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

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

eder, casella & co.

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34

TABLE OF CONTENTS

JUNE 30, 2018

	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	10
Statement of Expenditures Disbursed – Budget to Actual	
Educational Fund	14
Operations and Maintenance Fund	19
Debt Services Fund	20
Transportation Fund	21
Illinois Municipal Retirement/Social Security Fund	22
Capital Projects Fund	24
Tort Fund	25
Fire Prevention and Safety Fund	26
Notes to Financial Statements	27
SUPPLEMENTAL FINANCIAL INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	53
Illinois Municipal Retirement Fund – Schedule of Employer Contribution	54
Teachers' Retirement System of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net Pension Liability	55

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 34

TABLE OF CONTENTS

JUNE 30, 2018

	PAGE
SUPPLEMENTAL FINANCIAL INFORMATION (Continued)	
Teachers' Retirement System of the State of Illinois – Schedule of Employer Contribution	56
Teacher Health Insurance Security Fund of the State of Illinois – Schedule of the Employer's Proportionate Share of the Net OPEB Liability	57
Teacher Health Insurance Security Fund of the State of Illinois – Schedule of Employer Contribution	58
Other Post-Employment Benefit – Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios	59
Other Post-Employment Benefit – Schedule of Employer Contribution	60
Schedule of Changes in Assets and Liabilities – Activity Funds	61
Computation of Operating Expense Per Pupil and Per Capita Tuition Charge	62
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	63
Schedule of Expenditures of Federal Awards (SEFA)	65
Notes to the Schedule of Expenditures of Federal Awards	68
Schedule of Findings and Questioned Costs	69
Summary Schedule of Prior Audit Findings	72
Corrective Action Plan for Current Year Audit Findings	73

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, 2018, and the related notes to the financial statements.

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 District'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 District'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 audit opinion.

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

As described in Note 1, the financial statements are prepared by Antioch Community Consolidated School District No. 34 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. 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, 2018, 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, 2018, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Change in Accounting Principle

As described in Note 20 to the financial statements, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion 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 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and

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 and Schedule of Expenditures of Federal Awards are 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 December 11, 2018 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 the effectiveness of Antioch Community Consolidated School District No. 34's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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
December 11, 2018

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, 2018, 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 December 11, 2018. 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 or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

Antioch Community Consolidated School District No. 34's Response to Findings

Antioch Community Consolidated School District No. 34's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Antioch Community Consolidated School District No. 34's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
December 11, 2018

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, 2018

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 6,853,120	\$ 1,078,842	\$ 6	\$ 420,373	\$ 316,131	\$ 238,954	\$ 320,111
Restricted Cash and Cash Equivalents	586,538	-	-	-	-	-	-
Investments	15,544,981	2,991,267	-	1,389,928	984,490	8,062,460	178,205
Prepaid Payroll Deductions	61,886	-	-	-	13,666	-	-
Employee Computer Purchase Receivable	533	-	-	-	-	-	-
Capital Assets							
Land	-	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-	-
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	-	-	-
Total Assets	\$ 23,047,058	\$ 4,070,109	\$ 6	\$ 1,810,301	\$ 1,314,287	\$ 8,301,414	\$ 498,316
<u>LIABILITIES AND FUND BALANCE</u>							
<u>LIABILITIES</u>							
Current Liabilities							
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ 1,319	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	294,397	183	-	-	-	-	-
Due to Activity Fund Organizations	-	-	-	-	-	-	-
Total Current Liabilities	<u>\$ 294,397</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ 1,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Liabilities							
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 294,397</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ 1,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>FUND BALANCE</u>							
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance							
Reserved	586,538	-	-	-	210,387	-	-
Unreserved							
Designated	126,806	-	-	-	-	-	-
Undesignated	22,039,317	4,069,926	6	1,808,982	1,103,900	8,301,414	498,316
Total Fund Balance	<u>\$ 22,752,661</u>	<u>\$ 4,069,926</u>	<u>\$ 6</u>	<u>\$ 1,808,982</u>	<u>\$ 1,314,287</u>	<u>\$ 8,301,414</u>	<u>\$ 498,316</u>
Total Liabilities and Fund Balance	\$ 23,047,058	\$ 4,070,109	\$ 6	\$ 1,810,301	\$ 1,314,287	\$ 8,301,414	\$ 498,316

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, 2018

<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	\$ 69,614	\$ 22,800	\$ 50,065	\$ -	\$ -	\$ 9,370,016
Restricted Cash and Cash Equivalents	-	-	-	-	-	586,538
Investments	163,898	64,580	-	-	-	29,379,809
Prepaid Payroll Deductions	-	-	-	-	-	75,552
Employee Computer Purchase Receivable	-	-	-	-	-	533
Capital Assets						
Land	-	-	-	3,264,362	-	3,264,362
Building and Building Improvements	-	-	-	30,082,732	-	30,082,732
Site Improvements and Infrastructure	-	-	-	4,014,556	-	4,014,556
Capitalized Equipment	-	-	-	7,535,680	-	7,535,680
Construction in Progress	-	-	-	2,059,440	-	2,059,440
Amount Available in Debt Services Fund	-	-	-	-	6	6
Amount to be Provided for Payment on Long-Term Debt	-	-	-	-	13,318,532	13,318,532
Total Assets	\$ 233,512	\$ 87,380	\$ 50,065	\$ 46,956,770	\$ 13,318,538	\$ 99,687,756
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Current Liabilities						
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,319
Payroll Deductions and Withholdings	-	-	-	-	-	294,580
Due to Activity Fund Organizations	-	-	50,065	-	-	50,065
Total Current Liabilities	\$ -	\$ -	\$ 50,065	\$ -	\$ -	\$ 345,964
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 13,318,538	\$ 13,318,538
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 13,318,538	\$ 13,318,538
Total Liabilities	\$ -	\$ -	\$ 50,065	\$ -	\$ 13,318,538	\$ 13,664,502
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 46,956,770	\$ -	\$ 46,956,770
Fund Balance						
Reserved	-	-	-	-	-	796,925
Unreserved						
Designated	-	-	-	-	-	126,806
Undesignated	233,512	87,380	-	-	-	38,142,753
Total Fund Balance	\$ 233,512	\$ 87,380	\$ -	\$ 46,956,770	\$ -	\$ 86,023,254
Total Liabilities and Fund Balance	\$ 233,512	\$ 87,380	\$ 50,065	\$ 46,956,770	\$ 13,318,538	\$ 99,687,756

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, 2018

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 21,658,696	\$ 3,447,469	\$ 1,479,318	\$ 1,484,554	\$ 1,520,055
State Sources	7,363,512	-	-	1,736,258	-
Federal Sources	1,131,993	-	-	-	-
On-Behalf Payments	9,908,757	-	-	-	-
	<u>\$ 40,062,958</u>	<u>\$ 3,447,469</u>	<u>\$ 1,479,318</u>	<u>\$ 3,220,812</u>	<u>\$ 1,520,055</u>
EXPENDITURES DISBURSED					
Instruction	\$ 18,384,055	\$ -	\$ -	\$ -	\$ 396,215
Support Services	8,089,926	2,537,672	-	2,105,687	730,360
Community Services	95,407	-	-	-	12,562
Payments to Other Districts and Governmental Units	1,181,861	110,372	-	-	42,321
Debt Services	-	-	2,151,258	-	-
On-Behalf Payments	9,908,757	-	-	-	-
	<u>\$ 37,660,006</u>	<u>\$ 2,648,044</u>	<u>\$ 2,151,258</u>	<u>\$ 2,105,687</u>	<u>\$ 1,181,458</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ 2,402,952</u>	<u>\$ 799,425</u>	<u>\$ (671,940)</u>	<u>\$ 1,115,125</u>	<u>\$ 338,597</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bonds Sold	-	-	-	-	-
Refunding Payment to Escrow Agent	-	-	-	-	-
Interfund Transfers	686,590	450,000	363,410	(1,500,000)	-
	<u>\$ 686,590</u>	<u>\$ 450,000</u>	<u>\$ 363,410</u>	<u>\$ (1,500,000)</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 3,089,542</u>	<u>\$ 1,249,425</u>	<u>\$ (308,530)</u>	<u>\$ (384,875)</u>	<u>\$ 338,597</u>
FUND BALANCE - JULY 1, 2017	<u>19,663,119</u>	<u>2,820,501</u>	<u>308,536</u>	<u>2,193,857</u>	<u>975,690</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 22,752,661</u>	<u>\$ 4,069,926</u>	<u>\$ 6</u>	<u>\$ 1,808,982</u>	<u>\$ 1,314,287</u>

