

Crete-Monee School
District 201-U
Crete, Illinois

Annual Financial Report
Year Ended June 30, 2018

Crete-Monee School District 201-U
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2018

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Crete-Monee School District 201-U
Crete, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crete-Monee School District 201-U, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Crete-Monee School District 201-U's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Crete-Monee School District 201-U management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crete-Monee School District 201-U, as of June 30, 2018, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note N to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

As discussed in Note N to the financial statements, cash, fund balance and net position as of July 1, 2017 have been restated as a result of an error in the prior year cash reconciliation. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 73 through 76, the other postemployment benefits data on pages 77 through 79, budgetary comparison schedules and notes to the required supplementary information on pages 80 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crete-Monee School District 201-U's basic financial statements. The other schedules listed in the table of contents in the supplementary financial information and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary financial 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 for the year ended June 30, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018, 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 supplementary financial information for the year ended June 30, 2018 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Crete-Monee School District 201-U, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated March 29, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crete-Monee School District 201-U's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund with comparative actual amounts for the year ended June 30, 2017 are presented for purposes of additional analysis and are 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 2017 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

(Continued)

Other Information (Continued)

The Other Supplemental Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2019 on our consideration of Crete-Monee School District 201-U's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crete-Monee School District 201-U's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
May 7, 2019

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

The discussion and analysis of Crete-Monee School District 201-U's (the District's) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights – Government-Wide Financial Statements

- The District's total assets which include but are not limited to cash, investments, receivables, and capital assets such as buildings, equipment and land, total \$148.8M.
- The District's total liabilities, which include but are not limited to accounts payable, wages payable, postretirement benefit and pension liabilities and long-term liabilities, total \$143.7M.
- Expenses from all governmental activities during FY18 total \$99.7M. This includes state contributions totaling \$22.6M for TRS and THIS "on behalf" payments.
- The total change in net deficit for governmental activities during FY18 is a \$1.3M decrease.

Financial Highlights – Fund Financial Statements

- The District's total assets in its governmental funds which include but are not limited to cash, investments and receivables total \$65.7M.
- The District's total liabilities and in its governmental funds which include but are not limited to accounts payable, wages payable and unearned revenue and deferred inflows of resources total \$32.2M.
- The District's total revenue in its governmental funds which include but are not limited to property taxes and state and federal aid total \$101.0M. This includes state retirement contributions totaling \$22.6M.
- The District's total expenditures in its governmental funds which include but are not limited to instruction, support services and debt payments total \$102.7M. This also includes state retirement contributions totaling \$22.6M.
- The total fund balance of the District as of June 30, 2018 is \$33.4M.
- The District's total deficiency of revenues over expenditures for all funds during FY18 is a decrease in fund balance of \$1.7M.

Overview of Financial Statements

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information, supplementary financial information, and other supplemental information, in addition to the basic financial statements.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Overview of Financial Statements (Continued)

Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table 1- Major Features of the Government-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District which are not proprietary or fiduciary, including the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required financial statements	Statements of net position Statement of activities	Balance sheet and Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary assets and liabilities.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of asset and deferred outflows of resources/liability and deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business.

The statement of net deficit presents information about all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as reported using the accrual basis of accounting. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as net position (deficit). Over time, changes in net position (deficit) may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The beginning net position as of July 1, 2017 was significantly impacted by the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this new financial reporting standard entailed the recognition of postemployment benefit liabilities totaling \$31.2 million and deferred outflows of resources of \$227,474, as of July 1, 2017. These items pertain to the District's liability for providing postemployment health care and life insurance (OPEB) benefits for retired employees, including the District's proportional share of the Teachers Health Insurance Security Fund (THIS). For more detailed information, see Notes H and N in the footnotes to the financial statements.

The statement of activities presents information showing how the net deficit of the District changed during the current fiscal year. Changes in net deficit are recorded in the statement of activities using the accrual basis of accounting.

The accrual basis of accounting is described in the notes to the financial statements.

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). Governmental activities consolidate governmental funds including general, special revenue, debt service, and capital projects funds.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include governmental funds and fiduciary funds.

Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018

Fund Financial Statements (Continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental funds financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the immediate future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District considers all governmental funds to be major. The District adopts an annual budget for each of the governmental funds. Budgetary comparison schedules for each of the funds is included in the required supplementary information and the supplementary financial information sections of this report. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the District.

Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the District's own programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements are included in this report following the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, which include the notes to the financial statements, this report also presents certain required supplementary information concerning the District's liabilities for the other postemployment benefits data related to the District's retiree health plan and THIS, and pension data related to the Illinois Municipal Retirement Fund (IMRF) and the Teachers' Retirement System (TRS).

Government-Wide Financial Analysis

Net Deficit: The District's total assets and deferred outflows are \$157.6 million, total liabilities and deferred inflows are \$180.9 million and the total net deficit for the year ending 2018 is \$23.3 million. Tables 2 and 3, below, provide condensed statement of net position (deficit) and statement of activities (changes in net deficit) information.

Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018

Government-Wide Financial Analysis (Continued)

Table 2
Condensed Statement of Net Position
(Deficit)

	2018	2017*
Assets:		
Current assets	\$ 65,673,085	\$ 66,434,137
Capital assets	<u>83,114,836</u>	<u>84,769,504</u>
Total assets	148,787,921	151,203,641
Deferred Outflows:		
Deferred loss on refunding	3,710,018	3,934,868
Deferred outflows related to pensions	3,556,488	4,097,522
Deferred outflows related to OPEB	<u>1,529,319</u>	<u>-</u>
Total deferred outflows	8,795,825	8,032,390
Liabilities:		
Current liabilities	7,210,827	7,445,360
Long-term liabilities	<u>136,521,456</u>	<u>120,745,940</u>
Total liabilities	143,732,283	128,191,300
Deferred inflows:		
Deferred inflows related to pensions	8,397,582	866,590
Deferred inflows related to OPEB	3,720,159	-
Property taxes levied for a future period	<u>25,038,296</u>	<u>23,947,070</u>
Total deferred inflows	37,156,037	24,813,660
Net Position (Deficit):		
Net investment in capital assets	29,817,106	27,421,561
Restricted	21,174,189	19,544,713
Unrestricted (deficit)	<u>(74,295,869)</u>	<u>(40,735,203)</u>
Total Net Position (Deficit)	<u><u>\$ (23,304,574)</u></u>	<u><u>\$ 6,231,071</u></u>

*Amounts presented as originally reported and not restated due to implementation of GASB Statement No. 75 and prior period adjustment. See Note N.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Analysis (Continued)

Table 3
**Condensed Statement of Changes in Net
Position (Deficit)**

	2018	2017*
Revenues:		
Program revenues		
Charges for services	\$ 911,019	\$ 947,728
Operating grants and contributions	33,003,348	31,699,940
General Revenues:		
Property taxes	49,420,285	47,035,558
Personal property replacement taxes	902,974	1,096,923
State aid formula grants	15,597,626	12,961,928
Miscellaneous	<u>1,163,905</u>	<u>394,738</u>
Total Revenues	100,999,157	94,136,815
Expenses	<u>99,651,718</u>	<u>92,005,716</u>
Change in net position (deficit)	1,347,439	2,131,099
Net position (deficit), beginning of year (as restated, see Note N)	<u>(24,652,013)</u>	<u>4,099,972</u>
Net position (deficit), end of year	<u><u>\$(23,304,574)</u></u>	<u><u>\$6,231,071</u></u>

* Amounts presented as originally reported and not restated due to implementation of GASB Statement No. 75 and prior period adjustment. See Note N.

Property taxes accounted for approximately half of the District's revenue (see Figure 1: Government-Wide Revenue by Source), contributing about 50 cents of every dollar raised. The remainder comes from restricted and unrestricted state and federal revenues, fees charged for services, and miscellaneous sources. The District's expenses (see Figure 2: Government-Wide Expenses by Function) are predominantly (75%) related to instruction, pupil services and transportation of students.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Government-Wide Financial Analysis (Continued)

FIGURE 1: GOVERNMENT-WIDE REVENUE BY SOURCE

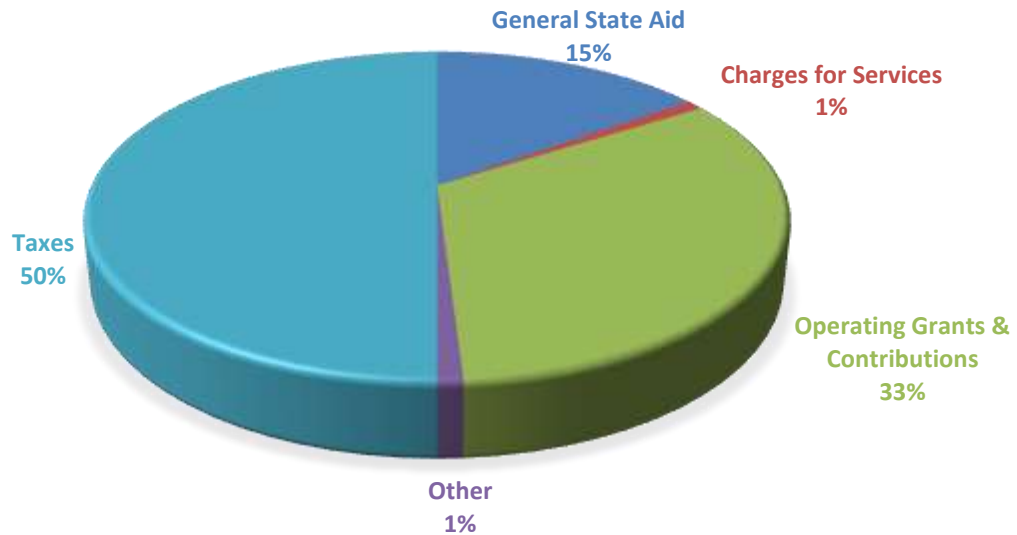
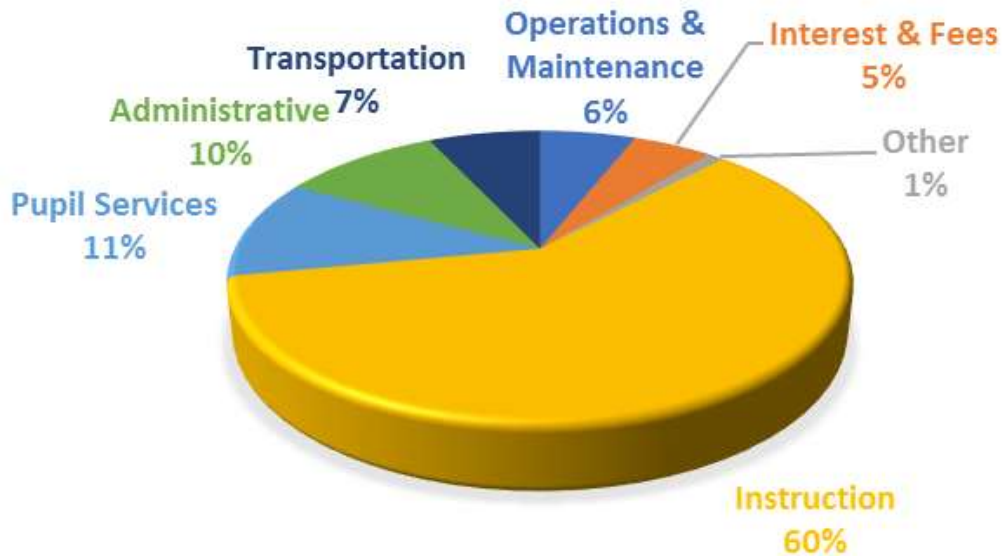


FIGURE 2: GOVERNMENT-WIDE EXPENSES BY FUNCTION



**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Financial Analysis of the District's Funds

The statement of net deficit includes capital assets and long-term liabilities and therefore presents a financial picture that is different from the traditional modified accrual fund financial statements. Total long-term liabilities were \$136.5 million at June 30, 2018 of which \$92.9 million were bonds payable, which will not be paid off with operating funds, but are supported by the specific ability to levy property taxes to meet the payment commitments. The modified accrual financial statements reflect the financial performance of the District as a whole during the fiscal year. As the District completed the year, the ending fund balance in all funds was \$33.4 million.

General Fund:

- The General Fund had a deficiency of revenues over expenditures of \$3,151,645 million with a net decrease in its fund balance of \$3,247,221 after transfers out.

Operations and Maintenance Fund:

- The Operations and Maintenance Fund supports the ongoing needs of District facilities and had an excess of revenues over expenditures of \$4,942 and an ending fund balance of \$4,078,335.

Debt Service Fund:

- The Debt Service Fund had an overall excess of revenues over expenditures of \$28,738 for the year ended June 30, 2018. The Debt Service Fund had an ending fund balance of \$4,468,528.
- Transfers in of \$95,576 from the General Fund provided funding for the payment of principal and interest on the school technology loan.

General Fund Budgetary Highlights:

- Total actual revenues in the General Fund were \$1.1M less than budgeted due to the inconsistencies in the receipt of revenue from the state of Illinois (budgetary basis).
- Total actual expenditures in the General Fund were \$2.4M more than budget (budgetary basis).

Capital Asset and Debt Administration

Capital Assets

The District's capital assets (historical cost, before accumulated depreciation) increased from \$121.0M in 2017 to \$121.8M in 2018. Total accumulated depreciation as of June 30, 2018 was \$38.7M. More detailed information about capital assets can be found in Note E – Capital Assets.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Table 4

Capital Assets

(original cost before accumulated depreciation)

	2018	2017
Land	\$ 2,491,235	\$ 2,491,235
Land improvements	4,197,318	4,123,638
Buildings	111,883,131	111,393,707
Equipment	3,274,556	3,014,850
Total Capital Assets	<u>\$ 121,846,240</u>	<u>\$ 121,023,430</u>

Long-term Liabilities

At the end of fiscal year 2018, the District reduced its long-term liabilities from \$151.9 million to \$136.5 million. More detailed information can be found in Note F of the basic financial statements.

Table 5

Long-Term Liabilities

	2018	2017*
Bonds payable and unamortized premiums	\$ 100,803,251	\$ 106,636,477
Other postemployment benefits	32,071,063	32,327,368
Net pension liabilities	3,617,464	12,108,042
School technology loan	140,544	231,936
Compensated absences	142,642	122,492
Early retirement incentives	466,492	483,550
Total long-term liabilities	<u>\$ 136,521,456</u>	<u>\$ 151,909,865</u>

*Amounts restated as a result of the implementation of GASB Statement No. 75.

