)
2021	(53,699)
2022	(15,217)
	<u>\$ (216,877)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7.0%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

NOTES TO FINANCIAL STATEMENTS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge Funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	100.0%	

Discount Rate

At June 30, 2016, the discount rate used to measure total pension liability was a blended rate of 6.83%, which was a change from the June 30, 2015 rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS’s fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47%. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS’s fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.83%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83%) or 1-percentage-point-higher (7.83%) than the current rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Employer's proportionate share of the net pension liability	\$ 2,600,540	\$ 2,126,291	\$ 1,738,955

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

B. *Illinois Municipal Retirement Fund*

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. That report is available for download at [www.imrf.org](http://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 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 ten 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 ten 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2016, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	130
Inactive plan members entitled to but not yet receiving benefits	229
Active plan members	193
Total	552

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 11.95%. For the fiscal year ended June 30, 2017, the District contributed \$547,638 to the plan. 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.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 21,218,069
IMRF Fiduciary Net Position	17,671,046
District's Net Pension Liability	3,547,023
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	83.28%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Supplemental Financial Information following the notes to the financial statements for additional information related to the funded status of the Plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.



## NOTES TO FINANCIAL STATEMENTS (Continued)

The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

### Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Return</u>
Equities	38.0%	6.85%
International Equities	17.0%	6.75%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	5.75%
Alternatives	9.0%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.0%	2.25%
	<u>100.0%</u>	

### Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.78%; and resulting single discount rate is 7.50%.

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2015	\$ 19,922,079	\$ 16,936,805	\$ 2,985,274
Changes for the year:			
Service Cost	\$ 484,176	\$ -	\$ 484,176
Interest on the Total Pension Liability	1,464,555	-	1,464,555
Differences Between Expected and Actual Experience of the Total Pension Liability	509,301	-	509,301
Changes of Assumptions	(97,913)	-	(97,913)
Contributions - Employer	-	557,717	(557,717)
Contributions - Employee	-	221,487	(221,487)
Net Investment Income	-	1,156,395	(1,156,395)
Benefit Payments, Including Refunds of Employee Contributions	(1,064,129)	(1,064,129)	-
Other (Net Transfer)	-	(137,229)	137,229
Net Changes	<u>\$ 1,295,990</u>	<u>\$ 734,241</u>	<u>\$ 561,749</u>
Balances at December 31, 2016	<u>\$ 21,218,069</u>	<u>\$ 17,671,046</u>	<u>\$ 3,547,023</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability/(Asset)	\$ 6,187,476	\$ 3,547,023	\$ 1,370,038

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the District's pension expense is \$1,264,626. At June 30, 2017, the District's deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
<b>Expense in Future Periods</b>			
Differences between expected and actual experience	\$ 386,208	\$ (131,045)	\$ 255,163
Assumption changes	148,714	(67,110)	81,604
Net difference between projected and actual earnings on pension plan investments	<u>877,800</u>	<u>-</u>	<u>877,800</u>
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,412,722	\$ (198,155)	\$ 1,214,567
Pension contributions made subsequent to the measurement date	<u>283,476</u>	<u>-</u>	<u>283,476</u>
Total deferred amounts related to pensions	<u>\$ 1,696,198</u>	<u>\$ (198,155)</u>	<u>\$ 1,498,043</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 515,223
2018	400,720
2019	279,017
2020	19,607
2021	-
Thereafter	-
	\$ 1,214,567

B. *Social Security*

Employees not qualifying for coverage under the Teachers’ Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered “non-participating employees.” These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

**NOTE 14 - POST EMPLOYMENT BENEFIT COMMITMENTS**

*Teacher Health Insurance Security Fund (THIS)*

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

- On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$174,567, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$130,925 to the THIS Fund, which was 100% of the required contribution.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

**NOTE 15 - INTERFUND TRANSFERS**

Interfund transfers during the year ended June 30, 2017 were as follows:

Transfer from	Transfer to	Amount
Transportation Fund	Education Fund	\$ 1,100,000
Working Cash Fund	Education Fund	2,156,900

The purpose of the interfund transfer from the Transportation Fund to the Education Fund was to spend down the Transportation Fund balance. The purpose of the interfund transfer from the Working Cash Fund to the Education Fund was for the abolishment of the Working Cash Fund.

