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**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**ANNUAL FINANCIAL REPORT,  
SUPPLEMENTARY INFORMATION,  
AND OTHER INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2018**

## **TABLE OF CONTENTS**

### **INDEPENDENT AUDITOR’S REPORTS**

Independent Auditor’s Report

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Audit Standards*

### **FINANCIAL STATEMENTS**

Statement of Assets and Liabilities Arising from Cash Transactions/Statement of Position (ISBE AFR Pages 5 - 6)

Statement of Revenues Received/Revenues, Expenditures Disbursed/Expenditures, Other Sources (Uses), and Changes in Fund Balances - All Funds (ISBE AFR Pages 7 - 8)

Statement of Revenues Received/Revenues (ISBE AFR Pages 9 - 14)

Statement of Expenditures Disbursed/Expenditures, Budget to Actual (ISBE AFR Pages 15 - 22)

Detailed Itemizations as Requested (ISBE AFR Page 33)

### **NOTES TO FINANCIAL STATEMENTS**

Notes to Financial Statements

### **SUPPLEMENTARY INFORMATION**

Auditor’s Questionnaire (ISBE AFR Page 2)

Financial Profile Information (ISBE AFR Page 3)

Estimated Financial Profile Summary (ISBE AFR Page 4)

Schedule of Ad Valorem Tax Receipts (ISBE AFR Page 23)

Schedules of Short-Term and Long-Term Debt (ISBE AFR Page 24)

Schedule of Restricted Local Tax Levies and Selected Revenues Sources, Schedule of Tort Immunity Expenditures (ISBE AFR Page 25)

Schedule of Capital Outlay and Depreciation (ISBE AFR Page 26)

Estimated Operating Expense Per Pupil (OEPP) and Per Capita Tuition Charge (PCTC) Computations (2017-2018) (ISBE AFR Pages 27-28)

Current Year Payment on Contracts for Indirect Cost Rate Computation (ISBE AFR Page 29)

Estimated Indirect Cost Data (ISBE AFR Page 30)

## **TABLE OF CONTENTS (CONCLUDED)**

### **OTHER INFORMATION**

Report on Shared Services or Outsourcing (ISBE AFR Page 31) – *Unaudited*

Limitation of Administrative Costs Worksheet (ISBE AFR Page 32) – *Unaudited*

Schedule of the Employer’s Proportionate Share of the Net Pension Liability – Teacher’s Retirement System of the State of Illinois – *Unaudited*

Schedule of Employer Contributions – Teacher’s Retirement System of the of State of Illinois – *Unaudited*

Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability and Related Ratios – Last Four Calendar Years – *Unaudited*

Illinois Municipal Retirement Fund Schedule of Employer Contributions – Last Four Calendar Years – *Unaudited*

### **FEDERAL COMPLIANCE SECTION**

Annual Federal Financial Compliance Report (Cover Sheet) (ISBE AFR Page 37)

Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Reconciliation of Federal Revenues (ISBE AFR Page 39)

Schedule of Expenditures of Federal Awards (ISBE AFR Page 40)

Notes to the Schedule of Expenditures of Federal Awards (ISBE AFR Page 41)

Schedule of Findings and Questioned Costs

Section I - Summary of Auditor’s Results (ISBE AFR Page 42)

Section II - Financial Statement Findings (ISBE AFR Page 43)

Section III - Federal Award Findings and Questioned Costs (ISBE AFR Page 44)

Summary Schedule of Prior Audit Findings (ISBE AFR Page 45)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Marion Community Unit School District #2  
1700 W. Cherry Street  
Marion, Illinois 62959

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Marion Community Unit School District #2 (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 the financial reporting provisions of the Illinois State Board of Education; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by Marion Community Unit School District #2 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education as defined by Title 23 Education and Cultural Resources of the Illinois Administrative Code. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly the financial position of Marion Community Unit School District #2, as of June 30, 2018, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified Opinion on Postemployment Health Insurance Benefits**

As described in Note 9, the District’s financial statements do not include disclosures regarding postemployment health insurance benefits required under Government Accounting Standards Board Statement 45, *Reporting for Post-Retirement Benefits Other than Pensions*. In our opinion, disclosure of that information is required to conform to the financial reporting provisions of the Illinois State Board of Education. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of the matters disclosed in the “Basis for Qualified Opinion on Postemployment Health Insurance Benefits” paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Marion Community Unit School District #2 as of June 30, 2018, and their respective revenues received and expenditures disbursed for the year then ended on the basis of the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

### **Other Matters**

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Marion Community Unit School District #2’s basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards on is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The 2017 comparative information shown in the Schedule of Expenditure of Federal Awards on AFR page 40 was subjected to auditing procedures applied by us and our report dated October 11, 2017 expressed an unmodified opinion that such information was fairly stated in all material respects in relation to the 2017 financial statements taken as a whole.

#### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Marion Community Unit School District #2's basic financial statements. The Other Information, as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018 on our consideration of Marion Community Unit School District #2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Marion Community Unit School District #2's internal control over financial reporting and compliance.



KEMPER CPA GROUP LLP

*Certified Public Accountants and Consultants*

Marion, Illinois  
September 28, 2018

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

To the Board of Education  
Marion Community Unit School District #2  
1700 W. Cherry Street  
Marion, Illinois 62959

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marion Community Unit School District #2 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Marion Community Unit School District #2's basic financial statements and have issued our report thereon dated September 28, 2018. Our opinion was adverse because the financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Retirement Benefits Other than Pensions*, on the modified cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Marion Community Unit School District #2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion Community Unit School District #2's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Marion Community Unit School District #2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
September 28, 2018



**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
2	ASSETS (Enter Whole Dollars)	Acct. #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	<b>CURRENT ASSETS (100)</b>										
4	Cash (Accounts 111 through 115) <sup>1</sup>		4,669,446	975,703	491	298,824	451,563	1,191,843	4,344	146,717	178,490
5	Investments	120									
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	<b>Total Current Assets</b>		4,669,446	975,703	491	298,824	451,563	1,191,843	4,344	146,717	178,490
14	<b>CAPITAL ASSETS (200)</b>										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	<b>Total Capital Assets</b>										
24	<b>CURRENT LIABILITIES (400)</b>										
25	Interfund Payables	410									
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430									
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480									
32	Deferred Revenues & Other Current Liabilities	490						1,553			
33	Due to Activity Fund Organizations	493									
34	<b>Total Current Liabilities</b>		0	0	0	0	0	1,553	0	0	0
35	<b>LONG-TERM LIABILITIES (500)</b>										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	<b>Total Long-Term Liabilities</b>										
38	Reserved Fund Balance	714		1,815			140,795	1,167,622			
39	Unreserved Fund Balance	730	4,669,446	973,888	491	298,824	310,768	22,668	4,344	146,717	178,490
40	Investment in General Fixed Assets										
41	<b>Total Liabilities and Fund Balance</b>		4,669,446	975,703	491	298,824	451,563	1,191,843	4,344	146,717	178,490

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**  
**STATEMENT OF POSITION AS OF JUNE 30, 2018**

1	A	B	L	M	N
2	<b>ASSETS</b> (Enter Whole Dollars)	Acct. #	Agency Fund	<b>Account Groups</b>	
3				General Fixed Assets	General Long-Term Debt
<b>3</b>	<b>CURRENT ASSETS (100)</b>				
4	Cash (Accounts 111 through 115) <sup>1</sup>		356,356		
5	Investments	120			
6	Taxes Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
<b>13</b>	<b>Total Current Assets</b>		<b>356,356</b>		
<b>14</b>	<b>CAPITAL ASSETS (200)</b>				
15	Works of Art & Historical Treasures	210			
16	Land	220		1,746,343	
17	Building & Building Improvements	230		112,350,367	
18	Site Improvements & Infrastructure	240		1,668,216	
19	Capitalized Equipment	250		2,769,506	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			491
22	Amount to be Provided for Payment on Long-Term Debt	350			25,938,289
<b>23</b>	<b>Total Capital Assets</b>			<b>118,534,432</b>	<b>25,938,780</b>
<b>24</b>	<b>CURRENT LIABILITIES (400)</b>				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Loans Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	356,356		
<b>34</b>	<b>Total Current Liabilities</b>		<b>356,356</b>		
<b>35</b>	<b>LONG-TERM LIABILITIES (500)</b>				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			25,938,780
<b>37</b>	<b>Total Long-Term Liabilities</b>				<b>25,938,780</b>
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			118,534,432	
<b>41</b>	<b>Total Liabilities and Fund Balance</b>		<b>356,356</b>	<b>118,534,432</b>	<b>25,938,780</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	<b>RECEIPTS/REVENUES</b>										
4	<b>LOCAL SOURCES</b>		16,035,261	3,670,137	1,730,597	1,003,905	993,402	2,635,016	893	402,040	151,686
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	10,425,597	148,509	0	370,080	0	854,836	0	0	0
7	FEDERAL SOURCES	4000	2,405,958	0	0	0	0	0	0	0	0
8	<b>Total Direct Receipts/Revenues</b>		28,866,816	3,818,646	1,730,597	1,373,985	993,402	3,489,852	893	402,040	151,686
9	Receipts/Revenues for "On Behalf" Payments <sup>2</sup>	3998	11,853,539								
10	<b>Total Receipts/Revenues</b>		40,720,355	3,818,646	1,730,597	1,373,985	993,402	3,489,852	893	402,040	151,686
11	<b>DISBURSEMENTS/EXPENDITURES</b>										
12	Instruction	1000	18,055,965				240,164				
13	Support Services	2000	6,036,490	3,695,874		1,252,600	665,280	421,758		484,120	311,898
14	Community Services	3000	129,412	0		0	9,318				
15	Payments to Other Districts & Governmental Units	4000	4,187,023	1,976	0	182,516	0	0		0	0
16	Debt Service	5000	0	0	5,035,846	0	0			0	0
17	<b>Total Direct Disbursements/Expenditures</b>		28,408,890	3,697,850	5,035,846	1,435,116	914,762	421,758		484,120	311,898
18	Disbursements/Expenditures for "On Behalf" Payments <sup>2</sup>	4180	11,853,539	0	0	0	0	0		0	0
19	<b>Total Disbursements/Expenditures</b>		40,262,429	3,697,850	5,035,846	1,435,116	914,762	421,758		484,120	311,898
20	<b>Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>3</sup></b>		457,926	120,796	(3,305,249)	(61,131)	78,640	3,068,094	893	(82,080)	(160,212)
21	<b>OTHER SOURCES/USES OF FUNDS</b>										
22	<b>OTHER SOURCES OF FUNDS (7000)</b>										
23	<b>PERMANENT TRANSFER FROM VARIOUS FUNDS</b>										
24	Abolishment of the Working Cash Fund <sup>12</sup>	7110									
25	Abatement of the Working Cash Fund <sup>12</sup>	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to O&M Fund <sup>4</sup>	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	7170									
32	<b>SALE OF BONDS (7200)</b>										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets <sup>6</sup>	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			2,790,012						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			514,593						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	<b>Total Other Sources of Funds</b>		0	0	3,304,605	0	0	0	0	0	0

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER**  
**SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
45	<b>OTHER USES OF FUNDS (8000)</b>										
46	<b>PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)</b>										
47	Abolishment or Abatement of the Working Cash Fund <sup>12</sup>	8110							0		
48	Transfer of Working Cash Fund Interest <sup>12</sup>	8120							0		
49	Transfer Among Funds	8130									
50	Transfer of Interest	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund <sup>4</sup>	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund <sup>5</sup>	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410						2,790,012			
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510						514,593			
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	<b>Total Other Uses of Funds</b>		0	0	0	0	0	3,304,605	0	0	0
77	<b>Total Other Sources/Uses of Funds</b>		0	0	3,304,605	0	0	(3,304,605)	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		457,926	120,796	(644)	(61,131)	78,640	(236,511)	893	(82,080)	(160,212)
79	<b>Fund Balances - July 1, 2017</b>		4,211,520	854,907	1,135	359,955	372,923	1,426,801	3,451	228,797	338,702
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	<b>Fund Balances - June 30, 2018</b>		4,669,446	975,703	491	298,824	451,563	1,190,290	4,344	146,717	178,490