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, 2018

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 68,635	\$ 159,137	\$ 182,572	\$ 32,875	\$ 30,033,311
State Sources	-	-	-	-	9,099,770
Federal Sources	-	-	-	-	1,131,993
On-Behalf Payments	-	-	-	-	9,908,757
	<u>\$ 68,635</u>	<u>\$ 159,137</u>	<u>\$ 182,572</u>	<u>\$ 32,875</u>	<u>\$ 50,173,831</u>
EXPENDITURES DISBURSED					
Instruction	-	-	-	-	18,780,270
Support Services	3,314,405	-	124,665	40,816	16,943,531
Community Services	-	-	-	-	107,969
Payments to Other Districts and Governmental Units	-	-	-	-	1,334,554
Debt Services	-	-	-	-	2,151,258
On-Behalf Payments	-	-	-	-	9,908,757
	<u>\$ 3,314,405</u>	<u>\$ -</u>	<u>\$ 124,665</u>	<u>\$ 40,816</u>	<u>\$ 49,226,339</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ (3,245,770)</u>	<u>\$ 159,137</u>	<u>\$ 57,907</u>	<u>\$ (7,941)</u>	<u>\$ 947,492</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ 2,010,000	\$ 9,145,000	\$ -	\$ -	\$ 11,155,000
Premium on Bonds Sold	-	537,163	-	-	537,163
Refunding Payment to Escrow Agent	(18,370)	(131,557)	-	-	(149,927)
Interfund Transfers	9,555,554	(9,555,554)	-	-	-
	<u>\$ 11,547,184</u>	<u>\$ (4,948)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,542,236</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 8,301,414</u>	<u>\$ 154,189</u>	<u>\$ 57,907</u>	<u>\$ (7,941)</u>	<u>\$ 12,489,728</u>
FUND BALANCE - JULY 1, 2017	<u>-</u>	<u>344,127</u>	<u>175,605</u>	<u>95,321</u>	<u>26,576,756</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 8,301,414</u>	<u>\$ 498,316</u>	<u>\$ 233,512</u>	<u>\$ 87,380</u>	<u>\$ 39,066,484</u>

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 19,192,622	\$ 2,944,271	\$ 1,466,101	\$ 1,470,253	\$ 778,932
Special Education Purpose Levy	1,408,413	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	606,755
Other Tax Levies	-	-	-	-	42,414
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	118,945	-	-	79,325
Tuition					
Summer School Tuition from Pupils or Parents (In State)	39,647	-	-	-	-
Interest on Investments	180,317	26,146	13,217	14,301	12,629
Food Service					
Sales to Pupils - Lunch	374,804	-	-	-	-
District/School Activity Income					
Admissions - Athletic	1,807	-	-	-	-
Fees	221,243	-	-	-	-
Book Store Sales	7,529	-	-	-	-
Textbooks					
Rentals - Regular Textbook	219,168	-	-	-	-
Rentals	2,200	12,386	-	-	-
Contributions and Donations from Private Sources	10,446	-	-	-	-
Impact Fees From Municipal or County Governments	-	270,610	-	-	-
Refund of Prior Years' Expenditures	-	1,000	-	-	-
Other Local Revenues	500	74,111	-	-	-
Total Local Sources	<u>\$ 21,658,696</u>	<u>\$ 3,447,469</u>	<u>\$ 1,479,318</u>	<u>\$ 1,484,554</u>	<u>\$ 1,520,055</u>
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 5,987,236	\$ -	\$ -	\$ -	\$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	261,918	-	-	-	-
Extraordinary	185,384	-	-	-	-
Personnel	343,631	-	-	-	-
Orphanage - Individual	54,131	-	-	-	-
Orphanage - Summer	7,180	-	-	-	-
Summer School	11,927	-	-	-	-
Bilingual Education					
State Free Lunch and Breakfast	3,636	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	698,602	-
Special Education	-	-	-	1,037,656	-
Early Childhood - Block Grant	506,649	-	-	-	-
Other Restricted Revenue from State Sources	1,820	-	-	-	-
Total State Sources	<u>\$ 7,363,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,736,258</u>	<u>\$ -</u>

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>EDUCATIONAL</u>	<u>OPERATIONS AND MAINTENANCE</u>	<u>DEBT SERVICES</u>	<u>TRANSPOR- TATION</u>	<u>ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY</u>
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 301,177	\$ -	\$ -	\$ -	\$ -
Special Milk Program	4,053	-	-	-	-
Title I					
Low Income	280,825	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	31,848	-	-	-	-
IDEA - Flow Through/Low Incidence	294,011	-	-	-	-
IDEA - Room and Board	3,321	-	-	-	-
Title II - Teacher Quality	53,746	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	54,285	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	108,727	-	-	-	-
Total Federal Sources	<u>\$ 1,131,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 30,154,201</u>	<u>\$ 3,447,469</u>	<u>\$ 1,479,318</u>	<u>\$ 3,220,812</u>	<u>\$ 1,520,055</u>

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

REVENUE RECEIVED	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ 152,845	\$ 180,967	\$ 32,595	\$ 26,218,586
Special Education Purpose Levy	-	-	-	-	1,408,413
FICA/Medicare Only Purposes Levy	-	-	-	-	606,755
Other Tax Levies	-	-	-	-	42,414
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	198,270
Tuition					
Summer School Tuition from Pupils or Parents (In State)	-	-	-	-	39,647
Interest on Investments	68,635	6,292	1,605	280	323,422
Food Service					
Sales to Pupils - Lunch	-	-	-	-	374,804
District/School Activity Income					
Admissions - Athletic	-	-	-	-	1,807
Fees	-	-	-	-	221,243
Book Store Sales	-	-	-	-	7,529
Textbooks					
Rentals - Regular Textbook	-	-	-	-	219,168
Rentals	-	-	-	-	14,586
Contributions and Donations from Private Sources	-	-	-	-	10,446
Impact Fees From Municipal or County Governments	-	-	-	-	270,610
Refund of Prior Years' Expenditures	-	-	-	-	1,000
Other Local Revenues	-	-	-	-	74,611
Total Local Sources	\$ 68,635	\$ 159,137	\$ 182,572	\$ 32,875	\$ 30,033,311
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ -	\$ -	\$ -	\$ -	\$ 5,987,236
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	261,918
Extraordinary	-	-	-	-	185,384
Personnel	-	-	-	-	343,631
Orphanage - Individual	-	-	-	-	54,131
Orphanage - Summer	-	-	-	-	7,180
Summer School	-	-	-	-	11,927
Bilingual Education					
State Free Lunch and Breakfast	-	-	-	-	3,636
Transportation					
Regular/Vocational	-	-	-	-	698,602
Special Education	-	-	-	-	1,037,656
Early Childhood - Block Grant	-	-	-	-	506,649
Other Restricted Revenue from State Sources	-	-	-	-	1,820
Total State Sources	\$ -	\$ -	\$ -	\$ -	\$ 9,099,770

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 301,177
Special Milk Program	-	-	-	-	4,053
Title I					
Low Income	-	-	-	-	280,825
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	31,848
IDEA - Flow Through/Low Incidence	-	-	-	-	294,011
IDEA - Room and Board	-	-	-	-	3,321
Title II - Teacher Quality	-	-	-	-	53,746
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	54,285
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	108,727
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,993</u>
Total Direct Revenue	<u>\$ 68,635</u>	<u>\$ 159,137</u>	<u>\$ 182,572</u>	<u>\$ 32,875</u>	<u>\$ 40,265,074</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, 2018

