

**Community Consolidated School  
District 62  
Des Plaines, Illinois**

**Annual Financial Report**

For the year ended  
**June 30, 2018**

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

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## KLEIN HALL

### *Independent Auditor's Report*

Board of Education  
Community Consolidated School District 62  
Des Plaines, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 62 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

#### **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 the Community Consolidated School District 62 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**

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$44,846,731 as of July 1, 2017 as disclosed in note 11. Our opinions are 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 other required supplementary information as listed in the table of contents 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplementary 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.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2017, which are not presented with the accompanying financial statements, and we expressed 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 the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2017 financial statements 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 information has been subjected to the auditing procedures applied in the audit of those

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 2017 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of Community Consolidated School District 62'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 the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein Hall CPAs  
Aurora, Illinois  
November 27, 2018

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

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The discussion and analysis of Community Consolidated School District 62's (the "District") 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. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

### Financial Highlights

- In total, net position decreased by \$47.3 due to the implementation of GASB Statement Number 75. This represents a 40% decrease from 2017.
- General revenues accounted for \$77.7 in revenue or 73% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$29.3 or 27% of total revenues of \$107.0. This represents a 3% increase in revenues over the prior year.
- The District had \$109.5 in expenses related to government activities. However, only \$29.3 of these expenses were offset by program specific charges and grants. Total expenses were \$11.9 over the prior year, which includes \$4.3 for interest payments. The increase for all expenses is a 12% increase over the prior year. The increase for expenses, less interest expenses, is a 13% increase over the prior year.
- The District maintained a AA+ long-term debt rating from Standards & Poor's related to the taxable obligation Alternative Revenue Bonds issued in the fall of 2009.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with the Township Treasurer to obtain the best rates possible.
- *Revenues for FY2018 were impacted because of delayed or non-payment of portions of the state mandated categorical grants.*
- *Property tax receipts for FY2018 were reduced related to successful property tax objections filed in PTAB and circuit courts.*
- *The District abated \$9,534,576 in the 2017 debt service levy.*
- *The District maintained their "Financial Recognition" status under the ISBE rating scale for the 13th consecutive year.*

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

#### *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets plus deferred outflows and liabilities plus deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

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The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General (Educational Account, Operations and Maintenance Account, Working Cash Account and Tort Immunity and Judgment Account) Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund. The General Fund, Debt Service Fund and Capital Projects Fund are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

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*Notes to basic financial statements*

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

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

**District-Wide Financial Analysis**

The District's combined net position was lower on June 30, 2018, than they were the year before, decreasing 40% to \$69.7.

**Table 1**  
**Condensed Statements of Net Position**  
**(in millions of dollars)**

	2018	2017
<b>Assets</b>		
Current and other assets	\$ 159.4	\$ 157.7
Capital assets	85.7	88.3
Total assets	<u>245.1</u>	<u>246.0</u>
<b>Deferred outflows</b>		
Pension and OPEB deferrals	9.1	7.0
Total deferred outflows	<u>9.1</u>	<u>7.0</u>
<b>Liabilities</b>		
Current liabilities	1.0	1.1
Long-Term debt outstanding	136.1	97.1
Total liabilities	<u>137.1</u>	<u>98.2</u>
<b>Deferred inflows</b>		
Deferred revenue	32.8	31.8
Pension and OPEB deferrals	14.6	6.0
Total deferred inflows	<u>47.4</u>	<u>37.8</u>
<b>Net position</b>		
Net investment in capital assets	6.9	4.2
Restricted	16.6	17.2
Unrestricted	46.2	95.6
Total net position	<u>\$ 69.7</u>	<u>\$ 117.0</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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Expenses in the governmental activities of the District of \$109.5 were over revenues by \$2.5.

**Table 2**  
**Changes in Net Position**  
**(in millions of dollars)**

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
<i>Program Revenues</i>		
Charges for services	\$ 2.6	\$ 2.2
Operating grants & contributions	26.7	25.9
Capital grants & contributions	-	-
<i>General Revenues</i>		
Taxes	68.4	69.0
Evidence based funding	8.0	5.7
Other	1.3	0.7
Total Revenues	<u>107.0</u>	<u>103.5</u>
<b>Expenses</b>		
Instructional	73.0	65.5
Pupil & instructional staff services	8.6	8.4
Administration & Business	7.1	7.2
Transportation	3.5	3.0
Operations & Maintenance	6.3	5.9
Other	11.0	7.6
Total Expenses	<u>109.5</u>	<u>97.6</u>
Increase in net position	<u>(2.5)</u>	<u>5.9</u>
Net position- beginning	117.0	111.1
Restatement	<u>(44.8)</u>	<u>-</u>
Net position- beginning, as restated	72.2	111.1

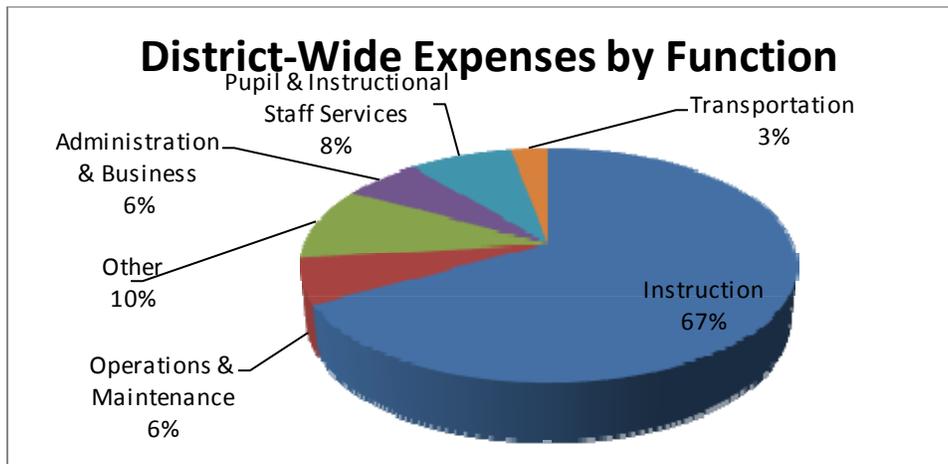
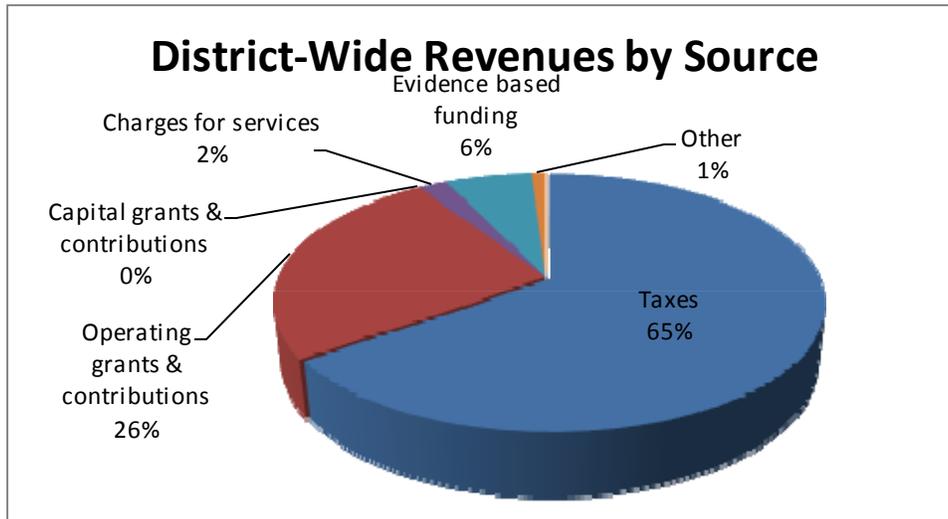
Property taxes accounted for the largest portion of the District's revenues, contributing 64%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$109.5, mainly related to instructing and caring for the students and student transportation of 77% and operations and maintenance of 6%.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

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### Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$123.7 to \$125.2. The District continues to implement a conservative approach to budgeting, which includes effectively managing resources and expenses. While the District budgets for current and potential program costs, it also plans for anticipated staffing increases for the delivery of required programs, the District evaluates the cost of programming and staffing on a routine basis and only approves budgetary expenses it deems necessary. As a result, the District is able to reduce expenditures and preserve resources.

### General Fund Budgetary Highlights

Revenues and expenditures were over budget by \$19.5 and \$9.9, respectively. This was mainly due to \$18.6 of on-behalf payments made by the State of Illinois to the Teachers Retirement System on the District's behalf that are not budgeted in the revenues or expenditures of the District. Without taking the on-behalf payment into consideration, expenditures would have been under budget by \$8.6.

The district has not historically budgeted for the State on-behalf payments due to budgeting on the cash basis. Because there is a "net neutral outcome" for the on-behalf payments for the revenue and expenditure sides, the District does not inflate their budget for these amounts. The financial statements are prepared using the modified accrual basis of accounting, so the on-behalf payments are recorded during the audit process. Further, due to the State's financial crisis, the District believes there is no guarantee that the State will make the TRS on-behalf payments. In the event the State does not take a "pension holiday" and makes the on-behalf TRS payment for the district, it is adjusted for during the audit adjustments.