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
		(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	<b>RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)</b>										
4	<b>AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY</b>	<b>1100</b>									
5	Designated Purposes Levies (1110-1120) <sup>7</sup>		14,267,941	3,340,058	1,714,043	991,086	522,272		852	396,494	148,753
6	Leasing Purposes Levy <sup>8</sup>	1130		237,362							
7	Special Education Purposes Levy	1140	13,844								
8	FICA/Medicare Only Purposes Levies	1150					419,244				
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	<b>Total Ad Valorem Taxes Levied By District</b>		<b>14,281,785</b>	<b>3,577,420</b>	<b>1,714,043</b>	<b>991,086</b>	<b>941,516</b>	<b>0</b>	<b>852</b>	<b>396,494</b>	<b>148,753</b>
13	<b>PAYMENTS IN LIEU OF TAXES</b>	<b>1200</b>									
14	Mobile Home Privilege Tax	1210	38,655								
15	Payments from Local Housing Authorities	1220	22,941		11,109						
16	Corporate Personal Property Replacement Taxes <sup>9</sup>	1230	571,546				45,000				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290	28,722								
18	<b>Total Payments in Lieu of Taxes</b>		<b>661,864</b>	<b>0</b>	<b>11,109</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
19	<b>TUITION</b>	<b>1300</b>									
20	Regular - Tuition from Pupils or Parents (In State)	1311									
21	Regular - Tuition from Other Districts (In State)	1312									
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321									
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341									
33	Special Ed - Tuition from Other Districts (In State)	1342									
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	<b>Total Tuition</b>		<b>0</b>								
41	<b>TRANSPORTATION FEES</b>	<b>1400</b>									
42	Regular -Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415									
46	Regular Transp Fees from Other Sources (Out of State)	1416									
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
53	CTE - Transp Fees from Other Sources (In State)	1433									
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442									
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	<b>Total Transportation Fees</b>					0					
64	<b>EARNINGS ON INVESTMENTS</b>	<b>1500</b>									
65	Interest on Investments	1510	73,315	18,530	5,445	5,933	6,886	8,374	41	2,108	2,933
66	Gain or Loss on Sale of Investments	1520									
67	<b>Total Earnings on Investments</b>		73,315	18,530	5,445	5,933	6,886	8,374	41	2,108	2,933
68	<b>FOOD SERVICE</b>	<b>1600</b>									
69	Sales to Pupils - Lunch	1611	348,770								
70	Sales to Pupils - Breakfast	1612									
71	Sales to Pupils - A la Carte	1613									
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620									
74	Other Food Service (Describe & Itemize)	1690	8,549								
75	<b>Total Food Service</b>		357,319								
76	<b>DISTRICT/SCHOOL ACTIVITY INCOME</b>	<b>1700</b>									
77	Admissions - Athletic	1711	144,938								
78	Admissions - Other (Describe & Itemize)	1719									
79	Fees	1720									
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790	11,702								
82	<b>Total District/School Activity Income</b>		156,640	0							
83	<b>TEXTBOOK INCOME</b>	<b>1800</b>									
84	Rentals - Regular Textbooks	1811	80,074								
85	Rentals - Summer School Textbooks	1812	9,720								
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821									
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	<b>Total Textbook Income</b>		89,794								
94	<b>OTHER REVENUE FROM LOCAL SOURCES</b>	<b>1900</b>									
95	Rentals	1910		144							
96	Contributions and Donations from Private Sources	1920	53,095	35,827							
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950									
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970	10,640								
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983						2,626,642			

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**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									
106	Other Local Fees (Describe & Itemize)	1993	9,975								
107	Other Local Revenues (Describe & Itemize)	1999	340,834	38,216		6,886				3,438	
108	<b>Total Other Revenue from Local Sources</b>		<b>414,544</b>	<b>74,187</b>	<b>0</b>	<b>6,886</b>	<b>0</b>	<b>2,626,642</b>	<b>0</b>	<b>3,438</b>	<b>0</b>
109	<b>Total Receipts/Revenues from Local Sources</b>	<b>1000</b>	<b>16,035,261</b>	<b>3,670,137</b>	<b>1,730,597</b>	<b>1,003,905</b>	<b>993,402</b>	<b>2,635,016</b>	<b>893</b>	<b>402,040</b>	<b>151,686</b>
110	<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)</b>										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	<b>Total Flow-Through Receipts/Revenues from One District to Another District</b>	<b>2000</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>				
115	<b>RECEIPTS/REVENUES FROM STATE SOURCES (3000)</b>										
116	<b>UNRESTRICTED GRANTS-IN-AID (3001-3099)</b>										
117	Evidence Based Funding Formula (Section 18-8.15)	3001	9,974,199	100,000							
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
121	<b>Total Unrestricted Grants-In-Aid</b>		<b>9,974,199</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
122	<b>RESTRICTED GRANTS-IN-AID (3100 - 3900)</b>										
123	<b>SPECIAL EDUCATION</b>										
124	Special Education - Private Facility Tuition	3100	9,047								
125	Special Education - Funding for Children Requiring Sp ED Services	3105	273,260								
126	Special Education - Personnel	3110	4,500								
127	Special Education - Orphanage - Individual	3120	90,018								
128	Special Education - Orphanage - Summer Individual	3130									
129	Special Education - Summer School	3145	2,230								
130	Special Education - Other (Describe & Itemize)	3199									
131	<b>Total Special Education</b>		<b>379,055</b>	<b>0</b>		<b>0</b>					
132	<b>CAREER AND TECHNICAL EDUCATION (CTE)</b>										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220									
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235	4,776								
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3299									
140	<b>Total Career and Technical Education</b>		<b>4,776</b>	<b>0</b>			<b>0</b>				
141	<b>BILINGUAL EDUCATION</b>										
142	Bilingual Ed - Downstate - TPI and TBE	3305									
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	<b>Total Bilingual Ed</b>		<b>0</b>				<b>0</b>				

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**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
		(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
145	State Free Lunch & Breakfast	3360	17,911								
146	School Breakfast Initiative	3365									
147	Driver Education	3370	39,274								
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									
150	<b>TRANSPORTATION</b>										
151	Transportation - Regular and Vocational	3500				370,080					
152	Transportation - Special Education	3510									
153	Transportation - Other (Describe & Itemize)	3599									
154	<b>Total Transportation</b>		0	0		370,080	0				
155	Learning Improvement - Change Grants	3610									
156	Scientific Literacy	3660									
157	Truant Alternative/Optional Education	3695									
158	Early Childhood - Block Grant	3705		48,509							
159	Reading Improvement Block Grant	3715									
160	Reading Improvement Block Grant - Reading Recovery	3720									
161	Continued Reading Improvement Block Grant	3725									
162	Continued Reading Improvement Block Grant (2% Set Aside)	3726									
163	Chicago General Education Block Grant	3766									
164	Chicago Educational Services Block Grant	3767									
165	School Safety & Educational Improvement Block Grant	3775									
166	Technology - Technology for Success	3780									
167	State Charter Schools	3815									
168	Extended Learning Opportunities - Summer Bridges	3825									
169	Infrastructure Improvements - Planning/Construction	3920						854,836			
170	School Infrastructure - Maintenance Projects	3925									
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999	10,382	0							
172	<b>Total Restricted Grants-In-Aid</b>		451,398	48,509	0	370,080	0	854,836	0	0	0
173	<b>Total Receipts from State Sources</b>	<b>3000</b>	<b>10,425,597</b>	<b>148,509</b>	<b>0</b>	<b>370,080</b>	<b>0</b>	<b>854,836</b>	<b>0</b>	<b>0</b>	<b>0</b>
174	<b>RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)</b>										
175	<b>UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4001-4009)</b>										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	<b>Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt</b>		0	0	0	0	0	0	0	0	0
179	<b>RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4045-4090)</b>										
180	Head Start	4045									
181	Construction (Impact Aid)	4050									
182	MAGNET	4060									
183	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090									
184	<b>Total Restricted Grants-In-Aid Received Directly from Federal Govt</b>		0	0		0	0	0			0
185	<b>RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE (4100-4999)</b>										
186	<b>TITLE V</b>										
187	Title V - Innovation and Flexibility Formula	4100									
188	Title V - District Projects	4105									

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**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
189	Title V - Rural Education Initiative (REI)	4107									
190	Title V - Other (Describe & Itemize)	4199									
191	<b>Total Title V</b>		0	0		0	0				
192	<b>FOOD SERVICE</b>										
193	Breakfast Start-Up Expansion	4200									
194	National School Lunch Program	4210	849,326								
195	Special Milk Program	4215									
196	School Breakfast Program	4220	282,388								
197	Summer Food Service Program	4225									
198	Child Adult Care Food Program	4226									
199	Fresh Fruits & Vegetables	4240									
200	Food Service - Other (Describe & Itemize)	4299									
201	<b>Total Food Service</b>		1,131,714				0				
202	<b>TITLE I</b>										
203	Title I - Low Income	4300	1,215,741								
204	Title I - Low Income - Neglected, Private	4305									
205	Title I - Comprehensive School Reform	4332									
206	Title I - Reading First	4334									
207	Title I - Even Start	4335									
208	Title I - Reading First SEA Funds	4337									
209	Title I - Migrant Education	4340									
210	Title I - Other (Describe & Itemize)	4399									
211	<b>Total Title I</b>		1,215,741	0		0	0				
212	<b>TITLE IV</b>										
213	Title IV - Safe & Drug Free Schools - Formula	4400									
214	Title IV - 21st Century Comm Learning Centers	4421									
215	Title IV - Other (Describe & Itemize)	4499									
216	<b>Total Title IV</b>		0	0		0	0				
217	<b>FEDERAL - SPECIAL EDUCATION</b>										
218	Fed - Spec Education - Preschool Flow-Through	4600									
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through	4620	1,393								
221	Fed - Spec Education - IDEA - Room & Board	4625									
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
224	<b>Total Federal - Special Education</b>		1,393	0		0	0				
225	<b>CTE - PERKINS</b>										
226	CTE - Perkins - Title III E - Tech Prep	4770									
227	CTE - Other (Describe & Itemize)	4799									
228	<b>Total CTE - Perkins</b>		0	0			0				
229	Federal - Adult Education	4810									
230	ARRA - General State Aid - Education Stabilization	4850									
231	ARRA - Title I - Low Income	4851									
232	ARRA - Title I - Neglected, Private	4852									
233	ARRA - Title I - Delinquent, Private	4853									
234	ARRA - Title I - School Improvement (Part A)	4854									
235	ARRA - Title I - School Improvement (Section 1003g)	4855									
236	ARRA - IDEA - Part B - Preschool	4856									
237	ARRA - IDEA - Part B - Flow-Through	4857									
238	ARRA - Title IID - Technology-Formula	4860									
239	ARRA - Title IID - Technology-Competitive	4861									

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**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K
			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description (Enter Whole Dollars)	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
240	ARRA - McKinney - Vento Homeless Education	4862									
241	ARRA - Child Nutrition Equipment Assistance	4863									
242	Impact Aid Formula Grants	4864									
243	Impact Aid Competitive Grants	4865									
244	Qualified Zone Academy Bond Tax Credits	4866									
245	Qualified School Construction Bond Credits	4867									
246	Build America Bond Tax Credits	4868									
247	Build America Bond Interest Reimbursement	4869									
248	ARRA - General State Aid - Other Govt Services Stabilization	4870									
249	Other ARRA Funds - II	4871									
250	Other ARRA Funds - III	4872									
251	Other ARRA Funds - IV	4873									
252	Other ARRA Funds - V	4874									
253	ARRA - Early Childhood	4875									
254	Other ARRA Funds VII	4876									
255	Other ARRA Funds VIII	4877									
256	Other ARRA Funds IX	4878									
257	Other ARRA Funds X	4879									
258	Other ARRA Funds Ed Job Fund Program	4880									
259	<b>Total Stimulus Programs</b>		0	0	0	0	0	0		0	0
260	Race to the Top Program	4901									
261	Race to the Top - Preschool Expansion Grant	4902									
262	Advanced Placement Fee/International Baccalaureate	4904									
263	Title III - Immigrant Education Program (IEP)	4905									
264	Title III - Language Inst Program - Limited Eng (LIPLP)	4909									
265	Learn & Serve America	4910									
266	McKinney Education for Homeless Children	4920									
267	Title II - Eisenhower Professional Development Formula	4930									
268	Title II - Teacher Quality	4932									
269	Federal Charter Schools	4960									
270	Medicaid Matching Funds - Administrative Outreach	4991	26,489								
271	Medicaid Matching Funds - Fee-for-Service Program	4992	15,845								
272	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999	14,776								
273	<b>Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State</b>		2,405,958	0	0	0	0	0		0	0
274	<b>Total Receipts/Revenues from Federal Sources</b>	<b>4000</b>	2,405,958	0	0	0	0	0	0	0	0
275	<b>Total Direct Receipts/Revenues</b>		28,866,816	3,818,646	1,730,597	1,373,985	993,402	3,489,852	893	402,040	151,686