EXPENDITURES DISBURSED	BUDGET	ACTUAL
Instruction		
Regular Programs		
Salaries	\$ 11,286,389	\$ 11,124,219
Employee Benefits	1,268,347	1,741,968
Purchased Services	308,971	288,811
Supplies and Materials	933,378	394,396
Capital Outlay	362,500	53,736
Other Objects	7,000	195,018
Non-Capitalized Equipment	204,000	261,074
	<u>\$ 14,370,585</u>	<u>\$ 14,059,222</u>
Tuition to Charter Schools		
Purchased Services	\$ 16,300	\$ -
	<u>\$ 16,300</u>	<u>\$ -</u>
Pre-K Programs		
Salaries	\$ 181,406	\$ 220,755
Employee Benefits	36,633	31,521
Purchased Services	1,579	1,018
Supplies and Materials	8,800	7,566
	<u>\$ 228,418</u>	<u>\$ 260,860</u>
Special Education Programs		
Salaries	\$ 2,625,342	\$ 2,360,999
Employee Benefits	307,354	542,112
Purchased Services	86,500	105,454
Supplies and Materials	76,000	49,663
Other Objects	-	23,294
Non-Capitalized Equipment	29,000	-
	<u>\$ 3,124,196</u>	<u>\$ 3,081,522</u>
Special Education Programs Pre-K		
Salaries	\$ 236,267	\$ 174,923
Employee Benefits	67,090	33,987
Purchased Services	3,000	3,000
Supplies and Materials	7,298	5,293
Other Objects	-	627
	<u>\$ 313,655</u>	<u>\$ 217,830</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 168,304	\$ 45,282
Employee Benefits	-	9,678
Purchased Services	-	4,792
Supplies and Materials	50,000	13,012
Non-Capitalized Equipment	63,500	44,367
	<u>\$ 281,804</u>	<u>\$ 117,131</u>
Interscholastic Programs		
Salaries	\$ 128,857	\$ 9,250
Employee Benefits	4,400	1,310
Purchased Services	11,000	11,147
	<u>\$ 144,257</u>	<u>\$ 21,707</u>
Summer School Programs		
Salaries	\$ 15,000	\$ 49,761
Employee Benefits	2,700	2,684
Supplies and Materials	-	2,007
	<u>\$ 17,700</u>	<u>\$ 54,452</u>
Gifted Programs		
Salaries	\$ 284,226	\$ 73,534
Employee Benefits	10,600	2,268
Purchased Services	3,700	657
Supplies and Materials	3,500	1,406
	<u>\$ 302,026</u>	<u>\$ 77,865</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Bilingual Programs		
Salaries	\$ 3,000	\$ -
Supplies and Materials	1,381	1,241
	<u>\$ 4,381</u>	<u>\$ 1,241</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 8,000	\$ 6,596
Special Education Programs K-12	475,000	485,629
	<u>\$ 483,000</u>	<u>\$ 492,225</u>
Total Instruction	<u>\$ 19,286,322</u>	<u>\$ 18,384,055</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 449,383	\$ 458,995
Employee Benefits	7,500	77,913
Supplies and Materials	2,000	1,269
	<u>\$ 458,883</u>	<u>\$ 538,177</u>
Guidance Services		
Purchased Services	\$ -	\$ 672
	<u>\$ -</u>	<u>\$ 672</u>
Health Services		
Salaries	\$ 496,060	\$ 402,393
Employee Benefits	42,150	36,910
Purchased Services	4,250	4,159
Supplies and Materials	6,000	4,818
	<u>\$ 548,460</u>	<u>\$ 448,280</u>
Psychological Services		
Salaries	\$ 320,336	\$ 370,061
Employee Benefits	51,400	29,175
Purchased Services	71,000	50,825
Supplies and Materials	10,320	3,357
	<u>\$ 453,056</u>	<u>\$ 453,418</u>
Speech Pathology and Audiology Services		
Salaries	\$ 457,463	\$ 459,254
Employee Benefits	46,800	38,050
Purchased Services	206,000	110,311
Supplies and Materials	5,000	2,218
	<u>\$ 715,263</u>	<u>\$ 609,833</u>
Other Support Services - Pupils		
Salaries	\$ 450	\$ 480
Employee Benefits	150	-
Purchased Services	12,000	-
	<u>\$ 12,600</u>	<u>\$ 480</u>
Total Support Services - Pupils	<u>\$ 2,188,262</u>	<u>\$ 2,050,860</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 130,000	\$ 108,798
Employee Benefits	3,705	1,609
Purchased Services	515,027	301,771
Supplies and Materials	77,546	11,063
	<u>\$ 726,278</u>	<u>\$ 423,241</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Educational Media Services		
Salaries	\$ 182,637	\$ 193,322
Employee Benefits	19,200	15,170
Purchased Services	-	184
Supplies and Materials	27,000	63,412
Non-Capitalized Equipment	-	81,280
	<u>\$ 228,837</u>	<u>\$ 353,368</u>
Assessment and Testing		
Purchased Services	\$ 10,000	\$ 19,315
Other Objects	-	3,728
	<u>\$ 10,000</u>	<u>\$ 23,043</u>
 Total Support Services - Instructional Staff	 <u>\$ 965,115</u>	 <u>\$ 799,652</u>
 General Administration		
Board of Education Services		
Employee Benefits	\$ 2,000	\$ 1,015
Purchased Services	381,717	462,524
Supplies and Materials	22,200	10,032
Other Objects	10,000	7,886
	<u>\$ 415,917</u>	<u>\$ 481,457</u>
Executive Administration Services		
Salaries	\$ 272,314	\$ 284,916
Employee Benefits	82,200	57,589
Purchased Services	65,430	61,844
Supplies and Materials	17,180	16,760
Other Objects	19,000	12,788
	<u>\$ 456,124</u>	<u>\$ 433,897</u>
Special Area Administration Services		
Salaries	\$ 248,710	\$ 386,865
Employee Benefits	57,890	100,542
Supplies and Materials	1,900	1,167
	<u>\$ 308,500</u>	<u>\$ 488,574</u>
Tort Immunity Services		
Employee Benefits	\$ 1,025	\$ 893
Other Objects	5,000	-
	<u>\$ 6,025</u>	<u>\$ 893</u>
 Total Support Services - General Administration	 <u>\$ 1,186,566</u>	 <u>\$ 1,404,821</u>
 School Administration		
Office of the Principal Services		
Salaries	\$ 1,268,105	\$ 1,180,146
Employee Benefits	300,100	293,242
Purchased Services	8,000	2,150
Other Objects	4,000	-
	<u>\$ 1,580,205</u>	<u>\$ 1,475,538</u>
 Total Support Services - School Administration	 <u>\$ 1,580,205</u>	 <u>\$ 1,475,538</u>
 Business		
Direction of Business Support Services		
Salaries	\$ 133,890	\$ 75,285
Employee Benefits	26,400	16,088
	<u>\$ 160,290</u>	<u>\$ 91,373</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business (Continued)		
Fiscal Services		
Salaries	\$ 228,180	\$ 203,548
Employee Benefits	30,700	27,143
Supplies and Materials	2,000	1,149
	<u>\$ 260,880</u>	<u>\$ 231,840</u>
Operation and Maintenance of Plant Services		
Purchased Services	\$ 137,000	\$ 153,734
Supplies and Materials	-	995
Other Objects	-	3,204
	<u>\$ 137,000</u>	<u>\$ 157,933</u>
Food Services		
Salaries	\$ 339,437	\$ 322,759
Employee Benefits	27,100	3,880
Purchased Services	3,000	1,912
Supplies and Materials	384,300	296,081
Other Objects	3,590	8,566
Non-Capitalized Equipment	11,700	-
	<u>\$ 769,127</u>	<u>\$ 633,198</u>
Internal Services		
Salaries	\$ 13,812	\$ 22,659
Employee Benefits	-	39
	<u>\$ 13,812</u>	<u>\$ 22,698</u>
 Total Support Services - Business	 <u>\$ 1,341,109</u>	 <u>\$ 1,137,042</u>
 Central		
Direction of Central Support Services		
Salaries	\$ 189,714	\$ 113,649
Employee Benefits	33,200	30,427
	<u>\$ 222,914</u>	<u>\$ 144,076</u>
Planning, Research, Development and Evaluation Services		
Salaries	\$ 84,522	\$ 42,569
Employee Benefits	250	124
	<u>\$ 84,772</u>	<u>\$ 42,693</u>
Information Services		
Purchased Services	\$ 405,745	\$ 371,404
Supplies and Materials	800	708
	<u>\$ 406,545</u>	<u>\$ 372,112</u>
Staff Services		
Salaries	\$ 149,378	\$ 151,189
Employee Benefits	-	17,963
Purchased Services	10,700	6,896
Supplies and Materials	3,000	1,335
	<u>\$ 163,078</u>	<u>\$ 177,383</u>
Data Processing Services		
Salaries	\$ 359,284	\$ 302,761
Employee Benefits	36,050	48,697
Purchased Services	106,000	92,745
Supplies and Materials	60,000	41,546
	<u>\$ 561,334</u>	<u>\$ 485,749</u>
 Total Support Services - Central	 <u>\$ 1,438,643</u>	 <u>\$ 1,222,013</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Other Support Services		
Supplies and Materials	\$ 500	\$ -
