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RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
STATE OF ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

RILEY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 18
TABLE OF CONTENTS
JUNE 30, 2018

RILEY COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 18
TABLE OF CONTENTS
JUNE 30, 2018

PAGE

SUPPLEMENTAL FINANCIAL INFORMATION (Continued)

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INDEPENDENT AUDITOR'S OPINION

To the Board of Education
Riley Community Consolidated School District No. 18
Marengo, Illinois

We have audited the accompanying basic financial statements of

Riley Community Consolidated School District No. 18

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

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 of 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 controls 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 Riley Community Consolidated School District No. 18 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.

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Also as described in Note 1, Riley Community Consolidated School District No. 18 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.

Basis for Qualified Opinion on Regulatory Cash Basis of Accounting

The District does not maintain detailed historical cost records for general fixed assets; consequently, we are unable to express an opinion on the General Fixed Assets Account Group. General fixed assets are reflected in the financial statements at estimated historical cost.

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 Riley Community Consolidated School District No. 18 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, except for the General Fixed Assets Account Group on which we are unable to express an opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Riley Community Consolidated School District No. 18 as of June 30, 2018, and the revenue it received and expenditures it paid during the fiscal 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 19 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 opinions on the financial statements that collectively comprise Riley Community Consolidated School District No. 18'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 basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. 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 is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2018 on our consideration of Riley Community Consolidated School District No. 18's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Riley Community Consolidated School District No. 18'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 Riley Community Consolidated School District No. 18'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 District, 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
October 4, 2018

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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
Riley Community Consolidated School District No. 18
Marengo, Illinois

We have audited, 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, the basic financial statements of

Riley Community Consolidated School District No. 18

as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Riley Community Consolidated School District No. 18's basic financial statements, and have issued our report thereon dated October 4, 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. In our report, our opinion was qualified because the District does not maintain detailed historical cost records for general fixed assets.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riley Community Consolidated School District No. 18'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 Riley Community Consolidated School District No. 18's internal control. Accordingly, we do not express an opinion on the effectiveness of Riley Community Consolidated School District No. 18's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riley Community Consolidated School District No. 18's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
October 4, 2018

BASIC FINANCIAL STATEMENTS

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH
ASSETS						
Cash and Cash Equivalents	$ 7,351,439	$ 1,344,374	$ 885,811	$ 154,731	$ 299,059	$ 6,374
Other Current Assets	30	-	-	-	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Total Assets	$ 7,351,469	$ 1,344,374	$ 885,811	$ 154,731	$ 299,059	$ 6,374
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Current Liabilities						
Salaries and Benefits Payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to Activity Fund Organizations	$ -	$ -	$ -	$ -	$ -	$ -
Total Current Liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE						
Investment in General Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance						
Unreserved						
Designated	1,774,024	333,184	3,881	55,438	-	6,343
Undesignated	5,577,445	1,011,190	881,930	99,293	299,059	31
Total Fund Balance	$ 7,351,469	$ 1,344,374	$ 885,811	$ 154,731	$ 299,059	$ 6,374
Total Liabilities and Fund Balance	$ 7,351,469	$ 1,344,374	$ 885,811	$ 154,731	$ 299,059	$ 6,374

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2018

	TORT	AGENCY	GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash and Cash Equivalents	$ 127,688	$ 29,448	$ -	$ 10,198,924
Other Current Assets	-	-	-	30
Capital Assets				
Land	-	-	25,000	25,000
Building and Building Improvements	-	-	3,484,822	3,484,822
Site Improvements and Infrastructure	-	-	225,937	225,937
Capitalized Equipment	-	-	1,313,874	1,313,874
Total Assets	$ 127,688	$ 29,448	$ 5,049,633	$ 15,248,587
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Current Liabilities				
Salaries and Benefits Payable	$ -	$ -	$ -	$ -
Due to Activity Fund Organizations	$ -	$ 29,448	$ -	$ 29,448
Total Current Liabilities	$ -	$ 29,448	$ -	$ 29,448
Total Liabilities	$ -	$ 29,448	$ -	$ 29,448
FUND BALANCE				
Investment in General Fixed Assets	$ -	$ -	$ 5,049,633	$ 5,049,633
Fund Balance				
Unreserved				
Designated	27,719	-	-	2,200,589
Undesignated	99,969	-	-	7,968,917
Total Fund Balance	$ 127,688	$ -	$ 5,049,633	$ 15,219,139
Total Liabilities and Fund Balance	$ 127,688	$ 29,448	$ 5,049,633	$ 15,248,587