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
3	<b>10 - EDUCATIONAL FUND (ED)</b>											
4	<b>INSTRUCTION (ED)</b>	<b>1000</b>										
5	Regular Programs	1100	12,390,088	3,392,667	156,174	494,787	42,863	14,658		33,514	16,524,751	16,233,415
6	Tuition Payment to Charter Schools	1115									0	
7	Pre-K Programs	1125									0	
8	Special Education Programs (Functions 1200-1220)	1200			693						693	10,000
9	Special Education Programs Pre-K	1225									0	
10	Remedial and Supplemental Programs K-12	1250	558,706	202,604	8,682	164,548					934,540	929,520
11	Remedial and Supplemental Programs Pre-K	1275									0	
12	Adult/Continuing Education Programs	1300									0	
13	CTE Programs	1400	43,775		6,359	49,747					99,881	106,525
14	Interscholastic Programs	1500	265,826	22,480	81,697	77,860	3,563	19,001			470,427	546,125
15	Summer School Programs	1600	23,098	2,575							25,673	39,260
16	Gifted Programs	1650									0	
17	Driver's Education Programs	1700									0	
18	Bilingual Programs	1800									0	
19	Truant Alternative & Optional Programs	1900									0	
20	Pre-K Programs - Private Tuition	1910									0	
21	Regular K-12 Programs - Private Tuition	1911									0	
22	Special Education Programs K-12 - Private Tuition	1912									0	
23	Special Education Programs Pre-K - Tuition	1913									0	
24	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	
26	Adult/Continuing Education Programs - Private Tuition	1916									0	
27	CTE Programs - Private Tuition	1917									0	
28	Interscholastic Programs - Private Tuition	1918									0	
29	Summer School Programs - Private Tuition	1919									0	
30	Gifted Programs - Private Tuition	1920									0	
31	Bilingual Programs - Private Tuition	1921									0	
32	Truants Alternative/Optional Ed Progrms - Private Tuition	1922									0	
33	<b>Total Instruction <sup>10</sup></b>	<b>1000</b>	<b>13,281,493</b>	<b>3,620,326</b>	<b>253,605</b>	<b>786,942</b>	<b>46,426</b>	<b>33,659</b>	<b>0</b>	<b>33,514</b>	<b>18,055,965</b>	<b>17,864,845</b>
34	<b>SUPPORT SERVICES (ED)</b>	<b>2000</b>										
35	<b>SUPPORT SERVICES - PUPILS</b>											
36	Attendance & Social Work Services	2110									0	
37	Guidance Services	2120	575,196	164,578		235					740,009	762,172
38	Health Services	2130	226,573	38,451	2,266	5,160	22,127				294,577	297,183
39	Psychological Services	2140									0	
40	Speech Pathology & Audiology Services	2150									0	
41	Other Support Services - Pupils (Describe & Itemize)	2190	176,510	7,501		3,881					187,892	213,650
42	<b>Total Support Services - Pupils</b>	<b>2100</b>	<b>978,279</b>	<b>210,530</b>	<b>2,266</b>	<b>9,276</b>	<b>22,127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,222,478</b>	<b>1,273,005</b>
43	<b>SUPPORT SERVICES - INSTRUCTIONAL STAFF</b>											
44	Improvement of Instruction Services	2210	186,485	51,239	96,600	1,284		39			335,647	367,825
45	Educational Media Services	2220	209,020	36,156	89,821	86,002	4,116				425,115	457,734
46	Assessment & Testing	2230			49,350	4,574					53,924	70,900
47	<b>Total Support Services - Instructional Staff</b>	<b>2200</b>	<b>395,505</b>	<b>87,395</b>	<b>235,771</b>	<b>91,860</b>	<b>4,116</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>814,686</b>	<b>896,459</b>
48	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
49	Board of Education Services	2310			7,277	593		11,675			19,545	45,000
50	Executive Administration Services	2320	232,222	41,201	3,998	52		2,759			280,232	283,584
51	Special Area Administration Services	2330									0	
52	Tort Immunity Services	2360 - 2370									0	
53	<b>Total Support Services - General Administration</b>	<b>2300</b>	<b>232,222</b>	<b>41,201</b>	<b>11,275</b>	<b>645</b>	<b>0</b>	<b>14,434</b>	<b>0</b>	<b>0</b>	<b>299,777</b>	<b>328,584</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
54	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
55	Office of the Principal Services	2410	1,492,660	410,053	912	1,476		4,408			1,909,509	1,915,313
56	Other Support Services - School Admin (Describe & Itemize)	2490									0	
57	<b>Total Support Services - School Administration</b>	<b>2400</b>	<b>1,492,660</b>	<b>410,053</b>	<b>912</b>	<b>1,476</b>	<b>0</b>	<b>4,408</b>	<b>0</b>	<b>0</b>	<b>1,909,509</b>	<b>1,915,313</b>
58	<b>SUPPORT SERVICES - BUSINESS</b>											
59	Direction of Business Support Services	2510	86,757	16,389	16,613	8,534		588			128,881	132,756
60	Fiscal Services	2520	87,015	14,149	39,701						140,865	146,611
61	Operation & Maintenance of Plant Services	2540			5,386	7,649					13,035	23,170
62	Pupil Transportation Services	2550									0	
63	Food Services	2560	625,797	170,177	46,606	639,549		508			1,482,637	1,558,380
64	Internal Services	2570									0	
65	<b>Total Support Services - Business</b>	<b>2500</b>	<b>799,569</b>	<b>200,715</b>	<b>108,306</b>	<b>655,732</b>	<b>0</b>	<b>1,096</b>	<b>0</b>	<b>0</b>	<b>1,765,418</b>	<b>1,860,917</b>
66	<b>SUPPORT SERVICES - CENTRAL</b>											
67	Direction of Central Support Services	2610									0	
68	Planning, Research, Development, & Evaluation Services	2620									0	
69	Information Services	2630									0	
70	Staff Services	2640									0	
71	Data Processing Services	2660									0	
72	<b>Total Support Services - Central</b>	<b>2600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
73	Other Support Services (Describe & Itemize)	2900	23,349	1,101		172					24,622	26,733
74	<b>Total Support Services</b>	<b>2000</b>	<b>3,921,584</b>	<b>950,995</b>	<b>358,530</b>	<b>759,161</b>	<b>26,243</b>	<b>19,977</b>	<b>0</b>	<b>0</b>	<b>6,036,490</b>	<b>6,301,011</b>
75	<b>COMMUNITY SERVICES (ED)</b>	<b>3000</b>	<b>107,728</b>	<b>21,684</b>							<b>129,412</b>	<b>148,463</b>
76	<b>PAYMENTS TO OTHER DISTRICTS &amp; GOVT UNITS (ED)</b>	<b>4000</b>										
77	<b>PAYMENTS TO OTHER GOVT UNITS (IN-STATE)</b>											
78	Payments for Regular Programs	4110									0	
79	Payments for Special Education Programs	4120			4,152,919						4,152,919	4,160,685
80	Payments for Adult/Continuing Education Programs	4130									0	
81	Payments for CTE Programs	4140									0	
82	Payments for Community College Programs	4170									0	
83	Other Payments to In-State Govt. Units (Describe & Itemize)	4190			34,104						34,104	35,000
84	<b>Total Payments to Other Govt Units (In-State)</b>	<b>4100</b>			<b>4,187,023</b>						<b>4,187,023</b>	<b>4,195,685</b>
85	Payments for Regular Programs - Tuition	4210									0	
86	Payments for Special Education Programs - Tuition	4220									0	
87	Payments for Adult/Continuing Education Programs - Tuition	4230									0	
88	Payments for CTE Programs - Tuition	4240									0	
89	Payments for Community College Programs - Tuition	4270									0	
90	Payments for Other Programs - Tuition	4280									0	
91	Other Payments to In-State Govt Units	4290									0	
92	<b>Total Payments to Other Govt Units -Tuition (In State)</b>	<b>4200</b>						<b>0</b>			<b>0</b>	<b>0</b>
93	Payments for Regular Programs - Transfers	4310									0	
94	Payments for Special Education Programs - Transfers	4320									0	
95	Payments for Adult/Continuing Ed Programs-Transfers	4330									0	
96	Payments for CTE Programs - Transfers	4340									0	
97	Payments for Community College Program - Transfers	4370									0	
98	Payments for Other Programs - Transfers	4380									0	
99	Other Payments to In-State Govt Units - Transfers	4390									0	
100	<b>Total Payments to Other Govt Units -Transfers (In-State)</b>	<b>4300</b>			<b>0</b>			<b>0</b>			<b>0</b>	<b>0</b>
101	Payments to Other Govt Units (Out-of-State)	4400									0	
102	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			<b>4,187,023</b>			<b>0</b>			<b>4,187,023</b>	<b>4,195,685</b>

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

	A	B	C	D	E	F	G	H	I	J	K	L
	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
103	DEBT SERVICES (ED)	5000										
104	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
105	Tax Anticipation Warrants	5110									0	
106	Tax Anticipation Notes	5120									0	
107	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
108	State Aid Anticipation Certificates	5140									0	
109	Other Interest on Short-Term Debt	5150									0	
110	Total Interest on Short-Term Debt	5100						0			0	0
111	Debt Services - Interest on Long-Term Debt	5200									0	
112	Total Debt Services	5000						0			0	0
113	PROVISIONS FOR CONTINGENCIES (ED)	6000										
114	Total Direct Disbursements/Expenditures		17,310,805	4,593,005	4,799,158	1,546,103	72,669	53,636	0	33,514	28,408,890	28,510,004
115	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										457,926	
116												
117	<b>20 - OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>											
118	SUPPORT SERVICES (O&M)	2000										
119	SUPPORT SERVICES - PUPILS											
120	Other Support Services - Pupils (Describe & Itemize)	2190									0	
121	SUPPORT SERVICES - BUSINESS											
122	Direction of Business Support Services	2510									0	
123	Facilities Acquisition & Construction Services	2530			700		94,172				94,872	4,000
124	Operation & Maintenance of Plant Services	2540	1,138,051	270,690	1,032,965	1,114,969	42,862	1,465			3,601,002	3,798,970
125	Pupil Transportation Services	2550									0	
126	Food Services	2560									0	
127	Total Support Services - Business	2500	1,138,051	270,690	1,033,665	1,114,969	137,034	1,465	0	0	3,695,874	3,802,970
128	Other Support Services (Describe & Itemize)	2900									0	
129	Total Support Services	2000	1,138,051	270,690	1,033,665	1,114,969	137,034	1,465	0	0	3,695,874	3,802,970
130	COMMUNITY SERVICES (O&M)	3000									0	
131	PAYMENTS TO OTHER DIST & GOVT UNITS (O&M)	4000										
132	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
133	Payments for Regular Programs	4110									0	
134	Payments for Special Education Programs	4120			1,976						1,976	7,903
135	Payments for CTE Programs	4140									0	
136	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
137	Total Payments to Other Govt. Units (In-State)	4100			1,976			0			1,976	7,903
138	Payments to Other Govt. Units (Out of State)	4400									0	
139	Total Payments to Other Govt Units	4000			1,976			0			1,976	7,903
140	DEBT SERVICES (O&M)	5000										
141	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
142	Tax Anticipation Warrants	5110									0	
143	Tax Anticipation Notes	5120									0	
144	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
145	State Aid Anticipation Certificates	5140									0	
146	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
147	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
148	DEBT SERVICE - INTERST ON LONG-TERM DEBT	5200									0	
149	Total Debt Services	5000						0			0	0
150	PROVISIONS FOR CONTINGENCIES (O&M)	6000										
151	Total Direct Disbursements/Expenditures		1,138,051	270,690	1,035,641	1,114,969	137,034	1,465	0	0	3,697,850	3,810,873
152	Excess (Deficiency) of Receipts/Revenues/Over Disbursements/ Expenditures										120,796	
153												

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
154	<b>30 - DEBT SERVICES (DS)</b>											
155	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000										
156	PAYMENTS TO OTHER DIST & GOVT UNITS (In-State)											
157	Payments for Regular Programs	4110									0	
158	Payments for Special Education Programs	4120									0	
159	Other Payments to In-State Govt Units (Describe & Itemize)	4190									0	
160	<b>Total Payments to Other Districts &amp; Govt Units (In-State)</b>	<b>4000</b>						0			0	0
161	DEBT SERVICES (DS)	5000										
162	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
163	Tax Anticipation Warrants	5110									0	
164	Tax Anticipation Notes	5120									0	
165	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
166	State Aid Anticipation Certificates	5140									0	
167	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
168	<b>Total Debt Services - Interest On Short-Term Debt</b>	<b>5100</b>						0			0	0
169	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						1,559,562			1,559,562	1,559,418
	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300										
170								3,475,012			3,475,012	3,575,757
171	DEBT SERVICES - OTHER (Describe & Itemize)	5400						1,272			1,272	
172	<b>Total Debt Services</b>	<b>5000</b>			0			5,035,846			5,035,846	5,135,175
173	PROVISION FOR CONTINGENCIES (DS)	6000										
174	Total Disbursements/ Expenditures				0			5,035,846			5,035,846	5,135,175
175	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(3,305,249)	
176												
177	<b>40 - TRANSPORTATION FUND (TR)</b>											
178	SUPPORT SERVICES (TR)											
179	SUPPORT SERVICES - PUPILS											
180	Other Support Services - Pupils (Describe & Itemize)	2190									0	
181	SUPPORT SERVICES - BUSINESS											
182	Pupil Transportation Services	2550	21,754	3,537	1,223,699	3,610					1,252,600	1,259,793
183	Other Support Services (Describe & Itemize)	2900									0	
184	<b>Total Support Services</b>	<b>2000</b>	<b>21,754</b>	<b>3,537</b>	<b>1,223,699</b>	<b>3,610</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,252,600</b>	<b>1,259,793</b>
185	COMMUNITY SERVICES (TR)	3000									0	
186	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)	4000										
187	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
188	Payments for Regular Programs	4110									0	
189	Payments for Special Education Programs	4120			182,516						182,516	182,517
190	Payments for Adult/Continuing Education Programs	4130									0	
191	Payments for CTE Programs	4140									0	
192	Payments for Community College Programs	4170									0	
193	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
194	<b>Total Payments to Other Govt. Units (In-State)</b>	<b>4100</b>			182,516			0			182,516	182,517
195	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	
196	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			182,516			0			182,516	182,517
197	DEBT SERVICES (TR)	5000										
198	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
199	Tax Anticipation Warrants	5110									0	
200	Tax Anticipation Notes	5120									0	
201	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

	A	B	C	D	E	F	G	H	I	J	K	L
	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
202	State Aid Anticipation Certificates	5140									0	
203	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
204	<b>Total Debt Services - Interest On Short-Term Debt</b>	<b>5100</b>						0			0	0
205	<b>DEBT SERVICES - INTEREST ON LONG-TERM DEBT</b>	<b>5200</b>									0	718
	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) <sup>11</sup>	5300									0	6,702
206											0	
207	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
208	<b>Total Debt Services</b>	<b>5000</b>						0			0	7,420
209	<b>PROVISION FOR CONTINGENCIES (TR)</b>	<b>6000</b>										
210	<b>Total Disbursements/ Expenditures</b>		21,754	3,537	1,406,215	3,610	0	0	0	0	1,435,116	1,449,730
211	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(61,131)	
212												
213	<b>50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)</b>											
214	<b>INSTRUCTION (MR/SS)</b>	<b>1000</b>										
215	Regular Programs	1100		217,242							217,242	228,450
216	Pre-K Programs	1125									0	
217	Special Education Programs (Functions 1200-1220)	1200									0	
218	Special Education Programs - Pre-K	1225									0	
219	Remedial and Supplemental Programs - K-12	1250		7,810							7,810	9,000
220	Remedial and Supplemental Programs - Pre-K	1275									0	
221	Adult/Continuing Education Programs	1300									0	
222	CTE Programs	1400		216							216	600
223	Interscholastic Programs	1500		14,568							14,568	21,075
224	Summer School Programs	1600		328							328	600
225	Gifted Programs	1650									0	
226	Driver's Education Programs	1700									0	
227	Bilingual Programs	1800									0	
228	Truants' Alternative & Optional Programs	1900									0	
229	<b>Total Instruction</b>	<b>1000</b>		240,164							240,164	259,725
230	<b>SUPPORT SERVICES (MR/SS)</b>	<b>2000</b>										
231	<b>SUPPORT SERVICES - PUPILS</b>											
232	Attendance & Social Work Services	2110									0	
233	Guidance Services	2120		8,037							8,037	8,450
234	Health Services	2130		39,004							39,004	46,450
235	Psychological Services	2140									0	
236	Speech Pathology & Audiology Services	2150									0	
237	Other Support Services - Pupils (Describe & Itemize)	2190		22,595							22,595	28,575
238	<b>Total Support Services - Pupils</b>	<b>2100</b>		69,636							69,636	83,475
239	<b>SUPPORT SERVICES - INSTRUCTIONAL STAFF</b>											
240	Improvement of Instruction Services	2210		9,441							9,441	10,550
241	Educational Media Services	2220		47,785							47,785	51,300
242	Assessment & Testing	2230									0	
243	<b>Total Support Services - Instructional Staff</b>	<b>2200</b>		57,226							57,226	61,850
244	<b>SUPPORT SERVICES - GENERAL ADMINISTRATION</b>											
245	Board of Education Services	2310									0	
246	Executive Administration Services	2320		12,169							12,169	12,800
247	Service Area Administrative Services	2330									0	
248	Claims Paid from Self Insurance Fund	2361									0	
249	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362									0	
250	Unemployment Insurance Pymts	2363									0	
251	Insurance Payments (Regular or Self-Insurance)	2364									0	
252	Risk Management and Claims Services Payments	2365									0	