**NOTE 16 - JOINT VENTURES**

A. *Special Education District of Lake County (SEDOL)*

The District and thirty-two other districts within Lake County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of the Statement of Net Position of SEDOL at June 30, 2016 (most recent information available) is as follows:

Assets	\$ 64,479,032
Deferred Outflows of Resources	6,627,620
	<u>\$ 71,106,652</u>
Liabilities	\$ 25,632,826
Deferred Inflows of Resources	2,612,534
Net Position	42,861,292
	<u>\$ 71,106,652</u>
Revenues	\$ 72,241,356
Expenses	75,160,997
Net Increase/(Decrease) in Net Position	<u>\$ (2,919,641)</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

B. *Lake Region Schools Benefit Cooperative*

The District has entered into a joint venture with eight other school districts in order to reduce fixed reinsurance costs with common third party administrators, Blue Cross Blue Shield and Allied Benefits.

A summary of financial condition of the Lake Region Schools Benefit Cooperative can be obtained from the administrative offices of Community High School District No. 117, 1625 Deep Lake Rd., Suite A, Lake Villa, Illinois 60046.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. Village of Antioch

The District has entered into a joint agreement with the Village of Antioch for shared facilities use allowing the Parks Department use of School District facilities for public recreation programs and for School Districts' use of Village property for school and school-related purposes, both at no charge.

**NOTE 17 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2017, there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2017, there were no significant adjustments in premiums based on actual experience.

The District is self-insured for its health and dental insurance and belongs to an insurance cooperative in order to reduce costs. The District covers up to \$50,000 per year per individual. The Cooperative handles claims between \$50,000.01 and \$275,000. The Cooperative purchases stop loss insurance coverage for claims in excess of \$275,000 per individual. The maximum liability for the District alone at June 30, 2017 is undeterminable based on the nature of the Cooperative. See a further description of the insurance cooperative in Note 16.

**NOTE 18 - SELF INSURANCE**

The District has a self-insured plan that provides its employees' health benefits. A third party administrator and a claims administrator are contracted to manage the plan. At June 30, 2017 the liability for unpaid claims was \$0. A reconciliation of changes in the aggregate liabilities for claims for the fiscal year ended June 30, 2017 is as follows:

Claims Liabilities - Beginning of Year	\$ -
Incurred Claims	1,349,656
Payments on Claims	<u>(1,349,656)</u>
Claims Liabilities - End of Year	<u><u>\$ -</u></u>

**NOTE 19 - CONTINGENCIES**

There is currently tax objections against the District totaling \$92,835, however the outcome of the objections are unknown as of the date of this report.

**NOTE 20 - LEGAL DEBT LIMITATION**

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2016 EAV	\$ 546,315,809
Rate	<u>6.90%</u>
Debt Margin	\$ 37,695,791
Current Debt	<u>4,095,868</u>
Remaining Debt Margin	<u><u>\$ 33,599,923</u></u>

SUPPLEMENTAL FINANCIAL INFORMATION

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 484,176	\$ 559,007	\$ 579,714
Interest on the Total Pension Liability	1,464,555	1,417,912	1,264,946
Differences Between Expected and Actual Experience	509,301	(323,687)	241,223
Changes of Assumptions	(97,913)	45,404	846,705
Benefit Payments, Including Refunds of Member Contributions	<u>(1,064,129)</u>	<u>(906,187)</u>	<u>(803,122)</u>
Net Change in Total Pension Liability	\$ 1,295,990	\$ 792,449	\$ 2,129,466
Total Pension Liability - Beginning	<u>19,922,079</u>	<u>19,129,630</u>	<u>17,000,164</u>
Total Pension Liability - Ending	<u>\$ 21,218,069</u>	<u>\$ 19,922,079</u>	<u>\$ 19,129,630</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 557,717	\$ 519,591	\$ 609,307
Contributions - Member	221,487	205,718	208,456
Net Investment Income	1,156,395	84,006	962,417
Benefit Payments, Including Refunds of Member Contributions	(1,064,129)	(906,187)	(803,122)
Other (Net Transfers)	<u>(137,229)</u>	<u>141,947</u>	<u>144,669</u>
Net Change in Plan Fiduciary Net Position	\$ 734,241	\$ 45,075	\$ 1,121,727
Plan Net Position - Beginning	<u>16,936,805</u>	<u>16,891,730</u>	<u>15,770,003</u>
Plan Net Position - Ending	<u>\$ 17,671,046</u>	<u>\$ 16,936,805</u>	<u>\$ 16,891,730</u>
District's Net Pension Liability	<u>\$ 3,547,023</u>	<u>\$ 2,985,274</u>	<u>\$ 2,237,900</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.28%	85.02%	88.30%
Covered-Valuation Payroll	\$ 4,668,096	\$ 4,506,430	\$ 4,599,198
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	75.98%	66.24%	48.66%