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	$ 3,482,863	$ 425,747	$ 131	$ 141,766	$ 156,835
State Sources	43,943	230,838	-	158,574	-
Federal Sources	165,558	-	-	-	-
On-Behalf Payments	1,361,608	-	-	-	-
	$ 5,053,972	$ 656,585	$ 131	$ 300,340	$ 156,835
EXPENDITURES DISBURSED					
Instruction	$ 2,346,889	$ -	$ -	$ -	$ 53,149
Support Services	527,130	197,672	-	529,488	69,911
Payments to Other Districts and Governmental Units	241,579	-	-	-	-
Debt Services	-	-	805,320	-	-
On-Behalf Payments	1,361,608	-	-	-	-
	$ 4,477,206	$ 197,672	$ 805,320	$ 529,488	$ 123,060
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	$ 576,766	$ 458,913	$ (805,189)	$ (229,148)	$ 33,775
OTHER FINANCING SOURCES (USES)					
Interfund Transfers	$ 13,706	(231,781)	$ 805,189	$ (500,000)	$ -
Sale or Compensation for Fixed Assets	-	-	-	20,500	-
Other Uses Not Classified Elsewhere	-	(533,408)	-	-	-
	$ 13,706	$ (765,189)	$ 805,189	$ (479,500)	$ -
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	$ 590,472	$ (306,276)	$ -	$ (708,648)	$ 33,775
FUND BALANCE - JULY 1, 2017	6,760,997	1,650,650	-	1,594,459	120,956
FUND BALANCE - JUNE 30, 2018	$ 7,351,469	$ 1,344,374	$ -	$ 885,811	$ 154,731

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED				
Local Sources	$ 15,418	$ 13,347	$ 56,059	$ 4,292,166
State Sources	-	-	-	433,355
Federal Sources	-	-	-	165,558
On-Behalf Payments	-	-	-	1,361,608
	$ 15,418	$ 13,347	$ 56,059	$ 6,252,687
EXPENDITURES DISBURSED				
Instruction	$ -	$ -	$ -	$ 2,400,038
Support Services	199,052	-	46,403	1,569,656
Payments to Other Districts and Governmental Units	-	-	-	241,579
Debt Services	-	-	-	805,320
On-Behalf Payments	-	-	-	1,361,608
	$ 199,052	$ -	$ 46,403	$ 6,378,201
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	$ (183,634)	$ 13,347	$ 9,656	$ (125,514)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	$ 460,000	$ (13,706)	$ -	$ 533,408
Sale or Compensation for Fixed Assets	-	-	-	20,500
Other Uses Not Classified Elsewhere	-	-	-	(533,408)
	$ 460,000	$ (13,706)	$ -	$ 20,500
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	$ 276,366	$ (359)	$ 9,656	$ (105,014)
FUND BALANCE - JULY 1, 2017	22,693	6,733	118,032	10,274,520
FUND BALANCE - JUNE 30, 2018	$ 299,059	$ 6,374	$ 127,688	$ 10,169,506

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICE	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	$ 3,281,493	$ 424,546	$ -	$ 118,084	$ 101,118
Special Education Purpose Levy	47,248	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	50,561
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	22,093	4,267
Interest on Investments	20,117	1,201	-	1,502	889
Food Service					
Sales to Pupils - Lunch	40,635	-	-	-	-
Sales to Adults	741	-	-	-	-
District/School Activity Income					
Admissions - Athletic	1,715	-	-	-	-
Fees	11,755	-	-	-	-
Other District/School Activity Revenue	4,082	-	-	-	-
Textbooks					
Rentals - Regular Textbook	27,761	-	-	-	-
Contributions and Donations from Private Sources	6,498	-	-	-	-
Other Local Fees	35,090	-	-	-	-
Other Local Revenues	5,728	-	131	87	-
Total Local Sources	$ 3,482,863	$ 425,747	$ 131	$ 141,766	$ 156,835
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	$ -	$ 230,838	$ -	$ -	$ -
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	2,064	-	-	-	-
Extraordinary	19,912	-	-	-	-
Personnel	18,529	-	-	-	-
Orphanage - Individual	1,437	-	-	-	-
State Free Lunch and Breakfast	501	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	142,517	-
Special Education	-	-	-	16,057	-
Other Restricted Revenue from State Sources	1,500	-	-	-	-
Total State Sources	$ 43,943	$ 230,838	$ -	$ 158,574	$ -
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government					
Other	$ 31,132	$ -	$ -	$ -	$ -
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	42,781	-	-	-	-
Title I					
Low Income	24,315	-	-	-	-
Federal - Special Education					
IDEA - Flow Through/Low Incidence	59,934	-	-	-	-
Title II - Teacher Quality	700	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	4,095	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	2,601	-	-	-	-
Total Federal Sources	$ 165,558	$ -	$ -	$ -	$ -
Total Direct Revenue	$ 3,692,364	$ 656,585	$ 131	$ 300,340	$ 156,835