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STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
253	Judgment and Settlements	2366									0	
254	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	
255	Reciprocal Insurance Payments	2368									0	
256	Legal Services	2369									0	
257	<b>Total Support Services - General Administration</b>	<b>2300</b>		12,169							12,169	12,800
258	<b>SUPPORT SERVICES - SCHOOL ADMINISTRATION</b>											
259	Office of the Principal Services	2410		107,302							107,302	136,250
260	Other Support Services - School Administration (Describe & Itemize)	2490									0	
261	<b>Total Support Services - School Administration</b>	<b>2400</b>		107,302							107,302	136,250
262	<b>SUPPORT SERVICES - BUSINESS</b>											
263	Direction of Business Support Services	2510		19,753							19,753	23,000
264	Fiscal Services	2520		20,108							20,108	21,900
265	Facilities Acquisition & Construction Services	2530									0	
266	Operation & Maintenance of Plant Services	2540		233,675							233,675	259,200
267	Pupil Transportation Services	2550		5,026							5,026	5,600
268	Food Services	2560		134,917							134,917	167,350
269	Internal Services	2570									0	
270	<b>Total Support Services - Business</b>	<b>2500</b>		413,479							413,479	477,050
271	<b>SUPPORT SERVICES - CENTRAL</b>											
272	Direction of Central Support Services	2610									0	
273	Planning, Research, Development, & Evaluation Services	2620									0	
274	Information Services	2630									0	
275	Staff Services	2640									0	
276	Data Processing Services	2660									0	
277	<b>Total Support Services - Central</b>	<b>2600</b>		0							0	0
278	Other Support Services (Describe & Itemize)	2900		5,468							5,468	5,850
279	<b>Total Support Services</b>	<b>2000</b>		665,280							665,280	777,275
280	<b>COMMUNITY SERVICES (MR/SS)</b>	<b>3000</b>		9,318							9,318	10,830
281	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (MR/SS)</b>	<b>4000</b>										
282	Payments for Regular Programs	4110									0	
283	Payments for Special Education Programs	4120									0	
284	Payments for CTE Programs	4140									0	
285	<b>Total Payments to Other Govt Units</b>	<b>4000</b>		0							0	0
286	<b>DEBT SERVICES (MR/SS)</b>	<b>5000</b>										
287	<b>DEBT SERVICE - INTEREST ON SHORT-TERM DEBT</b>											
288	Tax Anticipation Warrants	5110									0	
289	Tax Anticipation Notes	5120									0	
290	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
291	State Aid Anticipation Certificates	5140									0	
292	Other (Describe & Itemize)	5150									0	
293	<b>Total Debt Services - Interest</b>	<b>5000</b>						0			0	0
294	<b>PROVISION FOR CONTINGENCIES (MR/SS)</b>	<b>6000</b>										
295	<b>Total Disbursements/Expenditures</b>			914,762				0			914,762	1,047,830
296	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										78,640	
297												

The accompanying notes are an integral part of these financial statements.



STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
298	<b>60 - CAPITAL PROJECTS (CP)</b>											
299	SUPPORT SERVICES (CP)	2000										
300	SUPPORT SERVICES - BUSINESS											
301	Facilities Acquisition and Construction Services	2530					421,758	0			421,758	430,794
302	Other Support Services (Describe & Itemize)	2900									0	
303	<b>Total Support Services</b>	<b>2000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,758</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,758</b>	<b>430,794</b>
304	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)	4000										
305	PAYMENTS TO OTHER GOVT UNITS (In-State)											
306	Payments to Regular Programs (In-State)	4110									0	
307	Payments for Special Education Programs	4120									0	
308	Payments for CTE Programs	4140									0	
309	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
310	<b>Total Payments to Other Govt Units</b>	<b>4000</b>			<b>0</b>			<b>0</b>			<b>0</b>	<b>0</b>
311	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										
312	<b>Total Disbursements/ Expenditures</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,758</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>421,758</b>	<b>430,794</b>
313	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										<b>3,068,094</b>	
314												
315	<b>70 - WORKING CASH (WC)</b>											
316												
317	<b>80 - TORT FUND (TF)</b>											
318	SUPPORT SERVICES - GENERAL ADMINISTRATION											
319	Claims Paid from Self Insurance Fund	2361									0	
320	Workers' Compensation or Workers' Occupation Disease Acts Pymts	2362			183,245						183,245	200,000
321	Unemployment Insurance Payments	2363			2,604						2,604	20,000
322	Insurance Payments (Regular or Self-Insurance)	2364			255,995						255,995	300,000
323	Risk Management and Claims Services Payments	2365			0						0	34,000
324	Judgment and Settlements	2366									0	
325	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	
326	Reciprocal Insurance Payments	2368									0	
327	Legal Services	2369			42,276						42,276	40,000
328	Property Insurance (Buildings & Grounds)	2371									0	
329	Vehicle Insurance (Transportation)	2372									0	
330	<b>Total Support Services - General Administration</b>	<b>2000</b>	<b>0</b>	<b>0</b>	<b>484,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>484,120</b>	<b>594,000</b>
331	PAYMENTS TO OTHER DIST & GOVT UNITS (TF)	4000										
332	Payments for Regular Programs	4110									0	
333	Payments for Special Education Programs	4120									0	
334	<b>Total Payments to Other Dist &amp; Govt Units</b>	<b>4000</b>						<b>0</b>			<b>0</b>	<b>0</b>
335	DEBT SERVICES (TF)	5000										
336	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
337	Tax Anticipation Warrants	5110									0	
338	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
339	Other Interest or Short-Term Debt	5150									0	
340	<b>Total Debt Services - Interest on Short-Term Debt</b>	<b>5000</b>						<b>0</b>			<b>0</b>	<b>0</b>
341	PROVISIONS FOR CONTINGENCIES (TF)	6000										
342	<b>Total Disbursements/Expenditures</b>		<b>0</b>	<b>0</b>	<b>484,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>484,120</b>	<b>594,000</b>
343	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										<b>(82,080)</b>	

The accompanying notes are an integral part of these financial statements.

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2018

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description (Enter Whole Dollars)	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
345	<b>90 - FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>											
346	<b>SUPPORT SERVICES (FP&amp;S)</b>	2000										
347	<b>SUPPORT SERVICES - BUSINESS</b>											
348	Facilities Acquisition & Construction Services	2530			27,122		284,776				311,898	317,406
349	Operation & Maintenance of Plant Services	2540									0	
350	<b>Total Support Services - Business</b>	2500	0	0	27,122	0	284,776	0	0	0	311,898	317,406
351	Other Support Services (Describe & Itemize)	2900									0	
352	<b>Total Support Services</b>	2000	0	0	27,122	0	284,776	0	0	0	311,898	317,406
353	<b>PAYMENTS TO OTHER DIST &amp; GOVT UNITS (FP&amp;S)</b>	4000										
354	Payments to Regular Programs	4110									0	
355	Payments to Special Education Programs	4120									0	
356	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
357	<b>Total Payments to Other Govt Units</b>	4000						0			0	0
358	<b>DEBT SERVICES (FP&amp;S)</b>	5000										
359	<b>DEBT SERVICES- INTEREST ON SHORT-TERM DEBT</b>											
360	Tax Anticipation Warrants	5110									0	
361	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
362	<b>Total Debt Service - Interest on Short-Term Debt</b>	5100						0			0	0
363	<b>DEBT SERVICES - INTEREST ON LONG-TERM DEBT</b>	5200									0	
364	Debt Service - Payments of Principal on Long-Term Debt <sup>15</sup> (Lease/Purchase Principal Retired)	5300									0	
365	<b>Total Debt Service</b>	5000						0			0	0
366	<b>PROVISION FOR CONTINGENCIES (FP&amp;S)</b>	6000										
367	<b>Total Disbursements/Expenditures</b>		0	0	27,122	0	284,776	0	0	0	311,898	317,406
368	<b>Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(160,212)	

The accompanying notes are an integral part of these financial statements.

**This page is provided for detailed itemizations as requested within the body of the report.**

Type Below.

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**Educational**

1. Page 9, Line 17 - Other Payments in Lieu of Taxes - Taxes: Refuge Pilot
2. Page 10, Line 74 - Other Food Services - Other Lunch Program (\$2,606), Foodservice Reimbursement (\$5,943)
3. Page 10, Line 81 - Other Pupil Activity Revenue - Student Yearbook: HS
4. Page 11, Line 106 - Other Local Fees -Resale Items, Locks, Shop (\$4,073), HS Parking Fees (\$5,902)
5. Page 11, Line 107 - Other Local Revenues - Other (\$45,281), Foundation Grants (\$9,346), After School Programs (\$104,131), Chromebook Insurance (\$2,557), AROTC Revenue (\$56,150), E-rate Refund (\$107,065), Madigral Revenue (\$6,365) Spring Musical Revenue (\$9,939)
6. Page 12, Line 171 - Other Revenue from State Sources - State Library Grants
7. Page 14, Line 272 - Other Restricted Revenue from Federal Sources - WCRVS: Perkins, SP NDS, Tuition
8. Page 15, Line 41 - Other Support Services-Pupils - [100] Salaries - Support Staff Salary (176,510), [200] Employee Benefits - Support Staff (\$7,501) [400] Supplies & Materials - Support Staff (\$3,881)
9. Page 16, Line 73 - Other Support Services - [100] Salaries - Title I Homeless Aide & Tutor (\$23,359) [200] Employee Benefits - Title I Homeless Aide & Tutor IMRF (\$1,101), [400] Supplies & Materials - Homeless Supplies (\$172)
10. Page 16, Line 83 - Other Payments to In-State Gov. Units - [300] Purchased Services - Foundation Grants

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**Operations and Maintenance**

1. Page 11, Line 107 - Other Local Revenues - Other (\$1,336), E-Rate Refund (\$36,880)

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**Debt Services**

1. Page 18, Line 171 - Debt Services - Other - Bond Fees

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**Transportation**

1. Page 11, Line 107 - Other Local Revenues - Trans: Misc. Reimb

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**Municipal Retirement/Social Security**

1. Page 19, Line 237 - Other Support Services-Pupils - [200] Employee Benefits - (\$22,595)
2. Page 20, Line 278 - Other Support Services - [200] Employee Benefits - (\$5,468)

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**Tort**

1. Page 11, Line 107 - Other Local Revenues - Other - Workman's Comp Refund (\$2,115), Other (\$1,324)

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

The District's accounting policies conform to the modified cash basis of accounting as defined by the Illinois State Board of Education within Title 23 Education and Cultural Resources of the Illinois Administrative Code. Part 100 of Title 23 provides the requirements for accounting, budgeting, financial reporting, and auditing of school districts within the State of Illinois.

A. Principles Used to Determine the Scope of the Reporting Entity

The District's reporting entity includes only the District's governing board as the District exercises no oversight responsibility over any related agencies or organizations that could be considered a component unit.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financial relationships.

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

B. Basis of Presentation - Fund Accounting

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

District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation - Fund Accounting (Continued)**

The following funds and account groups are used by the District:

*Individual Funds*

The Educational and the Operations and Maintenance Funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund. Self-Insurance and Special Education are included in Educational Fund.

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Transportation Fund is used to account for cash received from specific revenue sources that are legally restricted to cash disbursements for transportation purposes.

The Municipal Retirement/Social Security Fund is used to account for cash received from specific revenue sources that are legally restricted to cash disbursements for employee retirement purposes, excluding the employees under the Teacher's Retirement System.

The Capital Projects Fund is used to account for financial resources, including school facility occupation tax proceeds, to be used for the acquisition or construction of major capital facilities,

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to the Educational, Operations and Maintenance, and Transportation Funds.

The Tort Fund is used to account for special property tax revenue earmarked to protect school operating budgets from unexpected legal costs, as well as the cost of risk management programs and other tort disbursements.

The Fire Prevention and Safety Fund accounts for all financial resources to be used only for fire prevention, safety, energy conservation, or school security purposes.

The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The District has two different types of agency funds:

Student activity funds exist with the explicit approval of, and are subject to revocation by, the District's Board of Education. The accounting reflects the District's agency relationship with the student activity organizations, which is custodial in nature and does not involve the measurement of the results of operation. The amounts due to the student activity organizations are equal to the assets held by the District.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation - Fund Accounting (Concluded)**

The convenience funds were established from donations received by the District. Interest earned on the principal is to be used to provide scholarships. The principal is restricted and cannot be used for any purpose without prior approval. A committee comprised of persons from the community and District employees chooses the recipients of the scholarships each year. The District's relationship to the convenience accounts is custodial in nature, and the amounts due to the convenience funds are equal to the assets held by the District.