### Capital Assets and Debt Administration

#### *Capital assets*

By the end of 2018, the District had compiled a total investment of \$130.4 (\$85.7 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.2. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

**Table 3**  
**Capital assets (net of depreciation)**  
**(in millions of dollars)**

	2018	2017
Land	\$ 0.8	\$ 0.8
Land improvements	6.6	6.6
Buildings	79.4	79.4
Equipment	1.5	1.5
Total	<u>\$ 88.3</u>	<u>\$ 88.3</u>

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

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### *Long-term debt*

The District retired \$5.3 in bonds in 2018. At the end of fiscal 2017, the District had a debt margin of \$47.3. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

**Table 4**  
**Outstanding Long-Term Debt**  
**(in millions of dollars)**

	2017	2016
General Obligation Bonds	\$ 84.1	\$ 89.1
Net Pension Liabilities and Other	13.0	18.7
Total	<u>\$ 97.1</u>	<u>\$ 107.8</u>

### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

- *Delayed or non-payment of portions of the state mandated categorical grants.*
- *Reduction in property tax revenues related to successful property tax objections filed in PTAB and Circuit courts.*

### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Community Consolidated School District 62  
777 Algonquin Road  
Des Plaines, Illinois 60016

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

## Statement of Net Position

June 30, 2018

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 124,474,348
Receivables	
Property taxes	32,762,762
Interest	455,700
Due from other governments	1,581,141
Prepaid items	98,200
Capital assets	
Land	793,100
Other capital assets, net of accumulated depreciation	84,939,096
<b>Total assets</b>	<u>245,104,347</u>
<b>Deferred Outflows</b>	
Deferred outflows related to pensions	7,273,305
Deferred outflows related to other post employment benefits	1,824,236
<b>Total deferred outflows</b>	<u>9,097,541</u>
<b>Liabilities</b>	
Accounts payable	234,488
Accrued interest payable	350,072
Payroll deductions payable	350,495
Due to activity funds	92,854
Noncurrent liabilities	
Due within one year	5,663,480
Due in more than one year	130,464,701
<b>Total liabilities</b>	<u>137,156,090</u>
<b>Deferred Inflows</b>	
Property taxes levied for subsequent year	32,762,762
Deferred inflows related to pensions	9,317,524
Deferred inflows related to other post-employment benefits	5,288,665
<b>Total deferred inflows</b>	<u>47,368,951</u>
<b>Net Position</b>	
Net investment in capital assets	6,917,196
Restricted for	
Tort immunity	1,468,852
Debt service	4,883,535
Capital projects	2,915,435
Transportation	5,949,363
Employee retirement	1,286,614
Fire prevention and safety	23,952
Unrestricted	46,231,900
<b>Total net position</b>	<u>\$ 69,676,847</u>

*See accompanying notes to basic financial statements*

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Statement of Activities  
Year Ended June 30, 2018

Functions	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Instructional services					
Regular programs	\$ 34,238,767	\$ 1,987,860	\$ 1,758,090	\$ -	\$ (30,492,817)
Special programs	13,351,687	84,173	2,867,507	-	(10,400,007)
Other programs	6,892,488	138,520	14,343	-	(6,739,625)
State retirement contributions	18,551,136	-	18,551,136	-	-
Support services					
Pupils	5,198,680	-	-	-	(5,198,680)
Instructional staff	3,391,637	-	172,499	-	(3,219,138)
General administration	1,549,360	-	-	-	(1,549,360)
School administration	2,772,667	-	-	-	(2,772,667)
Business	2,824,972	246,822	1,080,177	-	(1,497,973)
Operation and maintenance of facilities	6,271,206	17,753	-	-	(6,253,453)
Transportation	3,485,905	160,208	967,901	-	(2,357,796)
Central	4,451,761	-	-	-	(4,451,761)
Community services	292,917	-	-	-	(292,917)
Payments to other districts	1,946,423	-	-	-	(1,946,423)
Interest on long-term liabilities	4,293,507	-	1,326,523	-	(2,966,984)
Total school district	\$ 109,513,113	\$ 2,635,336	\$ 26,738,176	\$ -	(80,139,601)
<b>General revenues</b>					
Property taxes levied for					
General purposes					60,984,122
Transportation					1,901,233
Retirement					2,573,400
Corporate personal property replacement taxes					2,955,150
Federal and state aid not restricted to specific purposes					7,983,621
Earnings on investments					250,556
Miscellaneous					1,013,267
Total general revenues					<u>77,661,349</u>
Change in net position					(2,478,252)
Net position - beginning, as originally stated					117,001,830
Prior period adjustment					<u>(44,846,731)</u>
Net position - beginning, as adjusted					<u>72,155,099</u>
Net position - ending					<u>\$ 69,676,847</u>

See accompanying notes to basic financial statements

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Balance Sheet  
 Governmental Funds  
 June 30, 2018

<b>ASSETS</b>	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 109,355,668	\$ 4,874,479	\$ 2,909,487	\$ 7,334,714	\$ 124,474,348
Receivables					
Property taxes	30,596,186	-	-	2,166,576	32,762,762
Interest	410,998	9,056	5,948	29,698	455,700
Due from other governments	1,343,750	-	-	237,391	1,581,141
Prepaid items	98,200	-	-	-	98,200
<b>Total Assets</b>	<b>\$ 141,804,802</b>	<b>\$ 4,883,535</b>	<b>\$ 2,915,435</b>	<b>\$ 9,768,379</b>	<b>\$ 159,372,151</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 130,005	\$ -	\$ -	\$ 104,483	\$ 234,488
Payroll deductions payable	350,495	-	-	-	350,495
Due to activity funds	92,854	-	-	-	92,854
<b>Total Liabilities</b>	<b>573,354</b>	<b>-</b>	<b>-</b>	<b>104,483</b>	<b>677,837</b>
<b>Deferred Inflows</b>					
Other deferred revenues	472,591	-	-	237,391	709,982
Property taxes levied for subsequent year	30,596,186	-	-	2,166,576	32,762,762
<b>Total Deferred Inflows</b>	<b>31,068,777</b>	<b>-</b>	<b>-</b>	<b>2,403,967</b>	<b>33,472,744</b>
<b>Fund Balances</b>					
Nonspendable					
Prepaid Items	98,200	-	-	-	98,200
Restricted					
Tort immunity	1,370,922	-	-	-	1,370,922
Debt service	-	4,883,535	-	-	4,883,535
Capital projects	-	-	2,915,435	-	2,915,435
Transportation	-	-	-	5,949,363	5,949,363
Employee retirement	-	-	-	1,286,614	1,286,614
Fire prevention and safety	-	-	-	23,952	23,952
Unassigned	108,693,549	-	-	-	108,693,549
<b>Total Fund Balances</b>	<b>110,162,671</b>	<b>4,883,535</b>	<b>2,915,435</b>	<b>7,259,929</b>	<b>125,221,570</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 141,804,802</b>	<b>\$ 4,883,535</b>	<b>\$ 2,915,435</b>	<b>\$ 9,768,379</b>	<b>\$ 159,372,151</b>

See accompanying notes to basic financial statements.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2018

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**Total fund balances - governmental funds** \$ 125,221,570

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$130,397,373 and the accumulated depreciation is \$44,665,177 85,732,196

Some of the School District's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds. 709,982

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (350,072)

Deferred inflows and outflows of resources related to pensions and OPEB are not reported in governmental funds

Deferred outflows-pensions	7,273,305
Deferred inflows-pensions	(9,317,524)
Deferred outflows-OPEB	1,824,236
Deferred inflows-OPEB	(5,288,665)

Long-term liabilities included in the Statement of Net Position are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.

Bonds payable	(78,815,000)
Net pension liabilities	(9,980,479)
Net other postemployment benefits obligation	(44,204,590)
Compensated absences	(3,128,112)

**Net position of governmental activities** \$ 69,676,847

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2018

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 67,521,623	\$ 48,205	\$ 7,352	\$ 4,735,884	\$ 72,313,064
State sources	28,931,935	-	-	967,901	29,899,836
Federal sources	4,333,431	1,326,523	-	-	5,659,954
<b>Total Revenues</b>	<b>100,786,989</b>	<b>1,374,728</b>	<b>7,352</b>	<b>5,703,785</b>	<b>107,872,854</b>
<b>EXPENDITURES</b>					
Current operating					
Instruction	63,393,730	-	-	1,118,806	64,512,536
Support services	24,943,908	-	318,161	4,728,303	29,990,372
Community services	264,602	-	-	28,315	292,917
Non-programmed charges	1,946,423	-	-	-	1,946,423
Debt service					
Principal	-	5,305,000	-	-	5,305,000
Interest and other	-	4,312,035	-	-	4,312,035
<b>Total Expenditures</b>	<b>90,548,663</b>	<b>9,617,035</b>	<b>318,161</b>	<b>5,875,424</b>	<b>106,359,283</b>
Excess (deficiency) of revenues over expenditures	10,238,326	(8,242,307)	(310,809)	(171,639)	1,513,571
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	8,107,823	-	-	8,107,823
Transfers out	(8,107,823)	-	-	-	(8,107,823)
<b>Total other financing sources (uses)</b>	<b>(8,107,823)</b>	<b>8,107,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net changes in fund balance	2,130,503	(134,484)	(310,809)	(171,639)	1,513,571
Fund Balances at beginning of year	108,032,168	5,018,019	3,226,244	7,431,568	123,707,999
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 110,162,671</b>	<b>\$ 4,883,535</b>	<b>\$ 2,915,435</b>	<b>\$ 7,259,929</b>	<b>\$ 125,221,570</b>

See accompanying notes to basic financial statements.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2018

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**Net change in fund balances - total governmental funds** \$ 1,513,571

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	671,694
Depreciation expense	(3,218,000)

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds.

(837,993)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in other post employment benefits obligation	(1,240,238)
Change in deferred inflows/outflows related to other post employment benefits obligation	(3,464,429)
Change in accrued interest on debt	18,528
Change in compensated absences payable	(6,934)
Change in net pension liability	1,778,223
Change in deferred inflows/outflows related to pensions	(2,997,674)

The governmental funds report bond and loan proceeds as an other financing source, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal	<u>5,305,000</u>
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**Change in net position of governmental activities** \$ (2,478,252)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Agency Fund - Activity Fund

Statement of Fiduciary Assets and Liabilities

June 30, 2018

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**Assets**

Cash	<u>\$ 123,758</u>
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**Liabilities**

Due to organizations	<u>\$ 123,758</u>
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*See accompanying notes to basic financial statements.*

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Notes to Basic Financial Statements

June 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Consolidated School District 62 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

#### a. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

#### b. 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 legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

Governmental funds include the following funds:

**General Fund** - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

**Educational Account** – These accounts are used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Notes to Financial Statements (continued)

June 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Operations and Maintenance Account** – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

**Tort Immunity Account** – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

**Working Cash Account** – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

**Transportation Fund** – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

**Municipal Retirement/Social Security Fund** – This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

**Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Debt Service Fund** - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Projects Fund** – Capital Projects Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

**Fiduciary Fund**

**Agency Funds** - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

- General Fund
- Debt Service Fund (elected to be treated as major by the District)
- Capital Projects Fund (elected to be treated as major by the District)

**Net Position**

**Government-Wide Statements**

Net position is classified and displayed in three components:

1. Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation**

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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 the 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 instead as general revenues.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

**d. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 pay liabilities of the current period. For this purpose, the District considers all revenues except for property taxes available if they are collected within 60 days after year-end. The state is currently behind on payments to local government agencies resulting in current year state aid collections after 60 days of year end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Notes to Financial Statements (continued)

June 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until earned.