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	CAPITAL PROJECTS	WORKING CASH	TORT	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED				
Local Sources				
Ad Valorem Taxes Levied				
Designated Purpose Levies	$ -	$ 13,244	$ 50,728	$ 3,989,213
Special Education Purpose Levy	-	-	-	47,248
FICA/Medicare Only Purposes Levy	-	-	-	50,561
Payments in Lieu of Taxes				
Corporate Personal Property Replacement Taxes	-	-	-	26,360
Interest on Investments	-	103	303	24,115
Food Service				
Sales to Pupils - Lunch	-	-	-	40,635
Sales to Adults	-	-	-	741
District/School Activity Income				
Admissions - Athletic	-	-	-	1,715
Fees	-	-	-	11,755
Other District/School Activity Revenue	-	-	-	4,082
Textbooks				
Rentals - Regular Textbook	-	-	-	27,761
Contributions and Donations from Private Sources	15,418	-	-	21,916
Other Local Fees	-	-	-	35,090
Other Local Revenues	-	-	5,028	10,974
Total Local Sources	$ 15,418	$ 13,347	$ 56,059	$ 4,292,166
State Sources				
Unrestricted Grants-In-Aid				
General State Aid - Sec. 18-8	$ -	$ -	$ -	$ 230,838
Restricted Grants-In-Aid				
Special Education				
Private Facility Tuition	-	-	-	2,064
Extraordinary	-	-	-	19,912
Personnel	-	-	-	18,529
Orphanage - Individual	-	-	-	1,437
State Free Lunch and Breakfast	-	-	-	501
Transportation				
Regular/Vocational	-	-	-	142,517
Special Education	-	-	-	16,057
Other Restricted Revenue from State Sources	-	-	-	1,500
Total State Sources	$ -	$ -	$ -	$ 433,355
Federal Sources				
Restricted Grants-In-Aid Received Directly from the Federal Government				
Other	$ -	$ -	$ -	$ 31,132
Restricted Grants-In-Aid Received Directly from the Federal Government through the State				
Food Service				
National School Lunch Program	-	-	-	42,781
Title I				
Low Income	-	-	-	24,315
Federal - Special Education				
IDEA - Flow Through/Low Incidence	-	-	-	59,934
Title II - Teacher Quality	-	-	-	700
Medicaid Matching Funds - Administrative Outreach	-	-	-	4,095
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	2,601
Total Federal Sources	$ -	$ -	$ -	$ 165,558
Total Direct Revenue	$ 15,418	$ 13,347	$ 56,059	$ 4,891,079

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	$ 1,521,200	$ 1,470,323
Employee Benefits	447,000	392,795
Purchased Services	52,500	29,900
Supplies and Materials	108,875	165,093
Capital Outlay	10,000	2,200
Other Objects	1,300	694
	$ 2,140,875	$ 2,061,005
Special Education Programs		
Salaries	$ 217,200	$ 169,300
Employee Benefits	23,495	19,542
	$ 240,695	$ 188,842
Remedial and Supplemental Programs K-12		
Salaries	$ 60,100	$ 59,709
Employee Benefits	36,015	10,268
	$ 96,115	$ 69,977
Interscholastic Programs		
Salaries	$ 25,000	$ 20,940
Employee Benefits	2,725	1,580
Supplies and Materials	2,500	562
Other Objects	5,000	3,983
	$ 35,225	$ 27,065
Private Tuition - Other Objects		
Special Education Programs K-12	$ 35,000	$ -
	$ 35,000	$ -
Total Instruction	$ 2,547,910	$ 2,346,889
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	$ 45,650	$ 45,556
Employee Benefits	5,000	5,242
	$ 50,650	$ 50,798
Health Services		
Purchased Services	$ 20,000	$ 21,268
	$ 20,000	$ 21,268
Total Support Services - Pupils	$ 70,650	$ 72,066
Instructional Staff		
Improvement of Instruction Services		
Purchased Services	$ 19,700	$ 16,870
	$ 19,700	$ 16,870
Educational Media Services		
Supplies and Materials	$ 500	$ -
Capital Outlay	500	-
	$ 1,000	$ -