*Measurement Focus*

The financial statements of all individual funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unrestricted fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

*General Fixed Assets and General Long-Term Debt Account Groups*

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in individual fund operations are accounted for in the General Fixed Assets Account Group, rather than in individual funds. Long-term liabilities expected to be financed from individual funds are accounted for in the General Long-Term Debt Account Group, not in the individual funds.

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

**C. Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the modified cash basis of accounting as allowed under the regulatory provisions prescribed by the Illinois State Board of Education within Title 23 Education and Cultural Resources of the Illinois Administrative Code. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Basis of Accounting (Concluded)

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

Proceeds from sales of bonds and lease-purchase agreements are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

D. Budget and Budgetary Accounting

The budget for the individual funds is prepared using the same basis of accounting that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1 of the *Illinois Compiled Statutes*. The original budget, which was not amended, was passed on September 17, 2017.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. The District does not utilize an encumbrance system.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the individual funds.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its deposits and investments that are in the possession of an outside party. The District's investment policy requires that all amounts in excess of FDIC insurance limits be collateralized by collateral or private insurance.

F. Common Cash Account

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally, individual funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board.

G. General Fixed Assets

General fixed assets have been acquired for general educational and transportation purposes. At the time of purchase, assets are recorded as expenditures disbursed in the individual funds and capitalized at cost in the general fixed assets account group. Fixed assets are defined by the District as individual assets with an initial individual cost of more than \$500 and an estimated useful life of one year or more. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is calculated using the straight-line method. The estimated useful lives are as follows:

	<u>Estimated Useful Life</u>
Building and Building Improvements	50
Site Improvements and Infrastructure	20
Capitalized Equipment	5 - 10

Depreciation expense is not included in the statements of revenue received and expenditures disbursed since fixed assets are recorded as expenditures when purchased.



**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

H. Vacation and Sick Pay

Because vacation and sick pay will not necessarily be paid with current resources, they are considered to be expenditures in the year paid. Vacation pay does not accumulate if not used in the year earned. Accumulated sick pay benefits are available to all full-time employees to use in future years. Unused sick pay is limited to a maximum of 230 days pay. Upon resignation or termination, the employee is not compensated for any unused sick or vacation days.

I. Insurance Coverage

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2018, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

The District is insured under a retrospectively-rated policy for workers' compensation coverage, whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2018, there were no significant adjustments in premiums based on actual experience.

J. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

K. Reservation of Fund Equity

Fund balances of individual funds, which are legally restricted to specific future use, are reported as reservations or restrictions of fund balances.

L. Non-cash Financing

Activities of non-cash financing are presented on the financial statements to properly present activity and year end balances of the District's debt financing.

M. Date of Management's Review

Management has evaluated subsequent events through September 28, 2018, the date which the financial statements were available to be issued.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2: CASH**

The District has adopted a formal written investment management policy in which the District is allowed to invest in securities as authorized by statute 30 ILCS 235/2 and 235/6.

At June 30, 2018, the carrying amount of the District's cash deposits was \$8,273,777 which includes \$800 in petty cash. The bank balance of these cash deposits was \$8,505,130.

At June 30, 2018, all of the District's cash deposits was insured by the Federal Deposit Insurance Corporation.

**NOTE 3: GENERAL FIXED ASSET SUMMARY**

Asset Class	Cost			
	July 1, 2017	Additions	Deletions	June 30, 2018
Land	\$ 1,649,073	\$ 97,270	\$ -	\$ 1,746,343
Building & Building Improvements	130,585,371	17,614,053	-	148,199,424
Site Improvements & Infrastructure	3,750,537	-	-	3,750,537
Capitalized Equipment	4,985,082	121,075	(256,252)	4,849,905
Construction in Progress	16,916,161	-	(16,916,161)	-
	<u>\$ 157,886,224</u>	<u>\$ 17,832,398</u>	<u>\$ (17,172,413)</u>	<u>\$ 158,546,209</u>

In accordance with ISBE guidelines, the District has elected to write-off all fully depreciated equipment, other than transportation equipment, during the year ended June 30, 2018.

Although depreciation is not included in the fund expenses, depreciation of \$3,491,709 was included in the calculation of the Per Capita Tuition Charge computation as reported as supplementary information.

**NOTE 4: LONG-TERM DEBT**

The District is subject to the Municipal Finance Law of Illinois which limits the amount of debt that may be incurred (exclusive of revenue bonds) by the District to 13.8% of its assessed valuation. Therefore, the District's debt limitation and debt margin at June 30, 2018 were \$75,198,950 and \$49,260,170; respectively.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

A. Summary of Debt Transactions

The following is a summary of the debt transactions of the District for the year ended June 30, 2018:

	Bonds	
	2011 General Obligation Building Bonds	2017 General Obligation Refunding Bonds
	Balance, July 1, 2017	\$ 10,200,000
Additions	-	-
Debt retired	(585,000)	(100,000)
Balance, June 30, 2018	\$ 9,615,000	\$ 9,210,000

	Lease Certificates	
	2011 General Obligation Lease Certificates	2016A General Obligation Lease Certificates
	Balance, July 1, 2017	\$ 7,320,000
Additions	-	-
Debt retired	(1,015,000)	(1,775,012)
Balance, June 30, 2018	\$ 6,305,000	\$ 808,780

Total summary of debt transactions is as follows:

	Bonds	Lease Certificates
	Balance, July 1, 2017	\$ 19,510,000
Additions	-	-
Debt retired	(685,000)	(2,790,012)
Balance, June 30, 2018	\$ 18,825,000	\$ 7,113,780
	Total	
Balance, July 1, 2017	\$ 29,413,792	
Additions	-	
Debt retired	(3,475,012)	
Balance, June 30, 2018	\$ 25,938,780	

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**B. Future Debt Service Requirements**

At June 30, 2018, the annual cash flow requirements for debt obligations are as follows:

*Bonds*

General Obligation Building Bonds Series 2011

Dated: February 18, 2011

Interest Rate: 5.75% to 7.25%

Principal: \$20,000,000

Defeased in FY2017: \$8,000,000

Interest Due: June 1 and December 1

Maturity Date: December 1, 2030

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 660,000	\$ 635,663	\$ 1,295,663
2020	745,000	591,756	1,336,756
2021	830,000	542,537	1,372,537
2022	930,000	484,050	1,414,050
2023	1,035,000	415,275	1,450,275
2024-2027	5,415,000	805,875	6,220,875
	<u>\$ 9,615,000</u>	<u>\$ 3,475,156</u>	<u>\$ 13,090,156</u>

General Obligation School Refunding Bonds Series 2017

Dated: January 31, 2017

Interest Rate: 4.00%

Principal: \$9,310,000

Interest Due: June 1 and December 1

Maturity Date: December 1, 2030

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 105,000	\$ 366,300	\$ 471,300
2020	105,000	362,100	467,100
2021	110,000	357,800	467,800
2022	115,000	353,300	468,300
2023	120,000	348,600	468,600
2024-2028	2,375,000	1,631,500	4,006,500
2029-2031	6,280,000	387,200	6,667,200
	<u>\$ 9,210,000</u>	<u>\$ 3,806,800</u>	<u>\$ 13,016,800</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**B. Future Debt Service Requirements (Continued)**

*Lease Certificates*

General Obligation (Limited Tax) Lease Certificates Series 2011

Dated: February 16, 2011

Interest Rate: 7.00%

Principal: \$12,000,000

Interest Due: April 15 and October 15

Maturity Date: October 15, 2022

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 1,090,000	\$ 403,200	\$ 1,493,200
2020	1,170,000	324,100	1,494,100
2021	1,255,000	239,225	1,494,225
2022	1,345,000	148,225	1,493,225
2023	1,445,000	50,575	1,495,575
	\$ 6,305,000	\$ 1,165,325	\$ 7,470,325

General Obligation (Limited Tax) Lease Certificates Series 2016A

Dated: October 28, 2016

Interest Rate: 2.76%

Principal: \$2,740,000

Interest Due: Monthly

Maturity Date: May 28, 2020

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$ 808,780	\$ 10,016	\$ 818,796

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: LONG-TERM DEBT (CONCLUDED)**

**B. Future Debt Service Requirements (Concluded)**

Total Future Debt Service Requirements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,663,780	\$ 1,415,179	\$ 4,078,959
2020	2,020,000	1,277,956	3,297,956
2021	2,195,000	1,139,562	3,334,562
2022	2,390,000	985,575	3,375,575
2023	2,600,000	814,450	3,414,450
2024-2028	7,790,000	2,437,375	10,227,375
2029-2031	6,280,000	387,200	6,667,200
	<u>\$ 25,938,780</u>	<u>\$ 8,457,297</u>	<u>\$ 34,396,077</u>

**C. Debt Defeasance**

On January 31, 2017, the District issued \$9,310,000 in General Obligation School Refunding Bonds, Series 2017 with an interest rate of 4.00% to advance refund \$8,000,000 of the General Obligation Building Bonds Series 2011. Proceeds from the bond issue were put in an irrevocable trust with an escrow agent to provide all future debt payments on the refunded debt. As a result, \$8,000,000 of the Series 2011 bonds are considered defeased and the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

At June 30, 2018, the defeased debt outstanding totaled \$8,000,000.

**NOTE 5: INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2018:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Services	\$ 3,304,605	\$ -
Capital Projects	-	3,304,605
	<u>\$ 3,304,605</u>	<u>\$ 3,304,605</u>

The \$3,305,605 transferred to the Debt Services Fund represents the transfer of monies from the Capital Projects Fund (\$3,305,605) in order to make payments on the District's lease certificate agreements.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6: OPERATING LEASES**

*Lease 1:* On December 1, 2015, the District entered into an equipment lease agreement to lease 28 Toshiba copiers. This lease replaced all of the District's other copier leases. The operating lease is for a period of 60 months at \$4,131 per month beginning December 2015. Lease expense for the year ended June 30, 2018 was \$49,567. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	49,567
2020		49,567
2021		20,653
	\$	<u>119,787</u>

*Lease 2:* On April 30, 2018, the District entered into an equipment lease agreement with American Capital Financial Services for 3,000 Lenovo Chromebook Laptops. The operating lease is for a period of 3 years at \$174,202 per year beginning July 2018. Lease expense for the year ended 2018 was \$0. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	174,202
2020		174,202
2021		174,202
	\$	<u>522,606</u>

*Lease 3:* On May 1, 2017, the District entered into an equipment lease agreement with American Capital Financial Services, Inc. for 1,055 Lenovo N22 Laptops. The operating lease is for a period of 3 years at \$63,175 per year beginning July 2017. Lease expense for the year ended June 30, 2018 was \$63,175. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	63,175
2020		63,175
	\$	<u>126,350</u>

*Lease 4:* On July 10, 2015, the District entered into an equipment lease agreement with Provider Capital Network, LLC for 1200 Samsung 303 Chromebooks. The operating lease is for a period of 3 years at \$119,938 per year beginning July 2015. Lease expense for the year ended June 30, 2018 was \$119,938. This lease was replaced by Lease 2 above.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6: OPERATING LEASES (CONTINUED)**

*Lease 5:* On January 17, 2017, the District entered into an equipment lease agreement with Sandtander Leasing LLC for a 2016 Chevy Collins 12 passenger school bus. The operating lease is for a period of 5 years with varying annual payments, as detailed below, beginning July 2017. Lease expense for the year ended June 30, 2018 was \$7,420. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	7,420
2020		7,420
2021		10,388
2022		22,888
	\$	<u>48,116</u>

*Lease 6:* On January 1, 2017, the District entered into an equipment lease agreement with U.S. Bank for a Toshiba Color Copier. The operating lease is for a period of 5 years with at \$118 per month, beginning January 2017. Lease expense for the year ended June 30, 2018 was \$1,418. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	1,418
2020		1,418
2021		1,418
2022		709
	\$	<u>4,963</u>

*Lease 7:* On October 1, 2017, the District entered into an equipment lease agreement with U.S. Bank for a Toshiba Copier. The operating lease is for a period of 5 years at \$155 per month, beginning July 2017. Lease expense for the year ended June 30, 2018 was \$1,391. The future minimum lease payments for this operating lease are:

Fiscal Year Ended June 30,		
2019	\$	1,855
2020		1,855
2021		1,855
2022		1,855
2023		464
	\$	<u>7,884</u>



**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6: OPERATING LEASES (CONCLUDED)**

Total future minimum lease payments are as follows:

Fiscal Year Ended June 30,		
2019	\$	297,637
2020		297,637
2021		208,516
2022		25,452
2023		464
	<u>\$</u>	<u>829,706</u>

**NOTE 7: PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The most recent levy (2017 payable 2018 levy) was passed by the board on December 19, 2017. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in July and September. The District receives significant distributions of tax receipts approximately one month after these due dates. The property tax revenue shown in the financial statements are the taxes received from the 2016 tax levy collected in late 2017, as adopted by the District's Board on December 13, 2016.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

Fund	Limit	2017 Payable 2018 Levy	2016 Payable 2017 Levy
Educational	4.00000	2.72818	2.67954
Operations and Maintenance	0.75000	0.65514	0.62731
Bond and Interest	As Needed	0.32414	0.32190
Municipal Retirement	As Needed	0.08753	0.09809
Social Security	As Needed	0.08313	0.07874
Transportation	As Needed	0.20186	0.18614
Working Cash	0.05000	0.00016	0.00016
Tort Immunity	As Needed	0.08258	0.07446
Fire Prevention and Safety	0.10000	0.04587	0.02792
Special Education	0.80000	0.00267	0.00260
Facility Leasing	0.10000	0.05340	0.04458
Prior Year Adjustment	As Needed	(0.0000)	(0.00005)
		<u>4.26466</u>	<u>4.14139</u>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS**

A. Teachers' Retirement System of the State of Illinois

**Plan Description**

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits Provided**

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 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 2 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 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

**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 \$11,660,492 in pension contributions from the State of Illinois.