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 561,943	\$ 519,591	\$ 510,051
Contributions in relation to Actuarially-Determined Contribution	557,717	519,591	609,307
Contribution deficiency/(excess)	<u>\$ 4,226</u>	<u>\$ -</u>	<u>\$ (99,256)</u>
Covered-Employee Payroll	\$ 4,668,096	\$ 4,506,430	\$ 4,599,198
Contributions as a percentage of Covered-Employee Payroll	11.95%	11.53%	13.25%

**Notes to Schedule:**

***Actuarial Method and Assumptions Used on the Calculation of the 2016 Contribution Rate \****

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

**Actuarial Cost Method:** Aggregate entry age = normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 27-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.5%

**Price Inflation:** 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.75% to 14.50%, including inflation

**Investment Rate of Return:** 7.50%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**Mortality:** RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.



ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0026937%	0.0036075%	0.0035265%
Employer's proportionate share of the Net Pension Liability	\$ 2,126,291	\$ 2,363,291	\$ 2,146,144
State's proportionate share of the Net Pension Liability associated with the employer	<u>140,890,400</u>	<u>103,022,698</u>	<u>94,673,580</u>
Total	<u>\$ 143,016,691</u>	<u>\$ 105,385,989</u>	<u>\$ 96,819,724</u>
Employer's Covered-Employee Payroll	\$ 15,545,911	\$ 16,000,665	\$ 15,224,710
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	13.68%	14.77%	14.10%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

\* - The amounts presented were determined as of the prior fiscal-year end

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

**Changes of Assumptions:**

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

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

For the 2014 measurement year, the assumed investment rate of return was also 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-required contribution	\$ 92,363	\$ 126,364	\$ 125,120
Contributions in relation to statutorily-required contribution	<u>104,319</u>	<u>126,407</u>	<u>125,822</u>
Contribution deficiency/(excess)	<u>\$ (11,956)</u>	<u>\$ (43)</u>	<u>\$ (702)</u>
Employer's covered-employee payroll	\$ 15,545,911	\$ 16,000,665	\$ 15,224,710
Contributions as a percentage of covered-employee payroll	0.67%	0.79%	0.83%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

\* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
<b>A S S E T S</b>				
Cash and Cash Equivalents	\$ 35,351	\$ 55,414	\$ 48,463	\$ 42,302
<b>L I A B I L I T I E S</b>				
Amounts Due to Activity				
District-Wide	\$ 2,306	\$ 64	\$ 203	\$ 2,167
W.C. Petty	697	-	-	697
Oakland	1	-	-	1
Antioch Upper Grade	30,958	55,350	48,260	38,048
Hillcrest	1,389	-	-	1,389
	<u>\$ 35,351</u>	<u>\$ 55,414</u>	<u>\$ 48,463</u>	<u>\$ 42,302</u>

See Accompanying Independent Auditors' Opinion

ANTIOCH COMMUNITY CONSOLIDATED  
SCHOOL DISTRICT NO. 34  
COMPUTATION OF OPERATING EXPENSE PER PUPIL AND  
PER CAPITA TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2017

**OPERATING EXPENSE PER PUPIL**

**EXPENDITURES:**

ED	Total Expenditures	\$ 26,062,154
O&M	Total Expenditures	3,003,960
DS	Total Expenditures	1,872,638
TR	Total Expenditures	2,428,772
MR/SS	Total Expenditures	1,168,596
TORT	Total Expenditures	179,361
	<b>Total Expenditures</b>	<b>\$ 34,715,481</b>

**LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:**

ED	1125 Pre-K Programs	266,662
ED	1225 Special Education Programs Pre-K	221,326
ED	1600 Summer School Programs	56,393
ED	1911 Regular K-12 Programs - Private Tuition	1,530
ED	1912 Special Education Programs K-12 - Private Tuition	411,237
ED	3000 Community Services	108,048
ED	4000 Total Payments to Other Govt Units	1,119,028
ED	- Capital Outlay	149,607
ED	- Non-Capitalized Equipment	600,339
O&M	4000 Total Payments to Other Govt Units	107,552
O&M	- Capital Outlay	766,285
O&M	- Non-Capitalized Equipment	45,585
DS	5300 Debt Service - Payments of Principal on Long-Term Debt	1,741,213
TR	- Capital Outlay	448,998
TR	- Non-Capitalized Equipment	625
MR/SS	1125 Pre-K Programs	12,148
MR/SS	1225 Special Education Programs - Pre-K	11,955
MR/SS	1600 Summer School Programs	2,523
MR/SS	3000 Community Services	14,453
MR/SS	4000 Total Payments to Other Govt Units	42,973
	<b>Total Deductions for OEPP Computation (Sum of Lines 18 - 73)</b>	<b>\$ 6,128,480</b>
	<b>Total Operating Expenses Regular K-12 (Line 14 minus Line 75)</b>	<b>28,587,001</b>
	<b>9 Mo ADA from the General State Aid Claimable for 2016-2017 and Payable in 2017-2018 (ISBE 54-33), L12</b>	<b>2,690.98</b>
	<b>Estimated OEPP (Line 76 divided by Line 77)</b>	<b>\$ 10,623.27</b>