Total Other Support Services	<u>\$ 500</u>	<u>\$ -</u>
Total Support Services	<u>\$ 8,700,400</u>	<u>\$ 8,089,926</u>
Community Services		
Salaries	\$ 82,932	\$ 71,162
Employee Benefits	8,260	8,603
Purchased Services	14,675	4,048
Supplies and Materials	16,400	11,594
Total Community Services	<u>\$ 122,267</u>	<u>\$ 95,407</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ -	\$ 36,452
	<u>\$ -</u>	<u>\$ 36,452</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>\$ 3,000</u>	<u>\$ 36,452</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Regular Programs	\$ 5,000	\$ 2,899
Payments for Special Education Programs	1,175,450	1,142,510
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,180,450</u>	<u>\$ 1,145,409</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,183,450</u>	<u>\$ 1,181,861</u>
Total Direct Expenditures	<u><u>\$ 29,292,439</u></u>	<u><u>\$ 27,751,249</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 363,000	\$ 107,218
Capital Outlay	550,000	363,406
Non-Capitalized Equipment	35,000	1,372
	<u>\$ 948,000</u>	<u>\$ 471,996</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 980,375	\$ 809,976
Employee Benefits	120,285	179,237
Purchased Services	420,900	359,881
Supplies and Materials	773,500	611,331
Capital Outlay	120,000	58,409
Other Objects	2,000	165
Non-Capitalized Equipment	70,000	46,677
	<u>\$ 2,487,060</u>	<u>\$ 2,065,676</u>
 Total Support Services - Business	 <u>\$ 3,435,060</u>	 <u>\$ 2,537,672</u>
 Total Support Services	 <u>\$ 3,435,060</u>	 <u>\$ 2,537,672</u>
 Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 111,335	\$ 110,372
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 111,335</u>	<u>\$ 110,372</u>
 Total Payments to Other Districts and Governmental Units	 <u>\$ 111,335</u>	 <u>\$ 110,372</u>
 Total Direct Expenditures	 <u><u>\$ 3,546,395</u></u>	 <u><u>\$ 2,648,044</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 102,197	\$ 346,989
Total Debt Services - Interest	<u>\$ 102,197</u>	<u>\$ 346,989</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 1,801,143	\$ 1,803,675
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 1,801,143</u>	<u>\$ 1,803,675</u>
Debt Services - Other		
Purchased Services	\$ 1,000	\$ 594
Total Debt Services - Other	<u>\$ 1,000</u>	<u>\$ 594</u>
Total Debt Services	<u>\$ 1,904,340</u>	<u>\$ 2,151,258</u>
Total Direct Expenditures	<u><u>\$ 1,904,340</u></u>	<u><u>\$ 2,151,258</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 1,040,430	\$ 989,263
Employee Benefits	44,382	69,527
Purchased Services	815,200	844,795
Supplies and Materials	276,462	202,037
Capital Outlay	100,000	-
Other Objects	200	65
Non-Capitalized Equipment	4,500	-
	<u>\$ 2,281,174</u>	<u>\$ 2,105,687</u>
Total Support Services - Business	<u>\$ 2,281,174</u>	<u>\$ 2,105,687</u>
Total Support Services	<u>\$ 2,281,174</u>	<u>\$ 2,105,687</u>
Total Direct Expenditures	<u>\$ 2,281,174</u>	<u>\$ 2,105,687</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 183,720	\$ 177,263
Pre-K Programs		
Employee Benefits	13,088	9,527
Special Education Programs		
Employee Benefits	173,596	191,197
Special Education Programs - Pre-K		
Employee Benefits	12,772	13,110
Remedial and Supplemental Programs - K-12		
Employee Benefits	31,053	595
Interscholastic Programs		
Employee Benefits	1,646	977
Summer School Programs		
Employee Benefits	2,320	2,486
Gifted Programs		
Employee Benefits	2,983	1,060
Bilingual Programs		
Employee Benefits	41	-
Total Instruction	<u>\$ 421,219</u>	<u>\$ 396,215</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 5,621	\$ 6,309
Health Services		
Employee Benefits	73,188	65,794
Psychological Services		
Employee Benefits	4,953	5,044
Speech Pathology and Audiology Services		
Employee Benefits	7,890	6,390
Other Support Services - Pupils		
Employee Benefits	102	131
Total Supports Services - Pupils	<u>\$ 91,754</u>	<u>\$ 83,668</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 2,377	\$ 2,111
Educational Media Services		
Employee Benefits	21,079	20,900
Total Support Services - Instructional Staff	<u>\$ 23,456</u>	<u>\$ 23,011</u>
General Administration		
Executive Administration Services		
Employee Benefits	\$ 22,206	\$ 15,418
Special Area Administrative Services		
Employee Benefits	11,385	13,389
Total Support Services - General Administration	<u>\$ 33,591</u>	<u>\$ 28,807</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 85,060	\$ 80,795
Other Support Services - School Administration		
Employee Benefits	10,000	-
Total Support Services - School Administration	<u>\$ 95,060</u>	<u>\$ 80,795</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 2,256	\$ 1,103
Fiscal Services		
Employee Benefits	39,952	37,173
Operation and Maintenance of Plant Services		
Employee Benefits	164,383	142,643
Pupil Transportation Services		
Employee Benefits	183,886	180,902
Food Services		
Employee Benefits	55,541	52,153
Internal Services		
Employee Benefits	10,975	4,122
Total Support Services - Business	<u>\$ 456,993</u>	<u>\$ 418,096</u>
Central		
Direction of Central Support Services		
Employee Benefits	\$ 24,471	\$ 9,303
Planning, Research, Development and Evaluation Services		
Employee Benefits	5,790	8,050
Staff Services		
Employee Benefits	10,627	25,119
Data Processing Services		
Employee Benefits	38,930	53,511
Total Support Services - Central	<u>\$ 79,818</u>	<u>\$ 95,983</u>
Total Support Services	<u>\$ 780,672</u>	<u>\$ 730,360</u>
Community Services		
Employee Benefits	\$ 15,267	\$ 12,562
Total Community Services	<u>\$ 15,267</u>	<u>\$ 12,562</u>
Payments to Other Districts and Governmental Units		
Payments for Special Education Programs		
Employee Benefits	\$ 42,321	\$ 42,321
Total Payments to Other Districts and Governmental Units	<u>\$ 42,321</u>	<u>\$ 42,321</u>
Total Direct Expenditures	<u>\$ 1,259,479</u>	<u>\$ 1,181,458</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
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 520,000	\$ 1,254,965
Capital Outlay	2,780,000	2,059,440
Total Support Services - Business	<u>\$ 3,300,000</u>	<u>\$ 3,314,405</u>
Total Support Services	<u>\$ 3,300,000</u>	<u>\$ 3,314,405</u>
Total Direct Expenditures	<u><u>\$ 3,300,000</u></u>	<u><u>\$ 3,314,405</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
TORT FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 173,750	\$ 112,813
	<u>\$ 173,750</u>	<u>\$ 112,813</u>
Insurance Payments		
Purchased Services	\$ 12,000	\$ 11,852
	<u>\$ 12,000</u>	<u>\$ 11,852</u>
Total Support Services - General Administration	<u>\$ 185,750</u>	<u>\$ 124,665</u>
Total Support Services	<u>\$ 185,750</u>	<u>\$ 124,665</u>
Total Direct Expenditures	<u><u>\$ 185,750</u></u>	<u><u>\$ 124,665</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, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Operation and Maintenance of Plant Services		
Purchased Services	\$ 40,000	\$ 35,331
Non-Capitalized Equipment	-	5,485
Total Support Services - Operation and Maintenance of Plant Services	<u>\$ 40,000</u>	<u>\$ 40,816</u>
Total Support Services	<u>\$ 40,000</u>	<u>\$ 40,816</u>
Total Direct Expenditures	<u><u>\$ 40,000</u></u>	<u><u>\$ 40,816</u></u>