*2.2 Formula Contributions*

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018 were \$94,888 and are deferred because they were paid after the June 30, 2017 measurement date.

*Federal and Special Trust Fund Contributions*

When TRS members are paid from federal and special trust funds administered by the 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 30, 2018.

Previous, 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 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$761,846 were paid from federal and special trust funds that required District contributions of \$76,946. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

**Contributions (Concluded)**

*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 program that ended June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the district paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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

District's proportionate share of the net pension liability	\$ 6,503,645
State's proportionate share of the net pension liability associated with the District	118,482,620
Total	<u>\$ 124,985,265</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the District's proportion was 0.0085 percent, which was a decrease of 0.0006 from its proportion measured as of June 30, 2016.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

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

For the year ended June 30, 2018, the District recognized pension expense of \$11,660,492 and revenue of \$11,660,492 for support provided by the State. At June 30, 2018, the District is disclosing deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 70,637	\$ 3,002
Net difference between projected and actual earnings on pension plan investments	4,462	-
Changes of assumptions	434,072	186,885
Changes in proportion and differences between District contributions and proportionate share of contributions	7,314	1,128,134
District contributions subsequent to the measurement date	171,834	-
<b>Total</b>	<b>\$ 688,319</b>	<b>\$ 1,318,021</b>

\$171,834 disclosed as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts disclosed as deferred outflows of resources and (deferred inflows of resources) related to pensions will be disclosed in pension expense as follows in these reporting years:

<b>Year ended June 30:</b>	
2019	\$ (301,129)
2020	(230,139)
2021	(96,154)
2022	(157,681)
2023	(16,433)
	<b>\$ (801,536)</b>

**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:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	Varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

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

**Actuarial Assumptions (Concluded)**

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:

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

**Discount Rate**

At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

A. Teachers' Retirement System of the State of Illinois (Concluded)

**Discount Rate (Concluded)**

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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 2 were not sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 7,990,578	\$ 6,503,645	\$ 5,285,724

**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*.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

B. Illinois Municipal Retirement Fund

**IMRF Plan Description**

Marion Community Unit School District #2's defined benefit pension plan for Regular employees provides retirement, disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. Marion Community Unit School District #2's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.



**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

B. Illinois Municipal Retirement Fund (Continued)

**Employees Covered by Benefit Terms**

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

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	232
Inactive Plan Members entitled to but not yet receiving benefits	123
Active Plan Members	114
<b>Total</b>	<u><u>469</u></u>

**Contributions**

As set by statute, Marion Community Unit School District #2'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. Marion Community Unit School District #2's annual contribution rate for calendar year 2017 was 14.64%. For the fiscal year ended June 30, 2018, Marion Community Unit School District #2 contributed \$452,119 to the plan. Marion Community Unit School District #2 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

Marion Community Unit School District #2's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

B. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions (Concluded)**

- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<b>Asset Class</b>	<b>Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	38 %	6.85 %
International Equity	17	6.75 %
Fixed Income	27	3.00 %
Real Estate	8	5.75 %
Alternative Investments	9	2.65-7.35 %
Cash Equivalents	1	2.25 %
Total	100 %	

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

**B. Illinois Municipal Retirement Fund (Continued)**

**Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

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

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances at December 31, 2016</b>	\$ 24,376,137	\$ 21,140,928	\$ 3,235,209
<b>Changes for the year:</b>			
Service Cost	325,051	-	325,051
Interest on the Total Pension Liability	1,782,555	-	1,782,555
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	534,591	-	534,591
Changes of Assumptions	(828,059)	-	(828,059)
Contributions - Employer	-	448,601	(448,601)
Contributions - Employees	-	143,184	(143,184)
Net Investment Income	-	3,860,742	(3,860,742)
Benefit Payments, including Refunds of Employee Contributions	(1,542,532)	(1,542,532)	-
Other (Net Transfer)	-	(590,681)	590,681
Net Changes	271,606	2,319,314	(2,047,708)
<b>Balances at December 31, 2017</b>	<b>\$ 24,647,743</b>	<b>\$ 23,460,242</b>	<b>\$ 1,187,501</b>

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONTINUED)**

B. Illinois Municipal Retirement Fund (Continued)

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

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

	<b>1% Lower (6.50%)</b>	<b>Current Single Discount Rate Assumption (7.50%)</b>	<b>1% Higher (8.50%)</b>
Net Pension Liability (Asset)	\$ 3,898,709	\$ 1,187,501	\$ (1,079,239)

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

For the year ended June 30, 2018, Marion Community Unit School District #2 disclosed pension expense of \$750,130. At June 30, 2018, the Marion Community Unit School District #2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 305,222	\$ 11,325
Changes of assumptions	-	481,647
Net difference between projected and actual earnings on pension plan investments	700,280	1,866,381
Total deferred amounts to be recognized in pension expense in future periods	1,005,502	2,359,353
<i>Pension contributions made subsequent to the measurement date</i>	226,858	-
<b>Total deferred amounts related to pensions</b>	<b>\$ 1,232,360</b>	<b>\$ 2,359,353</b>

\$226,858 disclosed as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2019.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: RETIREMENT FUND COMMITMENTS (CONCLUDED)**

B. Illinois Municipal Retirement Fund (Concluded)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Concluded)**

Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be disclosed in pension expense in future periods as follows:

<b>Year Ending December 31,</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2018	\$ (245,276)
2019	(197,260)
2020	(444,719)
2021	(466,596)
2022	-
Thereafter	-
Total	<u>\$ (1,353,851)</u>

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$206,092 to Social Security, the total required contribution for the current fiscal year.

**NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS**

A. Teacher Health Insurance Security Fund

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

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONTINUED)**

A. Teacher Health Insurance Security Fund (Concluded)

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

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

**On-behalf contributions to the THIS Fund** - The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$193,047, and the District recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund** - The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$143,967 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**- The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

B. Cobra Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium and, if applicable, a 2% administration fee, is paid in full by the insured each month. This program is offered for a duration of 18 months after termination date, and is subject to extension. There is no associated cost to the District under this Program.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: OTHER POSTEMPLOYMENT COMMITMENTS (CONCLUDED)**

C. Other Postemployment Healthcare Benefits

In accordance with rules established through participation in the Illinois Municipal Retirement Fund, the District offers health insurance coverage to retirees. The cost for retirees to purchase coverage is the same as the amount active employees pay. Accounting standards require numerous disclosures about postemployment benefits, including amounts that can only be determined through an actuarial study. The District has elected not to incur the cost of having an actuarial study completed; therefore, the amounts that should be disclosed are not known.

**NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

As part of the June 30, 2018 financial statements, accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

- A. No total disbursements exceeded the budget at June 30, 2018.
- B. No fund had a deficit fund balance at June 30, 2018.

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

A. Construction in Progress

At June 30, 2018, the District had construction project commitments totaling \$43,471. These costs are for the completion the Fine Arts addition and renovations to the high school.

B. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. Although the final outcomes of these proceedings are not known at this time, if any result in loss to the District, the District estimates such loss to be between \$175,000 and \$200,000.

**NOTE 12: FUND BALANCE REPORTING**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and the extent of the constraints placed on a government's fund balances more transparent. The five classifications are Nonspendable, Restricted, Committed, Assigned, and Unassigned. The District's Regulatory Model only reports Reserved and Unreserved Fund Balances. Below are definitions of the District's applicable classifications and reconciliation of how these balances are reported.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 12: FUND BALANCE REPORTING (CONTINUED)**

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. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Such restrictions may include 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 the following categories.

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed equaled or exceeded revenues received for this purpose, resulting in no restricted fund balance.

2. State Grants

Proceeds from State grants and the related expenditures have been included in the Educational, Operations and Maintenance, Transportation, and Capital Projects Funds. At June 30, 2018, expenditures disbursed equaled or exceeded revenues received from State grants, resulting in no restricted balances.

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2018, expenditures disbursed equaled or exceeded revenues received from federal grants, resulting in no restricted balances.

4. Social Security

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2018, cumulative revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted balance of \$140,795. This balance is included in the financial statements as Reserved in the Municipal Retirement/Social Security Fund.



**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 12: FUND BALANCE REPORTING (CONTINUED)**

**B. Restricted Fund Balance (Concluded)**

5. Occupational Tax

Proceeds from sales tax money and the related expenditures have been included in the Capital Projects Fund. At June 30, 2018, cumulative revenues received from sales tax money exceeded expenditures disbursed for the same purpose by this fund which resulted in a restricted fund balance of \$1,167,622. This balance is included in the financial statements as Reserved in the Capital Projects Fund.

6. Leasing Levy

Proceeds from leasing levies and the related expenditures have been included in the Operations and Maintenance Fund. Revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted balance of \$1,815. This balance is included in the financial statements as Reserved in the Operations and Maintenance Fund.

**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.

The School Board commits fund balances by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for satisfying those contractual requirements.

1. Contracted Employees

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as expenditures in the fiscal year when such checks are drawn. The total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2018 amounted to \$2,332,086. This amount is shown as Unreserved in the Educational Fund.

2. Contingent Health Liability Insurance

The District records funds equal to the estimated liability for health care costs. Claims liabilities are based on estimates of the ultimate cost or reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience. The District has committed \$1,182,273 of its cash balance for future health care expenses as of June 30, 2018. This amount is shown as Unreserved in the Educational Fund.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 12: FUND BALANCE REPORTING (CONTINUED)**

**D. Assigned Fund Balance**

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes. At June 30, 2018, the District had no assigned fund balances.

**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. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, Transportation, and Working Cash Funds.

**F. Reconciliation of GASB No. 54 to the District's Regulatory Reporting Model**

Using the School District's Regulatory model, Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the "regular purpose of any given fund." Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

The first three columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in the preparation of the financial statements.

Fund	Generally Accepted Accounting Principles			Regulatory Basis Financial Statements	
	Restricted	Committed	Unassigned	Reserved	Unreserved
Educational	\$ -	\$ 3,514,359	\$ 1,155,087	\$ -	\$ 4,669,446
Operations & Maintenance	1,815	-	973,888	-	975,703
Debt Service	491	-	-	-	491
Transportation	-	-	298,824	-	298,824
IMRF/Social Security	451,563	-	-	140,795	310,768
Capital Projects	1,190,290	-	-	1,167,622	22,668
Working Cash	-	-	4,344	-	4,344
Tort	146,717	-	-	-	146,717
Fire Prevention and Safety	178,490	-	-	-	178,490

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 12: FUND BALANCE REPORTING (CONCLUDED)**

G. Expenditures of Fund Balance

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

**AUDITOR'S QUESTIONNAIRE**

**INSTRUCTIONS:** If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left and attach the appropriate findings/comments.

**PART A - FINDINGS**

- 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interested statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Illinois School Code* [105 ILCS 5/8-2;10-20.19;19-6].
- 3. One or more contracts were executed or purchases made contrary to the provisions of the *Illinois School Code* [105 ILCS 5/10-20.21].
- 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.].
- 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *Illinois State Revenue Sharing Act* [30 ILCS 115/12].
- 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization per *Illinois School Code* [105 ILCS 5/10-22.33, 20-4 and 20-5].
- 10. One or more interfund loans were outstanding beyond the term provided by statute *Illinois School Code* [105 ILCS 5/10-22.33, 20-4, 20-5].
- 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization per *Illinois School Code* [105 ILCS 5/17-2A].
- 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Illinois School Code* [105 ILCS 5/2-3.27; 2-3.28].
- 14. At least one of the following forms was filed with ISBE late: The FY17 AFR (ISBE FORM 50-35), FY17 Annual Statement of Affairs (ISBE Form 50-37) and FY18 Budget (ISBE FORM 50-36). Explain in the comments box below in pursuant to *Illinois School Code* [105 ILCS 5/3-15.1; 5/10-17; 5/17-1].

**PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to the *Illinois School Code* [105 ILCS 5/1A-8].**

- 15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Illinois School Code* [105 ILCS 5/17-16 or 34-23 through 34-27].
- 16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- 17. The district has issued school or teacher orders for wages as permitted in *Illinois School Code* [105 ILCS 5/8-16, 32-7.2 and 34-76] or issued funding bonds for this purpose pursuant to *Illinois School Code* [105 ILCS 5/8-6; 32-7.2; 34-76; and 19-8].
- 18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

**PART C - OTHER ISSUES**

- 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity findings). These findings may be described extensively in the financial notes.
- 21. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- 22. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: 11/1/1997 (Ex: 00/00/0000)
- 23. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

#2 - See Management Letter issued to the District.

#23 - The District has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also, the District prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The report was also qualified due to the omission of the disclosures regarding postemployment health insurance benefits required by the financial reporting provisions of the ISBE.

**PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS**

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, 3510, 3120, 3950) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2018, identify those late payments recorded as Intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

- 24. Enter the date that the district used to accrue mandated categorical payments Date:
- 25. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105)) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
<b>Deferred Revenues (490)</b>						
Mandated Categorical Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)						0
<b>Direct Receipts/Revenue</b>						
Mandated Categorical Payments (3100, 3105, 3110, 3120, 3500, 3510, 3950)						0
<b>Total</b>						0

- Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities, 3120-Sp Ed Regular Orphanage Individual, 3950-Regual Orphans & Foster Children)

**PART E - QUALIFICATIONS OF AUDITING FIRM**

- School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

**Comments Applicable to the Auditor's Questionnaire:**

Kemper CPA Group LLP  
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.