**Crete-Monee School District 201-U
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018**

Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following circumstances that may significantly affect its financial health in the future:

- As of July 2018, the State of Illinois had outstanding payments in excess of \$2.0M owed to the District for the prior fiscal year. The District received the late payments more than 60 days after year end.
- The State of Illinois passed a new evidence-based funding formula that changes the way our school district receives the majority of state funds. While the preliminary data shows an increase in state funding through this formula, the District continues to be inadequately funded and has an Adequacy Target of 63%.
- The State of Illinois continues to lag behind the distribution of categorical grants and reimbursements such as transportation and Pre-K grants.
- Local revenue continues to be stable. However, the District continues to predict a deficit in its operations and it is critical that this is addressed in the next year.
- Facilities continue to deteriorate due to the age of the facilities and lack of maintenance. It is imperative that the District address this area during the next fiscal year as the District is required to make approximately \$20 million in life/safety improvements to its facilities.

Requests for Information

This financial report is designed to provide the District's citizens and creditors with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. Questions about this report and requests for additional financial information can be directed to the Business Office, at the following address:

Crete-Monee School District 201-U
1500 Sangamon Street
Crete, IL 60417
708.237.8300

BASIC FINANCIAL STATEMENTS

Crete-Monee School District 201-U
STATEMENT OF NET DEFICIT - GOVERNMENTAL ACTIVITIES
June 30, 2018

ASSETS

Cash and investments	\$ 38,481,129
Receivables (net of allowance for uncollectibles):	
Property taxes	25,219,734
Replacement taxes	153,854
Intergovernmental	1,740,762
Prepaid items	69,911
Other current assets	7,695
Capital assets:	
Land	2,491,235
Depreciable buildings, property, and equipment, net	<u>80,623,601</u>
 Total assets	 <u>148,787,921</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred loss on refunding of bonds	3,710,018
Deferred outflows related to pensions	3,556,488
Deferred outflows related to other postemployment benefits	<u>1,529,319</u>
 Total deferred outflows	 <u>8,795,825</u>

LIABILITIES

Accounts payable	2,150,367
Salaries and wages payable	2,618,924
Payroll deductions payable	1,895,057
Unearned revenue	34,133
Other current liabilities	3,838
Claims payable	508,508
Long-term liabilities:	
Due within one year	11,219,924
Due after one year	<u>125,301,532</u>
 Total liabilities	 <u>143,732,283</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions	8,397,582
Deferred inflows related to other postemployment benefits	3,720,159
Property taxes levied for a future period	<u>25,038,296</u>
 Total deferred inflows	 <u>37,156,037</u>

NET POSITION

Net investment in capital assets	29,817,106
Restricted for:	
Operations and maintenance	4,078,335
Debt service	4,468,528
Student transportation	8,831,366
Capital projects	2,443,387
Retirement benefits	1,352,573
Unrestricted (deficit)	<u>(74,295,869)</u>
 Total net deficit	 <u>\$ (23,304,574)</u>

The accompanying notes are an integral part of this statement.

Crete-Monee School District 201-U

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Deficit
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 19,852,026	\$ 382,903	\$ 1,663,812	\$ (17,805,311)
Special programs	14,447,389	-	2,682,959	(11,764,430)
Other instructional programs	2,529,108	3,952	104,201	(2,420,955)
State retirement contributions	22,642,632	-	22,642,632	-
Support services:				
Pupils	4,287,385	-	-	(4,287,385)
Instructional staff	1,551,289	-	100,162	(1,451,127)
General administration	1,711,879	-	-	(1,711,879)
School administration	4,584,084	-	-	(4,584,084)
Business	3,794,868	491,252	1,952,535	(1,351,081)
Transportation	6,498,738	8,242	3,857,047	(2,633,449)
Operations and maintenance	5,534,636	24,670	-	(5,509,966)
Central	5,555,192	-	-	(5,555,192)
Other supporting services	144,303	-	-	(144,303)
Community services	63,847	-	-	(63,847)
Nonprogrammed charges, excluding special education	1,180,976	-	-	(1,180,976)
Interest and fees	5,273,366	-	-	(5,273,366)
 Total governmental activities	 <u>\$ 99,651,718</u>	 <u>\$ 911,019</u>	 <u>\$ 33,003,348</u>	 <u>(65,737,351)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				27,643,874
Real estate taxes, levied for specific purposes				10,115,476
Real estate taxes, levied for debt service				11,660,935
Personal property replacement taxes				902,974
State aid-formula grants				15,597,626
Miscellaneous				1,163,905
Total general revenues				<u>67,084,790</u>
Change in net deficit				1,347,439
Net deficit, beginning of year, as restated (see Note N)				<u>(24,652,013)</u>
Net deficit, end of year				<u>\$ (23,304,574)</u>

The accompanying notes are an integral part of this statement.

Crete-Monee School District 201-U

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 16,692,160	\$ 4,350,647	\$ 7,968,996	\$ 1,509,994
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes	14,263,843	2,132,081	1,952,358	949,264
Replacement taxes	153,854	-	-	-
Intergovernmental	757,989	-	982,773	-
Prepaid items	69,911	-	-	-
Other current assets	-	7,695	-	-
Total assets	<u>\$ 31,937,757</u>	<u>\$ 6,490,423</u>	<u>\$ 10,904,127</u>	<u>\$ 2,459,258</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 666,634	\$ 261,472	\$ 132,192	\$ 47
Salaries and wages payable	2,614,715	4,201	8	-
Payroll deductions payable	1,730,566	-	287	164,204
Claims payable	476,873	29,673	1,962	-
Compensated absences payable	3,838	-	-	-
Unearned revenue	34,133	-	-	-
Total liabilities	<u>5,526,759</u>	<u>295,346</u>	<u>134,449</u>	<u>164,251</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>14,161,225</u>	<u>2,116,742</u>	<u>1,938,312</u>	<u>942,434</u>
Total deferred inflows	<u>14,161,225</u>	<u>2,116,742</u>	<u>1,938,312</u>	<u>942,434</u>
FUND BALANCES				
Nonspendable	69,911	-	-	-
Restricted	-	4,078,335	8,831,366	1,352,573
Unassigned	<u>12,179,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>12,249,773</u>	<u>4,078,335</u>	<u>8,831,366</u>	<u>1,352,573</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 31,937,757</u>	<u>\$ 6,490,423</u>	<u>\$ 10,904,127</u>	<u>\$ 2,459,258</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 4,425,946	\$ 3,513,685	\$ 19,701	\$ 38,481,129
-	-	-	-
5,919,005	-	3,183	25,219,734
-	-	-	153,854
-	-	-	1,740,762
-	-	-	69,911
-	-	-	7,695
<u>\$ 10,344,951</u>	<u>\$ 3,513,685</u>	<u>\$ 22,884</u>	<u>\$ 65,673,085</u>
\$ -	\$ 1,090,022	\$ -	\$ 2,150,367
-	-	-	2,618,924
-	-	-	1,895,057
-	-	-	508,508
-	-	-	3,838
-	-	-	34,133
-	<u>1,090,022</u>	-	<u>7,210,827</u>
<u>5,876,423</u>	-	<u>3,160</u>	<u>25,038,296</u>
<u>5,876,423</u>	-	<u>3,160</u>	<u>25,038,296</u>
-	-	-	69,911
4,468,528	2,423,663	19,724	21,174,189
-	-	-	12,179,862
<u>4,468,528</u>	<u>2,423,663</u>	<u>19,724</u>	<u>33,423,962</u>
<u>\$ 10,344,951</u>	<u>\$ 3,513,685</u>	<u>\$ 22,884</u>	<u>\$ 65,673,085</u>

Crete-Monee School District 201-U
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET DEFICIT
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	33,423,962
Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		
		83,114,836
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions and other postemployment benefits	\$ 4,256,256	
Deferred outflows of 2018 employer contributions related to pensions and other postemployment benefits	<u>829,551</u>	5,085,807
Deferred inflows of resources related to pensions and other postemployment benefits		(12,117,741)
Deferred loss on refunding of bonds, included in the statement of net deficit, is not available to pay for current period expenditures and, accordingly, is not included in the governmental funds balance sheet.		
		3,710,018
Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.		
		<u>(136,521,456)</u>
Net deficit of governmental activities	\$	<u><u>(23,304,574)</u></u>

The accompanying notes are an integral part of this statement.

Crete-Monee School District 201-U

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 27,643,874	\$ 4,222,290	\$ 4,007,220	\$ 1,881,393
Replacement taxes	852,974	-	-	50,000
State aid	40,083,362	-	3,857,047	-
Federal aid	4,660,565	-	-	-
Investment income	148,696	20,689	81,232	19,914
Other	1,635,103	64,195	13,952	1,294
Total revenues	<u>75,024,574</u>	<u>4,307,174</u>	<u>7,959,451</u>	<u>1,952,601</u>
Expenditures				
Current:				
Instruction:				
Regular programs	18,293,084	-	-	240,448
Special programs	13,336,514	-	962	431,910
Other instructional programs	2,240,459	-	-	64,166
State retirement contributions	22,642,632	-	-	-
Support services:				
Pupils	3,779,126	54,582	-	136,568
Instructional staff	1,311,359	-	-	53,007
General administration	1,581,598	-	-	18,175
School administration	4,173,829	-	-	148,337
Business	3,067,556	-	-	198,767
Transportation	-	-	6,219,488	17,280
Operations and maintenance	905,237	4,097,337	-	345,253
Central	5,139,322	-	-	200,586
Other supporting services	18,665	-	-	2,971
Community services	353,255	-	-	834
Nonprogrammed charges	1,180,976	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	39	-	-	-
Capital outlay	152,568	150,313	-	-
Total expenditures	<u>78,176,219</u>	<u>4,302,232</u>	<u>6,220,450</u>	<u>1,858,302</u>
Excess (deficiency) of revenues over expenditures	(3,151,645)	4,942	1,739,001	94,299
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(95,576)	-	-	-
Total other financing sources (uses)	<u>(95,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(3,247,221)	4,942	1,739,001	94,299
Fund balance, beginning of year (as restated)	15,496,994	4,073,393	7,092,365	1,258,274
Fund balance, end of year	<u>\$ 12,249,773</u>	<u>\$ 4,078,335</u>	<u>\$ 8,831,366</u>	<u>\$ 1,352,573</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 11,660,935	\$ -	\$ 4,573	\$ 49,420,285
-	-	-	902,974
-	-	-	43,940,409
-	-	-	4,660,565
44,956	4,045	259	319,791
<u>15,942</u>	<u>22,964</u>	<u>1,683</u>	<u>1,755,133</u>
<u>11,721,833</u>	<u>27,009</u>	<u>6,515</u>	<u>100,999,157</u>
-	-	-	18,533,532
-	-	-	13,769,386
-	-	-	2,304,625
-	-	-	22,642,632
-	-	-	3,970,276
-	-	-	1,364,366
-	-	-	1,599,773
-	-	-	4,322,166
-	233,026	-	3,499,349
-	-	-	6,236,768
-	-	-	5,347,827
-	-	-	5,339,908
-	-	-	21,636
-	-	-	354,089
-	-	-	1,180,976
10,491,392	-	-	10,491,392
1,201,703	-	-	1,201,742
-	186,945	-	489,826
<u>11,693,095</u>	<u>419,971</u>	<u>-</u>	<u>102,670,269</u>
28,738	(392,962)	6,515	(1,671,112)
95,576	-	-	95,576
<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,576)</u>
<u>95,576</u>	<u>-</u>	<u>-</u>	<u>-</u>
124,314	(392,962)	6,515	(1,671,112)
<u>4,344,214</u>	<u>2,816,625</u>	<u>13,209</u>	<u>35,095,074</u>
<u>\$ 4,468,528</u>	<u>\$ 2,423,663</u>	<u>\$ 19,724</u>	<u>\$ 33,423,962</u>

Crete-Monee School District 201-U

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (1,671,112)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(1,654,668)
Governmental funds report the loss of refundings when the debt is issued. However, these amounts are deferred and amortized in the statement of activities.	(224,850)
Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities:	
Deferred outflows and inflows of resources related to IMRF pension	(2,741,110)
Deferred outflows and inflows of resources related to TRS pension	(5,330,916)
Deferred outflows and inflows of resources related to Retiree Health Plan (RHP) other postemployment benefits (OPEB)	(65,206)
Deferred outflows and inflows of resources related to Teacher Health Insurance Security Fund (THIS) other postemployment benefits (OPEB)	(2,353,108)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the government funds.	14,396,075
Governmental funds report the effect of premiums when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences.	<u>992,334</u>
Change in net deficit - governmental activities	<u><u>\$ 1,347,439</u></u>

The accompanying notes are an integral part of this statement.

Crete-Monee School District 201-U
Fiduciary Funds
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ 302,818
LIABILITIES	
Due to student groups	\$ 302,818

The accompanying notes are an integral part of this statement.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crete-Monee School District 201-U (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Will County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the District's financial statements relate to the recognition of a net other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note H and Note N for the effects of this restatement.

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds maintained are consistent with legal and managerial requirements.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service fund), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by property taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Account may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service, capital projects, or fiduciary funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds are as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenue to finance contributions is derived primarily from local property taxes and personal property replacement taxes.

c. Debt Service Fund

Debt Service Fund - accounts for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from impact fees, bond proceeds, or transfers from other funds.

Fire Prevention and Safety Fund - accounts for State-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund

The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Agency Fund - includes Student Activity Funds. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net deficit and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net deficit / fund balance that applies to a future period. At June 30, 2018, the District has deferred outflows of resources related to pensions, other postemployment benefits, and loss on the refunding of bonds. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2018, the District reported deferred inflows of resources related to pensions, other postemployment benefits, and property taxes levied for a future period.

7. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds as well as debt service and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2018.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Fund Balance (Continued)

- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Assistant Superintendent for Business Services/CSBO. The District had no assigned fund balances at June 30, 2018.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduced unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The nonspendable fund balance in the General Fund consists of \$69,911 for prepaid items. The restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

10. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Capital Assets

Capital assets, which include land, buildings and improvements, site improvements, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual or group cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	20
Buildings and improvements	15 - 50
Equipment	5 - 15

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net deficit. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from actual proceeds, are reported as debt service expenditures.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Accumulated Unpaid Vacation and Sick Pay

Administrators, support staff and maintenance employees who work a twelve-month year are entitled to compensation for vacation time. Annual compensation ranges between 10 and 25 days, depending on the employee's position and years of service with the District. An employee may carry up to 10 days of unused vacation time, and balances in excess of 10 days will permanently expire if not used on or before June 30th.