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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)		
Assessment and Testing		
Supplies and Materials	$ -	$ 1,183
	$ -	$ 1,183
Total Support Services - Instructional Staff	$ 20,700	$ 18,053
General Administration		
Board of Education Services		
Salaries	$ 5,900	$ 5,879
Purchased Services	36,000	16,901
Supplies and Materials	2,000	1,219
Other Objects	3,500	5,441
	$ 47,400	$ 29,440
Executive Administration Services		
Salaries	108,000	$ 119,232
Employee Benefits	10,020	1,320
Purchased Services	4,400	7,189
Supplies and Materials	5,000	6,620
Capital Outlay	1,500	-
Other Objects	12,100	14,413
	$ 141,020	$ 148,774
Total Support Services - General Administration	$ 188,420	$ 178,214
School Administration		
Office of the Principal Services		
Salaries	115,000	$ 119,847
Employee Benefits	12,000	11,832
Purchased Services	500	300
Supplies and Materials	1,500	1,019
Other Objects	600	563
	$ 129,600	$ 133,561
Total Support Services - School Administration	$ 129,600	$ 133,561
Business		
Fiscal Services		
Salaries	$ 42,500	$ 50,468
Purchased Services	1,000	-
Other Objects	2,000	1,429
	$ 45,500	$ 51,897
Food Services		
Salaries	$ 36,500	$ 31,289
Employee Benefits	100	-
Purchased Services	2,550	1,153
Supplies and Materials	31,000	32,034
Capital Outlay	10,000	6,074
Other Objects	2,300	2,236
Non-Capitalized Equipment	-	553
	$ 82,450	$ 73,339
Total Support Services - Business	$ 127,950	$ 125,236
Total Support Services	$ 537,320	$ 527,130

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	$ 36,400	$ 26,861
Other Objects	2,000	-
	$ 38,400	$ 26,861
Total Payments to Other Districts and Governmental Units (In-State)	$ 38,400	$ 26,861
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	$ 265,000	$ 214,718
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	$ 265,000	$ 214,718
Total Payments to Other Districts and Governmental Units	$ 303,400	$ 241,579
Total Direct Expenditures	$ 3,388,630	$ 3,115,598

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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		
Operation and Maintenance of Plant Services		
Salaries	$ 110,500	$ 87,399
Purchased Services	67,200	35,533
Supplies and Materials	73,000	49,540
Capital Outlay	35,000	23,470
Other Objects	2,100	1,730
	$ 287,800	$ 197,672
Total Support Services - Business	$ 287,800	$ 197,672
Total Support Services	$ 287,800	$ 197,672
Total Direct Expenditures	$ 287,800	$ 197,672

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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	18,206	$ 53,920
Total Debt Services - Interest	$ 18,206	$ 53,920
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	-	$ 740,000
Total Debt Services - Payment of Principal on Long-Term Debt	$ -	$ 740,000
Debt Services - Other		
Purchased Services	$ -	$ 11,400
Total Debt Services - Other	$ -	$ 11,400
Total Debt Services	$ 18,206	$ 805,320
Total Direct Expenditures	$ 18,206	$ 805,320

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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	$ 139,300	$ 127,648
Employee Benefits	1,500	1,130
Purchased Services	58,000	38,205
Supplies and Materials	55,000	43,279
Capital Outlay	297,903	318,403
Other Objects	1,100	823
	$ 552,803	$ 529,488
Total Support Services - Business	$ 552,803	$ 529,488
Total Support Services	$ 552,803	$ 529,488
Total Direct Expenditures	$ 552,803	$ 529,488

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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	$ 58,000	$ 49,085
Special Education Programs		
Employee Benefits	3,700	2,455
Remedial and Supplemental Programs - K-12		
Employee Benefits	950	866
Interscholastic Programs		
Employee Benefits	1,100	743
Total Instruction	$ 63,750	$ 53,149
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	$ 720	$ 661
Total Supports Services - Pupils	$ 720	$ 661
General Administration		
Board of Education Services		
Employee Benefits	$ 550	$ 450
Executive Administration Services		
Employee Benefits	9,900	8,940
Total Support Services - General Administration	$ 10,450	$ 9,390
School Administration		
Office of the Principal Services		
Employee Benefits	$ 15,600	$ 4,860
Total Support Services - School Administration	$ 15,600	$ 4,860
Business		
Fiscal Services		
Employee Benefits	$ 9,500	$ 10,053
Operation and Maintenance of Plant Services		
Employee Benefits	18,500	16,595
Pupil Transportation Services		
Employee Benefits	24,000	22,151
Food Services		
Employee Benefits	7,800	6,201
Total Support Services - Business	$ 59,800	$ 55,000
Total Support Services	$ 86,570	$ 69,911
Total Direct Expenditures	$ 150,320	$ 123,060

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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	50,000	$ 49,661
Supplies and Materials	-	171
Capital Outlay	249,000	149,220
	$ 299,000	$ 199,052
Total Support Services - Business	$ 299,000	$ 199,052
Total Support Services	$ 299,000	$ 199,052
Total Direct Expenditures	$ 299,000	$ 199,052

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TORT FUND
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Insurance Payments		
Purchased Services	$ 52,500	$ 46,403
	$ 52,500	$ 46,403
Total Support Services - General Administration	$ 52,500	$ 46,403
Total Support Services	$ 52,500	$ 46,403
Total Direct Expenditures	$ 52,500	$ 46,403

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Riley Community Consolidated School District No. 18'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 agreement has 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 is, therefore, excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreement. 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.