Signature

mm/dd/yyyy

Note: A PDF with signature is acceptable for this page. Enter the location on signature line e.g. PDF in Opinion Page with signature

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>FINANCIAL PROFILE INFORMATION</b>												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	<b>A. Tax Rates</b> (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year <b>2017</b>		Equalized Assessed Valuation (EAV):					544,919,925					
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s):		0.027282		+ 0.006551		+ 0.002019		= 0.035850		0.000002		
11													
13	<b>B. Results of Operations *</b>												
14													
15	Receipts/Revenues			Disbursements/ Expenditures			Excess/ (Deficiency)			Fund Balance			
16	34,060,340			33,541,856			518,484			5,948,317			
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	<b>C. Short-Term Debt **</b>												
21	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
22	0		+ 0		+ 0		+ 0		+ 0				
23	Other		Total										
24	0		= 0										
25	** The numbers shown are the sum of entries on page 25.												
26													
28	<b>D. Long-Term Debt</b>												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input type="checkbox"/> a. 6.9% for elementary and high school districts,		75,198,950										
32	<input checked="" type="checkbox"/> b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)		Acct										
37	Outstanding:.....		511		25,938,780								
38													
40	<b>E. Material Impact on Financial Position</b>												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/> Pending Litigation												
45	<input type="checkbox"/> Material Decrease in EAV												
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
47	<input type="checkbox"/> Adverse Arbitration Ruling												
48	<input type="checkbox"/> Passage of Referendum												
49	<input type="checkbox"/> Taxes Filed Under Protest												
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	Q	R
1	<b>ESTIMATED FINANCIAL PROFILE SUMMARY</b>															
2	(Go to the following website for reference to the Financial Profile)															
3	<a href="https://www.isbe.net/Pages/School-District-Financial-Profile.aspx">https://www.isbe.net/Pages/School-District-Financial-Profile.aspx</a>															
4																
5																
6																
7	<b>District Name:</b>	Marion Community Unit School District #2														
8	<b>District Code:</b>	21-100-0020-26														
9	<b>County Name:</b>	Williamson														
10																
11	<b>1. Fund Balance to Revenue Ratio:</b>											<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>3</b>	
12	Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)										5,948,317.00	0.175	<b>Weight</b>	0.35	
13	Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,										34,060,340.00		<b>Value</b>	1.05	
14	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20										0.00				
15	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
16	<b>2. Expenditures to Revenue Ratio:</b>											<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>	
17	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40										33,541,856.00	0.985	<b>Adjustment</b>	0	
18	Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,										34,060,340.00		<b>Weight</b>	0.35	
19	Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20										0.00				
20	(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)															
21	Possible Adjustment:															
22																
23	<b>3. Days Cash on Hand:</b>											<b>Total</b>	<b>Days</b>	<b>Score</b>	<b>2</b>	
24	Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70										5,948,317.00	63.84	<b>Weight</b>	0.10	
25	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360										93,171.82		<b>Value</b>	0.20	
26																
27	<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>											<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>	
28	Tax Anticipation Warrants Borrowed (P24, Cell F6-7 & F11)	Funds 10, 20 & 40										0.00	100.00	<b>Weight</b>	0.10	
29	EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates										16,605,072.41		<b>Value</b>	0.40	
30																
31	<b>5. Percent of Long-Term Debt Margin Remaining:</b>											<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>3</b>	
32	Long-Term Debt Outstanding (P3, Cell H37)											25,938,780.00	65.50	<b>Weight</b>	0.10	
33	Total Long-Term Debt Allowed (P3, Cell H31)											75,198,949.65		<b>Value</b>	0.30	
34																
35															<b>Total Profile Score:</b>	<b>3.35 *</b>
36																
37															<b>Estimated 2019 Financial Profile Designation:</b>	<b><u>REVIEW</u></b>
38																
39																
40																
41																
42																

\* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

	A	B	C	D	E	F
1	<b>SCHEDULE OF AD VALOREM TAX RECEIPTS</b>					
2	<b>Description (Enter Whole Dollars)</b>	<b>Taxes Received 7-1-17 thru 6-30-18 (from 2016 Levy &amp; Prior Levies) *</b>	<b>Taxes Received (from the 2017 Levy)</b>	<b>Taxes Received (from 2016 &amp; Prior Levies)</b>	<b>Total Estimated Taxes (from the 2017 Levy)</b>	<b>Estimated Taxes Due (from the 2017 Levy)</b>
3				<b>(Column B - C)</b>		<b>(Column E - C)</b>
4		Educational	14,267,941		14,267,941	14,866,397
5	Operations & Maintenance	3,340,058		3,340,058	3,569,988	3,569,988
6	Debt Services **	1,714,043		1,714,043	1,766,304	1,766,304
7	Transportation	991,086		991,086	1,099,975	1,099,975
8	Municipal Retirement	522,272		522,272	476,968	476,968
9	Capital Improvements	0		0		0
10	Working Cash	852		852	872	872
11	Tort Immunity	396,494		396,494	449,995	449,995
12	Fire Prevention & Safety	148,753		148,753	249,955	249,955
13	Leasing Levy	237,362		237,362	290,987	290,987
14	Special Education	13,844		13,844	14,549	14,549
15	Area Vocational Construction	0		0		0
16	Social Security/Medicare Only	419,244		419,244	452,992	452,992
17	Summer School	0		0		0
18	Other (Describe & Itemize)	0		0		0
19	<b>Totals</b>	<b>22,051,949</b>	<b>0</b>	<b>22,051,949</b>	<b>23,238,982</b>	<b>23,238,982</b>
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

	A	B	C	D	E	F	G	H	I	J
1	<b>SCHEDULE OF SHORT-TERM DEBT</b>									
2	<b>Description (Enter Whole Dollars)</b>		<b>Outstanding Beginning July 1, 2017</b>	<b>Issued July 1, 2017 thru June 30, 2018</b>	<b>Retired July 1, 2017 thru June 30, 2018</b>	<b>Outstanding Ending June 30, 2018</b>				
3	<b>CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)</b>									
4	<b>Total CPPRT Notes</b>					0				
5	<b>TAX ANTICIPATION WARRANTS (TAW)</b>									
6	Educational Fund					0				
7	Operations & Maintenance Fund					0				
8	Debt Services - Construction					0				
9	Debt Services - Working Cash					0				
10	Debt Services - Refunding Bonds					0				
11	Transportation Fund					0				
12	Municipal Retirement/Social Security Fund					0				
13	Fire Prevention & Safety Fund					0				
14	Other - (Describe & Itemize)					0				
15	<b>Total TAWs</b>		0	0	0	0				
16	<b>TAX ANTICIPATION NOTES (TAN)</b>									
17	Educational Fund					0				
18	Operations & Maintenance Fund					0				
19	Fire Prevention & Safety Fund					0				
20	Other - (Describe & Itemize)					0				
21	<b>Total TANs</b>		0	0	0	0				
22	<b>TEACHERS'/EMPLOYEES' ORDERS (T/EO)</b>									
23	<b>Total T/EOs (Educational, Operations &amp; Maintenance, &amp; Transportation Funds)</b>					0				
24	<b>GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)</b>									
25	<b>Total GSAACs (All Funds)</b>					0				
26	<b>OTHER SHORT-TERM BORROWING</b>									
27	<b>Total Other Short-Term Borrowing (Describe &amp; Itemize)</b>					0				

	<b>SCHEDULE OF LONG-TERM DEBT</b>									
	<b>Identification or Name of Issue</b>	<b>Date of Issue (mm/dd/yy)</b>	<b>Amount of Original Issue</b>	<b>Type of Issue *</b>	<b>Outstanding Beginning July 1, 2017</b>	<b>Issued July 1, 2017 thru June 30, 2018</b>	<b>Any differences (Described and Itemize)</b>	<b>Retired July 1, 2017 thru June 30, 2018</b>	<b>Outstanding Ending June 30, 2018</b>	<b>Amount to be Provided for Payment on Long-Term Debt</b>
31	G.O. (Limited Tax) Lease Certificates Series 2011	02/16/11	12,000,000	7	7,320,000			1,015,000	6,305,000	6,304,509
32	G.O. Building Bonds Series 2011	02/18/11	20,000,000	6	10,200,000			585,000	9,615,000	9,615,000
33	G.O. School Refunding Bonds Series 2017	01/31/17	9,310,000	3	9,310,000			100,000	9,210,000	9,210,000
34	G.O. (Limited Tax) Lease Certificates Series 2016A	10/28/16	2,740,000	7	2,583,792			1,775,012	808,780	808,780
35									0	
36									0	
37									0	
38									0	
39									0	
40									0	
41									0	
42									0	
43									0	
44									0	
45									0	
46									0	
47									0	
48									0	
49			44,050,000		29,413,792	0	0	3,475,012	25,938,780	25,938,289

51 • Each type of debt issued must be identified separately with the amount:

52 1. Working Cash Fund Bonds	4. Fire Prevent, Safety, Environmental and Energy Bonds	7. Other Lease Certificates _____
53 2. Funding Bonds	5. Tort Judgment Bonds _____	8. Other _____
54 3. Refunding Bonds	6. Building Bonds _____	9. Other _____



**Schedule of Restricted Local Tax Levies and Selected Revenues Sources  
Schedule of Tort Immunity Expenditures**

	A	B	C	D	E	F	G	H	I	J	K	
1	<b>SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES</b>											
2	<b>Description (Enter Whole Dollars)</b>					<b>Account No</b>	<b>Tort Immunity<sup>a</sup></b>	<b>Special Education</b>	<b>Area Vocational Construction</b>	<b>School Facility Occupation Taxes<sup>b</sup></b>	<b>Driver Education</b>	
3	Cash Basis Fund Balance as of July 1, 2017									1,134,362		
4	<b>RECEIPTS:</b>											
5	Ad Valorem Taxes Received by District					10, 20, 40 or 50-1100		13,844				
6	Earnings on Investments					10, 20, 40, 50 or 60-1500				7,401		
7	Drivers' Education Fees					10-1970					10,640	
8	School Facility Occupation Tax Proceeds					30 or 60-1983				2,626,642		
9	Driver Education					10 or 20-3370					39,274	
10	Other Receipts (Describe & Itemize)					--						
11	Sale of Bonds					10, 20, 40 or 60-7200						
12	<b>Total Receipts</b>						0	13,844	0	2,634,043	49,914	
13	<b>DISBURSEMENTS:</b>											
14	Instruction					10 or 50-1000		13,844			49,914	
15	Facilities Acquisition & Construction Services					20 or 60-2530				2,600,783		
16	Tort Immunity Services					10, 20, 40-2360-2370						
17	<b>DEBT SERVICE</b>											
18	Debt Services - Interest on Long-Term Debt					30-5200						
19	Debt Services - Principal Payments on Long-Term Debt (Lease/Purchase Principal Retired)					30-5300						
20	Debt Services Other (Describe & Itemize)					30-5400						
21	<b>Total Debt Services</b>									0		
22	Other Disbursements (Describe & Itemize)					--						
23	<b>Total Disbursements</b>						0	13,844	0	2,600,783	49,914	
24	<b>Ending Cash Basis Fund Balance as of June 30, 2018</b>						0	0	0	1,167,622	0	
25	<b>Reserved Fund Balance</b>					714				1,167,622		
26	<b>Unreserved Fund Balance</b>					730	0	0	0	0	0	
27												
28	<b>SCHEDULE OF TORT IMMUNITY EXPENDITURES<sup>a</sup></b>											
29												
30	Yes <input type="checkbox"/> No <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?											
31	If yes, list in the aggregate the following:					Total Claims Payments:						
32						Total Reserve Remaining:						
34	In the following categories, list all other Tort Immunity expenditures not included in line 30 above. Enter total dollar amount for each category.											
35	<b>Expenditures:</b>											
36	Workers' Compensation Act and/or Workers' Occupational Disease Act											
37	Unemployment Insurance Act											
38	Insurance (Regular or Self-Insurance)											
39	Risk Management and Claims Service											
40	Judgments/Settlements											
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction											
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)											
43	Legal Services											
44	Principal and Interest on Tort Bonds											
45												
46	<sup>a</sup> Schedules for Tort Immunity are to be completed <b>only if</b> expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances											
47	in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund <b>other</b> than Tort Immunity Fund (80).											
48	<sup>b</sup> 55 ILCS 5/5-1006.7											

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SCHEDULE OF CAPITAL OUTLAY AND DEPRECIATION</b>											
2	<b>Description of Assets</b> (Enter Whole Dollars)	<b>Acct #</b>	<b>Cost Beginning July 1, 2017</b>	<b>Add: Additions July 1, 2017 thru June 30, 2018</b>	<b>Less: Deletions July 1, 2017 thru June 30 2018</b>	<b>Cost Ending June 30, 2018</b>	<b>Life In Years</b>	<b>Accumulated Depreciation Beginning July 1, 2017</b>	<b>Add: Depreciation Allowable July 1, 2017 thru June 30, 2018</b>	<b>Less: Depreciation Deletions July 1, 2017 thru June 30, 2018</b>	<b>Accumulated Depreciation Ending June 30, 2018</b>	<b>Ending Balance Undepreciated June 30, 2018</b>
3	<b>Works of Art &amp; Historical Treasures</b>	<b>210</b>				0					0	0
4	<b>Land</b>	<b>220</b>										
5	Non-Depreciable Land	221	1,649,073	97,270		1,746,343						1,746,343
6	Depreciable Land	222				0	50				0	0
7	<b>Buildings</b>	<b>230</b>										
8	Permanent Buildings	231	130,585,371	17,614,053		148,199,424	50	33,004,437	2,844,620		35,849,057	112,350,367
9	Temporary Buildings	232				0	20				0	0
10	Improvements Other than Buildings (Infrastructure)	240	3,750,537			3,750,537	20	1,929,486	152,835		2,082,321	1,668,216
11	<b>Capitalized Equipment</b>	<b>250</b>										
12	10 Yr Schedule	251	4,985,082	121,075	256,252	4,849,905	10	1,842,397	494,254	256,252	2,080,399	2,769,506
13	5 Yr Schedule	252				0	5				0	0
14	3 Yr Schedule	253				0	3				0	0
15	<b>Construction in Progress</b>	<b>260</b>	16,916,161		16,916,161	0	--					0
16	<b>Total Capital Assets</b>	<b>200</b>	<b>157,886,224</b>	<b>17,832,398</b>	<b>17,172,413</b>	<b>158,546,209</b>		<b>36,776,320</b>	<b>3,491,709</b>	<b>256,252</b>	<b>40,011,777</b>	<b>118,534,432</b>
17	<b>Non-Capitalized Equipment</b>	<b>700</b>				0	10		0			
18	<b>Allowable Depreciation</b>								<b>3,491,709</b>			