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, 2018

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 Fund – The Capital Projects Fund is used to account for the proceeds of specific revenue sources that are legally restricted 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 19, 2017.

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, 2018.

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 2017 tax levy was passed by the Board on December 19, 2017. 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

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.

Deposits

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

Investments

As of June 30, 2018, 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	\$ 15,041,268	\$ 15,041,268	\$ -	\$ -	\$ -
U.S. Treasury Notes	8,171,194	8,171,194	-	-	-
	<u>\$ 23,212,462</u>	<u>\$ 23,212,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2018, the District’s investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor’s
U.S. Treasury Notes	AAAm	Standard and Poor’s

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - RESTRICTED CASH AND CASH EQUIVALENTS

The Educational Fund reflects a reserved cash and cash equivalents balance in the amount of \$586,538 representing the amount the District has invested in the Self-Insurance Cooperative (Lake Region Schools Benefit Cooperative) at June 30, 2018. This amount is to be expended for insurance claims. See Notes 7, 8, 16, and 18 for more information.

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, 2018:

- State Investment Pools of \$15,041,268 are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury Notes of \$8,171,194 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, 2017	Additions	Deletions	Balance June 30, 2018
Land	\$ 3,264,362	\$ -	\$ -	\$ 3,264,362
Building and Building Improvements	30,030,486	52,246	-	30,082,732
Site Improvements and Infrastructure	3,703,396	311,160	-	4,014,556
Capitalized Equipment	7,443,534	112,145	19,999	7,535,680
Construction in Progress	-	2,059,440	-	2,059,440
	<u>\$ 44,441,778</u>	<u>\$ 2,534,991</u>	<u>\$ 19,999</u>	<u>\$ 46,956,770</u>

NOTE 6 - CHANGES IN GENERAL LONG-TERM DEBT

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

	Balance July 1, 2017	Additions	Retirement	Balance June 30, 2018	Amounts Due Within One Year
Long-Term Debt					
Series 2014 General Obligation Refunding Bonds Dated 10/8/2014	\$ 1,445,000	\$ -	\$ 1,445,000	\$ -	\$ -
Special Education Bonds Dated 4/27/2015	149,453	-	73,675	75,778	75,778
Debt Certificates Series 2010 Dated 8/30/2010	2,175,000	-	285,000	1,890,000	295,000
Lease/Purchase Agreements	326,415	-	128,655	197,760	97,476
Series 2017 General Obligation Limited Tax School Bonds Dated 10/11/17	-	9,145,000	-	9,145,000	970,000
Debt Certificates Series 2018 Dated 4/3/2018	-	2,010,000	-	2,010,000	200,000
Total Long-Term Debt	<u>\$ 4,095,868</u>	<u>\$ 11,155,000</u>	<u>\$ 1,932,330</u>	<u>\$ 13,318,538</u>	<u>\$ 1,638,254</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

General long-term debt consisted of the following at June 30, 2018:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Series 2014 General Obligation Refunding Bonds Dated 10/8/2014	1/1/2018	2.00%-3.00%	\$ 4,260,000	\$ -
Special Education Bonds Dated 4/27/2015	8/1/2018	3.0% - 5.0%	289,900	75,778
Debt Certificates Series 2010 Dated 8/30/2010	12/1/2023	2.0% - 3.55%	3,360,000	1,890,000
Lease/Purchase Agreement Dell Financial Services	5/1/2018	2.69%	75,950	-
Lease/Purchase Agreement American Capital	7/1/2019	2.85%	300,934	197,760
Series 2017 General Obligation Tax School Bonds Dated 10/11/2017	1/1/2037	3.0% - 5.0%	9,145,000	9,145,000
Debt Certificates Series 2018 Dated 4/3/2018	1/1/2028	5.00%	2,010,000	2,010,000

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, 2018 the annual debt service requirements to service all long-term debt is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,638,254	\$ 284,261	\$ 1,922,515
2020	570,284	461,458	1,031,742
2021	490,000	440,475	930,475
2022	510,000	421,408	931,408
2023	530,000	401,015	931,015
2024	500,000	380,325	880,325
2025	210,000	365,000	575,000
2026	220,000	354,500	574,500
2027	230,000	343,500	573,500
2028	245,000	332,000	577,000
2029	-	319,750	319,750
2030	370,000	319,750	689,750
2031	1,095,000	301,250	1,396,250
2032	1,130,000	268,400	1,398,400
2033	1,175,000	223,200	1,398,200
2034	1,220,000	176,200	1,396,200
2035	1,270,000	127,400	1,397,400
2036	1,320,000	76,600	1,396,600
2037	595,000	23,800	618,800
	<u>\$ 13,318,538</u>	<u>\$ 5,620,292</u>	<u>\$ 18,938,830</u>

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, \$158,220, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future Social Security disbursements.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, \$52,167, 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 \$586,538 representing the unexpended portion of self-insurance contribution at Lake Region Schools Benefit Cooperative at June 30, 2018. 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 \$126,806 representing the portion of the District's money earmarked for self-insurance costs at June 30, 2018. 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, 2018.

NOTE 10 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2016 (\$13,379,958) and 2017 (\$14,896,210) tax levies. A summary of the assessed valuations, rates, and extensions for tax years 2017, 2016, and 2015 follows:

TAX YEAR ASSESSED VALUATION	2017		2016		2015	
	Rate	Extension	Rate	Extension	Rate	Extension
		\$566,222,157		\$546,315,809		\$529,985,999
Educational	3.4426	\$ 19,492,696	3.3612	\$ 18,362,898	3.5000	\$ 18,549,510
Tort Immunity	0.0318	180,217	0.0324	176,984	0.0340	180,004
Special Education	0.2443	1,383,292	0.2562	1,399,885	0.2264	1,200,005
Operations and Maintenance	0.5161	2,922,442	0.5296	2,893,316	0.5500	2,914,923
Transportation	0.2065	1,168,977	0.3225	1,761,645	0.2896	1,535,004
Municipal Retirement	0.1368	774,450	0.1396	762,389	0.1434	760,005
Social Security	0.1075	608,842	0.1077	588,595	0.1113	590,002
SEDOL Municipal Retirement	0.0072	40,921	0.0077	42,323	0.0081	42,977
Working Cash	0.0275	155,864	0.0270	147,456	0.0283	150,002
Debt Service	0.2491	1,410,341	0.2725	1,488,640	0.2783	1,475,211
Fire Prevention and Safety	0.0060	34,098	0.0055	29,998	0.0057	30,003
	<u>4.9755</u>	<u>\$ 28,172,140</u>	<u>5.0619</u>	<u>\$ 27,654,129</u>	<u>5.1751</u>	<u>\$ 27,427,646</u>

NOTE 11 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2018, the following funds had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Services Fund	\$ 1,904,340	\$ 2,151,258	\$ 246,918
Capital Projects Fund	3,300,000	3,314,405	14,405
Fire Prevention and Safety Fund	40,000	40,816	816

NOTES TO FINANCIAL STATEMENTS (Continued)

The over-expenditures were covered by available fund balances.

NOTE 12 - OPERATING LEASES

The District leases copier/printers under an operating lease. Total equipment leasing expense for the year ended June 30, 2018 was \$144,348.

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

Year Ending June 30	Amount
2019	\$ 144,348
2020	144,348
2021	144,348
2022	24,058
Thereafter	-
	\$ 457,102

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://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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, 2017 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, 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 \$9,764,338 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, 2018 were \$93,518.

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

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

For the year ended June 30, 2018, the District pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$68,177 were paid from federal and special trust funds that required District contributions of \$6,886.

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, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2018, the District paid \$3,749 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, 2018, 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 follows below:

District's proportionate share of the net pension liability	\$ 1,445,587
State's proportionate share of the net pension liability associated with the District	99,215,746
Total	<u>\$ 100,661,333</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the District's proportion was 0.0018922%, which was a decrease of 0.000802 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$9,764,338 and revenue of \$9,764,338 for support provided by the State. At June 30, 2018, 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	\$ 15,701	\$ (667)	\$ 15,034
Net difference between projected and actual earnings on pension plan investments	992	-	992
Changes of assumptions	96,483	(41,539)	54,944
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,273	(828,117)	(807,844)
Employer contributions subsequent to the measurement date	100,403	-	100,403
	<u>\$ 233,852</u>	<u>\$ (870,323)</u>	<u>\$ (636,471)</u>

\$100,403 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
2019	\$ (200,572)
2020	(179,009)
2021	(197,544)
2022	(143,445)
2023	(16,304)
	<u>\$ (736,874)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2017 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. The same assumptions were used in the June 30, 2016 actuarial valuation.

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, 2017, the discount rate used to measure total pension liability was 7.00%, which was a change from the June 30, 2016 rate of 6.83%. 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, 2017 was 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. All projected future payments were covered, so the 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, 2016, the discount rate used to measure the total pension liability was 6.83%. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 7.00%, 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 (6.00%) or 1-percentage-point-higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 1,776,093	\$ 1,445,587	\$ 1,174,876

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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, 2017, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	137
Inactive plan members entitled to but not yet receiving benefits	242
Active plan members	189
Total	<u>568</u>

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 2017 was 11.13%. For the fiscal year ended June 30, 2018, the District contributed \$551,627 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, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	21,592,740
IMRF Fiduciary Net Position		20,256,013
District's Net Pension Liability		1,336,727
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		93.81%

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, 2017 using the following actuarial methods and assumptions:

NOTES TO FINANCIAL STATEMENTS (Continued)

For the purpose of this discount rate, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$ 21,218,069	\$ 17,671,046	\$ 3,547,023
Changes for the year:			
Service Cost	\$ 536,794	\$ -	\$ 536,794
Interest on the Total Pension Liability	1,569,820	-	1,569,820
Differences Between Expected and Actual Experience of the Total Pension Liability	21,044	-	21,044
Changes of Assumptions	(641,925)	-	(641,925)
Contributions - Employer	-	543,481	(543,481)
Contributions - Employee	-	225,258	(225,258)
Net Investment Income	-	3,206,505	(3,206,505)
Benefit Payments, Including Refunds of Employee Contributions	(1,111,062)	(1,111,062)	-
Other (Net Transfer)	-	(279,215)	279,215
Net Changes	\$ 374,671	\$ 2,584,967	\$ (2,210,296)
Balances at December 31, 2017	\$ 21,592,740	\$ 20,256,013	\$ 1,336,727

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)	\$ 3,886,490	\$ 1,336,727	\$ (767,454)

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

For the year ended June 30, 2018, the District's pension expense is \$797,478. At June 30, 2018, 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
Expense in Future Periods			
Differences between expected and actual experience	\$ 203,276	\$ (34,724)	\$ 168,552
Changes of assumptions	4,871	(476,210)	(471,339)
Net difference between projected and actual earnings on pension plan investments	576,649	(1,523,587)	(946,938)
Total deferred amounts to be recognized in pension expense in future periods	\$ 784,796	\$ (2,034,521)	\$ (1,249,725)
Pension contributions made subsequent to the measurement date	291,894	-	291,894
Total deferred amounts related to pensions	\$ 1,076,690	\$ (2,034,521)	\$ (957,831)

NOTES TO FINANCIAL STATEMENTS (Continued)

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 December 31	Net Deferred Outflows of Resources
2018	\$ (175,576)
2019	(297,279)
2020	(395,974)
2021	(380,896)
2022	-
Thereafter	-
	<u>\$ (1,249,725)</u>

C. *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

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

Plan Description

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 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>).