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 purposed, or transfers from another fund.

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 Retirement/Social Security Fund – The Illinois 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 financial resources to be used for the acquisition or construction of major capital facilities and contributions and donations from private sources.

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.

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 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 original budget was passed on September 20, 2017 and the amended budget was passed on June 20, 2018.

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. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally adopted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year.

5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.

6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents 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.

Cash and cash equivalents are considered to be 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, if over $1,000, 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).

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.

J. *Property Tax Calendar and Revenues*

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2017 levy was passed by the Board on November 15, 2017. Property taxes attach as an enforceable lien on property as of January 1 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 approximately one month after these due dates.

K. *Total Memorandum Only*

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

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

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged securities shall equal or exceed the portion of deposit requiring collateralization. The District was fully collateralized as of June 30, 2018.

NOTE 3 - 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	$ 25,000	$ -	$ -	$ 25,000
Building and Building Improvements	3,465,722	19,100	-	3,484,822
Site Improvements and Infrastructure	95,817	130,120	-	225,937
Capitalized Equipment	1,207,830	350,147	244,103	1,313,874
	$ 4,794,369	$ 499,367	$ 244,103	$ 5,049,633

NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT

The District issued a General Obligation Debt Certificate on July 29, 2016. Additional information about the District’s long-term debt payable as of June 30, 2018 is as follows:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
G.O. Debt Certificate, Series 2016	6/1/2020	4.50 - 5.00%	$ 975,000	$ -

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

	Balance July 1, 2017	Additions	Retirement	Balance June 30, 2018
General Long-Term Debt				
G.O. Debt Certificate, Series 2016	$ 740,000	$ -	$ 740,000	$ -
Total General Long-Term Debt	$ 740,000	$ -	$ 740,000	$ -

NOTE 5 - DESIGNATED FUND BALANCE

The District has designated receipts from the 2017 tax levy for expenditures to be incurred during fiscal year 2018. At June 30, 2018 the following balances were designated:

Fund	Amount
Educational	$ 1,774,024
Operations and Maintenance	333,184
Transportation	3,881
Illinois Municipal Retirement/Social Security	55,438
Working Cash	6,343
Tort	27,719
	$ 2,200,589

NOTE 6 - INTERFUND LOANS

The District has no outstanding interfund loans as of June 30, 2018.

NOTE 7 - SPECIAL TAX LEVIES AND RESERVED EQUITY

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. No portion of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is restricted for future social security disbursements.

NOTE 8 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2018.

NOTE 9 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2017 ($2,252,549) and 2016 ($1,834,473) tax levies. A summary of the assessed valuation, rates, and extensions for tax years 2017, 2016, and 2015 follows:

Tax Year	2017		2016		2015	
Assessed Valuation	$109,323,967		$105,178,579		$97,780,407	
	Rate	Extension	Rate	Extension	Rate	Extension
Purpose						
Educational	2.9271	$ 3,200,000	3.0775	$ 3,236,907	2.8629	$ 2,799,307
Operations and Maintenance	0.5497	601,000	0.1865	196,177	0.5460	533,846
Transportation	0.0064	7,000	0.2331	245,221	0.3046	297,799
Municipal Retirement	0.0915	100,000	0.0933	98,088	0.0467	45,664
Working Cash	0.0105	11,442	0.0141	14,821	0.0152	14,890
Tort Immunity	0.0457	50,000	0.0470	49,402	0.0508	49,633
Special Education	0.0400	43,725	0.0470	49,403	0.0508	49,633
Social Security	0.0457	50,000	0.0466	49,045	0.0914	89,340
	3.7166	$ 4,063,167	3.7451	$ 3,939,064	3.9682	$ 3,880,112

NOTE 10 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2018, the District had the following funds with expenditures over budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Services	$ 18,206	$ 805,320	$ 787,114

NOTE 11 - OPERATING LEASES

The District leases copier equipment under an operating lease. Total lease expense for fiscal year 2018 was $2,991.