#### All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates

#### e. Assets, Liabilities and Net Position or Equity

##### i. Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

##### ii. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

##### iii. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

##### iv. Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 levy resolution was approved during the December 18, 2017 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed (typically, this is due in late August or early September). The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2017 property tax levy is recognized as a receivable in fiscal 2018, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2017 levy is to be used to finance operations in fiscal 2018. The District has determined that the second installment of the 2017 levy is to be used to finance operations in fiscal 2019 and has deferred the corresponding receivable.

v. Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

vi. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets.

vii. Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life of 1 year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and similar items are recorded at acquisition value at the date of donation.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Land Improvement	20-40
Vehicles	10
Equipment	5-15

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

viii. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2018 are determined on the basis of current salary rates and include salary related payments.

ix. 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 position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. 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, as well as bond issuance costs, during the period incurred. 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 costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

x. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Notes to Financial Statements (continued)

June 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### xi. Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

### 2. DEPOSITS AND INVESTMENTS

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

The 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.

#### a. Cash & Investments under the custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Maine Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Bond and Interest Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Maine Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2018, the fair value of all investments held by the Treasurer's office was \$470,698,699 and the fair value of the District's proportionate share of the pool was \$124,474,348.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

**b. Cash & Investments in the custody of the District**

Deposits of the student activity, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 123,758	\$ 114,540
Total	<u>\$ 123,758</u>	<u>\$ 114,540</u>

*Custodial Credit Risk - Deposits.* With respect to deposits, custodial credit risk refers to 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 states that the Treasurer shall maintain funds only in financial institutions that collateralize all funds in excess of FDIC or insurable limits.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**3. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 793,100	\$ -	\$ -	\$ 793,100
Total capital assets not being depreciated	793,100	-	-	793,100
Capital assets being depreciated				
Land improvements	9,983,528	3,706	-	9,987,234
Buildings	108,436,094	-	-	108,436,094
Equipment	10,512,957	667,988	-	11,180,945
Total capital assets being depreciated	128,932,579	671,694	-	129,604,273
Less Accumulated Depreciation for				
Land improvements	3,378,674	496,467	-	3,875,141
Buildings	29,013,007	2,481,630	-	31,494,637
Equipment	9,055,496	239,903	-	9,295,399
Total accumulated depreciation	41,447,177	3,218,000	-	44,665,177
Net capital assets being depreciated	87,485,402	(2,546,306)	-	84,939,096
Net governmental activities capital assets	\$ 88,278,502	\$ (2,546,306)	\$ -	\$ 85,732,196

Depreciation expense was recognized in the operating activities of the District as follows:

Regular programs	\$ 2,316,960
Special programs	193,080
Other instructional programs	80,450
Instructional staff	72,405
General administration	40,225
Business	257,440
Operations and maintenance	225,260
Central	32,180
Total depreciation expense - governmental activities	<u>\$ 3,218,000</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**4. LONG-TERM LIABILITIES**

*Changes in General Long-term Liabilities.* The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 84,120,000	\$ -	\$ 5,305,000	\$ 78,815,000	\$ 5,455,000
Net OPEB obligation-THIS	44,846,731	-	642,141	44,204,590	-
Net OPEB obligation-Healthcare	2,745,422	174,210	-	2,919,632	-
Net pension liability-TRS	4,469,616	3,002,044	-	7,471,660	-
Net pension liability-IMRF	7,289,086	-	4,780,267	2,508,819	-
Compensated absences	201,546	208,480	201,546	208,480	208,480
<b>Total long-term liabilities governmental activities</b>	<b>\$ 143,672,401</b>	<b>\$ 3,384,734</b>	<b>\$ 10,928,954</b>	<b>\$ 136,128,181</b>	<b>\$ 5,663,480</b>

The obligations for the compensated absences, OPEB, and net pension liability will be repaid from the General Fund – Educational and Operations & Maintenance Accounts.

*General Obligation Bonds.* The obligations for the General Obligation Bonds will be repaid from the Debt Service Fund. General Obligation Bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2009 GO Bonds dated November 10, 2009 are due in annual installments through December 1, 2029	4.19% - 6.01%	\$ 84,120,000	\$ 78,815,000

The 2009 bonds are alternate revenue source bonds payable from general revenues of the District, including personal property replacement taxes, general state aid, and interest earnings. These pledges will remain until all bonds are retired or mature in fiscal year 2030. The total amount of the pledge as of June 30, 2018 is \$107,210,648, which constitutes the remaining principal and interest on the bonds. During the current fiscal year, the principal and interest on the bonds was approximately 25% of the pledged revenues.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**4. LONG-TERM LIABILITIES (Continued)**

Annual debt service requirements to maturity for general obligation bonds and debt certificates are as follows for governmental type activities:

Fiscal Year	Principal	Interest	Total
2019	\$ 5,455,000	\$ 4,081,104	\$ 9,536,104
2020	5,615,000	3,833,851	9,448,851
2021	5,785,000	3,570,675	9,355,675
2022	5,970,000	3,290,484	9,260,484
2023	6,160,000	2,992,257	9,152,257
2024-2028	34,235,000	9,680,221	43,915,221
2029-2030	15,595,000	947,056	16,542,056
Total	<u>\$ 78,815,000</u>	<u>\$ 28,395,648</u>	<u>\$ 107,210,648</u>

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$121,262,096 providing a debt margin of \$47,330,631 after taking into account amounts available in the Debt Service Fund.

**5. RISK MANAGEMENT**

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: School Employee Loss Fund (SELF) for workers' compensation claims; and Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**6. OTHER POST-EMPLOYMENT BENEFITS**

**a. Teacher Health Insurance Security (THIS)**

*Plan Description*

The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services”; prior reports are available under “Healthcare and Family Services”.

*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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor’s approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

*Contributions*

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to 0.88% of each teacher’s salary. Additionally, the SEGIA requires the State to match the employees contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department’s Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

**On-behalf contributions to THIS.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$481,820, and the district recognized revenue and expenditures of this amount during the year.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$359,324 to the THIS Fund, which was 100 percent of the required contribution. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)***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. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 44,204,590
State's proportionate share of the net OPEB liability associated with the District	<u>58,051,611</u>
Total	<u>\$ 102,256,201</u>

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 TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.170348%, which was an increase of 0.006289% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,510,790.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 25,038
Changes in assumptions	-	5,263,140
Net difference between projected and actual earnings on OPEB plan investments	-	487
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,464,912</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	1,464,912	5,288,665
Contributions subsequent to the measurement date	<u>359,324</u>	<u>-</u>
Total	<u>\$ 1,824,236</u>	<u>\$ 5,288,665</u>

\$359,324 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Year Ending June 30	Net Deferred Inflows of Resources
2018	\$ 587,413
2019	587,413
2020	587,413
2021	587,413
2021	587,291
Thereafter	<u>886,810</u>
Total	<u>\$ 3,823,753</u>

*Actuarial Valuation Method*

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

*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:

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption,
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Discount rate*

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

*Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate*

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

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 53,045,277	\$ 44,204,590	\$ 37,130,640

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 35,677,632	\$ 44,204,590	\$ 56,443,597

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

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**b. Postemployment Healthcare Plan**

*Plan Description*

The District administers a single-employer defined benefit healthcare plan, the “retiree Healthcare Benefit Program: or “the Plan”. The plan provides healthcare insurance for eligible retirees and their dependents through the District’s group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law and through negotiations between the District and the unions representing District employees, which are renegotiated each bargaining period. The Plan does not issue a stand-alone financial report.

*Funding Policy*

All plan funding is done on a pay-as-you go basis. Eligibility for full or reduced benefits is based upon hire date and years of service. Retirees are responsible for the portion of premium rates not covered by the District’s health plan and are responsible for the full premium rate. Full-time TRS employees are not eligible to stay on District coverage except through COBRA provisions in retirement.

For fiscal year June 30, 2018, the District contributed \$85,392 to the Plan, total retiree contributions were not determined.

*Employees Covered by Benefit Terms*

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

Active participants	653
Retired participants	<u>17</u>
Total	<u><u>670</u></u>

*Net OPEB Liability*

The District’s net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Total OPEB liability	\$ 2,919,632
Plan fiduciary net position	-
Net OPEB liability (asset)	<u><u>\$ 2,919,632</u></u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Actuarial Assumptions*

The following are the methods and assumptions used to determine the total OPEB liability at June 30, 2017:

Discount rate	2.98%
Long-term Expected Rate of Return on Plan Assets	N/A
20 Year Municipal Bond Yield	2.98%
Salary increases	3.00%
Investment rate of return	N/A
Retirement age	Based on 2017 IMRF rates for IMRF employees; based on 2017 TRS rates for TRS employees
Mortality	IMRF - RP-2014 Healthy Mortality Tables with Blue Collar Adjustments for retirees, projected generationally with Scale MP-2014. TRS - RP-2014 Healthy Mortality Tables with White Collar Adjustments for retirees, projected generationally with Scale MP-2014.
Healthcare cost trend rates	For fiscal years on and after 2018, trend starts at 6.00%, and gradually decreases to an ultimate trend of 4.00% by fiscal year 2025.

*Discount Rate*

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is 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). The discount rate used is 2.98%, which is the Bond Buyer 20-Year Bond GO Index as of June 28, 2018.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

*Changes in Net OPEB Liability*

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2017	\$ 2,745,422	\$ -	\$ 2,745,422
Changes for the year:			
Service Cost	134,568	-	134,568
Interest on the Total OPEB Liability	88,807	-	88,807
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	-	-
Changes of Assumptions and Other Inputs	36,227	-	36,227
Contributions - Employer	-	85,392	(85,392)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(85,392)	(85,392)	-
Other (Net Transfer)	-	-	-
Net Changes	174,210	-	174,210
Balances at June 30, 2018	\$ 2,919,632	\$ -	\$ 2,919,632

*Sensitivity of the employer's proportionate share of the net OPEB liability to changes in the discount rate and healthcare cost trend rate*

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 2.98%, 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 or 1-percentage-point higher than the current rate:

	1% Decrease (1.98%)	Current Discount Rate (2.98%)	1% Increase (3.98%)
Net OPEB liability (asset)	\$ 3,144,757	\$ 2,919,632	\$ 2,708,125

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, 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 or 1-percentage-point higher than the current rate:

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**6. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

	1% Decrease (Varies)	Current Health Care Cost Trend Rate (Varies)	1% Increase (Varies)
Net OPEB liability (asset)	\$ 2,603,481	\$ 2,919,632	\$ 3,290,157

**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 \$226,478. At June 30, 2018, the District did not report any deferred outflows of resources and deferred inflows of resources related to OPEB.

**7. EMPLOYEE RETIREMENT SYSTEMS**

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

**a. Teachers' Retirement System of the State of Illinois (TRS)**

*Plan Description*

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (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.

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

*Contributions*

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$18,069,316 in pension contributions from the State of Illinois.