Certified employees receive specified sick days depending on their years of service with the District, in accordance with the agreement between the District's Board of Education and the Crete-Monee Education Association. Unused sick days accumulate to the maximum permitted to be exchanged for service credit by TRS (currently 340 days). Upon retirement, a certified employee may apply up to 340 days of unused sick time toward service credit for TRS. Unused sick leave days not used for TRS creditable service are paid at the current daily substitute rate of \$94 per day.

Educational support personnel receive a specified number of sick days per year depending on years of service with the District. Unused sick days accumulate to a maximum of 230 and are paid at a rate of \$50 per day.

Due to the nature of the policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick time.

14. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

15. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits liability (OPEB), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as the resources are needed.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. **Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Deficit**

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net deficit - governmental activities as reported in the government-wide statement of net deficit. One element of that reconciliation explains that "Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (25,985,000)
Capital appreciation bonds	(66,886,461)
Unamortized premium	(7,211,790)
School technology loan	(140,544)
Compensated absences	(142,642)
Early retirement incentives	(466,492)
IMRF net pension liability	(363,963)
TRS net pension liability	(3,253,501)
RHP other postemployment benefit liability	(1,521,628)
THIS other postemployment benefit liability	<u>(30,549,435)</u>
Net adjustment to reduce fund-balance total governmental funds to arrive at net position - governmental activities	<u>\$ (136,521,456)</u>

2. **Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental funds statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance - total governmental funds and changes in net deficit - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 822,810
Depreciation expense	<u>(2,477,478)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (1,654,668)</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds." The details of this difference are as follows:

Principal repayments		
General obligation bonds	\$	210,000
Capital appreciation bonds		10,190,000
School technology loan		91,392
Accretion of capital appreciation bonds		(4,839,108)
Compensated absences, net		(20,150)
Early retirement incentives, net		17,058
IMRF pension expense, net		2,069,128
TRS pension expense, net		6,421,450
RHP other postemployment benefit liability, net		118,356
THIS other postemployment benefit liability, net		<u>137,949</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities.	\$	<u><u>14,396,075</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2018, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>38,481,129</u>	\$ <u>302,818</u>	\$ <u>38,783,947</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

For disclosure purposes, this amount is classified into the following components:

	Total
Deposits with financial institutions*	\$ 32,420,236
Illinois Funds	977,295
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	4,647,810
Other investments	738,606
	\$ 38,783,947

* Includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Investment Maturities in Years				
	Fair Value	Less than 1	1-5	6-10	More than 10
Negotiable certificates					
of deposit	\$ 738,606	\$ 738,606	\$ -	\$ -	\$ -
Total	\$ 738,606	\$ 738,606	\$ -	\$ -	\$ -

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

Investments measured at net asset value (NAV):

			<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$	4,647,810	N/A	Daily	1 day
Illinois Funds	\$	977,295	N/A	Daily	1 day

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits are unrated.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, 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's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2018, the bank balances of the District's deposits with financial institutions totaled \$36,284,735, all of which was fully insured or collateralized.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk (Continued)

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE D - PROPERTY TAXES RECEIVABLE

The District's property tax is levied each calendar year on all taxable real property located in the District's jurisdiction.

The School Board must adopt the tax levy and file a certified copy of the levy with the County Clerk's Office on or before the last Tuesday in December of each year. The District adopted its 2017 levy on December 19, 2017. Property taxes attach retroactively as an enforceable lien as of January 1 of the levy year and are payable in two installments in June and September of the current calendar year. The District receives significant distributions approximately one month after the collection dates. Taxes recorded in these financial statements are from the 2017 and prior tax levies. For all funds, the District recognizes no more than approximately one-half of the levy in the current fiscal year as revenue with the remaining portion to be recognized in the following fiscal year. Accordingly, the remaining portion is reflected as deferred inflows of resources-property taxes levied for a future period. This methodology conforms to the measurable and available criteria for revenue recognition.

An allowance of 1% for the estimated uncollectible taxes has been provided based on prior year collection experiences. Due to property tax collection through 60 days being sufficient to meet the availability criteria, the District was able to recognize approximately one-half of the levy as revenue in the current fiscal year on the fund financial statements.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The Property Tax Extension Limitation Law (PTELL) imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5 percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated				
Land	\$ 2,491,235	\$ -	\$ -	\$ 2,491,235
Total capital assets not being depreciated	<u>2,491,235</u>	<u>-</u>	<u>-</u>	<u>2,491,235</u>
Capital assets, being depreciated				
Site improvements	4,123,638	73,680	-	4,197,318
Buildings and improvements	111,393,707	489,424	-	111,883,131
Equipment	<u>3,014,850</u>	<u>259,706</u>	<u>-</u>	<u>3,274,556</u>
Total capital assets being depreciated	<u>118,532,195</u>	<u>822,810</u>	<u>-</u>	<u>119,355,005</u>
Less accumulated depreciation for:				
Site improvements	2,907,054	135,973	-	3,043,027
Buildings and improvements	30,826,307	2,178,438	-	33,004,745
Equipment	<u>2,520,565</u>	<u>163,067</u>	<u>-</u>	<u>2,683,632</u>
Total accumulated depreciation	<u>36,253,926</u>	<u>2,477,478</u>	<u>-</u>	<u>38,731,404</u>
Total capital assets being depreciated, net	<u>82,278,269</u>	<u>(1,654,668)</u>	<u>-</u>	<u>80,623,601</u>
Governmental activities capital assets, net	<u>\$ 84,769,504</u>	<u>\$ (1,654,668)</u>	<u>\$ -</u>	<u>\$ 83,114,836</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Instruction:	
Regular programs	\$ 694,681
Pre-K programs	5,009
Special programs	387,575
Remedial programs	44,974
Other instructional programs	163,760
Support services:	
Pupils	176,429
Instructional staff	74,117
General administration	64,077
School administration	173,388
Business	145,360
Transportation	245,084
Central	167,762
Other support services	122,710
Community services	8,390
Operations and maintenance	<u>4,162</u>
	<u>\$ 2,477,478</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Balance at July 1, 2017 (as restated)	Additions / Accretion	Deletions	Balance at June 30, 2018
General obligation bonds:				
School building bond - 2007	\$ 210,000	\$ -	\$ 210,000	\$ -
School refunding bond - 2016B	11,580,000	-	-	11,580,000
Limited school bond - 2016C	14,405,000	-	-	14,405,000
Capital appreciation bonds:				
Capital appreciation bond - 2004	51,276,402	3,804,439	9,460,000	45,620,841
Capital appreciation bond - 2005	8,686,327	433,730	-	9,120,057
Capital appreciation bond - 2006	12,274,624	600,939	730,000	12,145,563
Unamortized premium	8,204,124	-	992,334	7,211,790
Total bonds payable	106,636,477	4,839,108	11,392,334	100,083,251
School technology loan	231,936	-	91,392	140,544
Compensated absences	122,492	367,602	347,452	142,642
Early retirement incentives	483,550	136,311	153,369	466,492
IMRF net pension liability	2,433,091	6,094,587	8,163,715	363,963
TRS net pension liability	9,674,951	5,060	6,426,510	3,253,501
RHP other postemployment benefit liability*	1,639,984	181,665	300,021	1,521,628
THIS other postemployment benefit liability*	30,687,384	3,744,496	3,882,445	30,549,435
Total long-term liabilities - governmental activities	\$ 151,909,865	\$ 15,368,829	\$ 30,757,238	\$ 136,521,456

* The beginning balance as of July 1, 2017 is restated due to the implementation of GASB 75 (Note H and Note N).

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

1. Changes in General Long-term Liabilities (Continued)

	Due Within One Year
Early retirement incentives	\$ 184,053
Capital appreciation bonds	10,800,000
ISBE technology loan	93,229
Compensated absences	142,642
	\$ 11,219,924

2. General Obligation Bonds

The summary of activity in general obligation and capital appreciation bonds for the year ended June 30, 2018 is as follows:

	Bonds Payable July 1, 2017	Debt Accretion	Debt Retired	Bonds Payable June 30, 2018
School Building Bond, Series 2007, interest at 4.25-4.38%	\$ 210,000	\$ -	\$ 210,000	\$ -
School Refunding Bond, Series 2016B, interest at 5.00%	11,580,000	-	-	11,580,000
Limited Tax School Bonds, Series 2016C, interest at 4.00% to 5.00%	14,405,000	-	-	14,405,000
Capital Appreciation School Bond, Series 2004, interest at 8.00%	51,276,402	3,804,439	9,460,000	45,620,841
Capital Appreciation School Bond, Series 2005, interest at 4.90% to 4.95%	8,686,327	433,730	-	9,120,057
Capital Appreciation School Bond, Series 2006, interest at 4.80% to 5.25%	12,274,624	600,939	730,000	12,145,563
Total	\$ 98,432,353	\$ 4,839,108	\$ 10,400,000	\$ 92,871,461

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

2. **General Obligation Bonds** (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
School Refunding Bonds - 2016B	5.00%	\$ 11,580,000	\$ 11,580,000
Limited Tax School Bonds - 2016C	4.00%-5.00%	14,405,000	14,405,000
Capital Appreciation School Bonds - 2004	8.00%	56,925,000	45,620,841
Capital Appreciation School Bonds - 2005	4.90%-4.95%	12,925,000	9,120,057
Capital Appreciation School Bonds - 2006	4.80%-5.25%	15,535,000	12,145,563
		<u>\$ 111,370,000</u>	<u>\$ 92,871,461</u>

At June 30, 2018, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 10,800,000	\$ 1,192,200	\$ 11,992,200
2020	10,805,000	1,192,200	11,997,200
2021	10,805,000	1,192,200	11,997,200
2022	10,805,000	1,192,200	11,997,200
2023	10,805,000	1,192,200	11,997,200
2024 - 2028	45,350,000	5,320,750	50,670,750
2029 - 2033	7,055,000	1,871,550	8,926,550
2034 - 2036	4,945,000	400,600	5,345,600
Total	<u>\$ 111,370,000</u>	<u>\$ 13,553,900</u>	<u>\$ 124,923,900</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,468,528 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$80,920,815, of which \$23,272,595 is fully available.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE F - LONG-TERM LIABILITIES (Continued)

3. School Technology Loan

The District entered into a loan agreement with the Illinois State Board of Education in the amount of \$279,250 to be used towards the purchase of technology equipment, in accordance with the terms of the agreement. Principal and interest payments are due bi-annually from June 1, 2017 through December 1, 2019, at a rate of 2.00%.

At June 30, 2018, the District's future cash flow requirements for retirement of the ISBE technology loan are as follows:

Year Ending	Principal	Interest	Total
<u>June 30,</u>	<u> </u>	<u> </u>	<u> </u>
2019	\$ 93,229	\$ 2,347	\$ 95,576
2020	<u>47,315</u>	<u>473</u>	<u>47,788</u>
	<u>\$ 140,544</u>	<u>\$ 2,820</u>	<u>\$ 143,364</u>

4. Early Retirement Incentives

The District implemented an early retirement incentive plan in which an employee can notify the District of his/her intent to retire at the end of four upcoming school years. The employee shall receive a 6% increase in salary for each year up to retirement. This increase is paid to the employee over the course of the next four fiscal school years. As of June 30, 2018, the liability amounted to \$466,492.

NOTE G - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants 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 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.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 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 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the 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 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. 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 \$19,716,057 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$165,976, and are deferred because they were paid after the June 30, 2017 measurement date.

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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$65,912 were paid from federal and special trust funds that required employer contributions of \$6,657. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions (Continued)

Early 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 percent 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 District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$2,768 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the District reported 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 amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follow:

District's proportionate share of the net pension liability	\$ 3,253,501
State's proportionate share of the net pension liability associated with the District	<u>200,335,464</u>
Total	<u><u>\$ 203,588,965</u></u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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 0.0042586129 percent, which was a decrease of 0.007998083 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$18,802,807 and revenue of \$19,716,057 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,337	\$ 1,502
Change of assumptions	217,148	93,490
Net difference between projected and actual earnings on pension plan investments	2,232	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>428,561</u>	<u>4,810,440</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>683,278</u>	<u>4,905,432</u>
District contributions subsequent to the measurement date	<u>172,633</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 855,911</u>	<u>\$ 4,905,432</u>

The District reported \$172,633 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

<u>Year Ended June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2019	\$ 1,178,430
2020	883,706
2021	922,391
2022	1,083,848
2023	153,779
Total	\$ 4,222,154

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 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 percent, 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:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 %	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. 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 projected to be 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.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier 2 were not sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, 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 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability \$	\$ 3,997,351	\$ 3,253,501	\$ 2,644,226

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*.

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. 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.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	383
Inactive plan members entitled to but not yet receiving benefits	431
Active plan members	295
Total	1,109

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 8.72%. For the fiscal year ended June 30, 2018 the District contributed \$775,151 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 District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, the 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 projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment 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:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Domestic Equity	37%	6.85%
	International Equity	18%	6.75%
	Fixed Income	28%	3.00%
	Real Estate	9%	5.75%
	Alternative Investments	7%	2.65% - 7.35%
	Cash Equivalents	1%	2.25%
	Total	<u>100%</u>	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. 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:

- a. 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
- b. 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 the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at December 31, 2016	\$ 34,410,459	\$ 31,977,368	\$ 2,433,091
Changes for the year:			
Service cost	823,636	-	823,636
Interest on the total pension liability	2,535,439	-	2,535,439
Difference between expected and actual experience of the total pension liability	1,929,041	-	1,929,041
Changes of assumptions	(1,195,471)	-	(1,195,471)
Contributions - employer	-	791,940	(791,940)
Contributions - employees	-	406,582	(406,582)
Net investment income	-	5,769,722	(5,769,722)
Benefit payments, including refunds of employee contributions	(2,032,837)	(2,032,837)	-
Other (net transfer)	-	(806,471)	806,471
Net changes	<u>2,059,808</u>	<u>4,128,936</u>	<u>(2,069,128)</u>
Balances at December 31, 2017	<u>\$ 36,470,267</u>	<u>\$ 36,106,304</u>	<u>\$ 363,963</u>

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

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

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
	<u>(6.50%)</u>	<u>Rate (7.50%)</u>	<u>(8.50%)</u>
Net pension liability (asset)	\$ 4,807,438	\$ 363,963	\$ (3,309,821)

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2018, the District recognized pension expense of \$1,453,064. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 1,234,767	\$ -
Change of assumptions	-	745,791
Net difference between projected and actual earnings on pension plan investments	1,060,717	2,746,359
Total deferred amounts to be recognized in pension expense in the future periods	2,295,484	3,492,150
Pension contributions made subsequent to the measurement date	405,093	-
Total deferred amounts related to pensions	\$ 2,700,577	\$ 3,492,150

The District reported \$405,093 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 185,529
2020	(45,598)
2021	(650,008)
2022	(686,589)
2023	-
Thereafter	-
Total	\$ (1,196,666)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 172,633	\$ 405,093	\$ 577,726
Experience	35,337	1,234,767	1,270,104
Assumptions	217,148	-	217,148
Proportionate share	428,561	-	428,561
Investments	2,232	1,060,717	1,062,949
	\$ 855,911	\$ 2,700,577	\$ 3,556,488
Net pension liability	\$ 3,253,501	\$ 363,963	\$ 3,617,464
Pension expense	\$ 18,802,807	\$ 1,453,064	\$ 20,255,871

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	\$ 1,502	\$ -	\$ 1,502
Assumptions	93,490	745,791	839,281
Proportionate share	4,810,440	-	4,810,440
Investments	-	2,746,359	2,746,359
	\$ 4,905,432	\$ 3,492,150	\$ 8,397,582

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

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

The 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>).