Annual requirements to cover outstanding lease agreements at June 30, 2018 are:

Year Ending June 30	Total
2019	$ 2,741
2020	997
	$ 3,738

NOTE 12 - RETIREMENT FUND COMMITMENTS

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

General Information About the Pension Plan

<u>Plan Description</u>

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.

<u>Benefits Provided</u>

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

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 $1,344,725 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 $11,016.

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 $32,981 were paid from federal and special trust funds that required District contributions of $3,331.

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.

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 $0 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	$ 654,979
State's proportionate share of the net pension liability associated with the District	13,663,798
Total Net Pension Liability	$ 14,318,777

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 0.0008573%, which was an increase of 0.0001391% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $1,344,725 and revenue of $1,344,725 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	$ 7,114	$ (302)	$ 6,812
Net difference between projected and actual earnings on pension plan investments	449	-	449
Changes of assumptions	43,715	(18,821)	24,894
Changes in proportion and differences between employer contributions and proportionate share of contributions	83,270	(47,459)	35,811
Employer contributions subsequent to the measurement date	14,347	-	14,347
	$ 148,895	$ (66,582)	$ 82,313

$14,347 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	
2019	$ 13,942
2020	23,777
2021	17,156
2022	10,984
2023	2,107
	$ 67,966

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 expense, 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%
Total	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.

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% Lower 6.00%	Current Discount Rate 7.00%	1% Higher 8.00%
Employer's proportionate share of the net pension liability	$ 804,728	$ 654,979	$ 532,323

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 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	21
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	16
Total	47

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 12.42%. For the fiscal year ended June 30, 2018, the District contributed $58,217 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	$ 2,238,302
IMRF Fiduciary Net Position	2,091,460
District's Net Pension Liability	146,842
IMRF Fiduciary Net Position as a Percentage of Total Pension Liability	93.44%

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:

Assumptions	
Inflation	2.75%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	6.85%
International equities	18.0%	6.75%
Fixed income	28.0%	3.00%
Real estate	9.0%	5.75%
Alternatives	7.0%	
Private equity		7.35%
Hedge funds		5.05%
Commodities		2.65%
Cash	1.0%	2.25%
	100.0%	

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.31%; 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	$ 2,201,912	$ 1,824,338	$ 377,574
Changes for the year:			
Service Cost	$ 48,653	$ -	$ 48,653
Interest on the Total Pension Liability	162,893	-	162,893
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(4,049)	-	(4,049)
Changes of Assumptions	(62,434)	-	(62,434)
Contributions - Employer	-	54,868	(54,868)
Contributions - Employee	-	19,880	(19,880)
Net Investment Income	-	320,673	(320,673)
Benefit Payments, Including Refunds of Employee Contributions	(108,673)	(108,673)	-
Other (Net Transfer	-	(19,626)	19,626
Net Changes	$ 36,390	$ 267,122	$ (230,732)
Balances at December 31, 2017	$ 2,238,302	$ 2,091,460	$ 146,842

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% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	$ 385,136	$ 146,842	$ (52,273)

Pension Expense, 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 $56,254. 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:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ 1,865	$ 16,978	$ (15,113)
Changes of assumptions	132	45,201	(45,069)
Net difference between projected and actual earnings on pension plan investments	58,009	148,685	(90,676)
Total deferred amounts to be recognized in pension expense in future periods	$ 60,006	$ 210,864	$ (150,858)
Pension contributions made subsequent to the measurement date	31,761	-	31,761
Total deferred amounts related to pensions	$ 91,767	$ 210,864	$ (119,097)

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	$ (44,499)
2019	(33,450)
2020	(35,737)
2021	(37,172)
2022	-
Thereafter	-
	$ (150,858)

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 13 - 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.
- 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.

<u>On-Behalf Contributions to THIS.</u> 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 $16,883 in benefit contributions from the State of Illinois.

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs</u>

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	$	1,911,596
State's proportionate share of the net pension liability associated with the District		2,081,809
Total	$	3,993,405

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 0.007367%, which was an increase of 0.000701% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District had benefit expense of $167,579 and on-behalf revenue/expense of $16,883 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	$ -	$ (1,083)	$ (1,083)
Net difference between projected and actual earnings on pension plan investments	-	(21)	(21)
Changes of assumptions	-	(227,601)	(227,601)
Changes in proportion and differences between employee contributions and proportionate share of contributions	165,926	-	165,926
Employer contributions subsequent to the measurement date	16,713	-	16,713
	$ 182,639	$ (228,705)	$ (46,066)

$16,713 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	$	(12,878)
2020		(21,962)
2021		(15,847)
2022		(10,146)
2023		(1,946)
	$	(62,779)

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
Healthcare Cost Trend Costs	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%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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	$ 4,792,196	$ 3,993,514	$ 3,354,442

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	$ 3,223,175	$ 3,993,514	$ 5,099,205

(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 decrease 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.