**2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2018 were \$236,827, and are deferred because they were paid after the June 30, 2017 measurement date.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District 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 21, 2018.

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

For the year ended June 30, 2018, the employer pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$327,165 were paid from the federal and special trust funds that required employer contributions of \$33,044. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer made no payments to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District made paid \$365 to TRS for employer contributions due on salary increases in excess of 6% and made no payments 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 follows:

District's proportionate share of the net pension liability	\$ 7,471,660
State's proportionate share of the net pension liability associated with the District	<u>274,362,245</u>
Total	<u><u>\$ 281,833,905</u></u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**7. EMPLOYEE RETIREMENT SYSTEMS (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 projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.00978% which was a decrease of .00412% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$27,001,418 and revenue of \$27,001,418 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 81,150	\$ 3,449
Changes in assumptions	498,680	214,701
Net difference between projected and actual earnings on pension plan investments	5,126	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>4,071,283</u>	<u>4,365,660</u>
Total deferred amounts to be recognized in pension expense in future periods	4,656,239	4,583,810
District contributions subsequent to the measurement date	<u>270,236</u>	-
Total	<u>\$ 4,926,475</u>	<u>\$ 4,583,810</u>

\$269,871 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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 Ending June 30	Net Deferred Outflows of Resources
2018	\$ 62,407
2019	290,333
2020	(583,644)
2021	231,479
2022	<u>71,854</u>
Total	<u>\$ 72,429</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)***Actuarial Assumptions*

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

Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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

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

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

*Discount rate*

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 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 covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 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 II were not sufficient to cover all projected benefit payments.

*Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	<u>\$ 9,179,910</u>	<u>\$ 7,471,660</u>	<u>\$ 6,072,461</u>

*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.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**b. Illinois Municipal Retirement Fund (IMRF)**

*Plan Description and Benefits*

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

*Plan Membership*

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

Inactive employees or beneficiaries currently receiving benefits	297
Inactive employees entitled to but not yet receiving benefits	440
Active employees	305
Total	<u>1,042</u>

*Contributions*

As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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 actual contribution rate for calendar year 2017 was 12.96% of covered payroll. For fiscal year ended 2018, the District contributed \$1,307,283 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

*Net Pension Liability*

The District's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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 that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.
Other Information: Notes	There were no benefit changes during the year.

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 are summarized in the following table:

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.0%	6.85%
International equities	18.0%	6.75%
Fixed income	28.0%	3.00%
Real estate	9.0%	5.75%
Alternative Investments	7.0%	2.65-7.35%
Cash	1.0%	2.25%
	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)***Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 52,272,990	\$ 44,983,904	\$ 7,289,086
Changes for the year:			
Service Cost	1,083,131	-	1,083,131
Interest on the Total Pension Liability	3,873,774	-	3,873,774
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(108,375)	-	(108,375)
Changes of Assumptions	(1,621,096)	-	(1,621,096)
Contributions - Employer	-	1,291,298	(1,291,298)
Contributions - Employees	-	454,443	(454,443)
Net Investment Income	-	7,794,304	(7,794,304)
Benefit Payments, including Refunds of Employee Contributions	(2,328,474)	(2,328,474)	-
Other (Net Transfer)	-	(1,532,344)	1,532,344
Net Changes	898,960	5,679,227	(4,780,267)
Balances at December 31, 2017	\$ 53,171,950	\$ 50,663,131	\$ 2,508,819

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

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 8,888,298	\$ 2,508,819	\$ (2,804,072)

*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 \$2,108,757. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 174,284	\$ 69,000
Changes in assumptions	-	1,064,852
Net difference between projected and actual earnings on pension plan investments	<u>1,461,126</u>	<u>3,599,862</u>
Total deferred amounts to be recognized in pension expense in future periods	1,635,410	4,733,714
Contributions subsequent to the measurement date	<u>711,420</u>	-
Total	<u>\$ 2,346,830</u>	<u>\$ 4,733,714</u>

\$711,420 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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 Ending December 31	Net Deferred Outflows of Resources
2018	\$ (625,297)
2019	(726,283)
2020	(846,757)
2021	<u>(899,967)</u>
Total	<u>\$ (3,098,304)</u>

**8. STATE AND FEDERAL AID CONTINGENCIES**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowance, if any, would be immaterial.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**9. INTERFUND TRANSERS**

During the year, the Board of Education made the following transfers:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Educational Account	Operations and Maintenance Account	\$ 150,000
Working Cash Account	Operations and Maintenance Account	296,798
Operations and Maintenance Account	Debt Service Fund	<u>8,107,823</u>
	Total Transfers	<u>\$ 8,554,621</u>

State law allows for the above transfer.

**10. FUND BALANCE REPORTING**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories.

1. Special Education

Revenues received and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

2. Tort Immunity Account

Expenditures disbursed and the related revenues received are accounted for in the Tort Immunity Account. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,468,852 .

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Notes to Financial Statements (continued)

June 30, 2018

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**10. FUND BALANCE REPORTING (Continued)**

3. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2018, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

4. Capital Projects Funds

Expenditures and the related revenues received are accounted for in the Capital Projects and Fire Prevention and Safety Funds. All equity within these funds are restricted for the associated capital expenditures within these funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

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

**11. CHANGE IN ACCOUNTING PRINCIPLE**

The District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended June 30, 2018. Statement No. 75 expands disclosures related to postemployment benefits other than pensions and requires the District to report the net other postemployment benefit liability in the statement of net position. The adoption of this statement had no effect on any of the District's fund balances but reduced the District's governmental activities net position by \$44,846,731 as of July 1, 2017.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
Schedule of Changes in The Employer's Net Pension Liability  
And Related Ratios  
Illinois Municipal Retirement Fund  
Last Four Calendar Years

	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>				
Service Cost	\$ 1,083,131	\$ 1,060,456	\$ 1,033,627	\$ 1,061,948
Interest	3,873,774	3,641,028	3,480,923	3,162,766
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(108,375)	646,984	(262,151)	64,414
Changes of Assumptions	(1,621,096)	(121,505)	58,171	1,958,960
Benefit Payments, Including Refunds of Member Contributions	(2,328,474)	(2,201,170)	(2,041,675)	(1,818,054)
Net Change in Total Pension Liability	898,960	3,025,793	2,268,895	4,430,034
Total Pension Liability - Beginning	52,272,990	49,247,197	46,978,302	42,548,268
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 53,171,950</b>	<b>\$ 52,272,990</b>	<b>\$ 49,247,197</b>	<b>\$ 46,978,302</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - Employer	\$ 1,291,298	\$ 1,258,974	\$ 1,223,513	\$ 1,235,166
Contributions - Member	454,443	445,643	422,099	414,485
Net Investment Income	7,794,304	2,891,624	213,478	2,452,083
Benefit Payments, Including Refunds of Member Contributions	(2,328,474)	(2,201,170)	(2,041,675)	(1,818,054)
Administrative Expense	(1,532,344)	476,857	(599,147)	327,739
Net Change in Plan Fiduciary Net Position	5,679,227	2,871,928	(781,732)	2,611,419
Plan Net Position - Beginning	44,983,904	42,111,976	42,893,708	40,282,289
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 50,663,131</b>	<b>\$ 44,983,904</b>	<b>\$ 42,111,976</b>	<b>\$ 42,893,708</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 2,508,819</b>	<b>\$ 7,289,086</b>	<b>\$ 7,135,221</b>	<b>\$ 4,084,594</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.28%	86.06%	85.51%	91.31%
Covered-Employee Payroll	\$ 9,972,577	\$ 9,560,424	\$ 9,315,610	\$ 9,026,088
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	25.16%	76.24%	76.59%	45.25%

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of Employer Contributions  
 Illinois Municipal Retirement Fund  
 Last Four Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 1,307,283	\$ 1,307,283	\$ -	\$ 10,032,543	13.03%
2017	1,298,620	1,298,620	-	9,946,116	13.06%
2016	1,244,726	1,244,726	-	9,464,807	13.15%
2015	1,235,671	1,235,166	505	9,026,088	13.68%

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	26 year closed period
Asset valuation method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75%- approximate; No explicit price inflation assumption is used in this valuation
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, 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, the IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information**

Notes There were no benefit changes during the year.

The District implemented GASB Statement No. 68 in fiscal year 2015.  
 Information prior to fiscal year 2015 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of the District's Proportionate Share of the

Net Pension Liability

Teachers' Retirement System

Last Four Fiscal Years

	2018*	2017*	2016*	2015*
District's proportion of the net pension liability	0.00978%	0.00566%	0.01565%	0.00869%
District's proportionate share of the net pension liability	\$ 7,471,660	\$ 4,469,616	\$ 10,327,808	\$ 5,287,920
State's proportionate share of the net pension liability associated with the District	274,362,245	138,106,226	551,961,632	226,093,384
Total	\$281,833,905	\$142,575,842	\$562,289,440	\$231,381,304
District's covered payroll	\$ 40,832,244	\$ 38,233,190	\$ 37,189,242	\$ 36,282,187
District's proportionate share of the net pension liability as a percentage of it's covered payroll	18.30%	11.69%	27.77%	14.57%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

\*The amounts presented have a measurement date as of the previous fiscal year end.

**Changes of assumptions**

For the 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 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 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

The District implemented GASB Statement No. 68 in fiscal year 2015.

Information prior to fiscal year 2015 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of Employer Contributions

Teachers' Retirement System

Last Four Fiscal Years

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 270,236	\$ 270,236	\$ -	40,832,244	0.66%
2017	418,819	418,819	-	39,116,548	1.07%
2016	341,644	341,644	-	38,233,190	0.89%
2015	511,195	511,195	-	37,189,242	1.37%

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of the District's Proportionate Share of the OPEB Liability

Teachers' Health Insurance Security Fund

June 30, 2018

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	<u>2018</u>
District's proportion of the net pension liability	0.156422%
District's proportionate share of the net pension liability	\$ 44,204,590
State's proportionate share of the net pension liability associated with the District	<u>58,051,611</u>
	<u>\$ 102,256,201</u>
District's covered-employee payroll	\$ 40,832,244
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	108.26%
Plan fiduciary net position as a percentage of the total pension liability	0.00%

The District implemented GASB Statement No. 75 in fiscal year 2018.