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

General Information about the Other Postemployment Plan (Continued)

Benefits Provided

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.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate), were \$2,926,575 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$251,825 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 measurement date.

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

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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 OPEB 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:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

District's proportionate share of the net OPEB liability	\$ 30,549,435
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>40,118,999</u>
Total	<u><u>\$ 70,668,434</u></u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the THIS Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

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 projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.117726 percent, which was an increase of 0.005465 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$5,393,577 and revenue of \$2,926,575, which represents 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:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 17,303
Change of assumptions	-	3,637,314
Net difference between projected and actual earnings on OPEB plan investments	-	336
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,277,494</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in future period	<u>1,277,494</u>	<u>3,654,953</u>
District contributions subsequent to the measurement date	<u>251,825</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 1,529,319</u>	<u>\$ 3,654,953</u>

The District reported \$251,825 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2019	\$ 365,233
2020	365,233
2021	365,233
2022	365,233
2023	365,149
Thereafter	<u>551,378</u>
Total	<u>\$ 2,377,459</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
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.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare Trend Rate	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 cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability to decrease by approximately \$3.564 billion.

Investment Return

During plan year end June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2017, is a negative \$45 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

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 pension liability calculated using the discount rate of 3.56 percent, 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 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.56%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.56%)</u>	<u>1% Increase</u> <u>(4.56%)</u>
District's proportionate share of the net OPEB liability	\$ 36,659,162	\$ 30,549,435	\$ 25,660,685

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

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. 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 4.50% in 2027 for Medicare coverage.

	<u>1% Decrease*</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase **</u>
District's proportionate share of the net OPEB liability	\$ 24,656,523	\$ 30,549,435	\$ 39,007,713

* 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.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

2. Retiree Health Plan (RHP)

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Benefits Provided

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement until age 65, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board. Retirees may also access dental and life insurance benefits on a "direct pay" basis.

TRS employees are only eligible who are retired as of June 30, 2014 or who have submitted their notice to retire by August 31, 2013. IMRF Tier I (date of hire is prior to January 1, 2011) participants are eligible upon attaining age 55 with at least 8 years of service. IMRF Tier II (date of hire is on or after January 1, 2011) participants are eligible to retire upon attaining age 62 with 10 years of service.

Employees Covered by Benefit Terms

As of June 30, 2018 the following employees were covered by the benefit terms:

Actives fully eligible to retire	213
Actives not yet fully eligible to retire	-
Retirees	<u>53</u>
Total	<u><u>266</u></u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Contributions

Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2018, the District contributed \$168,000 toward the cost of the postemployment benefits for retirees, which was .56% of covered payroll.

Total OPEB Liability

The total OPEB liability was measured as of June 30, 2017 and the total OPEB liability was determined by an actuarial valuation performed as of July 1, 2016 and rolled forward to June 30, 2018 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	2.50%
Discount rate	3.13%
Projected salary increases	3.85%
Healthcare inflation rate	7.50% initial 4.50% ultimate
Mortality rates	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Election at retirement	40% of active employees will continue coverage upon retirement with 60% of employees electing coverage in the HMO plan and 40% electing coverage in the PPO plan.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Total OPEB Liability (Continued)

Marital status 40% of participants will be married and elect to cover a spouse upon retirement. Husbands are assumed to be three years older than wives.

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.13% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	\$ 1,639,984	\$ -	\$ 1,639,984
Changes for the year:			
Service cost	80,239	-	80,239
Interest on the total OPEB liability	42,167	-	42,167
Changes of assumptions	(72,762)	-	(72,762)
Contributions - employer	-	168,000	(168,000)
Contributions - employees	59,259	59,259	-
Benefit payments, including the implicit rate subsidy	(227,259)	(227,259)	-
Net changes	<u>(118,356)</u>	<u>-</u>	<u>(118,356)</u>
Balances at June 30, 2018	<u>\$ 1,521,628</u>	<u>\$ -</u>	<u>\$ 1,521,628</u>

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.13%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. **Retiree Health Plan (RHP)** (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

	<u>1% Lower (2.13%)</u>	<u>Current Discount Rate (3.13%)</u>	<u>1% Higher (4.13%)</u>
Total OPEB liability	\$ <u>1,594,424</u>	\$ <u>1,521,628</u>	\$ <u>1,451,978</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-7.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	<u>1% Lower (3.50%- 6.50%)</u>	<u>Current Healthcare Rate (4.50%- 7.50%)</u>	<u>1% Higher (5.50%- 8.50%)</u>
Total OPEB liability	\$ <u>1,419,074</u>	\$ <u>1,521,628</u>	\$ <u>1,643,551</u>

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

For the year ended June 30, 2018 the District recognized OPEB expense of \$114,850. At June 30, 2018, the District reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ <u>-</u>	\$ <u>65,206</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>-</u>	\$ <u>65,206</u>

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Inflows of Resources
2019	\$ 7,556
2020	7,556
2021	7,556
2022	7,556
2023	7,556
Thereafter	27,426
Total	\$ 65,206

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2018:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 251,825	\$ -	\$ 251,825
Proportionate share	1,277,494	-	1,277,494
	\$ 1,529,319	\$ -	\$ 1,529,319
OPEB liability	\$ 30,549,435	\$ 1,521,628	\$ 32,071,063
Deferred inflows of resources:			
Assumptions	\$ 3,637,314	\$ 65,206	\$ 3,702,520
Experience	17,303	-	17,303
Investments	336	-	336
	\$ 3,654,953	\$ 65,206	\$ 3,720,159

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Collective Liability Insurance Cooperative (CLIC) for general liability, property and worker's compensation coverage. CLIC is an organization of school cooperatives and districts in Illinois which has formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The CLIC agreement provides coverage of up to \$1,000,000 per individual and \$3,000,000 in aggregate for general liability, property and worker's compensation. In the past three years, the District has not made any supplemental payments to CLIC.

Each member of CLIC appoints one representative to the Board of Directors. The District does not exercise any control over the activities of the pool beyond its representation on the Board of Directors.

A complete set of financial statements for CLIC can be obtained from its Treasurer at 634 Kenilworth Street Grayslake, Illinois 60030.

The District is self-insured for health and dental coverage for eligible employees and dependents. Plan participants are full-time employees who have completed the enrollment form and authorized the necessary employee contributions, if any. Participation begins the first day of the month following date of employment. Coverage can be continued during an approved leave of absence or as a retiree. The District utilizes a third-party administrator to process the plan claims.

For the two years ended June 30, 2018 and 2017, changes in the liability for unpaid claims are summarized as follows:

	2018	2017
Health and dental claims payable, July 1	\$ 429,938	\$ 394,241
Current year claims and changes in estimate	4,146,646	4,447,929
Claims paid	(4,068,076)	(4,412,232)
Health and dental claims payable, June 30	\$ 508,508	\$ 429,938

NOTE J - INTERFUND TRANSFERS

The District transferred \$95,576 from the General (Educational Account) Fund to the Debt Service Fund for payment of principal and interest on the school technology loan.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE K - JOINT AGREEMENT

The District is a member of the Special Education Co-op of South Cook County (SPEED) Joint Agreement No. 802, along with other area school districts. The District's pupils benefit from programs administered under this joint agreement, and the District benefits from jointly administered grants and programming. The District does not have an equity interest in this joint agreement. The joint agreement is separately audited and is not included in these financial statements. Financial information may be obtained directly from SPEED at 1125 Division Street, Chicago Heights, Illinois 60411.

The District pays tuition to the joint agreement to cover the operating costs of the services. The District believes that because it does not control the selection of the significant governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationship exercised by the joint agreement governing board, this is not included as a component unit of the District.

NOTE L - OPERATING LEASES

In August 2013, the District entered into a sixty month lease for copier equipment. This lease has a monthly cost of \$2,599, through August 2018. The July and August 2018 payments were paid in full in June 2018.

In March 2014, the District entered into a fifty-one month lease for copier equipment. This lease had a monthly cost of \$7,150 and was paid in full as of June 2018.

Total payments on these leases in fiscal year 2018 approximated \$122,000. As both leases were paid in full in June 2018, there are no future minimum payments.

NOTE M - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits. With regard to these matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Crete-Monee School District 201-U
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE N - RESTATEMENTS

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security Plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$30,936,451, OPEB liabilities (included in long-term liabilities) increased by \$31,163,925, and deferred outflows increased by \$227,474.

As a result of an error in the prior year cash reconciliation, an adjustment was made to increase cash and beginning net position by \$53,367 on the government-wide financial statements and the related cash and fund balance on the Municipal Retirement/Social Security Fund.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 7, 2019, the date that these financial statements were available to be issued. No events or transactions, other than that described below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

The District entered into a capital lease agreement for copier equipment that requires 48 monthly payments of \$7,750 with payments beginning in July 2018.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Crete-Monee School District 201-U
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Illinois Municipal Retirement Fund
June 30, 2018

Calendar year ended December 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service cost	\$ 823,636	\$ 859,957	\$ 910,765	\$ 985,205
Interest on the total pension liability	2,535,439	2,420,795	2,380,144	2,191,480
Difference between expected and actual experience of the total pension liability	1,929,041	208,253	(859,480)	(171,361)
Assumption changes	(1,195,471)	(39,331)	37,711	1,317,703
Benefit payments and refunds	(2,032,837)	(1,859,205)	(1,858,047)	(1,682,511)
Net change in total pension liability	<u>2,059,808</u>	<u>1,590,469</u>	<u>611,093</u>	<u>2,640,516</u>
Total pension liability, beginning	<u>34,410,459</u>	<u>32,819,990</u>	<u>32,208,897</u>	<u>29,568,381</u>
Total pension liability, ending	<u>\$ 36,470,267</u>	<u>\$ 34,410,459</u>	<u>\$ 32,819,990</u>	<u>\$ 32,208,897</u>
 Plan fiduciary net position				
Contributions, employer	\$ 791,940	\$ 702,041	\$ 771,694	\$ 840,780
Contributions, employee	406,582	335,840	371,435	372,613
Net investment income	5,769,722	2,083,457	155,825	1,815,754
Benefit payments, including refunds of employee contributions	(2,032,837)	(1,859,205)	(1,858,047)	(1,682,511)
Other (net transfer)	(806,471)	172,473	(420,524)	174,730
Net change in plan fiduciary net position	<u>4,128,936</u>	<u>1,434,606</u>	<u>(979,617)</u>	<u>1,521,366</u>
Plan fiduciary net position, beginning	<u>31,977,368</u>	<u>30,542,762</u>	<u>31,522,379</u>	<u>30,001,013</u>
Plan fiduciary net position, ending	<u>\$ 36,106,304</u>	<u>\$ 31,977,368</u>	<u>\$ 30,542,762</u>	<u>\$ 31,522,379</u>
 Net pension liability	 <u>\$ 363,963</u>	 <u>\$ 2,433,091</u>	 <u>\$ 2,277,228</u>	 <u>\$ 686,518</u>
 Plan fiduciary net position as a percentage of the total pension liability	 99.00 %	 92.93 %	 93.06 %	 97.87 %
 Covered valuation payroll	 \$ 9,011,633	 \$ 7,460,578	 \$ 7,843,653	 \$ 8,122,849
 Net pension liability as a percentage of covered valuation payroll	 4.04 %	 32.61 %	 29.03 %	 8.45 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Crete-Monee School District 201-U
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 785,814	* \$ 791,940	\$ (6,126)	\$ 9,011,633	8.79 %
2016	702,040	702,041	(1)	7,460,578	9.41
2015	771,815	771,694	121	7,843,653	9.84
2014	793,397	840,780	(47,383)	7,878,822	10.67

* Estimated based on contribution rate of 8.72% and covered valuation payroll of \$9,011,633.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Crete-Monee School District 201-U
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0042586129 %	0.0122566959 %	0.0114682738 %	0.0110000000 %
District's proportionate share of the net pension liability	\$ 3,253,501	\$ 9,674,951	\$ 7,512,875	\$ 6,712,534
State's proportionate share of the net pension liability associated with the District	<u>200,335,464</u>	<u>207,538,257</u>	<u>173,889,137</u>	<u>163,781,819</u>
Total	<u>\$ 203,588,965</u>	<u>\$ 217,213,208</u>	<u>\$ 181,402,012</u>	<u>\$ 170,494,353</u>
District's covered-employee payroll	\$ 27,080,259	\$ 26,124,556	\$ 26,857,638	\$ 26,612,539
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.01%	37.03%	27.97%	25.22%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Crete-Monee School District 201-U
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 170,676	\$ 474,539	\$ 401,848	\$ 401,851
Contributions in relation to the contractually required contribution	<u>175,453</u>	<u>474,666</u>	<u>401,848</u>	<u>401,851</u>
Contribution deficiency	<u>\$ (4,777)</u>	<u>\$ (127)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 28,616,496	\$ 27,080,259	\$ 26,124,556	\$ 26,857,638
Contributions as a percentage of covered-employee payroll	0.61%	1.75%	1.54%	1.50%