Benefits Provided

The State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers’ Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.

NOTES TO FINANCIAL STATEMENTS (Continued)

- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
 - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
 - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
 - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2018, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to .88% of each teacher's salary. For the fiscal year ended June 30, 2017, the employee contribution was 1.12% of salary and the employer contribution was .84% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$144,419 in benefit contributions from the State of Illinois.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 17,809,104
State's proportionate share of the net pension liability associated with the District	23,387,890
Total	<u>\$ 41,196,994</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating THIS employers and the State during that period.

At June 30, 2017, the District's proportion was 0.068630%, which was an increase of 0.002643% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District had benefit expense of \$1,418,406 and on-behalf revenue/expense of \$144,419 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (10,087)	\$ (10,087)
Net difference between projected and actual earnings on pension plan investments	-	(196)	(196)
Changes of assumptions	-	(2,120,409)	(2,120,409)
Changes in proportion and differences between employee contributions and proportionate share of contributions	616,104	-	616,104
Employer contributions subsequent to the measurement date	141,889	-	141,889
	<u>\$ 757,993</u>	<u>\$ (2,130,692)</u>	<u>\$ (1,372,699)</u>

\$141,889 of deferred outflows of resources related to OPEB results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to OPEB will be part of the OPEB expense in future years as follows:

Year Ending June 30	
2019	\$ (412,259)
2020	(367,938)
2021	(406,035)
2022	(294,839)
2023	(33,517)
	<u>\$ (1,514,588)</u>

Actuarial Assumptions

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

Inflation	2.75%	
Salary Increases		Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment Rate of Return		0%, net of OPEB plan investment expense, including inflation Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%.
Healthcare Cost Trend Costs		Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

NOTES TO FINANCIAL STATEMENTS (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for THIS experience. For disabled annuitants, mortality rates were based on the RP-Disabled Annuitant Table. All tables reflect future improvements using Projection Scale MP-2014.

The actuarial assumptions that were used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2015.

The long-term expected rate of return on OPEB 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 OPEB 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
Illinois Public Treasurers' Investment Pool	100.0%	0.68%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. 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, THIS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2017, the discount rate used to measure the total OPEB liability was 3.56%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56%) or 1 percentage-point higher (4.56%) than the current rate.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Employer's proportionate share of the net OPEB liability	\$ 49,436,279	\$ 41,196,994	\$ 34,604,414

NOTES TO FINANCIAL STATEMENTS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease 7.00% (a)	Healthcare Cost Valuation Rate	1% Increase 9.00% (b)
Employer's proportionate share of the net OPEB liability	\$ 33,250,263	\$ 41,196,994	\$ 52,603,391

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

B. *Retiree Insurance Plan*

Plan Overview

In addition to the retirement plans described in Note 13, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Retirees and their eligible dependents can remain as participants on the District's medical plan provided that they pay their entire premium. Employees must be enrolled in the medical plan prior to retirement. Coverage continues until attainment of Medicare eligibility age by the participant.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)
- At least 55 years old and at least 35 years of credited service (full pension)

Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)
- At least 62 years old and at least 35 years of credited service (full pension)

Membership in the plan consisted of the following at July 1, 2017, the date of the latest actuarial valuation:

Active employees	180
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	1
Total	<u>181</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability was determined by an actuarial valuation as of July 1, **2017**.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	2.98%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	

(1) Known rate

Period	PPO Plan 1	PPO Plan 2	PPO Plan 3	PPO Plan 4
FY18-FY19	(4.67%) ⁽¹⁾	(1.24%) ⁽¹⁾	(3.30%) (1)	(3.97%) (1)
FY19-FY20	5.00%	5.00%	5.00%	5.00%
FY20-FY21	4.94%	4.94%	4.94%	4.94%
FY21-FY22	4.88%	4.88%	4.88%	4.88%
FY22-FY23	4.81%	4.81%	4.81%	4.81%
FY23-FY24	4.75%	4.75%	4.75%	4.75%
FY24-FY25	4.69%	4.69%	4.69%	4.69%
FY25-FY26	4.63%	4.63%	4.63%	4.63%
FY26-FY27	4.56%	4.56%	4.56%	4.56%
FY27-FY28	4.50%	4.50%	4.50%	4.50%
Subsequent	4.50%	4.50%	4.50%	4.50%

Retiree Contribution Trend	Same as Health Care Trend
Mortality	IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report.
Retirement Rates	IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report. No Early Retirement Rates assumed.
Withdrawal Rates	IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report.
Disability Rates	IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report.

Starting Per Capita Costs

Age			PPO Plan 1			Age			PPO Plan 2			
			Retiree	Spouse				Retiree	Spouse			
55	\$	13,903	\$	18,612	55	\$	13,066	\$	15,860			
57		15,038		20,130	57		14,132		17,154			
60		16,915		22,644	60		15,896		19,296			
62		18,295		24,492	62		17,193		20,871			
64		19,788		26,490	64		18,596		22,574			
Age			PPO Plan 3			Age			PPO Plan 4			
			Retiree	Spouse				Retiree	Spouse			
55	\$	12,042	\$	15,820	55	\$	11,422	\$	14,889			
57		13,024		17,111	57		12,354		16,104			
60		14,651		19,247	60		13,896		18,115			
62		15,846		20,818	62		15,030		19,593			
64		17,139		22,517	64		16,256		21,192			

NOTES TO FINANCIAL STATEMENTS (Continued)

Retiree Contributions

	Retiree	Spouse
PPO Plan 1	\$ 9,392	\$ 12,573
PPO Plan 2	8,827	10,715
PPO Plan 3	8,135	10,687
PPO Plan 4	7,716	10,059

Election at Retirement

10% of active IMRF employees will elect coverage continuation on the District medical plan at retirement.

Marital Status

30% of employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	\$ 236,447	\$ -	\$ 236,447
Changes for the year:			
Service Cost	\$ 15,851	\$ -	\$ 15,851
Interest on Total OPEB Liability	7,213	-	7,213
Assumption Changes	1,579	-	1,579
Benefit Payments	(11,982)	-	(11,982)
Other Changes	(1,857)	-	(1,857)
Net Changes	\$ 10,804	\$ -	\$ 10,804
Balances at June 30, 2018	\$ 247,251	\$ -	\$ 247,251

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 236,828	\$ 247,251	\$ 257,879

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

NOTES TO FINANCIAL STATEMENTS (Continued)

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 266,349	\$ 247,251	\$ 229,987

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$23,030. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -	\$ -
Changes of Assumptions	1,385	1,629	(244)
Total	\$ 1,385	\$ 1,629	\$ (244)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (8.17 years, active and retired) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending June 30	Outflows	Inflows
2019	\$ 193	\$ 227
2020	193	227
2021	193	227
2022	193	227
2023	193	227
2024	193	227
2025	193	227
2026	34	40
	\$ 1,385	\$ 1,629

NOTE 15 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2018 were as follows:

Transfer from	Transfer to	Amount
Educational Fund	Debt Services Fund	\$ 213,410
Operations and Maintenance Fund	Debt Services Fund	150,000
Operations and Maintenance Fund	Capital Projects Fund	9,555,554
Transportation Fund	Educational Fund	900,000
Transportation Fund	Operations and Maintenance Fund	600,000
Working Cash Fund	Operations and Maintenance Fund	9,555,554

The purpose of the interfund transfer from the Working Cash Fund to the Operations and Maintenance Fund was for the subsequent transfer from the Operations and Maintenance Fund to the Capital Projects Fund to fund the ongoing renovation projects. The purpose of the transfers to the Debt Services Fund was to make debt payments. The purpose of the transfers from the Transportation Fund to the Educational Fund and the Operations and Maintenance Fund was to cover shortages in fund balances.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 16 - JOINT VENTURES

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

The District and thirty 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, 2017 (most recent information available) is as follows:

Assets	\$ 65,683,561
Deferred Outflows of Resources	5,516,783
	<u>\$ 71,200,344</u>
Liabilities	\$ 25,179,657
Deferred Inflows of Resources	2,532,765
Net Position	43,487,922
	<u>\$ 71,200,344</u>
Revenues	\$ 80,237,296
Expenses	79,610,666
Net Increase/(Decrease) in Net Position	<u>\$ 626,630</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.