Information prior to fiscal year 2018 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of Employer Contributions  
Teachers' Health Insurance Security Fund  
Year Ended June 30, 2018

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 359,324	\$ 359,324	\$ -	\$ 40,832,244	0.88%

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
Statement of Revenues, Expenditures and Changes in Fund  
Balances - Budget And Actual - General Fund  
Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance Over/ (Under)
<b>REVENUES</b>			
Local sources	\$ 68,633,782	\$ 67,521,623	\$ (1,112,159)
State sources	8,926,000	28,931,935	20,005,935
Federal sources	3,770,000	4,333,431	563,431
<b>Total Revenues</b>	<b>81,329,782</b>	<b>100,786,989</b>	<b>19,457,207</b>
<b>EXPENDITURES</b>			
Current operating			
Instruction	48,230,842	63,393,730	15,162,888
Support services	30,749,869	24,943,908	(5,805,961)
Community services	283,654	264,602	(19,052)
Non-programmed charges	1,243,720	1,946,423	702,703
Provision for contingencies	100,000	-	(100,000)
<b>Total Expenditures</b>	<b>80,608,085</b>	<b>90,548,663</b>	<b>9,940,578</b>
Excess (deficiency) of revenues over expenditures	721,697	10,238,326	9,516,629
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	572,137	-	(572,137)
Transfers out	(8,679,960)	(8,107,823)	572,137
<b>Total other financing sources (uses)</b>	<b>(8,107,823)</b>	<b>(8,107,823)</b>	<b>-</b>
Net change in fund balance	<u>\$ (7,386,126)</u>	2,130,503	<u>\$ 9,516,629</u>
Fund balances at beginning of year		<u>108,032,168</u>	
<b>FUND BALANCES AT END OF YEAR</b>		<u><b>\$ 110,162,671</b></u>	

## COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62

Notes to Required Supplementary Information

June 30, 2018

### 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Board of Education, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements:

1. 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.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. Management is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on September 18, 2017.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.

### 2. Excess of Expenditures over Budget

For the year ended June 30, 2018, expenditures exceeded budget amount in the following Fund:

	Budget	Actual	Excess
General Fund - Educational Account	\$ 72,916,231	\$ 84,643,731	\$ 11,727,500
General Fund - Operations and Maintenance Account	7,211,854	5,494,092	(1,717,762)
General Fund - Tort Immunity Account	480,000	406,372	(73,628)
Total General Fund	<u>\$ 80,608,085</u>	<u>\$ 90,544,195</u>	<u>\$ 9,936,110</u>

The General Fund – Educational Account budget excess is due to \$18,551,136 in payments to TRS made on-behalf of the District by the State of Illinois that are reflect as revenue and expense in the District’s financial statements, but are not budgeted.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

General Fund

Combining Balance Sheet by Account

June 30, 2018

<b>ASSETS</b>	Educational	Operations and Maintenance	Working Cash
Cash and investments	\$ 80,950,051	\$ 8,727,413	\$ 18,312,568
Receivables			
Property taxes	25,624,119	4,502,355	384,076
Interest	299,081	26,461	80,170
Due from other governments	840,233	503,517	-
Prepaid items	270	-	-
<b>Total Assets</b>	<b>\$ 107,713,754</b>	<b>\$ 13,759,746</b>	<b>\$ 18,776,814</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 104,218	\$ 25,787	\$ -
Payroll deductions payable	1,264,552	(914,057)	-
Due to other funds	-	-	-
Due to activity funds	92,854	-	-
<b>Total Liabilities</b>	<b>1,461,624</b>	<b>(888,270)</b>	<b>-</b>
<b>Deferred Inflows</b>			
Other unavailable revenues	472,591	-	-
Property taxes levied for subsequent year	25,624,119	4,502,355	384,076
<b>Total Deferred Inflows</b>	<b>26,096,710</b>	<b>4,502,355</b>	<b>384,076</b>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	270	-	-
Restricted			
Tort Immunity	-	-	-
Unassigned	80,155,150	10,145,661	18,392,738
<b>Total Fund Balances</b>	<b>80,155,420</b>	<b>10,145,661</b>	<b>18,392,738</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 107,713,754</b>	<b>\$ 13,759,746</b>	<b>\$ 18,776,814</b>

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Tort Immunity	Total General
\$ 1,365,636	\$ 109,355,668
85,636	30,596,186
5,286	410,998
-	1,343,750
97,930	98,200
<hr/>	
\$ 1,554,488	\$ 141,804,802
<hr/>	

\$ -	\$ 130,005
-	350,495
-	-
-	92,854
<hr/>	
-	573,354
<hr/>	
-	472,591
85,636	30,596,186
<hr/>	
85,636	31,068,777
<hr/>	
97,930	98,200
1,370,922	1,370,922
-	108,693,549
<hr/>	
1,468,852	110,162,671
<hr/>	
\$ 1,554,488	\$ 141,804,802
<hr/>	

**COMMUNITY COSOLIDATED SCHOOL DISTRICT 62**  
 General Fund  
 Combining Statement of Revenues, Expenditures and Changes  
 In Fund Balances by Account  
 Year Ended June 30, 2017

	Educational	Operations and Maintenance	Working Cash
<b>REVENUES</b>			
Local sources	\$ 54,704,922	\$ 11,622,298	\$ 836,746
State sources	28,923,845	8,090	-
Federal sources	4,333,431	-	-
<b>Total Revenues</b>	<b>87,962,198</b>	<b>11,630,388</b>	<b>836,746</b>
<b>EXPENDITURES</b>			
Current operating			
Instruction	63,393,730	-	-
Support services	19,043,444	5,494,092	-
Community services	264,602	-	-
Non-programmed charges	1,946,423	-	-
<b>Total Expenditures</b>	<b>84,648,199</b>	<b>5,494,092</b>	<b>-</b>
Excess of revenues over (under) expenditures	3,313,999	6,136,296	836,746
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	446,798	-
Transfers out	(150,000)	(8,107,823)	(296,798)
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(7,661,025)</b>	<b>(296,798)</b>
Net change in fund balance	3,163,999	(1,524,729)	539,948
Fund balances at beginning of year	76,991,421	11,670,390	17,852,790
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 80,155,420</b>	<b>\$ 10,145,661</b>	<b>\$ 18,392,738</b>

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	Tort Immunity	Total General
\$	357,657	\$ 67,521,623
	-	28,931,935
	-	4,333,431
	<u>357,657</u>	<u>100,786,989</u>
	-	63,393,730
	406,372	24,943,908
	-	264,602
	-	1,946,423
	<u>406,372</u>	<u>90,548,663</u>
	<u>(48,715)</u>	<u>10,238,326</u>
	-	446,798
	-	(8,554,621)
	<u>-</u>	<u>(8,107,823)</u>
	(48,715)	2,130,503
	<u>1,517,567</u>	<u>108,032,168</u>
<u>\$</u>	<u>1,468,852</u>	<u>\$ 110,162,671</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 48,152,000	\$ 47,148,474	\$ (1,003,526)	\$ 47,732,036
Special education levy	4,630,832	3,984,278	(646,554)	3,337,696
Corporate replacement taxes	-	-	-	1,179,739
Tuition	1,550,000	1,607,145	57,145	1,550,352
Earnings on investments	801,000	104,107	(696,893)	182,916
Food services	286,000	246,822	(39,178)	274,967
Pupil activities	10,000	9,267	(733)	10,155
Textbooks	100,000	234,480	134,480	84,620
Other local sources	201,500	1,370,349	1,168,849	355,681
<b>Total Local Sources</b>	<b>55,731,332</b>	<b>54,704,922</b>	<b>(1,026,410)</b>	<b>54,708,162</b>
State Sources				
Evidence based funding	6,600,000	7,983,621	1,383,621	4,585,669
Bilingual education	-	480,479	480,479	142,180
Special education	320,000	903,966	583,966	1,710,820
School lunch aid	6,000	15,790	9,790	1,652
Early childhood	500,000	982,600	482,600	561,000
On behalf payments to TRS from the state	-	18,551,136	18,551,136	15,321,679
Other grants-in-aid	-	6,253	6,253	-
<b>Total State Sources</b>	<b>7,426,000</b>	<b>28,923,845</b>	<b>21,497,845</b>	<b>22,323,000</b>
Federal Sources				
National school lunch program	700,000	723,620	23,620	700,390
School breakfast program	120,000	303,451	183,451	125,116
Child care commodity	40,000	37,316	(2,684)	42,025
Title I - Low income	960,000	943,779	(16,221)	1,347,900
IDEA - Flow through	1,160,000	1,181,127	21,127	1,182,626
Title III - English language acquisition	150,000	150,885	885	217,334
Title II - Teacher quality	140,000	172,499	32,499	138,368
Medicaid	500,000	820,754	320,754	607,084
<b>Total Federal Sources</b>	<b>3,770,000</b>	<b>4,333,431</b>	<b>563,431</b>	<b>4,360,843</b>
<b>Total Revenues</b>	<b>66,927,332</b>	<b>87,962,198</b>	<b>21,034,866</b>	<b>81,392,005</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 21,993,075	\$ 21,229,852	\$ (763,223)	\$ 19,958,894
Employee benefits	3,193,000	3,265,962	72,962	2,643,250
Employee benefits - on behalf payments	-	18,551,136	18,551,136	15,321,679
Purchased services	545,000	250,273	(294,727)	498,857
Supplies and materials	1,420,277	732,141	(688,136)	1,131,899
Capital outlay	39,000	-	(39,000)	3,480
Other	18,500	7,169	(11,331)	6,680
Non-capitalized equipment	40,353	20,651	(19,702)	22,497
<b>Total</b>	<b>27,249,205</b>	<b>44,057,184</b>	<b>16,807,979</b>	<b>39,587,236</b>
Pre-K programs				
Employee benefits	-	-	-	7
Purchased services	-	-	-	91
Supplies and materials	-	-	-	400
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498</b>
Special education programs				
Salaries	10,286,114	9,688,008	(598,106)	9,255,998
Employee benefits	2,185,700	2,021,660	(164,040)	1,771,134
Purchased services	169,200	69,893	(99,307)	6,014
Supplies and materials	227,100	172,348	(54,752)	161,639
Capital outlay	2,000	16,055	14,055	-
Non-capitalized equipment	12,000	6,853	(5,147)	1,274
<b>Total</b>	<b>12,882,114</b>	<b>11,974,817</b>	<b>(907,297)</b>	<b>11,196,059</b>
Remedial and supplemental programs K-12				
Salaries	159,000	413,119	254,119	418,024
Employee benefits	120,000	119,425	(575)	139,835
Purchased services	30,000	38,217	8,217	53,691
Supplies and materials	100,000	58,248	(41,752)	95,527
Capital outlay	12,000	7,361	(4,639)	3,839
Non-capitalized equipment	20,000	1,083	(18,917)	14,104
<b>Total</b>	<b>441,000</b>	<b>637,453</b>	<b>196,453</b>	<b>725,020</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>Interscholastic programs</b>				
Salaries	\$ 379,000	\$ 317,084	\$ (61,916)	\$ 280,531
Employee benefits	2,000	9,449	7,449	1,589
Purchased services	12,000	10,115	(1,885)	9,905
Supplies and materials	9,000	3,672	(5,328)	8,800
Other	2,000	-	(2,000)	-
Non-capitalized equipment	20,000	-	(20,000)	-
<b>Total</b>	<b>424,000</b>	<b>340,320</b>	<b>(83,680)</b>	<b>300,825</b>
<b>Summer school</b>				
Salaries	150,000	74,994	(75,006)	190,868
Employee benefits	-	10,510	10,510	1,439
Supplies and materials	2,000	6,377	4,377	1,156
<b>Total</b>	<b>152,000</b>	<b>91,881</b>	<b>(60,119)</b>	<b>193,463</b>
<b>Gifted programs</b>				
Purchased services	1,400	-	(1,400)	-
Supplies and materials	8,000	-	(8,000)	6,270
Other	500	-	(500)	-
<b>Total</b>	<b>9,900</b>	<b>-</b>	<b>(9,900)</b>	<b>6,270</b>
<b>Bilingual</b>				
Salaries	4,472,473	4,402,460	(70,013)	4,244,270
Employee benefits	815,500	766,143	(49,357)	677,448
Purchased services	228,650	218,719	(9,931)	218,575
Supplies and materials	100,000	102,074	2,074	69,471
Non-capitalized equipment	4,000	-	(4,000)	-
Other	-	89	89	-
<b>Total</b>	<b>5,620,623</b>	<b>5,489,485</b>	<b>(131,138)</b>	<b>5,209,764</b>
<b>Truants alternative and optional programs:</b>				
Salaries	-	-	-	1,031,512
Employee benefits	-	-	-	155,670
Purchased services	-	-	-	140,730
Supplies and materials	-	-	-	469,428
Capital outlay	-	-	-	187,155
Non-capitalized equipment	-	-	-	881,538
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,866,033</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
Private tuition				
Special education - other	\$ 1,452,000	\$ 802,590	\$ (649,410)	\$ 1,090,802
Total	1,452,000	802,590	(649,410)	1,090,802
Total Instruction	48,230,842	63,393,730	15,162,888	61,175,970
Support Services				
Pupils				
Attendance and social work:				
Salaries	1,428,000	1,302,075	(125,925)	1,207,669
Employee benefits	222,000	226,368	4,368	194,666
Purchased services	10,000	3,785	(6,215)	6,842
Supplies and materials	3,000	2,400	(600)	3,852
Other	700	650	(50)	450
Total	1,663,700	1,535,278	(128,422)	1,413,479
Health services				
Salaries	1,305,200	1,281,957	(23,243)	1,243,616
Employee benefits	273,500	240,005	(33,495)	219,359
Purchased services	151,400	26,123	(125,277)	83,521
Supplies and materials	33,100	27,118	(5,982)	22,015
Capital outlay	1,000	-	(1,000)	-
Other	2,000	773	(1,227)	773
Non-capitalized equipment	5,500	-	(5,500)	-
Total	1,771,700	1,575,976	(195,724)	1,569,284
Psychological services				
Salaries	703,000	648,388	(54,612)	675,399
Employee benefits	103,000	108,152	5,152	85,670
Purchased services	9,500	9,998	498	1,960
Supplies and materials	12,400	8,386	(4,014)	2,601
Other	500	-	(500)	730
Total	828,400	774,924	(53,476)	766,360
Speech pathology and audiology services				
Salaries	-	527	527	-
Employee benefits	-	8	8	-
Purchased services	4,300	439	(3,861)	340
Supplies and materials	10,000	13,064	3,064	7,767
Non-capitalized equipment	3,000	-	(3,000)	2,419
Total	17,300	14,038	(3,262)	10,526