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Crete-Monee School District 201-U

SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

June 30, 2018

Fiscal year ended December 31,	<u>2018</u>
Total OPEB liability	
Service cost	\$ 80,239
Interest on the total OPEB liability	42,167
Contributions, employee	59,259
Changes of assumptions	(72,762)
Benefit payments, including the implicit rate subsidy	<u>(227,259)</u>
Net change in total OPEB liability	(118,356)
Total OPEB liability, beginning	<u>1,639,984</u>
Total OPEB liability, ending	<u><u>\$ 1,521,628</u></u>
 Plan fiduciary net position	
Contributions, employer	\$ 168,000
Contributions, employee	59,259
Net investment income	-
Benefit payments, including refunds of employee contributions	(227,259)
Other (net transfer)	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position, beginning	<u>-</u>
Plan fiduciary net position, ending	<u><u>\$ -</u></u>
 Net OPEB liability	 <u><u>\$ 1,521,628</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00 %
 Covered valuation payroll	 \$ 30,227,493
 Net OPEB liability as a percentage of covered valuation payroll	 5.03 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Crete-Monee School District 201-U
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
District's proportion of the net OPEB liability	0.117726 %
District's proportionate share of the net OPEB liability	\$ 30,549,435
State's proportionate share of the net OPEB liability associated with the District	<u>40,118,999</u>
Total	<u>\$ 70,668,434</u>
District's covered-employee payroll	\$ 27,080,259
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Crete-Monee School District 201-U
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
Contractually required contribution	\$ 227,474
Contributions in relation to the contractually required contribution	<u>227,492</u>
Contribution excess	\$ <u><u>18</u></u>
District's covered-employee payroll	\$ 28,616,496
Contributions as a percentage of covered-employee payroll	0.79%

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Revenues					
Local sources					
General levy	\$ 23,044,825	\$ 23,389,600	\$ 23,431,080	\$ 41,480	\$ 22,009,597
Special education levy	4,255,611	4,325,361	4,212,794	(112,567)	4,200,467
Mobile home privilege tax	-	-	36,748	36,748	-
Corporate personal property replacement taxes	1,200,000	900,000	852,974	(47,026)	1,046,923
Regular tuition from pupils or parents	5,000	5,000	-	(5,000)	-
Summer school tuition from pupils or parents	5,000	10,000	3,952	(6,048)	3,904
Interest on investments	110,000	113,000	148,696	35,696	(96,475)
Sales to pupils - lunch	525,000	525,000	474,562	(50,438)	519,043
Sales to adults	15,000	15,000	-	(15,000)	146
Other food service	10,000	25,000	16,690	(8,310)	21,687
Admissions - athletic	15,000	18,000	17,175	(825)	8,945
Fees	32,500	36,000	43,196	7,196	46,726
Other district/school activity revenue	-	-	784	784	-
Rentals - regular textbook	320,000	330,000	310,149	(19,851)	334,931
Rentals - other	-	-	3,185	3,185	2,350
Sales - regular textbook	2,000	-	-	-	-
Sales - other	5,000	7,000	8,414	1,414	5,952
Refund of prior years' expenditures	20,000	771,708	689,283	(82,425)	235,424
Drivers' education fees	20,000	20,000	21,475	1,475	21,775
Proceeds from vendors' contracts	-	-	-	-	24
Other	-	10,000	9,490	(510)	47,408
Total local sources	<u>29,584,936</u>	<u>30,500,669</u>	<u>30,280,647</u>	<u>(220,022)</u>	<u>28,408,827</u>

(Continued)

Crete-Monee School District 201-U
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
State sources					
Evidence Based Funding	\$ 13,397,000	\$ 13,590,927	\$ 15,597,626	\$ 2,006,699	\$ -
General State Aid	-	-	-	-	12,961,928
Special Education -					
Private Facility Tuition	260,000	549,975	543,788	(6,187)	679,700
Special Education - Extraordinary	328,000	819,944	-	(819,944)	820,177
Special Education - Personnel	650,000	1,620,087	-	(1,620,087)	1,593,027
Orphanage - Summer Individual					
- Summer School	-	-	17,746	17,746	13,539
Special Education - Orphanage					
- Individual	223,000	733,000	734,359	1,359	416,941
Special Education - Summer School	-	58,648	-	(58,648)	27,684
CTE - Secondary Program					
Improvement (CTEI)	5,500	32,276	48,137	15,861	5,516
CTE - Student Organizations	3,000	3,000	-	(3,000)	-
Bilingual Ed. - Downstate					
- T.P.I. and T.P.E.	11,300	51,192	18,364	(32,828)	18,822
State Free Lunch and Breakfast	7,700	28,720	21,462	(7,258)	19,817
Driver Education	37,000	22,000	55,758	33,758	49,747
Early Childhood - Block Grant	153,000	527,200	400,477	(126,723)	443,623
Other state sources	<u>3,500</u>	<u>3,500</u>	<u>3,013</u>	<u>(487)</u>	<u>-</u>
 Total state sources	 <u>15,079,000</u>	 <u>18,040,469</u>	 <u>17,440,730</u>	 <u>(599,739)</u>	 <u>17,050,521</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Federal sources					
National School Lunch Program	\$ 1,150,000	\$ 1,431,500	\$ 1,487,305	\$ 55,805	\$ 1,414,891
Special Breakfast Program	345,000	436,675	434,363	(2,312)	410,925
NSLP Equipment Assistance	-	-	9,405	9,405	-
Title I - Low Income	770,000	1,268,492	1,207,577	(60,915)	1,100,414
Title IVA Student Support - Academic Enrichment	-	29,151	-	(29,151)	-
Federal - Special Education - Pre-School Flow Through	41,000	41,636	42,508	872	42,670
Federal - Special Education - I.D.E.A. - Flow Through	750,000	1,089,018	811,164	(277,854)	1,106,594
Federal - Special Education - I.D.E.A. - Room and Board	87,250	103,700	28,716	(74,984)	87,518
CTE - Other	60,000	58,859	26,700	(32,159)	22,788
Title III - Language Inst. Program Limited English (LIPLP)	-	11,908	11,000	(908)	-
Title II - Teacher Quality	110,000	210,413	97,149	(113,264)	146,906
Medicaid Matching Funds - Administrative Outreach	267,000	-	172,030	172,030	84,205
Medicaid Matching Funds - Fee-For-Service-Program	-	237,000	332,648	95,648	255,425
Total federal sources	<u>3,580,250</u>	<u>4,918,352</u>	<u>4,660,565</u>	<u>(257,787)</u>	<u>4,672,336</u>
Total revenues	<u>48,244,186</u>	<u>53,459,490</u>	<u>52,381,942</u>	<u>(1,077,548)</u>	<u>50,131,684</u>

(Continued)

Crete-Monee School District 201-U
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Instruction					
Regular programs					
Salaries	\$ 14,585,567	\$ 17,001,104	\$ 15,639,539	\$ 1,361,565	\$ 13,758,663
Employee benefits	1,665,324	3,394,768	1,836,213	1,558,555	2,583,649
Purchased services	36,872	117,204	53,466	63,738	86,788
Supplies and materials	287,216	1,526,470	734,213	792,257	420,869
Capital outlay	-	55,047	43,455	11,592	-
Other objects	4,649	21,875	4,414	17,461	984
Non-capitalized equipment	11,638	19,428	13,160	6,268	33,526
Termination benefits	-	-	12,079	(12,079)	21,347
Total	<u>16,591,266</u>	<u>22,135,896</u>	<u>18,336,539</u>	<u>3,799,357</u>	<u>16,905,826</u>
Pre-K programs					
Salaries	97,850	-	102,466	(102,466)	99,466
Employee benefits	24,648	-	15,775	(15,775)	15,744
Purchased services	56,115	-	67	(67)	-
Supplies and materials	179,963	-	904	(904)	2,365
Total	<u>358,576</u>	<u>-</u>	<u>119,212</u>	<u>(119,212)</u>	<u>117,575</u>
Special education programs					
Salaries	5,950,541	5,239,539	6,481,433	(1,241,894)	5,775,029
Employee benefits	482,929	1,479,921	2,087,160	(607,239)	2,075,219
Purchased services	534,594	144,916	584,787	(439,871)	491,184
Supplies and materials	297,589	44,038	36,028	8,010	124,856
Other objects	-	-	45,843	(45,843)	43,017
Non-capitalized equipment	24,291	6,875	14,841	(7,966)	27,672
Total	<u>7,289,944</u>	<u>6,915,289</u>	<u>9,250,092</u>	<u>(2,334,803)</u>	<u>8,536,977</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Special education programs pre-K					
Salaries	\$ 511,803	\$ 1,204,687	\$ 459,843	\$ 744,844	\$ 469,226
Employee benefits	486,936	-	89,035	(89,035)	90,876
Purchased services	22,700	32,340	41,468	(9,128)	7,074
Supplies and materials	33,143	31,457	30,808	649	37,034
Capital outlay	-	-	-	-	6,187
Non-capitalized equipment	-	650	71	579	-
Total	<u>1,054,582</u>	<u>1,269,134</u>	<u>621,225</u>	<u>647,909</u>	<u>610,397</u>
Remedial and Supplemental programs K-12					
Salaries	116,406	-	94,750	(94,750)	113,203
Employee benefits	36,274	-	22,529	(22,529)	24,799
Purchased services	-	-	148,580	(148,580)	73,305
Supplies and materials	464,438	-	683,673	(683,673)	467,006
Non-capitalized equipment	-	-	68,306	(68,306)	-
Total	<u>617,118</u>	<u>-</u>	<u>1,017,838</u>	<u>(1,017,838)</u>	<u>678,313</u>
CTE programs					
Salaries	14,521	-	14,262	(14,262)	15,278
Total	<u>14,521</u>	<u>-</u>	<u>14,262</u>	<u>(14,262)</u>	<u>15,278</u>
Interscholastic programs					
Salaries	1,113,108	1,217,787	1,217,562	225	1,189,657
Employee benefits	120,262	-	15,165	(15,165)	55,810
Purchased services	223,300	227,400	139,303	88,097	165,364
Supplies and materials	127,005	158,950	107,889	51,061	112,049
Capital outlay	37,800	41,000	20,260	20,740	18,228
Other objects	41,850	37,950	37,763	187	30,744
Non-capitalized equipment	2,500	-	-	-	10,427
Termination benefits	-	-	1,571	(1,571)	-
Total	<u>1,665,825</u>	<u>1,683,087</u>	<u>1,539,513</u>	<u>143,574</u>	<u>1,582,279</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Summer school programs					
Salaries	\$ 88,635	\$ 73,118	\$ 72,722	\$ 396	\$ 65,362
Employee benefits	7,940	-	1,383	(1,383)	4,727
Supplies and materials	<u>15,500</u>	<u>17,200</u>	<u>215</u>	<u>16,985</u>	<u>4,713</u>
Total	<u>112,075</u>	<u>90,318</u>	<u>74,320</u>	<u>15,998</u>	<u>74,802</u>
Drivers education programs					
Salaries	133,043	22,000	126,618	(104,618)	140,180
Employee benefits	22,035	-	7,282	(7,282)	12,090
Purchased services	5,000	-	2,412	(2,412)	4,103
Supplies and materials	3,000	-	2,850	(2,850)	3,696
Capital outlay	<u>-</u>	<u>-</u>	<u>16,053</u>	<u>(16,053)</u>	<u>-</u>
Total	<u>163,078</u>	<u>22,000</u>	<u>155,215</u>	<u>(133,215)</u>	<u>160,069</u>
Bilingual programs					
Salaries	-	212,187	-	212,187	-
Purchased services	2,500	2,500	1,260	1,240	1,074
Supplies and materials	<u>2,510</u>	<u>2,000</u>	<u>2,557</u>	<u>(557)</u>	<u>3,668</u>
Total	<u>5,010</u>	<u>216,687</u>	<u>3,817</u>	<u>212,870</u>	<u>4,742</u>
Truant's alternative and optional programs					
Salaries	359,987	-	307,553	(307,553)	365,612
Employee benefits	77,943	-	62,880	(62,880)	67,597
Supplies and materials	<u>865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865</u>
Total	<u>438,795</u>	<u>-</u>	<u>370,433</u>	<u>(370,433)</u>	<u>434,074</u>
Special education programs					
K-12 - private tuition	<u>1,500,000</u>	<u>2,437,700</u>	<u>2,447,359</u>	<u>(9,659)</u>	<u>1,544,074</u>
Total instruction	<u>29,810,790</u>	<u>34,770,111</u>	<u>33,949,825</u>	<u>820,286</u>	<u>30,664,406</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Support services					
Pupils					
Attendance and social work services					
Salaries	\$ 729,098	\$ 683,059	\$ 716,700	\$ (33,641)	\$ 730,242
Employee benefits	158,918	-	99,797	(99,797)	105,557
Purchased services	1,100	-	-	-	-
Supplies and materials	<u>14,939</u>	<u>12,250</u>	<u>26,645</u>	<u>(14,395)</u>	<u>1,717</u>
Total	<u>904,055</u>	<u>695,309</u>	<u>843,142</u>	<u>(147,833)</u>	<u>837,516</u>
Guidance services					
Salaries	557,906	560,879	545,674	15,205	549,824
Employee benefits	133,880	-	85,298	(85,298)	86,238
Purchased services	16,160	34,316	2,926	31,390	14,315
Supplies and materials	<u>7,550</u>	<u>8,200</u>	<u>11,465</u>	<u>(3,265)</u>	<u>2,333</u>
Total	<u>715,496</u>	<u>603,395</u>	<u>645,363</u>	<u>(41,968)</u>	<u>652,710</u>
Health services					
Salaries	441,671	405,203	407,918	(2,715)	412,767
Employee benefits	85,470	-	76,979	(76,979)	69,321
Purchased services	20,063	-	2,538	(2,538)	3,964
Supplies and materials	12,521	28,500	4,043	24,457	3,435
Non-capitalized equipment	<u>-</u>	<u>35,600</u>	<u>38,844</u>	<u>(3,244)</u>	<u>-</u>
Total	<u>559,725</u>	<u>469,303</u>	<u>530,322</u>	<u>(61,019)</u>	<u>489,487</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Psychological services					
Salaries	\$ 544,626	\$ 496,999	\$ 552,677	\$ (55,678)	\$ 512,061
Employee benefits	84,478	-	33,060	(33,060)	42,419
Purchased services	5,500	-	1,113	(1,113)	1,559
Supplies and materials	30,000	30,000	20,500	9,500	6,169
Other objects	100	-	-	-	-
Total	<u>664,704</u>	<u>526,999</u>	<u>607,350</u>	<u>(80,351)</u>	<u>562,208</u>
Speech pathology and audiology services					
Salaries	1,000,630	948,049	925,333	22,716	984,977
Employee benefits	167,587	-	95,944	(95,944)	92,095
Purchased services	-	-	178	(178)	209
Total	<u>1,168,217</u>	<u>948,049</u>	<u>1,021,455</u>	<u>(73,406)</u>	<u>1,077,281</u>
Other support services - pupils					
Salaries	722,998	-	122,631	(122,631)	796,533
Employee benefits	66,772	-	8,178	(8,178)	29,855
Purchased services	1,500	-	-	-	1,994
Supplies and materials	32,865	-	-	-	23,382
Total	<u>824,135</u>	<u>-</u>	<u>130,809</u>	<u>(130,809)</u>	<u>851,764</u>
Total pupils	<u>4,836,332</u>	<u>3,243,055</u>	<u>3,778,441</u>	<u>(535,386)</u>	<u>4,470,966</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Instructional staff					
Improvement of instruction services					
Salaries	\$ 537,553	\$ 411,286	\$ 536,529	\$ (125,243)	\$ 483,854
Employee benefits	122,729	-	72,814	(72,814)	74,364
Purchased services	652,304	373,070	291,050	82,020	290,735
Supplies and materials	115,724	59,320	21,204	38,116	60,839
Other objects	1,583	1,833	2,741	(908)	2,090
Total	<u>1,429,893</u>	<u>845,509</u>	<u>924,338</u>	<u>(78,829)</u>	<u>911,882</u>
Educational media services					
Salaries	162,916	931,862	166,571	765,291	157,105
Employee benefits	46,649	-	36,656	(36,656)	36,367
Purchased services	-	1,074,691	14,090	1,060,601	10,155
Supplies and materials	20,871	338,108	8,711	329,397	6,654
Capital outlay	-	470,585	-	470,585	-
Other objects	-	300	-	300	-
Non-capitalized equipment	-	497,889	-	497,889	-
Total	<u>230,436</u>	<u>3,313,435</u>	<u>226,028</u>	<u>3,087,407</u>	<u>210,281</u>
Assessment and testing					
Purchased services	186,327	145,440	116,748	28,692	99,225
Supplies and materials	32,359	45,550	44,930	620	12,655
Total	<u>218,686</u>	<u>190,990</u>	<u>161,678</u>	<u>29,312</u>	<u>111,880</u>
Total instructional staff	<u>1,879,015</u>	<u>4,349,934</u>	<u>1,312,044</u>	<u>3,037,890</u>	<u>1,234,043</u>
General administration					
Board of education services					
Salaries	-	350,000	-	350,000	-
Employee benefits	234,406	77,000	10,087	66,913	215,621
Purchased services	321,100	932,206	412,094	520,112	320,772
Supplies and materials	24,500	21,500	23,077	(1,577)	16,121