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 District facilities for public recreation programs and for the District's 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 2018, 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, 2018, there were no significant adjustments in premiums based on actual experience.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2018 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, 2018 the liability for unpaid claims was \$0. A reconciliation of changes in the aggregate liabilities for claims for the fiscal year ended June 30, 2018 is as follows:

Claims Liabilities - Beginning of Year	\$ -
Incurred Claims	1,401,558
Payments on Claims	<u>(1,401,558)</u>
Claims Liabilities - End of Year	<u>\$ -</u>

NOTE 19 - 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:

2017 EAV	\$ 566,222,157
Rate	<u>6.90%</u>
Debt Margin	\$ 39,069,329
Current Debt	<u>13,318,538</u>
Remaining Debt Margin	<u>\$ 25,750,791</u>

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2018 the District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the District. The Statements also require additional disclosures about the postemployment benefits other than pensions offered by the District.

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, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY				
Service Cost	\$ 536,794	\$ 484,176	\$ 559,007	\$ 579,714
Interest on the Total Pension Liability	1,569,820	1,464,555	1,417,912	1,264,946
Differences Between Expected and Actual Experience	21,044	509,301	(323,687)	241,223
Changes of Assumptions	(641,925)	(97,913)	45,404	846,705
Benefit Payments, Including Refunds of Member Contributions	(1,111,062)	(1,064,129)	(906,187)	(803,122)
Net Change in Total Pension Liability	<u>\$ 374,671</u>	<u>\$ 1,295,990</u>	<u>\$ 792,449</u>	<u>\$ 2,129,466</u>
Total Pension Liability - Beginning	<u>21,218,069</u>	<u>19,922,079</u>	<u>19,129,630</u>	<u>17,000,164</u>
Total Pension Liability - Ending	<u>\$ 21,592,740</u>	<u>\$ 21,218,069</u>	<u>\$ 19,922,079</u>	<u>\$ 19,129,630</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 543,481	\$ 557,717	\$ 519,591	\$ 609,307
Contributions - Member	225,258	221,487	205,718	208,456
Net Investment Income	3,206,505	1,156,395	84,006	962,417
Benefit Payments, Including Refunds of Member Contributions	(1,111,062)	(1,064,129)	(906,187)	(803,122)
Other (Net Transfers)	(279,215)	(137,229)	141,947	144,669
Net Change in Plan Fiduciary Net Position	<u>\$ 2,584,967</u>	<u>\$ 734,241</u>	<u>\$ 45,075</u>	<u>\$ 1,121,727</u>
Plan Net Position - Beginning	<u>17,671,046</u>	<u>16,936,805</u>	<u>16,891,730</u>	<u>15,770,003</u>
Plan Net Position - Ending	<u>\$ 20,256,013</u>	<u>\$ 17,671,046</u>	<u>\$ 16,936,805</u>	<u>\$ 16,891,730</u>
District's Net Pension Liability	<u>\$ 1,336,727</u>	<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	93.81%	83.28%	85.02%	88.30%
Covered-Valuation Payroll	\$ 4,880,576	\$ 4,668,096	\$ 4,506,430	\$ 4,599,198
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	27.39%	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, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 543,502	\$ 561,943	\$ 519,591	\$ 510,051
Contributions in relation to Actuarially-Determined Contribution	543,481	557,717	519,591	609,307
Contribution deficiency/(excess)	<u>\$ 21</u>	<u>\$ 4,226</u>	<u>\$ -</u>	<u>\$ (99,256)</u>
Covered-Employee Payroll	\$ 4,900,857	\$ 4,668,096	\$ 4,506,430	\$ 4,599,198
Contributions as a percentage of Covered-Employee Payroll	11.09%	11.95%	11.53%	13.25%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 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: 26-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 2012). 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, 2015 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, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0018922%	0.0026937%	0.0036075%	0.0035265%
Employer's proportionate share of the Net Pension Liability	\$ 1,445,587	\$ 2,126,291	\$ 2,363,291	\$ 2,146,144
State's proportionate share of the Net Pension Liability associated with the employer	<u>99,215,746</u>	<u>140,890,400</u>	<u>103,022,698</u>	<u>94,673,580</u>
Total	<u>\$ 100,661,333</u>	<u>\$ 143,016,691</u>	<u>\$ 105,385,989</u>	<u>\$ 96,819,724</u>
Employer's Covered-Employee Payroll	\$ 15,586,319	\$ 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	9.27%	13.68%	14.77%	14.10%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	39.30%	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 2017 and 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, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 93,831	\$ 92,363	\$ 126,364	\$ 125,120
Contributions in relation to Statutorily-Required Contribution	<u>77,957</u>	<u>104,319</u>	<u>126,407</u>	<u>125,822</u>
Contribution deficiency/(excess)	<u>\$ 15,874</u>	<u>\$ (11,956)</u>	<u>\$ (43)</u>	<u>\$ (702)</u>
Employer's Covered-Employee Payroll	\$ 16,123,721	\$ 15,545,911	\$ 16,000,665	\$ 15,224,710
Contributions as a percentage of Covered-Employee Payroll	0.48%	0.67%	0.79%	0.83%

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2018

	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.0686300%
Employer's proportionate share of the Net OPEB Liability	\$ 17,809,104
State's proportionate share of the Net OPEB Liability associated with the employer	23,387,890
Total	\$ 41,196,994
Employer's Covered Payroll	\$ 15,595,219
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	114.20%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.17%

* - 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 2017 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

ANTIOCH COMMUNITY CONSOLIDATED
 SCHOOL DISTRICT NO. 34
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	6/30/2018 *
Statutorily-Required Contribution	\$ 132,619
Contributions in relation to the Statutorily-Required Contribution	130,925
Contribution deficiency/(excess)	\$ 1,694
Employer's Covered Payroll	\$ 16,191,898
Contributions as a percentage of Covered Payroll	0.81%

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

ANTIOCH COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 34
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2018

	6/30/2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 15,851
Interest	7,213
Benefit Payments	(11,982)
Changes in Assumptions	1,579
Other Changes	(1,857)
Net Change in Total OPEB Liability	\$ 10,804
 Total OPEB Liability - Beginning	 236,447
 Total OPEB Liability - Ending	 \$ 247,251
 District's Net OPEB Plan Liability	 \$ 247,251
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
 Covered-Employee Payroll	\$ 4,490,929
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	5.51%

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
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	6/30/2018
Actuarially-Determined Contribution	N/A
Contributions in relation to Actuarially-Determined Contribution	-
Contribution deficiency/(excess)	N/A
Covered-Employee Payroll	\$ 4,490,929
Contributions as a percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

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
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ACTIVITY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
A S S E T S				
Cash and Cash Equivalents	<u>\$ 42,302</u>	<u>\$ 46,567</u>	<u>\$ 38,804</u>	<u>\$ 50,065</u>
L I A B I L I T I E S				
Amounts Due to Activity	<u>\$ 42,302</u>	<u>\$ 46,567</u>	<u>\$ 38,804</u>	<u>\$ 50,065</u>

See Accompanying Independent Auditor's 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, 2018

OPERATING EXPENSE PER PUPIL

EXPENDITURES:

ED	Total Expenditures	\$ 27,751,249
O&M	Total Expenditures	2,648,044
DS	Total Expenditures	2,151,258
TR	Total Expenditures	2,105,687
MR/SS	Total Expenditures	1,181,458
TORT	Total Expenditures	124,665
	Total Expenditures	\$ 35,962,361

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

ED	1125 Pre-K Programs	\$ 260,860
ED	1225 Special Education Programs Pre-K	217,830
ED	1600 Summer School Programs	54,452
ED	1911 Regular K-12 Programs - Private Tuition	6,596
ED	1912 Special Education Programs K-12 - Private Tuition	485,629
ED	3000 Community Services	95,407
ED	4000 Total Payments to Other Govt Units	1,181,861
ED	- Capital Outlay	53,736
ED	- Non-Capitalized Equipment	386,721
O&M	4000 Total Payments to Other Govt Units	110,372
O&M	- Capital Outlay	421,815
O&M	- Non-Capitalized Equipment	48,049
DS	5300 Debt Service - Payments of Principal on Long-Term Debt	1,803,675
MR/SS	1125 Pre-K Programs	9,527
MR/SS	1225 Special Education Programs - Pre-K	13,110
MR/SS	1600 Summer School Programs	2,486
MR/SS	3000 Community Services	12,562
MR/SS	4000 Total Payments to Other Govt Units	42,321
	Total Deductions for OEPP Computation (Sum of Lines 18 - 73)	\$ 5,207,009
	Total Operating Expenses Regular K-12 (Line 14 minus Line 75)	30,755,352
	9 Mo ADA from the General State Aid Claimable for 2016-2017 and Payable in 2017-2018 (ISBE 54-33), L12	2,605.02
	Estimated OEPP (Line 76 divided by Line 77)	\$ 11,806.19