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
Other supporting services				
Salaries	\$ 805,000	\$ 755,230	\$ (49,770)	\$ 583,037
Employee benefits	298,200	272,993	(25,207)	267,200
Purchased services	52,000	93	(51,907)	664
<b>Total</b>	<b>1,155,200</b>	<b>1,028,316</b>	<b>(126,884)</b>	<b>850,901</b>
<b>Total Pupils</b>	<b>5,436,300</b>	<b>4,928,532</b>	<b>(507,768)</b>	<b>4,610,550</b>
Instructional staff				
Improvement of instruction services				
Salaries	1,221,239	903,963	(317,276)	953,266
Employee benefits	244,200	164,590	(79,610)	251,208
Purchased services	377,855	350,203	(27,652)	324,075
Supplies and materials	295,567	96,488	(199,079)	100,581
Capital outlay	10,000	15,071	5,071	-
Other	5,200	950	(4,250)	1,482
Non-capitalized equipment	354,000	691	(353,309)	1,828
<b>Total</b>	<b>2,508,061</b>	<b>1,531,956</b>	<b>(976,105)</b>	<b>1,632,440</b>
Education media				
Salaries	1,290,000	1,257,421	(32,579)	1,174,085
Employee benefits	266,500	259,436	(7,064)	214,446
Purchased services	5,000	20	(4,980)	19
Supplies and materials	119,238	92,865	(26,373)	76,177
<b>Total</b>	<b>1,680,738</b>	<b>1,609,742</b>	<b>(70,996)</b>	<b>1,464,727</b>
Assessment and testing				
Salaries	2,449	1,287	(1,162)	160
Employee benefits	-	306	306	1
Purchased services	143,000	70,529	(72,471)	55,625
Supplies and materials	15,500	2,813	(12,687)	2,798
Capital outlay	2,000	-	(2,000)	-
<b>Total</b>	<b>162,949</b>	<b>74,935</b>	<b>(88,014)</b>	<b>58,584</b>
<b>Total Instructional Staff</b>	<b>4,351,748</b>	<b>3,216,633</b>	<b>(1,135,115)</b>	<b>3,155,751</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>General administration</b>				
Board of education				
Employee benefits	\$ 711,500	\$ 246,220	\$ (465,280)	\$ 431,955
Purchased services	806,000	365,632	(440,368)	258,162
Supplies and materials	44,500	32,409	(12,091)	21,573
Other	25,000	24,187	(813)	21,850
<b>Total</b>	<b>1,587,000</b>	<b>668,448</b>	<b>(918,552)</b>	<b>733,540</b>
<b>Executive administration</b>				
Salaries	306,500	301,266	(5,234)	302,533
Employee benefits	78,500	31,898	(46,602)	90,920
Purchased services	11,000	33,051	22,051	68,518
Supplies and materials	4,500	803	(3,697)	10,211
Capital outlay	1,000	-	(1,000)	-
Other	5,000	4,137	(863)	5,004
Non-capitalized equipment	-	-	-	192
<b>Total</b>	<b>406,500</b>	<b>371,155</b>	<b>(35,345)</b>	<b>477,378</b>
<b>Special area administrative services</b>				
Salaries	9,000	11,320	2,320	173,638
Employee benefits	3,000	425	(2,575)	3,433
Purchased services	17,500	2,788	(14,712)	5,148
Supplies and materials	55,800	17,196	(38,604)	31,299
Capital outlay	2,000	-	(2,000)	-
Other	6,000	3,447	(2,553)	4,103
Non-capitalized equipment	1,500	-	(1,500)	1,320
<b>Total</b>	<b>94,800</b>	<b>35,176</b>	<b>(59,624)</b>	<b>218,941</b>
<b>Total General Administration</b>	<b>2,088,300</b>	<b>1,074,779</b>	<b>(1,013,521)</b>	<b>1,429,859</b>
<b>School administration</b>				
Office of the principal				
Salaries	2,193,000	2,070,816	(122,184)	2,126,307
Employee benefits	699,400	531,592	(167,808)	529,494
Purchased services	23,851	9,901	(13,950)	4,639
Supplies and materials	20,659	5,172	(15,487)	3,039
Capital outlay	10,000	-	(10,000)	3,192
Other	6,750	6,323	(427)	5,153
Non-capitalized equipment	60,000	-	(60,000)	-
<b>Total</b>	<b>3,013,660</b>	<b>2,623,804</b>	<b>(389,856)</b>	<b>2,671,824</b>
<b>Total School Administration</b>	<b>3,013,660</b>	<b>2,623,804</b>	<b>(389,856)</b>	<b>2,671,824</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>Business</b>				
<b>Fiscal services</b>				
Salaries	\$ 535,200	\$ 506,113	\$ (29,087)	\$ 462,890
Employee benefits	25,700	85,286	59,586	123,722
Purchased services	99,000	92,518	(6,482)	81,636
Supplies and materials	6,500	2,668	(3,832)	4,184
Capital outlay	5,000	-	(5,000)	-
Other	2,000	1,525	(475)	240
Non-capitalized equipment	6,000	-	(6,000)	920
<b>Total</b>	<b>679,400</b>	<b>688,110</b>	<b>8,710</b>	<b>673,592</b>
<b>Operation and maintenance of plant services</b>				
Salaries	7,000	-	(7,000)	-
Supplies and materials	-	857	857	2,089
<b>Total</b>	<b>7,000</b>	<b>857</b>	<b>(6,143)</b>	<b>2,089</b>
<b>Pupil transportation services</b>				
Salaries	40,000	28,279	(11,721)	21,874
Employee benefits	500	258	(242)	94
Purchased services	255,200	189,367	(65,833)	315,490
<b>Total</b>	<b>295,700</b>	<b>217,904</b>	<b>(77,796)</b>	<b>337,458</b>
<b>Food services</b>				
Salaries	330,000	288,045	(41,955)	256,650
Employee benefits	1,500	2,776	1,276	1,154
Purchased services	1,150,000	927,487	(222,513)	803,572
Supplies and materials	37,457	38,816	1,359	26,482
Capital outlay	80,000	-	(80,000)	8,832
Non-capitalized equipment	-	-	-	1,578
<b>Total</b>	<b>1,598,957</b>	<b>1,257,124</b>	<b>(341,833)</b>	<b>1,098,268</b>
<b>Internal services</b>				
Salaries	155,000	148,507	(6,493)	142,399
Employee benefits	32,250	23,201	(9,049)	22,813
Purchased services	72,500	30,605	(41,895)	39,194
Supplies and materials	65,000	(9,693)	(74,693)	2,981
Other	-	130	130	125
<b>Total</b>	<b>324,750</b>	<b>192,750</b>	<b>(132,000)</b>	<b>207,512</b>
<b>Total Business</b>	<b>2,905,807</b>	<b>2,356,745</b>	<b>(549,062)</b>	<b>2,318,919</b>