(Continued)

Crete-Monee School District 201-U
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other objects	\$ 21,000	\$ 21,000	\$ 19,941	\$ 1,059	\$ 20,120
Non-capitalized equipment	-	6,436	-	6,436	-
Total	<u>601,006</u>	<u>1,408,142</u>	<u>465,199</u>	<u>942,943</u>	<u>572,634</u>
Executive administration services					
Salaries	316,270	309,543	422,769	(113,226)	304,314
Employee benefits	77,053	-	59,684	(59,684)	67,564
Purchased services	31,000	25,200	4,873	20,327	24,077
Supplies and materials	8,200	8,000	4,025	3,975	8,666
Other objects	15,000	16,500	(4,506)	21,006	15,890
Termination benefits	10,000	-	-	-	-
Total	<u>457,523</u>	<u>359,243</u>	<u>486,845</u>	<u>(127,602)</u>	<u>420,511</u>
Tort immunity services					
Employee benefits	75,000	-	141,971	(141,971)	62,642
Purchased services	<u>772,255</u>	-	<u>688,155</u>	<u>(688,155)</u>	<u>682,656</u>
Total	<u>847,255</u>	<u>-</u>	<u>830,126</u>	<u>(830,126)</u>	<u>745,298</u>
Total general administration	<u>1,905,784</u>	<u>1,767,385</u>	<u>1,782,170</u>	<u>(14,785)</u>	<u>1,738,443</u>
School administration					
Office of the principal services					
Salaries	2,249,149	2,425,282	2,283,482	141,800	2,141,440
Employee benefits	614,887	-	596,206	(596,206)	569,185
Purchased services	3,391	21,000	4,180	16,820	5,524
Supplies and materials	67,059	-	32,975	(32,975)	61,661
Other objects	8,030	2,500	4,206	(1,706)	5,407
Termination benefits	-	-	821	(821)	10,631
Total	<u>2,942,516</u>	<u>2,448,782</u>	<u>2,921,870</u>	<u>(473,088)</u>	<u>2,793,848</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other support services - school administration					
Salaries	\$ 806,824	\$ -	\$ 975,580	\$ (975,580)	\$ 809,411
Employee benefits	239,657	-	271,224	(271,224)	222,723
Purchased services	7,260	-	300	(300)	7,618
Supplies and materials	5,547	-	4,855	(4,855)	4,920
Other objects	500	-	-	-	375
Termination benefits	5,500	-	-	-	-
Total	1,065,288	-	1,251,959	(1,251,959)	1,045,047
Total school administration	4,007,804	2,448,782	4,173,829	(1,725,047)	3,838,895
Business					
Direction of business support services					
Salaries	188,590	485,810	210,941	274,869	178,772
Employee benefits	37,022	-	46,656	(46,656)	34,914
Purchased services	10,400	158,350	56,480	101,870	11,387
Supplies and materials	-	28,000	43,726	(15,726)	133
Other objects	-	1,000	370	630	-
Non-Capitalized Equipment	-	188,044	296,836	(108,792)	-
Termination benefits	-	-	-	-	5,980
Total	236,012	861,204	655,009	206,195	231,186
Fiscal services					
Salaries	400,674	-	356,891	(356,891)	396,637
Employee benefits	88,843	-	39,231	(39,231)	25,981
Purchased services	46,269	-	12,739	(12,739)	50,623
Supplies and materials	8,792	-	11,098	(11,098)	12,202
Other objects	1,750	-	-	-	860
Termination benefits	-	-	2,653	(2,653)	1,982
Total	546,328	-	422,612	(422,612)	488,285

(Continued)

Crete-Monee School District 201-U
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
Operation and maintenance of plant services					
Salaries	\$ 354,174	\$ 331,546	\$ 454,017	\$ (122,471)	\$ 379,504
Employee benefits	110,982	-	120,654	(120,654)	115,394
Purchased services	4,000	157,000	129,880	27,120	4,368
Supplies and materials	2,000	2,500	114	2,386	2,002
Capital outlay	14,100	-	-	-	9,059
Non-capitalized equipment	2,100	20,000	-	20,000	9,713
Total	<u>487,356</u>	<u>511,046</u>	<u>704,665</u>	<u>(193,619)</u>	<u>520,040</u>
Pupil transportation services					
Purchased services	550	-	-	-	938
Capital outlay	-	-	62,053	(62,053)	-
Total	<u>550</u>	<u>-</u>	<u>62,053</u>	<u>(62,053)</u>	<u>938</u>
Food services					
Salaries	818,264	721,310	783,586	(62,276)	717,699
Employee benefits	173,218	-	161,667	(161,667)	151,674
Purchased services	2,256	10,400	6,817	3,583	1,751
Supplies and materials	997,400	1,397,800	1,003,597	394,203	991,951
Capital outlay	-	18,000	-	18,000	-
Other objects	8,000	13,750	3,533	10,217	5,810
Non-capitalized equipment	650	26,075	30,735	(4,660)	-
Total	<u>1,999,788</u>	<u>2,187,335</u>	<u>1,989,935</u>	<u>197,400</u>	<u>1,868,885</u>
Total business	<u>3,270,034</u>	<u>3,559,585</u>	<u>3,834,274</u>	<u>(274,689)</u>	<u>3,109,334</u>

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Central					
Planning, research, development and evaluation services					
Salaries	\$ 125,619	\$ -	\$ 125,637	\$ (125,637)	\$ 121,960
Employee benefits	<u>16,251</u>	<u>-</u>	<u>20,875</u>	<u>(20,875)</u>	<u>19,357</u>
Total	<u>141,870</u>	<u>-</u>	<u>146,512</u>	<u>(146,512)</u>	<u>141,317</u>
Information services					
Salaries	209,266	94,170	279,819	(185,649)	229,218
Employee benefits	31,944	-	41,714	(41,714)	30,142
Purchased services	91,950	65,750	42,327	23,423	54,646
Supplies and materials	23,150	22,000	23,291	(1,291)	14,341
Other objects	11,000	500	790	(290)	10,280
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>369,310</u>	<u>182,420</u>	<u>387,941</u>	<u>(205,521)</u>	<u>338,627</u>
Staff services					
Salaries	500,506	456,055	450,916	5,139	452,290
Employee benefits	74,793	-	71,989	(71,989)	75,136
Purchased services	70,356	98,620	117,631	(19,011)	92,706
Supplies and materials	78,806	80,350	92,459	(12,109)	75,313
Other objects	845	2,250	3,846	(1,596)	2,261
Termination benefits	<u>-</u>	<u>-</u>	<u>1,813</u>	<u>(1,813)</u>	<u>-</u>
Total	<u>725,306</u>	<u>637,275</u>	<u>738,654</u>	<u>(101,379)</u>	<u>697,706</u>
Data processing services					
Salaries	575,857	-	645,901	(645,901)	586,036
Employee benefits	96,210	-	103,882	(103,882)	89,832
Purchased services	841,698	92,564	1,477,224	(1,384,660)	999,521
Supplies and materials	558,396	26,730	476,423	(449,693)	525,489
Capital outlay	-	-	10,747	(10,747)	-
Other objects	309	-	556	(556)	300

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Non-capitalized equipment	\$ 212,042	\$ 658,258	\$ 1,155,489	\$ (497,231)	\$ 284,927
Termination benefits	-	-	6,740	(6,740)	-
Total	<u>2,284,512</u>	<u>777,552</u>	<u>3,876,962</u>	<u>(3,099,410)</u>	<u>2,486,105</u>
Total central	<u>3,520,998</u>	<u>1,597,247</u>	<u>5,150,069</u>	<u>(3,552,822)</u>	<u>3,663,755</u>
Other supporting services					
Salaries	13,633	-	18,334	(18,334)	12,550
Employee benefits	3,880	-	-	-	-
Purchased services	1,034	-	-	-	-
Supplies and materials	5,391	-	331	(331)	5,282
Total	<u>23,938</u>	<u>-</u>	<u>18,665</u>	<u>(18,665)</u>	<u>17,832</u>
Total support services	<u>19,443,905</u>	<u>16,965,988</u>	<u>20,049,492</u>	<u>(3,083,504)</u>	<u>18,073,268</u>
Community services					
Salaries	17,849	219,536	34,607	184,929	27,748
Employee benefits	3,801	-	628	(628)	1,312
Purchased services	107,995	235,850	263,488	(27,638)	63,694
Supplies and materials	43,116	167,618	51,681	115,937	17,445
Other objects	400	1,101	1,081	20	253
Non-capitalized equipment	-	2,000	1,770	230	-
Total community services	<u>173,161</u>	<u>626,105</u>	<u>353,255</u>	<u>272,850</u>	<u>110,452</u>
Payments to other districts and government units					
Payments for special education programs					
Purchased services	60,788	-	-	-	-
Payments for special education programs - tuition					
Other objects	1,750,000	-	787,560	(787,560)	1,820,117

(Continued)

Crete-Monee School District 201-U

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Payments for CTE programs - tuition					
Other objects	\$ 200,000	\$ 383,000	\$ 157,500	\$ 225,500	\$ 158,048
Payments for community college programs - tuition					
Other objects	<u>250,000</u>	<u>-</u>	<u>235,916</u>	<u>(235,916)</u>	<u>303,534</u>
Total payments to other districts and other government units	<u>2,260,788</u>	<u>383,000</u>	<u>1,180,976</u>	<u>(797,976)</u>	<u>2,281,699</u>
Debt service					
Interest and fees	<u>-</u>	<u>385,202</u>	<u>39</u>	<u>385,163</u>	<u>-</u>
Total debt service	<u>-</u>	<u>385,202</u>	<u>39</u>	<u>385,163</u>	<u>-</u>
Total expenditures	<u>51,688,644</u>	<u>53,130,406</u>	<u>55,533,587</u>	<u>(2,403,181)</u>	<u>51,129,825</u>
Excess (deficiency) of revenues over expenditures	<u>(3,444,458)</u>	<u>329,084</u>	<u>(3,151,645)</u>	<u>(3,480,729)</u>	<u>(998,141)</u>
Other financing sources (uses)					
School technology loan	-	-	-	-	279,250
Transfer to Debt Service Fund for principal and interest on school technology loan	<u>-</u>	<u>-</u>	<u>(95,576)</u>	<u>(95,576)</u>	<u>(47,788)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(95,576)</u>	<u>(95,576)</u>	<u>231,462</u>
Net change in fund balance	<u>\$ (3,444,458)</u>	<u>\$ 329,084</u>	<u>(3,247,221)</u>	<u>\$ (3,576,305)</u>	<u>(766,679)</u>
Fund balance, beginning of year			<u>15,496,994</u>		<u>16,263,673</u>
Fund balance, end of year			<u>\$ 12,249,773</u>		<u>\$ 15,496,994</u>

(Concluded)

Crete-Monee School District 201-U
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$4,267,560	\$ 4,332,360	\$ 4,222,290	\$ (110,070)	\$ 4,075,358
Mobile home privilege tax	-	-	5,804	5,804	-
Interest on investments	43,500	43,500	20,689	(22,811)	(59,232)
Rentals	-	30,000	24,670	(5,330)	1,610
Other	-	5,000	33,721	28,721	27,252
Total local sources	<u>4,311,060</u>	<u>4,410,860</u>	<u>4,307,174</u>	<u>(103,686)</u>	<u>4,044,988</u>
Total revenues	<u>4,311,060</u>	<u>4,410,860</u>	<u>4,307,174</u>	<u>(103,686)</u>	<u>4,044,988</u>
Expenditures					
Support services					
Pupils					
Salaries	<u>29,238</u>	<u>-</u>	<u>54,582</u>	<u>(54,582)</u>	<u>35,365</u>
Total	<u>29,238</u>	<u>-</u>	<u>54,582</u>	<u>(54,582)</u>	<u>35,365</u>
Business					
Facilities acquisition and construction services					
Purchased services	<u>25,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,824</u>
Total	<u>25,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,824</u>