NOTE 14 - INTERFUND TRANSFERS

The District's permanent transfers during the year ended June 30, 2018 were as follows:

From	To	Amount
Authorized Transfers:		
Working Cash Fund	Educational Fund	$ 13,706
Operations and Maintenance Fund	Debt Services Fund	533,408
Operations and Maintenance Fund	Debt Services Fund	235,369
Operations and Maintenance Fund	Debt Services Fund	36,412
Transportation Fund	Operations and Maintenance Fund	500,000
Operations and Maintenance Fund	Capital Projects Fund	460,000
Total Permanent Transfers		$ 1,778,895

The purpose of the transfer from the Working Cash Fund to the Educational Fund was to help cover necessary operating costs and partially abate the Working Cash Fund. The purpose of the transfers from the Operations and Maintenance Fund to the Debt Services Fund was to payoff off Debt Certificates 2.5 years early and make the payment of principal and interest on the G.O. Debt Certificates. The purpose of the transfers from the Transportation Fund to the Operations and Maintenance Fund was to reduce the fund balance in the Transportation Fund. The purpose of the transfers from the Operations and Maintenance Fund to the Capital Projects Fund was to pay for capital project that will start in 2019.

NOTE 15 - JOINT VENTURE - SPECIAL EDUCATION DISTRICT OF McHENRY COUNTY (SEDOM)

The District and sixteen other districts within McHenry 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 financial condition (cash basis) of SEDOM at June 30, 2017 (most recent information available) is as follows:

Assets	$ 10,568,737
Liabilities	$ 67,339
Fund Equity	10,519,398
	$ 10,586,737
Revenues Received	$ 10,650,472
Expenditures Disbursed	10,749,142
Other Financing Sources/(Uses)	84,178
Net Increase/(Decrease) in Fund Balance	$ (14,492)

Complete financial statements for SEDOM can be obtained from the Administrative Offices at 1200 Claussen Drive, Woodstock, Illinois 60098.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and injuries to employees.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school Districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members. 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 reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage for each of the past three fiscal years. During the year ended June 30, 2018, there were no significant adjustments in premiums based on actual experience.

NOTE 17 - CONTINGENCIES

The District is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 18 - 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	$	109,323,967
Rate		6.90%
Debt Margin	$	7,543,354
Current Debt		-
Remaining Debt Margin	$	7,543,354

NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for 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.* This Statement establishes financial reporting standards for postemployment benefits other than pension agreements offered by the District. The Statement also requires additional disclosures about the postemployment benefits other than pensions offered by the District (see Note 13).

SUPPLEMENTAL FINANCIAL INFORMATION

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	$ 48,653	$ 48,250	$ 46,940	$ 47,161
Interest on the Total Pension Liability	162,893	158,501	146,887	134,130
Differences Between Expected and Actual Experience	(4,049)	(41,156)	67,712	(6,942)
Changes of Assumptions	(62,434)	(11,764)	4,770	88,221
Benefit Payments, Including Refunds of Member Contributions	(108,673)	(110,657)	(100,917)	(77,662)
Net Change in Total Pension Liability	$ 36,390	$ 43,174	$ 165,392	$ 184,908
Total Pension Liability - Beginning	2,201,912	2,158,738	1,993,346	1,808,438
Total Pension Liability - Ending	$ 2,238,302	$ 2,201,912	$ 2,158,738	$ 1,993,346
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	$ 54,868	$ 55,735	$ 54,241	$ 50,431
Contributions - Member	19,880	20,841	18,863	17,350
Net Investment Income	320,673	122,439	8,693	100,252
Benefit Payments, Including Refunds of Member Contributions	(108,673)	(110,657)	(100,917)	(77,662)
Other (Net Transfers)	(19,626)	(18,584)	21,221	13,678
Net Change in Plan Fiduciary Net Position	$ 267,122	$ 69,774	$ 2,101	$ 104,049
Plan Net Position - Beginning	1,824,338	1,754,564	1,752,463	1,648,414
Plan Net Position - Ending	$ 2,091,460	$ 1,824,338	$ 1,754,564	$ 1,752,463
District's Net Pension Liability	$ 146,842	$ 377,574	$ 404,174	$ 240,883
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.44%	82.85%	81.28%	87.92%
Covered-Valuation Payroll	$ 441,772	$ 436,106	$ 419,168	$ 385,559
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	33.24%	86.58%	96.42%	62.48%

* 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.