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Educational Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
Central				
Information services				
Salaries	\$ 1,353,500	\$ 1,054,956	\$ (298,544)	\$ 133,433
Employee benefits	267,200	190,278	(76,922)	34,439
Purchased services	448,200	227,158	(221,042)	69,374
Supplies and materials	698,500	311,084	(387,416)	20,760
Capital outlay	205,000	602,935	397,935	-
Other	1,000	700	(300)	915
Non-capitalized equipment	1,205,000	1,554,962	349,962	4,450
Total	4,178,400	3,942,073	(236,327)	263,371
Staff services				
Salaries	493,000	465,516	(27,484)	443,716
Employee benefits	144,800	116,178	(28,622)	95,070
Purchased services	166,000	78,000	(88,000)	77,945
Supplies and materials	16,000	7,349	(8,651)	19,846
Other	2,000	2,077	77	1,957
Total	821,800	669,120	(152,680)	638,534
Data processing services				
Purchased services	301,000	202,150	(98,850)	34,274
Supplies and materials	11,000	2,614	(8,386)	1,198
	-	26,994	26,994	-
Total	312,000	231,758	(80,242)	35,472
Total Central	5,312,200	4,842,951	(469,249)	937,377
Total Support Services	23,108,015	19,043,444	(4,064,571)	15,124,280
Community services				
Salaries	204,500	176,570	(27,930)	247,909
Employee benefits	28,600	32,502	3,902	22,316
Purchased services	27,000	22,903	(4,097)	11,282
Supplies and materials	23,554	30,780	7,226	56,292
Capital outlay	-	1,847	1,847	-
Total Community Services	283,654	264,602	(19,052)	337,799
Payments for special education programs				
Purchased services	10,000	5,513	(4,487)	11,513
Other	1,230,000	1,934,910	704,910	1,379,969
Total	1,240,000	1,940,423	700,423	1,391,482

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
 Educational Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
Payments for CTE programs Purchased services	\$ 3,720	\$ 6,000	\$ 2,280	\$ 6,000
Total	3,720	6,000	2,280	6,000
Total Payments to Other Districts and Governmental Units	1,243,720	1,946,423	702,703	1,397,482
Provision for contingencies	50,000	-	(50,000)	-
Total Expenditures	72,916,231	84,648,199	11,731,968	78,035,531
Excess (deficiency) of revenues over expenditures	(5,988,899)	3,313,999	9,302,898	3,356,474
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(300,000)	(150,000)	150,000	(300,000)
Total other financing sources (uses)	(300,000)	(150,000)	150,000	(300,000)
Net change in fund balance	<u>\$ (6,288,899)</u>	3,163,999	<u>\$ 9,452,898</u>	3,056,474
Fund balance at beginning of year		<u>76,991,421</u>		<u>73,934,947</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 80,155,420</u>		<u>\$ 76,991,421</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
Operations and Maintenance Account  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 8,180,000	\$ 8,700,026	\$ 520,026	\$ 8,025,274
Corporate replacement taxes	2,750,000	2,855,150	105,150	1,855,445
Earnings on investments	110,000	46,790	(63,210)	8,873
Rentals	10,000	17,436	7,436	12,869
Other	150,000	2,896	(147,104)	231,918
Total Local Sources	11,200,000	11,622,298	422,298	10,134,379
State Sources				
Evidence based funding	1,500,000	-	(1,500,000)	1,067,031
Other	-	8,090	8,090	760
Total State Sources	1,500,000	8,090	(1,491,910)	1,067,791
Total Revenues	12,700,000	11,630,388	(1,069,612)	11,202,170
<b>EXPENDITURES</b>				
Current operating				
Support services				
Operations and maintenance of plant services				
Salaries	3,100,050	2,747,241	(352,809)	2,674,844
Employee benefits	676,704	526,735	(149,969)	507,510
Purchased services	1,021,600	729,709	(291,891)	988,095
Supplies and materials	1,837,000	1,221,205	(615,795)	1,146,379
Capital outlay	470,000	264,845	(205,155)	105,524
Other	4,500	1,170	(3,330)	1,045
Non-capitalized equipment	52,000	3,187	(48,813)	24,363
Total	7,161,854	5,494,092	(1,667,762)	5,447,760
Pupil transportation services				
Capital outlay	-	-	-	68,633
Other	-	-	-	170
Total	-	-	-	68,803
Total Support Services	7,161,854	5,494,092	(1,667,762)	5,516,563
Provision for contingencies	50,000	-	(50,000)	-
Total Expenditures	7,211,854	5,494,092	(1,717,762)	5,516,563
Excess of revenues over expenditures	5,488,146	6,136,296	648,150	5,685,607

(Continued)

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
 Operations and Maintenance Account  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Year Ended June 30, 2017 (Continued)

	2018			2017
	Final Budget	Actual	Variance over/under	Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 572,137	\$ 446,798	\$ (125,339)	\$ 572,137
Transfers out	(8,107,823)	(8,107,823)	-	(7,986,456)
Total other financing sources (uses)	<u>(7,535,686)</u>	<u>(7,661,025)</u>	<u>(125,339)</u>	<u>(7,414,319)</u>
Net change in fund balance	<u>\$ (2,047,540)</u>	<u>(1,524,729)</u>	<u>\$ 522,811</u>	<u>(1,728,712)</u>
Fund balance at beginning of year		<u>11,670,390</u>		<u>13,399,102</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 10,145,661</u>		<u>\$ 11,670,390</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Working Cash Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 790,000	\$ 790,901	\$ 901	\$ 730,363
Earnings on investments	280,000	45,845	(234,155)	9,733
Total Local Sources	<u>1,070,000</u>	<u>836,746</u>	<u>(233,254)</u>	<u>740,096</u>
Total Revenues	<u>1,070,000</u>	<u>836,746</u>	<u>(233,254)</u>	<u>740,096</u>
Excess of revenues over expenditures	<u>1,070,000</u>	<u>836,746</u>	<u>(233,254)</u>	<u>740,096</u>
<b>OTHER FINANCING USES</b>				
Transfer out	<u>(272,137)</u>	<u>(296,798)</u>	<u>(24,661)</u>	<u>(272,137)</u>
Total other financing uses	<u>(272,137)</u>	<u>(296,798)</u>	<u>(24,661)</u>	<u>(272,137)</u>
Net change in fund balance	<u>\$ 797,863</u>	539,948	<u>\$ (257,915)</u>	467,959
Fund balance at beginning of year		<u>17,852,790</u>		<u>17,384,831</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 18,392,738</u>		<u>\$ 17,852,790</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Tort Immunity Account

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 627,450	\$ 361,506	\$ (265,944)	\$ 709,304
Earnings on investments	5,000	(3,849)	(8,849)	25
Total Local Sources	<u>632,450</u>	<u>357,657</u>	<u>(274,793)</u>	<u>709,329</u>
Total Revenues	<u>632,450</u>	<u>357,657</u>	<u>(274,793)</u>	<u>709,329</u>
<b>EXPENDITURES</b>				
Support services				
General administration				
Purchased services	480,000	406,372	(73,628)	411,541
Total	<u>480,000</u>	<u>406,372</u>	<u>(73,628)</u>	<u>411,541</u>
Total Support Services	<u>480,000</u>	<u>406,372</u>	<u>(73,628)</u>	<u>411,541</u>
Total Expenditures	<u>480,000</u>	<u>406,372</u>	<u>(73,628)</u>	<u>411,541</u>
Net change in fund balance	<u>\$ 152,450</u>	<u>(48,715)</u>	<u>\$ (201,165)</u>	<u>297,788</u>
Fund balance at beginning of year		<u>1,517,567</u>		<u>1,219,779</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 1,468,852</u>		<u>\$ 1,517,567</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
Earnings on investments	\$ 13,000	\$ 48,205	\$ 35,205	\$ 15,509
Total Local Sources	13,000	48,205	35,205	15,509
Federal Sources				
Build America bond tax credits	1,440,000	1,326,523	(113,477)	1,441,300
Total Federal Sources	1,440,000	1,326,523	(113,477)	1,441,300
Total Revenues	1,453,000	1,374,728	(78,272)	1,456,809
<b>EXPENDITURES</b>				
Debt service				
Principal payments	5,305,000	5,305,000	-	5,005,000
Interest and fees on bonds	4,312,035	4,312,035	-	4,529,576
Total Expenditures	9,617,035	9,617,035	-	9,534,576
Excess (deficiency) of revenues over expenditures	(8,164,035)	(8,242,307)	(78,272)	(8,077,767)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	8,107,823	8,107,823	-	7,986,456
Total other financing sources	8,107,823	8,107,823	-	7,986,456
Net change in fund balance	<u>\$ (56,212)</u>	(134,484)	<u>\$ (78,272)</u>	(91,311)
Fund balance at beginning of year		5,018,019		5,109,330
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 4,883,535</u>		<u>\$ 5,018,019</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
Corporate replacement taxes	\$ -	\$ -	\$ -	\$ 454,713
Earnings on investments	-	7,352	7,352	(8,410)
Total Local Sources	-	7,352	7,352	446,303
Total Revenues	-	7,352	7,352	446,303
<b>EXPENDITURES</b>				
Support service				
Business				
Facilities acquisition and construction services				
Purchased services	650,000	-	(650,000)	24,841
Supplies and materials	-	-	-	414
Capital outlay	1,500,000	318,161	(1,181,839)	233,886
Total	2,150,000	318,161	(1,831,839)	259,141
Total Support Services	2,150,000	318,161	(1,831,839)	259,141
Total Expenditures	2,150,000	318,161	(1,831,839)	259,141
Net change in fund balance	<u>\$ (2,150,000)</u>	(310,809)	<u>\$ 1,839,191</u>	187,162
Fund balance at beginning of year		<u>3,226,244</u>		<u>3,039,082</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u><u>\$ 2,915,435</u></u>		<u><u>\$ 3,226,244</u></u>