(Continued)

Crete-Monee School District 201-U
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
Operation and maintenance of plant services					
Salaries	\$ 1,652,389	\$ 1,740,438	\$ 1,662,301	\$ 78,137	\$ 1,526,065
Employee benefits	361,931	2,028,119	373,015	1,655,104	328,949
Purchased services	646,737	1,126,544	882,789	243,755	619,237
Supplies and materials	1,560,450	1,721,000	1,149,873	571,127	1,591,893
Capital outlay	25,750	262,680	150,313	112,367	17,812
Other objects	1,545	1,500	2,117	(617)	785
Non-capitalized equipment	25,750	157,000	25,575	131,425	9,982
Termination benefits	<u>3,815</u>	<u>21,000</u>	<u>1,667</u>	<u>19,333</u>	<u>3,704</u>
Total	<u>4,278,367</u>	<u>7,058,281</u>	<u>4,247,650</u>	<u>2,810,631</u>	<u>4,098,427</u>
Total business	<u>4,304,117</u>	<u>7,058,281</u>	<u>4,247,650</u>	<u>2,810,631</u>	<u>4,120,251</u>
Total expenditures	<u>4,333,355</u>	<u>7,058,281</u>	<u>4,302,232</u>	<u>2,756,049</u>	<u>4,155,616</u>
Excess (deficiency) of revenues over expenditures	<u>(22,295)</u>	<u>(2,647,421)</u>	<u>4,942</u>	<u>2,652,363</u>	<u>(110,628)</u>
Other financing sources (uses)					
Proceeds from sale of equipment	-	-	-	-	30
Transfer to Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,300,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,299,970)</u>
Net change in fund balance	<u>\$ (22,295)</u>	<u>\$(2,647,421)</u>	4,942	<u>\$ 2,652,363</u>	(2,410,598)
Fund balance, beginning of year			<u>4,073,393</u>		<u>6,483,991</u>
Fund balance, end of year			<u>\$ 4,078,335</u>		<u>\$ 4,073,393</u>

(Concluded)

Crete-Monee School District 201-U
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Actual	Variance	2017 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
General levy	\$ 4,199,280	\$ 4,263,030	\$ 4,007,220	\$ (255,810)	\$ 4,317,601
Mobile home privilege tax	-	-	5,710	5,710	-
Regular transportation fees from pupils or parents	10,000	-	271	271	2,216
Regular transportation fees from other districts	-	25,000	7,971	(17,029)	218
Interest on investments	5,000	5,000	81,232	76,232	21,614
Other	-	-	-	-	9,238
Total local sources	<u>4,214,280</u>	<u>4,293,030</u>	<u>4,102,404</u>	<u>(190,626)</u>	<u>4,350,887</u>
State sources					
Transportation - Regular/Vocational	680,000	1,805,000	1,867,072	62,072	1,898,556
Transportation - Special Education	<u>415,000</u>	<u>1,875,500</u>	<u>1,989,975</u>	<u>114,475</u>	<u>1,823,592</u>
Total state sources	<u>1,095,000</u>	<u>3,680,500</u>	<u>3,857,047</u>	<u>176,547</u>	<u>3,722,148</u>
Total revenues	<u>5,309,280</u>	<u>7,973,530</u>	<u>7,959,451</u>	<u>(14,079)</u>	<u>8,073,035</u>
Expenditures					
Business					
Pupil transportation services					
Salaries	148,434	160,909	333,807	(172,898)	147,571
Employee benefits	24,809	-	25,252	(25,252)	19,260
Purchased services	6,348,665	5,531,000	5,861,391	(330,391)	5,243,865
Supplies and materials	<u>5,150</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>6,527,058</u>	<u>5,696,909</u>	<u>6,220,450</u>	<u>(523,541)</u>	<u>5,410,696</u>

(Continued)

Crete-Monee School District 201-U
 Transportation Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Actual	Variance	2017 Actual
	Original Budget	Final Budget		From Final Budget	
Excess (deficiency) of revenues over expenditures	<u>\$ (1,217,778)</u>	<u>\$ 2,276,621</u>	\$ 1,739,001	<u>\$ (537,620)</u>	\$ 2,662,339
Fund balance, beginning of year			<u>7,092,365</u>		<u>4,430,026</u>
Fund balance, end of year			<u>\$ 8,831,366</u>		<u>\$ 7,092,365</u>

(Concluded)

Crete-Monee School District 201-U
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual (as restated)
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 950,243	\$ 964,681	\$ 940,697	\$ (23,984)	\$ 924,677
Social security/Medicare only levy	950,243	964,681	940,696	(23,985)	924,676
Mobile home privilege tax	-	-	1,294	1,294	-
Corporate personal property replacement taxes	-	-	50,000	50,000	50,000
Interest on investments	<u>1,000</u>	<u>1,000</u>	<u>19,914</u>	<u>18,914</u>	<u>5,741</u>
Total local sources	<u>1,901,486</u>	<u>1,930,362</u>	<u>1,952,601</u>	<u>22,239</u>	<u>1,905,094</u>
Total revenues	<u>1,901,486</u>	<u>1,930,362</u>	<u>1,952,601</u>	<u>22,239</u>	<u>1,905,094</u>
Expenditures					
Instruction					
Regular programs	113,791	-	240,448	(240,448)	193,598
Pre-K programs	56,640	-	1,419	(1,419)	1,368
Special education programs	71,325	1,330,909	402,959	927,950	363,162
Special education programs pre-K	294,775	-	27,567	(27,567)	30,800
Remedial and supplemental programs K-12	1,261	-	1,384	(1,384)	1,522
Vocational educational programs	763	-	1,188	(1,188)	960
Interscholastic programs	43,585	-	42,200	(42,200)	45,035
Summer school programs	4,487	-	4,150	(4,150)	3,753
Drivers education programs	1,807	-	1,713	(1,713)	1,951
Truant's alternative and optional programs	<u>12,768</u>	<u>-</u>	<u>13,496</u>	<u>(13,496)</u>	<u>13,969</u>
Total instruction	<u>601,202</u>	<u>1,330,909</u>	<u>736,524</u>	<u>594,385</u>	<u>656,118</u>

(Continued)

Crete-Monee School District 201-U
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual (as restated)
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 18,607	\$ -	\$ 18,906	\$ (18,906)	\$ 63,101
Guidance services	20,305	-	16,682	(16,682)	18,630
Health services	71,202	-	66,111	(66,111)	66,185
Psychological services	5,967	-	6,170	(6,170)	6,356
Speech pathology and audiology services	12,780	-	12,829	(12,829)	13,783
Other support services -pupils	<u>26,608</u>	<u>-</u>	<u>15,870</u>	<u>(15,870)</u>	<u>25,157</u>
Total pupils	<u>155,469</u>	<u>-</u>	<u>136,568</u>	<u>(136,568)</u>	<u>193,212</u>
Instructional staff					
Improvement of instruction services	25,602	-	34,000	(34,000)	30,609
Educational media services	<u>22,047</u>	<u>-</u>	<u>19,007</u>	<u>(19,007)</u>	<u>18,891</u>
Total instructional staff	<u>47,649</u>	<u>-</u>	<u>53,007</u>	<u>(53,007)</u>	<u>49,500</u>
General administration					
Executive administration services	16,678	-	18,175	(18,175)	15,904
Judgments and settlements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,393</u>
Total general administration	<u>16,678</u>	<u>-</u>	<u>18,175</u>	<u>(18,175)</u>	<u>24,297</u>
School administration					
Office of the principal services	128,430	-	134,318	(134,318)	131,317
Other support services - school administration	<u>12,067</u>	<u>-</u>	<u>14,019</u>	<u>(14,019)</u>	<u>11,562</u>
Total school administration	<u>140,497</u>	<u>-</u>	<u>148,337</u>	<u>(148,337)</u>	<u>142,879</u>

(Continued)

Crete-Monee School District 201-U
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			Variance From Final Budget	2017 Actual (as restated)
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services	\$ 8,469	\$ -	\$ 11,297	\$ (11,297)	\$ 8,161
Fiscal services	73,498	-	58,582	(58,582)	65,754
Operation and maintenance of plant services	330,917	-	345,253	(345,253)	283,512
Pupil transportation services	9,801	-	17,280	(17,280)	13,576
Food services	135,947	-	128,888	(128,888)	122,107
Total business	<u>558,632</u>	<u>-</u>	<u>561,300</u>	<u>(561,300)</u>	<u>493,110</u>
Central					
Planning, research, development and evaluation services	800	-	1,818	(1,818)	1,746
Information services	29,895	-	42,756	(42,756)	35,120
Staff services	47,374	-	50,002	(50,002)	52,342
Data processing services	91,954	-	106,010	(106,010)	95,084
Total central	<u>170,023</u>	<u>-</u>	<u>200,586</u>	<u>(200,586)</u>	<u>184,292</u>
Other support services	2,480	-	2,971	(2,971)	2,080
Total support services	<u>1,091,428</u>	<u>-</u>	<u>1,120,944</u>	<u>(1,120,944)</u>	<u>1,089,370</u>
Community services	369	-	834	(834)	724
Total expenditures	<u>1,692,999</u>	<u>1,330,909</u>	<u>1,858,302</u>	<u>(527,393)</u>	<u>1,746,212</u>
Excess of revenues over expenditures	<u>\$ 208,487</u>	<u>\$ 599,453</u>	94,299	<u>\$ (505,154)</u>	158,882
Fund balance, beginning of year (as restated)			<u>1,258,274</u>		<u>1,099,392</u>
Fund balance, end of year			<u>\$ 1,352,573</u>		<u>\$ 1,258,274</u>

(Concluded)

Crete-Monee School District 201-U
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education, on September 26, 2017. The budget was subsequently amended by the Board of Education on June 19, 2018.

2. EXPENDITURES IN EXCESS OF BUDGET

The following funds had expenditures in excess of budget at June 30, 2018:

<u>Funds</u>	<u>Variance</u>
General	\$ 2,403,181
Transportation	523,541
Municipal Retirement / Social Security	527,393
Capital Projects	319,971

Crete-Monee School District 201-U
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

3. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds (GAAP Basis) includes "on-behalf" payments received and made from the amounts contributed by the State of Illinois for the employer's share of the Teacher's Retirement System pension. The District does not budget for these amounts. The difference between the budget and the GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 52,381,942	\$ 55,533,587
To adjust for on-behalf payments received	22,642,632	-
To adjust for on-behalf payments made	-	<u>22,642,632</u>
General fund - GAAP basis	<u>\$ 75,024,574</u>	<u>\$ 78,176,219</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE*

Valuation Date:

Notes 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.

SUPPLEMENTARY FINANCIAL INFORMATION

Crete-Monee School District 201-U

General Fund

COMBINING BALANCE SHEET

June 30, 2018

	Educational Account	Working Cash Account	Total
ASSETS			
Cash and investments	\$ 15,466,754	\$ 1,225,406	\$ 16,692,160
Receivables (net of allowance for uncollectibles):			
Property taxes	14,180,493	83,350	14,263,843
Replacement taxes	153,854	-	153,854
Intergovernmental	757,989	-	757,989
Prepaid items	<u>69,911</u>	<u>-</u>	<u>69,911</u>
Total assets	<u>\$ 30,629,001</u>	<u>\$ 1,308,756</u>	<u>\$ 31,937,757</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 666,634	\$ -	\$ 666,634
Salaries and wages payable	2,614,715	-	2,614,715
Payroll deductions payable	1,730,566	-	1,730,566
Claims payable	476,873	-	476,873
Compensated absences payable	3,838	-	3,838
Unearned revenue	<u>34,133</u>	<u>-</u>	<u>34,133</u>
Total liabilities	<u>5,526,759</u>	<u>-</u>	<u>5,526,759</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	<u>14,078,475</u>	<u>82,750</u>	<u>14,161,225</u>
Total deferred inflows	<u>14,078,475</u>	<u>82,750</u>	<u>14,161,225</u>
FUND BALANCES			
Nonspendable	69,911	-	69,911
Unassigned	<u>10,953,856</u>	<u>1,226,006</u>	<u>12,179,862</u>
Total fund balance	<u>11,023,767</u>	<u>1,226,006</u>	<u>12,249,773</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 30,629,001</u>	<u>\$ 1,308,756</u>	<u>\$ 31,937,757</u>

Crete-Monee School District 201-U

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2018

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 27,421,562	\$ 222,312	\$ 27,643,874
Replacement taxes	852,974	-	852,974
State aid	40,083,362	-	40,083,362
Federal aid	4,660,565	-	4,660,565
Investment income	134,493	14,203	148,696
Other	1,635,096	7	1,635,103
Total revenues	74,788,052	236,522	75,024,574
Expenditures			
Current:			
Instruction:			
Regular programs	18,293,084	-	18,293,084
Special programs	13,336,514	-	13,336,514
Other instructional programs	2,240,459	-	2,240,459
State retirement contributions	22,642,632	-	22,642,632
Support services:			
Pupils	3,779,126	-	3,779,126
Instructional staff	1,311,359	-	1,311,359
General administration	1,581,598	-	1,581,598
School administration	4,173,829	-	4,173,829
Business	3,067,556	-	3,067,556
Transportation	-	-	-
Operations and maintenance	905,237	-	905,237
Central	5,139,322	-	5,139,322
Other supporting services	18,665	-	18,665
Community services	353,255	-	353,255
Nonprogrammed charges	1,180,976	-	1,180,976
Interest and other	39	-	39
Capital outlay	152,568	-	152,568
Total expenditures	78,176,219	-	78,176,219
Excess (deficiency) of revenues over expenditures	(3,388,167)	236,522	(3,151,645)

(Continued)

Crete-Monee School District 201-U

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2018

	Educational Account	Working Cash Account	Total
Other financing uses			
Transfer to Debt Service Fund for principal and interest on school technology loan	\$ (95,576)	\$ -	\$ (95,576)
Total other financing uses	(95,576)	-	(95,576)
Net change in fund balance	(3,483,743)	236,522	(3,247,221)
Fund balance, beginning of year	14,507,510	989,484	15,496,994
Fund balance, end of year	<u>\$ 11,023,767</u>	<u>\$ 1,226,006</u>	<u>\$ 12,249,773</u>