**PER CAPITA TUITION CHARGE**

**LESS OFFSETTING RECEIPTS/REVENUES:**

ED	1600 Total Food Service	372,849
ED-O&M	1700 Total District/School Activity Income	162,396
ED	1811 Rentals - Regular Textbooks	225,505
ED-O&M	1910 Rentals	11,880
ED-O&M-TR	3100 Total Special Education	861,655
ED	3360 State Free Lunch & Breakfast	1,251
ED-O&M-TR-MR/SS	3500 Total Transportation	986,437
ED-MR/SS	- Total Food Service	317,673
ED-O&M-TR-MR/SS	- Total Title I	281,300
ED-O&M-TR-MR/SS	4620 Fed - Spec Education - IDEA - Flow Through	358,804
ED-O&M-TR-MR/SS	4932 Title II - Teacher Quality	90,655
ED-O&M-TR-MR/SS	4991 Medicaid Matching Funds - Administrative Outreach	115,630
ED-O&M-TR-MR/SS	4992 Medicaid Matching Funds - Fee-for-Service Program	179,091
	<b>Total Deductions for PCTC Computation Line 83 through Line 173</b>	<b>\$ 3,965,126</b>
	<b>Net Operating Expense for Tuition Computation (Line 76 minus Line 175)</b>	<b>24,621,875</b>
	<b>Total Depreciation Allowance (from page 27, Line 18, Col I)</b>	<b>1,438,659</b>
	<b>Total Allowance for PCTC Computation (Line 176 minus Line 177)</b>	<b>26,060,534</b>
	<b>9 Month ADA (from the GSA Claimable for 2016-2017 Payable in 2017-2018 (ISBE form 54-33, Line 12))</b>	<b>2,690.98</b>
	<b>Total Estimated PCTC (Line 178 divided by Line 179)</b>	<b>\$ 9,684.40</b>

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



815.344.1300 mchenry  
 847.382.3366 barrington  
 847.336.6455 gurnee  
 www.edercasella.com

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Education  
 Antioch Community Consolidated School District No. 34  
 Antioch, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited

Antioch Community Consolidated School District No. 34’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 Antioch Community Consolidated School District No. 34’s major federal programs for the year ended June 30, 2017. Antioch Community Consolidated School District No. 34’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Antioch Community Consolidated School District No. 34’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Antioch Community Consolidated School District No. 34’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Antioch Community Consolidated School District No. 34’s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Antioch Community Consolidated School District No. 34, 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, 2017.

eder, casella & co.

## Report on Internal Control Over Compliance

Management of Antioch Community Consolidated School District No. 34 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Antioch Community Consolidated School District No. 34's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Antioch Community Consolidated School District No. 34's internal control over compliance.

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

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

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

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
September 29, 2017

**ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34**  
**34-049-0340-04**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2017**

Federal Grantor/Pass-Through Grantor Subrecipients * Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
U.S. Department of Agriculture Passed Through Illinois State Board of Education:										
Food Donation Program	10.555	17-4299-00		39,271			39,271		39,271	N/A
National School Lunch ***	10.555	16-4210-00	268,329	45,917	268,329		45,917		314,246	N/A
National School Lunch **	10.555	17-4210-00		267,762			267,762		267,762	N/A
Spical Milk Program ***	10.556	16-4215-00	3,083	573	3,083		573		3,656	N/A
Spical Milk Program **	10.556	17-4215-00		3,422			3,422		3,422	N/A
U.S. Department of Agriculture/Department of Defense Passed Through Illinois State Board of Education:										
Food Donation Program	10.555	17-4299-00		38,060			38,060		38,060	N/A
Subtotal - CFDA "10"			271,412	395,005	271,412	0	395,005	0	666,417	
* Project End Date 8/31										
** Project End Date 9/30										
*** Project End Date 10/31										

• (M) Program was audited as a major program as defined by §200.518.

\* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.



**ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34**  
**34-049-0340-04**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2017**

Federal Grantor/Pass-Through Grantor Subrecipients * Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/16-6/30/17 Pass through to Subrecipients			
U.S. Department of Education Passed Through											
Illinois State Board of Education:											
Title I - Low Income * (M)	84.010	16-4300-00	0	268,503	267,623		880			268,503	302,023
Title I - Low Income * (M)	84.010	17-4300-00		12,797			79,029			79,029	384,101
Title II - Teacher Quality *	84.367	16-4932-00	0	50,316	27,899		22,417			50,316	54,833
Title II - Teacher Quality *	84.367	17-4932-00		40,339			40,584			40,584	58,987
U.S. Department of Education Passed Through											
Special Education District of Lake County:											
Special Education - Preschool Grant (M)	84.173	16-4600-00	0	29,059	0		29,059			29,059	35,440
Special Education - Preschool Grant (M)	84.173	17-4600-00		11,247			28,189			28,189	30,904
Special Education - Grant to States (M)	84.027	16-4620-00	300	190,018	300		190,018			190,318	281,870
Special Education - Grant to States (M)	84.027	17-4620-00		168,786			180,686			180,686	433,169
Subtotal - CFDA "84"			300	771,065	295,822	0	570,862	0		866,684	

• (M) Program was audited as a major program as defined by §200.518.

\* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

<sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.



ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Antioch Community Consolidated School District No. 34 under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2017.

NOTE 4 - FEDERAL LOANS

There was no federal loans or loan guarantees outstanding at year end.

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

- 1) Summary of auditor's results:
  - a. An adverse opinion report was issued due to the use of the Regulatory Basis of Accounting.
  - b. No Significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the financial statements.
  - c. No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.
  - d. No significant deficiencies in internal control over major programs were disclosed by the audit.
  - e. An unmodified opinion report on compliance for major programs was issued.
  - f. There were no audit findings which are required to be reported.
  - g. The major programs identified were Title I - Low Income (CFDA #84.010) and Special Education Cluster (CFDA #84.027, #84.173)
  - h. The dollar threshold to distinguish between Type A and Type B programs was \$750,000.
  - i. Antioch Community Consolidated School District No. 34 does not qualify as a low-risk auditee.
- 2) There were no findings relating to the financial statements which are required to be reported.
- 3) There were no findings related to federal awards which are required to be reported.

**ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34**  
**34-049-0340-04**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2017**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

---

1. FINDING NUMBER:<sup>11</sup>      2017- N/A      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

---

3. Criteria or specific requirement

---

4. Condition

---

5. Context<sup>12</sup>

---

6. Effect

---

7. Cause

---

8. Recommendation

---

9. Management's response<sup>13</sup>

---

**For ISBE Review**

Date:	_____	Resolution Criteria Code Number	_____
Initials:	_____	Disposition of Questioned Costs Code Letter	_____

---

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34  
34-049-0340-04  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup>      2017- N/A      2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_

4. Project No.: \_\_\_\_\_      5. CFDA No.: \_\_\_\_\_

6. Passed Through: \_\_\_\_\_

7. Federal Agency: \_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation) \_\_\_\_\_

9. Condition<sup>15</sup> \_\_\_\_\_

10. Questioned Costs<sup>16</sup> \_\_\_\_\_

11. Context<sup>17</sup> \_\_\_\_\_

12. Effect \_\_\_\_\_

13. Cause \_\_\_\_\_

14. Recommendation \_\_\_\_\_

15. Management's response<sup>18</sup> \_\_\_\_\_

<b>For ISBE Review</b>	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).  
<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).  
<sup>17</sup> See footnote 12.  
<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34**  
**34-049-0340-04**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2017**

[If there are no prior year audit findings, please submit schedule and indicate **NONE**]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
2016-001	During the audit it was noted bank reconciliations were not performed monthly.	Corrected
2016-002	During the audit it was noted payroll tax returns were not prepared quarterly.	Corrected
2016-003	During the course of the audit it was found that incorrect expenditure amounts were being reported to the State for the Title I Grant.	Corrected
2016-004	During the course of the audit it was noted that the District allocated expenditures for workshops/staff development to object 400 - Supplies, instead of object 300 - Purchased Services.	Corrected

---

When possible, all prior findings should be on the same page

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34**  
**34-049-0340-04**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2017**

**Corrective Action Plan**

Finding No.:     **2017- N/A**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person:     [Name and Title of person responsible for implementation]

Management Response:     [If applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believe that corrective action is unnecessary.]

---

<sup>21</sup> Must address **each** audit finding - §200.511 ( c)