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	$ 54,868	$ 55,734	$ 54,240	$ 50,432
Contributions in Relation to Actuarially-Determined Contribution	54,868	55,735	54,241	50,431
Contribution Deficiency/(Excess)	$ -	$ (1)	$ (1)	$ 1
Covered-Valuation Payroll	$ 474,207	$ 436,106	$ 419,168	$ 385,559
Contributions as a Percentage of Covered-Valuation Payroll	11.57%	12.78%	12.94%	13.08%

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.

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	0.0008573%	0.0007182%	0.0008239%	0.0008021%
Employer's proportionate share of the Net Pension Liability	$ 654,979	$ 566,880	$ 539,772	$ 488,111
State's proportionate share of the Net Pension Liability associated with the employer	13,663,798	13,495,806	10,916,291	9,753,640
Total	$ 14,318,777	$ 14,062,686	$ 11,456,063	$ 10,241,751
Employer's Covered-Employee Payroll	$ 1,845,400	$ 1,801,487	$ 1,685,846	$ 1,581,020
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	35.49%	31.47%	32.02%	30.87%
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.

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	6/30/2018*	6/30/2017 *	6/30/2016 *	6/30/2015 *
Statutorily-required contribution	$ 35,321	$ 27,812	$ 28,871	$ 28,617
Contributions in relation to statutorily-required contribution	35,317	28,110	28,871	28,617
Contribution deficiency/(excess)	$ 4	$ (298)	$ -	$ -
Employer's covered-employee payroll	$ 1,899,235	$ 1,801,487	$ 1,685,846	$ 1,581,020
Contributions as a percentage of covered-employee payroll	1.86%	1.56%	1.71%	1.81%

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

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
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	0.0073670%
Employer's proportionate share of the Net OPEB Liability	$ 1,911,596
State's proportionate share of the Net OPEB Liability associated with the employer	2,081,809
Total	$ 3,993,405
Employer's Covered Payroll	$ 1,909,267
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	100.12%
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.

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 18
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	6/30/2018 *
Statutorily-Required Contribution	$ 15,502
Contributions in relation to the Statutorily-Required Contribution	15,501
Contribution deficiency/(excess)	$ 1
Employer's Covered Payroll	$ 1,932,216
Contributions as a percentage of Covered Payroll	0.80%

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

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

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2018
A S S E T S				
Cash and Cash Equivalents	$ 25,507	$ 44,675	$ 40,734	$ 29,448
L I A B I L I T I E S				
Amount Due to Activity Fund Organizations				
Riley CCSD 18	$ 25,507	$ 44,675	$ 40,734	$ 29,448

See Accompanying Independent Auditor's Opinion

RILEY COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO.18
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	$	3,115,598
O&M	Total Expenditures		197,672
DS	Total Expenditures		805,320
TR	Total Expenditures		529,488
MR/SS	Total Expenditures		123,060
TORT	Total Expenditures		46,403
	Total Expenditures	$	**4,817,541**

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

ED	Total Payments to Other District & Govt Units		241,579
ED	Capital Outlay		8,274
O&M	Capital Outlay		23,470
O&M	Non-Capitalized Equipment		553
DS	Debt Service - Payments of Principal on Long-Term Debt		740,000
TR	Capital Outlay		318,403
	Total Deductions	$	**1,332,279**
	Total Operating Expenses (Regular K-12)		3,485,262
	9 Mo ADA (See the General State Aid Claim for 2014-2015 (ISBE 54-33, L12)		295.83
	Estimated OEPP *	$	**11,781.30**

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

ED	Total Food Service	$	41,376
ED-O&M	Total District/School Activity Income		17,552
ED	Rentals - Regular Textbooks		27,761
ED	Other Local Fees (Describe & Itemize)		35,090
ED-O&M-TR	Total Special Education		41,942
ED	State Free Lunch & Breakfast		501
ED-O&M-TR-MR/SS	Total Transportation		158,574
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources		1,500
ED-O&M-TR-MR/SS	Total Restricted Grants-In-Aid Received Directly from Federal Govt		31,132
ED-MR/SS	Total Food Service		42,781
ED-O&M-TR-MR/SS	Total Title I		24,315
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence		59,934
ED-O&M-TR-MR/SS	Title II - Teacher Quality		700
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach		6,696
ED-TR-MR/SS	Special Education Contgributions from EBF Funds		76,916
ED-MR/SS	English Learning (Bilingual) Contributions from EBF Funds		6
	Total Allowance for PCTC Computation	$	**566,776**
	Net Operating Expense for PCTC Computation		2,918,486
	Total Depreciation Allowance (from page 27, Col I)		173,980
	Total Allowance for PCTC Computation		3,092,466
	9 Mo ADA		295.83
	Total Estimated PCTC *	$	**10,453.52**

Unaudited