(Concluded)

Crete-Monee School District 201-U
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues					
Local sources					
General levy	\$ 11,714,711	\$ 11,892,686	\$ 11,660,935	\$ (231,751)	\$ 10,577,506
Mobile home privilege tax	-	-	15,942	15,942	-
Interest on investments	1,500	3,000	44,956	41,956	4,071
Other	-	-	-	-	41,761
Total local sources	<u>11,716,211</u>	<u>11,895,686</u>	<u>11,721,833</u>	<u>(173,853)</u>	<u>10,623,338</u>
Total revenues	<u>11,716,211</u>	<u>11,895,686</u>	<u>11,721,833</u>	<u>(173,853)</u>	<u>10,623,338</u>
Expenditures					
Bonds and other - interest	<u>596,100</u>	<u>3,814,711</u>	<u>1,200,978</u>	<u>2,613,733</u>	<u>1,214,860</u>
Total debt service - interest	<u>596,100</u>	<u>3,814,711</u>	<u>1,200,978</u>	<u>2,613,733</u>	<u>1,214,860</u>
Principal payments on long-term debt	<u>11,000,694</u>	<u>7,900,000</u>	<u>10,491,392</u>	<u>(2,591,392)</u>	<u>9,667,314</u>
Other debt service					
Purchased services	<u>105,000</u>	<u>-</u>	<u>725</u>	<u>(725)</u>	<u>3,033</u>
Total	<u>105,000</u>	<u>-</u>	<u>725</u>	<u>(725)</u>	<u>3,033</u>
Total debt service	<u>11,701,794</u>	<u>11,714,711</u>	<u>11,693,095</u>	<u>21,616</u>	<u>10,885,207</u>
Total expenditures	<u>11,701,794</u>	<u>11,714,711</u>	<u>11,693,095</u>	<u>21,616</u>	<u>10,885,207</u>
Excess (deficiency) of revenues over expenditures	<u>14,417</u>	<u>180,975</u>	<u>28,738</u>	<u>(152,237)</u>	<u>(261,869)</u>

(Continued)

Crete-Monee School District 201-U
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Actual	Variance	2017 Actual
	Original Budget	Final Budget		From Final Budget	
Other financing sources					
Transfer from General Fund for principal and interest on school technology loan	\$ -	\$ -	\$ 95,576	\$ 95,576	\$ 47,788
Total other financing sources	<u>-</u>	<u>-</u>	<u>95,576</u>	<u>95,576</u>	<u>47,788</u>
Net change in fund balance	<u>\$ 14,417</u>	<u>\$ 180,975</u>	124,314	<u>\$ (56,661)</u>	(214,081)
Fund balance, beginning of year			<u>4,344,214</u>		<u>4,558,295</u>
Fund balance, end of year			<u>\$ 4,468,528</u>		<u>\$ 4,344,214</u>

(Concluded)

Crete-Monee School District 201-U
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues					
Local sources					
Interest on investments	\$ 10,000	\$ 10,000	\$ 4,045	\$ (5,955)	\$ 13,706
Impact fees from municipal or county governments	-	-	22,964	22,964	-
Other	-	-	-	-	122,309
Total local sources	<u>10,000</u>	<u>10,000</u>	<u>27,009</u>	<u>17,009</u>	<u>136,015</u>
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>27,009</u>	<u>17,009</u>	<u>136,015</u>
Expenditures					
Support services					
Facilities acquisition and construction services					
Purchased services	100,000	100,000	233,026	(133,026)	53,401
Capital outlay	-	-	186,945	(186,945)	8,147,532
Total	<u>100,000</u>	<u>100,000</u>	<u>419,971</u>	<u>(319,971)</u>	<u>8,200,933</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>419,971</u>	<u>(319,971)</u>	<u>8,200,933</u>
Deficiency of revenues over expenditures	<u>(90,000)</u>	<u>(90,000)</u>	<u>(392,962)</u>	<u>(302,962)</u>	<u>(8,064,918)</u>

(Continued)

Crete-Monee School District 201-U
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget	
Other financing sources					
Transfer from Operations and Maintenance Fund	\$ -	\$ -	\$ -	\$ -	\$ 2,300,000
Total other financing sources	-	-	-	-	2,300,000
Net change in fund balance	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>	(392,962)	<u>\$ (302,962)</u>	(5,764,918)
Fund balance, beginning of year			<u>2,816,625</u>		<u>8,581,543</u>
Fund balance, end of year			<u>\$ 2,423,663</u>		<u>\$ 2,816,625</u>

(Concluded)

Crete-Monee School District 201-U
 Fire Prevention and Safety Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues					
Local sources					
General levy	\$ 6,259	\$ 6,334	\$ 4,573	\$ (1,761)	\$ 5,676
Mobile home privilege tax	-	-	1,683	1,683	-
Interest on investments	-	100	259	159	81
Other	-	-	-	-	11
Total local sources	<u>6,259</u>	<u>6,434</u>	<u>6,515</u>	<u>81</u>	<u>5,768</u>
Total revenues	<u>6,259</u>	<u>6,434</u>	<u>6,515</u>	<u>81</u>	<u>5,768</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 6,259</u>	<u>\$ 6,434</u>	<u>6,515</u>	<u>\$ 81</u>	<u>5,768</u>
Fund balance, beginning of year			<u>13,209</u>		<u>7,441</u>
Fund balance, end of year			<u>\$ 19,724</u>		<u>\$ 13,209</u>

Crete-Monee School District 201-U
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets				
Cash and investments	\$ 294,476	\$ 404,763	\$ 396,421	\$ 302,818
Liabilities				
Due to student groups	\$ 294,476	\$ 404,763	\$ 396,421	\$ 302,818

Crete-Monee School District 201-U
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows			
	for the Year Ended June 30	Principal	Interest	
Series 2016B				
General Obligation Bonds	2019	\$ -	\$ 579,000	\$ 579,000
Issued on June 29, 2016	2020	-	579,000	579,000
	2021	-	579,000	579,000
Principal payable annually on	2022	-	579,000	579,000
January 1 starting in 2026	2023	-	579,000	579,000
	2024	-	579,000	579,000
Interest payable bi-annually on	2025	-	579,000	579,000
January 1 and July 1	2026	1,050,000	579,000	1,629,000
	2027	9,530,000	526,500	10,056,500
	2028	1,000,000	50,000	1,050,000
		<u>1,000,000</u>	<u>50,000</u>	<u>1,050,000</u>
Total		\$ <u>11,580,000</u>	\$ <u>5,208,500</u>	\$ <u>16,788,500</u>
Series 2016C				
General Obligation Bonds	2019	\$ -	\$ 613,200	\$ 613,200
Issued on June 29, 2016	2020	-	613,200	613,200
	2021	-	613,200	613,200
Principal payable annually on	2022	-	613,200	613,200
January 1 starting in 2027	2023	-	613,200	613,200
	2024	-	613,200	613,200
Interest payable bi-annually on	2025	-	613,200	613,200
January 1 and July 1	2028	1,230,000	554,450	1,784,450
	2029	1,295,000	492,950	1,787,950
	2030	1,355,000	428,200	1,783,200
	2031	1,410,000	374,000	1,784,000
	2032	1,470,000	317,600	1,787,600
	2033	1,525,000	258,800	1,783,800
	2034	1,585,000	197,800	1,782,800
	2035	1,650,000	134,400	1,784,400
	2036	1,710,000	68,400	1,778,400
		<u>1,710,000</u>	<u>68,400</u>	<u>1,778,400</u>
Total		\$ <u>14,405,000</u>	\$ <u>8,345,400</u>	\$ <u>22,750,400</u>

(Continued)

Crete-Monee School District 201-U
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018

	Maturity as follows			Total
	for the Year Ended June 30	Principal	Interest	
Series 2004				
General Obligation Capital	2019	\$ 3,241,903	\$ 6,738,097	\$ 9,980,000
Issue of June 30, 2004	2020	2,968,861	6,916,139	9,885,000
Principal payable Oct 1	2021	2,657,398	6,912,602	9,570,000
Interest payable at maturity	2022	2,388,873	6,916,127	9,305,000
	2023	2,179,057	7,000,943	9,180,000
	2024	1,976,236	7,028,764	9,005,000
		<u>15,412,328</u>	<u>41,512,672</u>	<u>56,925,000</u>
Accumulated accreted interest		30,208,513	(30,208,513)	-
Total		<u>\$ 45,620,841</u>	<u>\$ 11,304,159</u>	<u>\$ 56,925,000</u>
Series 2005				
Capital Appreciation Bond				
Issue of December 29, 2005				
Principal payable annually on October 1	2025	\$ 1,769,577	\$ 2,635,423	\$ 4,405,000
	2026	3,229,506	5,290,494	8,520,000
Interest payable at maturity		<u>4,999,083</u>	<u>7,925,917</u>	<u>12,925,000</u>
Accumulated accreted interest		4,120,974	(4,120,974)	-
Total		<u>\$ 9,120,057</u>	<u>\$ 3,804,943</u>	<u>\$ 12,925,000</u>
Series 2006				
Capital Appreciation Bond	2019	\$ 455,436	\$ 364,564	\$ 820,000
Issued on June 8, 2006	2020	487,306	432,694	920,000
Principal payable annually on October 1	2021	623,848	611,152	1,235,000
	2022	722,610	777,390	1,500,000
Interest payable at maturity	2023	746,558	878,442	1,625,000
	2024	775,368	1,024,632	1,800,000
	2025	2,466,752	3,933,248	6,400,000
	2026	482,897	752,103	1,235,000
		<u>6,760,775</u>	<u>8,774,225</u>	<u>15,535,000</u>
Accumulated accreted interest		5,384,788	(5,384,788)	-
Total		<u>\$ 12,145,563</u>	<u>\$ 3,389,437</u>	<u>\$ 15,535,000</u>
Total General Obligation Bonds Payable		<u>\$ 92,871,461</u>	<u>\$ 32,052,439</u>	<u>\$ 124,923,900</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION (UNAUDITED)

Crete-Monee School District 201-U
PROPERTY TAX RATES - LEVIES AND COLLECTIONS*
LAST FIVE TAX LEVY YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed valuations	\$ <u>586,382,720</u>	\$ <u>562,971,694</u>	\$ <u>543,959,046</u>	\$ <u>549,007,057</u>	\$ <u>576,520,319</u>
Rates extended					
Educational	4.8998	4.7479	4.8000	4.8000	4.7447
Operations and maintenance	0.7367	0.7500	0.7500	0.7500	0.7406
Transportation	0.6746	0.7380	0.8545	0.7552	0.4246
Municipal retirement/social security	0.3280	0.3340	0.3458	0.3280	0.3030
Working cash	0.0288	0.0500	0.0500	0.0500	0.0494
Debt service	2.0452	2.0600	1.8247	2.1346	1.8743
Fire prevention and safety	0.0011	0.0011	0.0012	0.0010	0.0007
Total rates extended	<u>8.7142</u>	<u>8.6810</u>	<u>8.6262</u>	<u>8.8188</u>	<u>8.1373</u>
Levies extended					
Educational	\$ 28,731,581	\$ 26,729,333	\$ 26,110,034	26,352,338	27,354,160
Operations and maintenance	4,319,881	4,222,288	4,079,693	4,117,553	4,269,709
Transportation	3,955,738	4,154,731	4,648,130	4,146,101	2,447,905
Municipal retirement/social security	1,923,335	1,880,325	1,881,010	1,800,744	1,746,856
Working cash	168,878	281,486	271,980	274,504	284,801
Debt service	11,992,699	11,597,217	9,925,621	11,719,105	10,805,720
Fire prevention and safety	6,450	6,193	6,527	5,490	3,459
Total levies extended	<u>\$ 51,098,563</u>	<u>\$ 48,871,573</u>	<u>\$ 46,922,995</u>	<u>\$ 48,415,835</u>	<u>\$ 46,912,610</u>
Collections on levies extended					
Total collections	<u>\$ 25,367,845</u>	<u>\$ 48,306,792</u>	<u>\$ 46,493,496</u>	<u>\$ 47,534,502</u>	<u>\$ 46,564,097</u>
Percentage of extensions collected					
Total % of extensions collected	<u>49.64%</u>	<u>98.84%</u>	<u>99.08%</u>	<u>98.18%</u>	<u>99.26%</u>

*Tax Rates are expressed in dollars per \$100 of assessed valuation.

Source of information: Will County - Tax Rate Calculation Reports and Annual Financial Reports

Crete-Monee School District 201-U
OPERATING COSTS AND TUITION CHARGE
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING COST PER PUPIL		
Average Daily Attendance (ADA):	<u>4,351.46</u>	<u>4,361.23</u>
Operating costs:		
Educational	\$ 55,533,587	\$ 51,129,825
Operations and maintenance	4,302,232	4,155,616
Debt service	11,693,095	10,885,207
Transportation	6,220,450	5,410,696
Municipal retirement/social security	<u>1,858,302</u>	<u>1,799,579</u>
Subtotal	<u>79,607,666</u>	<u>73,380,923</u>
Less revenues/expenditures of nonregular programs:		
Tuition	2,447,359	1,544,074
Transportation	7,971	218
Pre-K	120,631	119,286
Special education	648,721	609,174
Summer school	78,470	78,555
Capital outlay	302,881	51,286
Debt principal retired	10,491,392	9,667,314
Community services	352,319	111,176
Payments to other government units	1,180,976	2,281,699
Non-capitalized equipment	<u>1,645,627</u>	<u>376,247</u>
Subtotal	<u>17,276,347</u>	<u>14,839,029</u>
Operating costs	<u>\$ 62,331,319</u>	<u>\$ 58,541,894</u>
Operating costs per pupil - based on ADA	<u>\$ 14,324</u>	<u>\$ 13,423</u>
TUITION CHARGE		
Operating costs	\$ 62,331,319	\$ 58,541,894
Less - revenues from specific programs, such as special education or lunch programs	<u>12,885,009</u>	<u>12,940,390</u>
Net operating costs	49,446,310	45,601,504
Depreciation allowance	<u>2,642,041</u>	<u>2,304,471</u>
Allowance tuition costs	<u>\$ 52,088,351</u>	<u>\$ 47,905,975</u>
Tuition charge per pupil - based on ADA	<u>\$ 11,970</u>	<u>\$ 10,985</u>