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	1600 Total Food Service	\$ 374,804
ED-O&M	1700 Total District/School Activity Income	230,579
ED	1811 Rentals - Regular Textbooks	219,168
ED-O&M	1910 Rentals	14,586
ED-O&M-TR	3100 Total Special Education	864,171
ED	3360 State Free Lunch & Breakfast	3,636
ED-O&M-TR-MR/SS	3500 Total Transportation	1,736,258
ED-O&M-DS-TR-MR/SS-Tort	3999 Other Restricted Revenue from State Sources	1,820
ED-MR/SS	- Total Food Service	305,230
ED-O&M-TR-MR/SS	- Total Title I	280,825
ED-O&M-TR-MR/SS	4620 Fed - Spec Education - IDEA - Flow Through	294,011
ED-O&M-TR-MR/SS	4625 Fed - Spec Education - IDEA - Room & Board	3,321
ED-O&M-TR-MR/SS	4932 Title II - Teacher Quality	53,746
ED-O&M-TR-MR/SS	4991 Medicaid Matching Funds - Administrative Outreach	54,285
ED-O&M-TR-MR/SS	4992 Medicaid Matching Funds - Fee-for-Service Program	108,727
ED-TR-MR/SS	3100 Special Education Contributions from EBF Funds	1,079,198
ED-MR/SS	3300 English Learning (Bilingual) Contributions from EBF Funds	1,019
	Total Deductions for PCTC Computation Line 83 through Line 173	\$ 5,625,384
	Net Operating Expense for Tuition Computation (Line 76 minus Line 175)	25,129,968
	Total Depreciation Allowance (from page 27, Line 18, Col I)	1,405,764
	Total Allowance for PCTC Computation (Line 176 minus Line 177)	26,535,732
	9 Month ADA (from the GSA Claimable for 2016-2017 Payable in 2017-2018 (ISBE form 54-33, Line 12))	2,605.02
	Total Estimated PCTC (Line 178 divided by Line 179)	\$ 10,186.38

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
 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, 2018. 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, 2018.

eder, casella & co.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

Antioch Community Consolidated School District No. 34's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Antioch Community Consolidated School District No. 34's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 to be significant deficiencies.

Antioch Community Consolidated School District No. 34's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Antioch Community Consolidated School District No. 34's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
December 11, 2018

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34

34-049-0340-04

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Agriculture Passed through Illinois State Board of Education:										0	
Food Donation Program (M)	10.555	18-4299-00		36,581				36,581		36,581	N/A
National School Lunch ** (M)	10.555	17-4210-00	267,762	43,465	267,762			43,465		311,227	N/A
National School Lunch ** (M)	10.555	18-4210-00		257,712				257,712		257,712	N/A
Special Milk Program ** (M)	10.556	17-4215-00	3,422	561	3,422			561		3,983	N/A
Special Milk Program ** (M)	10.556	18-4215-00		3,491				3,491		3,491	N/A
										0	
U. S. Department of Agriculture /Department of Defense Passed Through Illinois State Board of Education										0	
Food Donation Program (M)	10.555	18-4299-00		33,994				33,994		33,994	N/A
										0	
Subtotal - CFDA "10"			271,184	375,804	271,184	0		375,804	0	646,988	
										0	
										0	
* Project End Date 8/31										0	
** Project End Date 9/30										0	
										0	

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

***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.

¹ 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.

² 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.

³ 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)

⁴ 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, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Education Passed Through Illinois State Board of Education:										0	
Title I - Low Income * (M)	84.010	17-4300-00	12,797	69,228	79,029			2,996		82,025	384,101
Title I - Low Income * (M)	84.010	18-4300-00		211,597				286,527		286,527	619,478
Title IV Part A - Student Suppt & Academic Enrichment *	84.424	18-4400-00		0				1,458		1,458	10,000
Title II - Teacher Quality *	84.367	17-4932-00	40,339	245	40,584			0		40,584	58,987
Title II - Teacher Quality *	84.367	18-4932-00		53,501				70,672		70,672	86,221
Special Ed - I.D.E.A. - Room & Board *	84.027	17-4625-XC		3,321				3,321		3,321	N/A
										0	
U.S. Department of Education Passed Through Illinois State Board of Education:										0	
Special Education - Preschool Grant	84.173	17-4600-00	11,247	16,942	28,189			0		28,189	30,904
Special Education - Preschool Grant	84.173	18-4600-00		14,906				23,351		23,351	28,420
Special Education - Grants to State	84.027	17-4320-00	168,786	113,832	180,686			101,932		282,618	433,169
Special Education - Grants to State	84.027	18-4320-00		180,180				309,150		309,150	485,782
										0	
Subtotal CDFA "84"			233,169	663,752	328,488	0		799,407	0	1,127,895	
										0	
										0	

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

***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.

¹ 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.

² 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.

³ 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)

⁴ 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, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
U.S. Department of Health & Human Services										0	
Passed Through Illinois Department of Healthcare and Family Services:										0	
Medicaid Matching - Admin Outreach	93.778	18-4991-00		56,546				69,527		69,527	N/A
										0	
										0	
Subtotal CFDA "93"			0	56,546	0	0		69,527	0	69,527	
										0	
Total Federal Assistance			504,353	1,096,102	599,672	0		1,244,738	0	1,844,410	
										0	
										0	
										0	
										0	
										0	
										0	
										0	
										0	

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

***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.

¹ 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.

² 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.

³ 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)

⁴ 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, 2018

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, 2018 and is presented on the cash basis of accounting. 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). Therefore, some amounts presented in the schedule may differ from amounts presented in, and used in the preparation of, the basis financial statements.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash 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.

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2018.

NOTE 5 - FEDERAL LOANS

There were 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, 2018

- 1) Summary of auditor's results:
 - a. The auditor's report expresses an adverse opinion on whether the financial statements of Antioch Community Consolidated School District No. 34 were prepared in accordance with GAAP, however it expresses an unmodified opinion on the use of regulatory cash basis of accounting.
 - b. No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the financial statements.
 - c. No instances of noncompliance material to the financial statements of Antioch Community Consolidated School District No. 34, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
 - d. One significant deficiency and no material weaknesses in internal control over major federal award programs were disclosed during the audit. The material weakness is reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance".
 - e. The auditor's report on compliance for the major federal award programs for Antioch Community Consolidated School District No. 34 expresses an unmodified opinion on all major federal programs.
 - f. Audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a) are reported in this Schedule.
 - g. The major programs identified were Title I - Low Income (CFDA #84.010) and Child Nutrition Cluster (CFDA #10.555, #10.556)
 - 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) A finding relating to federal awards which is required to be reported is detailed in finding number 2018-001.

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34
34-049-0340-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2018- NONE

2. THIS FINDING IS:

New

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

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

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

ANTIOCH COMMUNITY CONSOLIDATED SCHOOL DIST. NO. 34
34-049-0340-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2018- 001 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: Title I - Low Income - 2018

4. Project No.: 4300-00 5. CFDA No.: 84.010

6. Passed Through: Illinois State Board of Education

7. Federal Agency: U.S. Department of Education

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
Management is responsible for filing grant reports in a timely fashion.

9. Condition¹⁵
During the course of the audit, we noticed grant reports were not filed on time.

10. Questioned Costs¹⁶
N/A

11. Context¹⁷
Grant reports were submitted late.

12. Effect
Reports were filed late with funding agencies.

13. Cause
Due to a clerical error grant reports were not verified that they were sent to funding agencies.

14. Recommendation
Management should develop a process to ensure all grant reports are filed in a timely fashion.

15. Management's response¹⁸
Management will work to file all grant reports on time.

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

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).
¹⁶ Identify questioned costs as required by §200.516 (a)(3 - 4).
¹⁷ See footnote 12.
¹⁸ 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 FINDINGS¹⁹
Year Ending June 30, 2018

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
None		

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ 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 District 34

Dr. Jay Marino, Superintendent

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www.antioch34.com

34-049-0340-04
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2018

Corrective Action Plan

Finding No.: **2018- 001**

Condition:
During the course of the audit, it was noted that grant reports were not filed by the required due dates.

Plan:
Management will develop a process to ensure grant reports are filed by the due date.

Anticipated Date of Completion: 10/31/2018

Name of Contact Person: Betty-Rae Ratzke, Finance Manager

Management Response: N/A