**COMMUNITY COSOLIDATED SCHOOL DISTRICT 62**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2018

<b>ASSETS</b>	Transportation	Municipal Retirement/ Social Security	Fire Prevention and Safety	Total Nonmajor Governmental Funds
Cash and investments	\$ 6,029,535	\$ 1,281,227	\$ 23,952	\$ 7,334,714
Receivables				
Property taxes	882,045	1,284,531	-	2,166,576
Interest	24,311	5,387	-	29,698
Due from other governments	237,391	-	-	237,391
<b>Total Assets</b>	<b>\$ 7,173,282</b>	<b>\$ 2,571,145</b>	<b>\$ 23,952</b>	<b>\$ 9,768,379</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 104,483	\$ -	\$ -	\$ 104,483
<b>Total Liabilities</b>	<b>104,483</b>	<b>-</b>	<b>-</b>	<b>104,483</b>
<b>Deferred Inflows</b>				
Other unavailable revenues	237,391	-	-	237,391
Property taxes levied for subsequent year	882,045	1,284,531	-	2,166,576
<b>Total Deferred Inflows</b>	<b>1,119,436</b>	<b>1,284,531</b>	<b>-</b>	<b>2,403,967</b>
<b>Fund Balance</b>				
Restricted				
Transportation	5,949,363	-	-	5,949,363
Employee retirement	-	1,286,614	-	1,286,614
Fire prevention and safety	-	-	23,952	23,952
<b>Total Fund Balance</b>	<b>5,949,363</b>	<b>1,286,614</b>	<b>23,952</b>	<b>7,259,929</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 7,173,282</b>	<b>\$ 2,571,145</b>	<b>\$ 23,952</b>	<b>\$ 9,768,379</b>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018

	Transportation	Municipal Retirement/ Social Security	Fire Prevention and Safety	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 2,058,002	\$ 2,678,671	\$ (789)	\$ 4,735,884
State sources	967,901	-	-	967,901
Total Revenues	3,025,903	2,678,671	(789)	5,703,785
<b>EXPENDITURES</b>				
Current operating				
Instruction	-	1,118,806	-	1,118,806
Support services	3,266,553	1,456,750	5,000	4,728,303
Community services	-	28,315	-	28,315
Total Expenditures	3,266,553	2,603,871	5,000	5,875,424
Net change in fund balance	(240,650)	74,800	(5,789)	(171,639)
Fund balances at beginning of year	6,190,013	1,211,814	29,741	7,431,568
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 5,949,363</b>	<b>\$ 1,286,614</b>	<b>\$ 23,952</b>	<b>\$ 7,259,929</b>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 2,194,984	\$ 1,901,233	\$ (293,751)	\$ 2,436,233
Regular transportation fees	173,000	160,208	(12,792)	119,320
Earnings on investments	60,000	(3,439)	(63,439)	21,854
Total Local Sources	<u>2,427,984</u>	<u>2,058,002</u>	<u>(369,982)</u>	<u>2,577,407</u>
State Sources				
Transportation - regular	35,000	38,418	3,418	11,393
Transportation - special education	700,000	929,483	229,483	813,451
Total State Sources	<u>735,000</u>	<u>967,901</u>	<u>232,901</u>	<u>824,844</u>
Total Revenues	<u>3,162,984</u>	<u>3,025,903</u>	<u>(137,081)</u>	<u>3,402,251</u>
<b>EXPENDITURES</b>				
Current operating				
Support Services				
Pupil Transportation Services				
Purchased services	3,872,000	3,266,553	(605,447)	2,602,969
Total Support Services	<u>3,872,000</u>	<u>3,266,553</u>	<u>(605,447)</u>	<u>2,602,969</u>
Total Expenditures	<u>3,872,000</u>	<u>3,266,553</u>	<u>(605,447)</u>	<u>2,602,969</u>
Net change in fund balance	<u>\$ (709,016)</u>	<u>(240,650)</u>	<u>\$ 468,366</u>	<u>799,282</u>
Fund balance at beginning of year		<u>6,190,013</u>		<u>5,390,731</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 5,949,363</u>		<u>\$ 6,190,013</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
Municipal Retirement/Social Security Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General tax levy	\$ 2,615,677	\$ 1,367,984	\$ (1,247,693)	\$ 1,366,331
Social security/medicare only levy	-	1,205,416	1,205,416	1,103,557
Corporate replacement taxes	100,000	100,000	-	100,000
Earnings on investments	5,000	5,271	271	792
Total Local Sources	<u>2,720,677</u>	<u>2,678,671</u>	<u>(42,006)</u>	<u>2,570,680</u>
Total Revenues	<u>2,720,677</u>	<u>2,678,671</u>	<u>(42,006)</u>	<u>2,570,680</u>
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs	517,000	484,707	(32,293)	434,669
Special education programs	645,000	495,812	(149,188)	478,123
Special education programs pre-k	48,000	50,525	2,525	47,096
Interscholastic programs	12,500	6,735	(5,765)	5,293
Summer school programs	17,000	8,323	(8,677)	19,963
Bilingual programs	124,000	79,297	(44,703)	89,284
Truant's alternative and optional programs	-	(6,593)	(6,593)	215,182
Total Instruction	<u>1,363,500</u>	<u>1,118,806</u>	<u>(244,694)</u>	<u>1,289,610</u>
Support Services				
Pupils	237,800	270,148	32,348	260,301
Instructional staff	123,100	102,599	(20,501)	99,296
General administration	39,500	27,984	(11,516)	20,445
School administration	149,500	148,863	(637)	136,554
Business	719,500	658,832	(60,668)	642,379
Central	299,000	248,324	(50,676)	82,818
Total Support Services	<u>1,568,400</u>	<u>1,456,750</u>	<u>(111,650)</u>	<u>1,241,793</u>
Community services	<u>20,400</u>	<u>28,315</u>	<u>7,915</u>	<u>39,214</u>
Total Expenditures	<u>2,952,300</u>	<u>2,603,871</u>	<u>(348,429)</u>	<u>2,570,617</u>
Net change in fund balance	<u>\$ (231,623)</u>	<u>74,800</u>	<u>\$ 306,423</u>	<u>63</u>
Fund balance at beginning of year		<u>1,211,814</u>		<u>1,211,751</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 1,286,614</u>		<u>\$ 1,211,814</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**  
 Fire Prevention and Safety Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Year Ended June 30, 2018 with Comparative Actual Totals for 2017

	2018		2017	
	Final Budget	Actual	Variance over/under	Actual
<b>REVENUES</b>				
Local Sources				
General levy	\$ -	\$ (1,063)	\$ (1,063)	\$ 13,471
Earnings on investments	-	274	274	97
Total Local Sources	-	(789)	(789)	13,568
Total Revenues	-	(789)	(789)	13,568
<b>EXPENDITURES</b>				
Support Services				
Facilities acquisition				
Purchased services	25,000	5,000	(20,000)	12,000
Total	25,000	5,000	(20,000)	12,000
Total support services	25,000	5,000	(20,000)	12,000
Total Expenditures	25,000	5,000	(20,000)	12,000
Net change in fund balance	<u>\$ (25,000)</u>	<u>(5,789)</u>	<u>\$ 19,211</u>	1,568
Fund balance at beginning of year		<u>29,741</u>		<u>28,173</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 23,952</u>		<u>\$ 29,741</u>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Agency Fund - Activity Fund

Statement of Changes in Assets and Liabilities

Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<b>Assets</b>				
Cash	\$ 110,970	\$ 208,923	\$ 196,135	\$ 123,758
<b>Liabilities</b>				
Due to organizations				
Schools				
Algonquin	179	21,118	18,787	2,510
Central	5,363	6,026	8,452	2,937
Chippewa	12,886	27,296	29,584	10,598
Cumberland	5,323	14,849	7,660	12,512
Forest	2,383	2,210	1,998	2,595
Iroquois	6,461	36,656	35,085	8,032
North	14,942	6,885	6,926	14,901
Orchard Place	6,371	10,806	7,658	9,519
Plainfield	6,942	17,725	17,714	6,953
South	3,320	10,523	8,326	5,517
Terrace	2,107	1,403	1,040	2,470
Total schools	66,277	155,497	143,230	78,544
Other funds				
Beverage commission	129	32	20	141
Early LC	1,461	4,606	5,208	859
ICS	15,820	47,545	42,012	21,353
Bank maintenance	(83)	675	713	(121)
Fiesta	1,846	-	-	1,846
Administration social	1,156	218	1,100	274
D62 foundation	1,291	72	-	1,363
Children benefit	22,187	266	3,852	18,601
Interest	886	12	-	898
Total other funds	44,693	53,426	52,905	45,214
	\$ 110,970	\$ 208,923	\$ 196,135	\$ 123,758

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 62**

Schedule of Assessed Valuations, Property Tax Rates, Extensions and Collections  
Last Five Tax Levy Years

	2017	2016	2015	2014	2013
Assessed Valuation	\$ 1,757,421,688	\$ 1,718,085,335	\$ 1,485,376,988	\$ 1,532,989,191	\$ 1,518,202,154
Tax Rates					
Educational	2.8493	2.8341	3.2447	3.1263	3.1968
Tort Immunity	0.0103	0.0365	0.0562	0.0504	0.0601
Special Education	0.2317	0.2465	0.2359	0.2772	0.0983
Operations and Maintenance	0.5414	0.4775	0.5500	0.5443	0.5500
Transportation	0.1061	0.1278	0.1898	0.1693	0.1639
Municipal Retirement	0.0824	0.0822	0.0904	0.0186	0.0676
Social Security	0.0721	0.0721	0.0674	0.0605	0.0676
Working Cash	0.0462	0.0434	0.0500	0.0464	0.0500
Fire Prevention and Safety	-	-	0.0019	-	-
Total rates extended	3.9395	3.9201	4.4863	4.2930	4.2543
Property tax extensions:					
Educational	\$ 50,074,582	\$ 48,692,533	\$ 48,195,525	\$ 47,925,694	\$ 48,533,578
Tort Immunity	180,956	627,456	834,117	772,534	912,386
Special Education	4,071,494	4,235,331	3,503,290	4,248,934	1,492,997
Operations and Maintenance	9,513,883	8,203,631	8,169,573	8,343,362	8,350,112
Transportation	1,863,840	2,196,097	2,818,796	2,595,782	2,488,327
Municipal Retirement	1,447,642	1,411,777	1,342,927	285,694	1,026,849
Social Security	1,266,687	1,239,226	1,000,940	927,040	1,026,849
Working Cash	811,587	745,785	742,688	710,731	759,101
Fire Prevention and Safety	-	-	28,325	-	-
Total levies extended	\$ 69,230,671	\$ 67,351,836	\$ 66,636,181	\$ 65,809,771	\$ 64,590,199
Total collections	\$ 35,755,601	\$ 67,064,355	\$ 66,285,844	\$ 65,142,489	\$ 63,795,005
Percentage Collected	51.6%	99.6%	99.5%	99.0%	98.8%

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Cook County Clerk