	A	B	C	D	E	F
1	<b>ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2017-2018)</b>					
2	<i>This schedule is completed for school districts only.</i>					
4	<b>Fund</b>	<b>Sheet, Row</b>	<b>ACCOUNT NO - TITLE</b>			<b>Amount</b>
6	<b>OPERATING EXPENSE PER PUPIL</b>					
7	<b>EXPENDITURES:</b>					
8	ED	Expenditures 15-22, L114	Total Expenditures		\$	28,408,890
9	O&M	Expenditures 15-22, L151	Total Expenditures			3,697,850
10	DS	Expenditures 15-22, L174	Total Expenditures			5,035,846
11	TR	Expenditures 15-22, L210	Total Expenditures			1,435,116
12	MR/SS	Expenditures 15-22, L295	Total Expenditures			914,762
13	TORT	Expenditures 15-22, L342	Total Expenditures			484,120
14			<b>Total Expenditures</b>		\$	<b>39,976,584</b>
16	<b>LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:</b>					
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50 Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L56, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			0
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M-TR	Revenues 9-14, L148, Col D & F	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L229, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L7, Col K - (G+)	1125 Pre-K Programs			0
35	ED	Expenditures 15-22, L9, Col K - (G+)	1225 Special Education Programs Pre-K			0
36	ED	Expenditures 15-22, L11, Col K - (G+)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L12, Col K - (G+)	1300 Adult/Continuing Education Programs			0
38	ED	Expenditures 15-22, L15, Col K - (G+)	1600 Summer School Programs			25,673
39	ED	Expenditures 15-22, L20, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L21, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L22, Col K	1912 Special Education Programs K-12 - Private Tuition			0
42	ED	Expenditures 15-22, L23, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L24, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L25, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L26, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L27, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L28, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L29, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L30, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L31, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L32, Col K	1922 Truants Alternative/Optional Ed Progrms - Private Tuition			0
52	ED	Expenditures 15-22, L75, Col K - (G+)	3000 Community Services			129,412
53	ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units			4,187,023
54	ED	Expenditures 15-22, L114, Col G	- Capital Outlay			72,669
55	ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment			0
56	O&M	Expenditures 15-22, L130, Col K - (G+)	3000 Community Services			0
57	O&M	Expenditures 15-22, L139, Col K	4000 Total Payments to Other Govt Units			1,976
58	O&M	Expenditures 15-22, L151, Col G	- Capital Outlay			137,034
59	O&M	Expenditures 15-22, L151, Col I	- Non-Capitalized Equipment			0
60	DS	Expenditures 15-22, L160, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L170, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			3,475,012
62	TR	Expenditures 15-22, L185, Col K - (G+)	3000 Community Services			0
63	TR	Expenditures 15-22, L196, Col K	4000 Total Payments to Other Govt Units			182,516
64	TR	Expenditures 15-22, L206, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			0
65	TR	Expenditures 15-22, L210, Col G	- Capital Outlay			0
66	TR	Expenditures 15-22, L210, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L216, Col K	1125 Pre-K Programs			0
68	MR/SS	Expenditures 15-22, L218, Col K	1225 Special Education Programs - Pre-K			0
69	MR/SS	Expenditures 15-22, L220, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L221, Col K	1300 Adult/Continuing Education Programs			0
71	MR/SS	Expenditures 15-22, L224, Col K	1600 Summer School Programs			328
72	MR/SS	Expenditures 15-22, L280, Col K	3000 Community Services			9,318
73	MR/SS	Expenditures 15-22, L285, Col K	4000 Total Payments to Other Govt Units			0
74	Tort	Expenditures 15-22, L334, Col K	4000 Total Payments to Other Govt Units			0
76			<b>Total Deductions for OEPP Computation (Sum of Lines 18 - 74)</b>		\$	<b>8,220,961</b>
77			<b>Total Operating Expenses Regular K-12 (Line 14 minus Line 76)</b>			<b>31,755,623</b>
78			<b>9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018</b>			<b>3,778.76</b>
79			<b>Estimated OEPP (Line 77 divided by Line 78)</b>		\$	<b>8,403.72</b>

	A	B	C	D	E	F
1	<b>ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2017-2018)</b>					
2	<i>This schedule is completed for school districts only.</i>					
4	<b>Fund</b>	<b>Sheet, Row</b>	<b>ACCOUNT NO - TITLE</b>		<b>Amount</b>	
81	<b>PER CAPITA TUITION CHARGE</b>					
83	<b>LESS OFFSETTING RECEIPTS/REVENUES:</b>					
84	TR	Revenues 9-14, L42, Col F	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	0
85	TR	Revenues 9-14, L44, Col F	1413	Regular - Transp Fees from Other Sources (In State)		0
86	TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)		0
87	TR	Revenues 9-14, L46, Col F	1416	Regular Transp Fees from Other Sources (Out of State)		0
88	TR	Revenues 9-14, L51, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)		0
89	TR	Revenues 9-14, L53, Col F	1433	CTE - Transp Fees from Other Sources (In State)		0
90	TR	Revenues 9-14, L54, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)		0
91	TR	Revenues 9-14, L55, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)		0
92	TR	Revenues 9-14, L57, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)		0
93	TR	Revenues 9-14, L58, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)		0
94	ED	Revenues 9-14, L75, Col C	1600	Total Food Service		357,319
95	ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income		156,640
96	ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks		80,074
97	ED	Revenues 9-14, L87, Col C	1819	Rentals - Other (Describe & Itemize)		0
98	ED	Revenues 9-14, L88, Col C	1821	Sales - Regular Textbooks		0
99	ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)		0
100	ED	Revenues 9-14, L92, Col C	1890	Other (Describe & Itemize)		0
101	ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals		144
102	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940	Services Provided Other Districts		0
103	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991	Payment from Other Districts		0
104	ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)		9,975
105	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3100	Total Special Education		379,055
106	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3200	Total Career and Technical Education		4,776
107	ED-MR/SS	Revenues 9-14, L144, Col C,G	3300	Total Bilingual Ed		0
108	ED	Revenues 9-14, L145, Col C	3360	State Free Lunch & Breakfast		17,911
109	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3365	School Breakfast Initiative		0
110	ED-O&M	Revenues 9-14, L147, Col C,D	3370	Driver Education		39,274
111	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3500	Total Transportation		370,080
112	ED	Revenues 9-14, L155, Col C	3610	Learning Improvement - Change Grants		0
113	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3660	Scientific Literacy		0
114	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3695	Truant Alternative/Optional Education		0
115	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3715	Reading Improvement Block Grant		0
116	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3720	Reading Improvement Block Grant - Reading Recovery		0
117	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3725	Continued Reading Improvement Block Grant		0
118	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3726	Continued Reading Improvement Block Grant (2% Set Aside)		0
119	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3766	Chicago General Education Block Grant		0
120	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3767	Chicago Educational Services Block Grant		0
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L165, Col C,D,E,F,G	3775	School Safety & Educational Improvement Block Grant		0
122	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3780	Technology - Technology for Success		0
123	ED-TR	Revenues 9-14, L167, Col C,F	3815	State Charter Schools		0
124	O&M	Revenues 9-14, L170, Col D	3925	School Infrastructure - Maintenance Projects		0
125	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999	Other Restricted Revenue from State Sources		10,382
126	ED	Revenues 9-14, L180, Col C	4045	Head Start (Subtract)		0
127	ED-O&M-TR-MR/SS	Revenues 9-14, L184, Col C,D,F,G	-	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0
128	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	4100	Total Title V		0
129	ED-MR/SS	Revenues 9-14, L201, Col C,G	4200	Total Food Service		1,131,714
130	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	4300	Total Title I		1,215,741
131	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	4400	Total Title IV		0
132	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through		1,393
133	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board		0
134	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary		0
135	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)		0
136	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700	Total CTE - Perkins		0
161	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C231 thru J258)	4800	Total ARRA Program Adjustments		0
162	ED	Revenues 9-14, L260, Col C	4901	Race to the Top		0
163	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L261, Col C-G,J	4902	Race to the Top-Preschool Expansion Grant		0
164	ED,O&M,MR/SS	Revenues 9-14, L262, Col C,D,G	4904	Advanced Placement Fee/International Baccalaureate		0
165	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)		0
166	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)		0
167	ED-TR-MR/SS	Revenues 9-14, L265, Col C,F,G	4910	Learn & Serve America		0
168	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4920	McKinney Education for Homeless Children		0
169	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula		0
170	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4932	Title II - Teacher Quality		0
171	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4960	Federal Charter Schools		0
172	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach		26,489
173	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program		15,845
174	ED-O&M-TR-MR/SS	Revenues 9-14, L272, Col C,D,F,G	4999	Other Restricted Revenue from Federal Sources (Describe & Itemize)		14,776
175	ED-TR-MR/SS	<b>Revenues (Part of EBF Payment)</b>	<b>3100</b>	<b>Special Education Contributions from EBF Funds **</b>		
176	ED-MR/SS	<b>Revenues (Part of EBF Payment)</b>	<b>3300</b>	<b>English Learning (Bilingual) Contributions from EBF Funds ***</b>		
178	<b>Total Deductions for PCTC Computation Line 84 through Line 174</b>				\$	<b>3,831,588</b>
179	<b>Net Operating Expense for Tuition Computation (Line 77 minus Line 176)</b>					<b>27,924,035</b>
180	<b>Total Depreciation Allowance (from page 26, Line 18, Col I)</b>					<b>3,491,709</b>
181	<b>Total Allowance for PCTC Computation (Line 177 plus Line 178)</b>					<b>31,415,744</b>
182	<b>9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018</b>					<b>3,778.76</b>
183	<b>Total Estimated PCTC (Line 179 divided by Line 180) * \$</b>					<b>8,313.77</b>
185	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE					
186	** Go to the link below: Under "What's New!" select "FY 2018 Special Education Funding Allocation Calculation Details." Open excel file and use the amount in column W for the selected district.					
187	*** Follow the same instructions as above except under What's New, select "FY 2018 English Learner Education Funding Allocation Calculation Details", and use column U for the selected district.					
188						
189	<b>Evidence Based Funding Link:</b> <a href="https://www.isbe.net/Pages/ebfdistribution.aspx">https://www.isbe.net/Pages/ebfdistribution.aspx</a>					

Illinois State Board of Education  
School Business Services Division

**Current Year Payment on Contracts For Indirect Cost Rate Computation**

**Instructions:**

This schedule is to calculate the amount allowed on contracts obligated by the school district for the Indirect Cost Rate calculation. The greatest amount allowed in the indirect cost calculation is \$25,000 for each contract. The contracts should be only for purchase services and not for salary contracts.

1. In column (A) enter the name of the **Fund-Function-Object of the account** where the payment was made on each contract in the current year.
2. In column (B) enter the number of the **Fund-Function-Object (use this format [00-0000-000])** of the account where the payment was made on each contract for the current year. Use only the functions listed on page 30.
3. In Column (C) enter the name of the Company that is listed on the contract.
4. In column (D) enter the total amount **paid** in the AFR for the contract. The amount must be equal to the amount reported in the AFR's "Expenditures 15-22" tab.
5. Column (E) and (F) are calculated automatically based on the information provided in Columns (A through D).
6. The amount in column (E) is the amount allowed on each contract in the Indirect Cost Rate calculation. The amount in column (F) is the amount that will be deducted from the base in the indirect cost rate (page 30) for Program Year 2020.
7. Do not include contracts for Capital Outlay (500) or Non-Capitalized Equipment (700) on this form, they are excluded from the Indirect Cost Rate calculation.

Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function- Object Number (Column B)	Contracted Company Name (Column C)	Current Year Amount Paid on Contract (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
<i>Enter as shown here: ED-Instruction-Other</i>	<i>10-1000-600</i>	<i>Company Name</i>	<i>500,000</i>	<i>25,000</i>	<i>475,000</i>
ED-Instruction-Other Purchased Services	10-1000-300	Eschool Solutions	6,450	6,450	0
ED-Instruction-Other Purchased Services	10-1000-300	Frontline Education	2,886	2,886	0
ED-Instruction-Other Purchased Services	10-1000-300	Fastbridge Learning	7,800	7,800	0
ED-Instruction-Other Purchased Services	10-1000-300	ASC Direct Inc.	10,689	10,689	0
ED-Instruction-Other Purchased Services	10-1000-300	EDMENTUM	20,560	20,560	0
ED-Instruction-Other Purchased Services	10-1000-300	ASC Direct Inc.	10,903	10,903	0
ED-Title I Purchased Services	10-1000-300	School Tech Supply	8,682	8,682	0
ED-Imp. Of Inst. - Purchased Services	10-2200-300	Rend Lake College	23,700	23,700	0
ED-Imp. Of Inst. - Purchased Services	10-2200-300	HAPARA Inc.	34,424	25,000	9,424
ED-Technology Purchased Services	10-2200-300	Powerschool Group LLC	15,483	15,483	0
ED-Technology Purchased Services	10-2200-300	CDS Office Technologies	2,840	2,840	0
ED-Technology Purchased Services	10-2200-300	Earth Networks, Inc.	1,500	1,500	0
ED-Technology Purchased Services	10-2200-300	Blackboard	7,200	7,200	0
ED-Technology Purchased Services	10-2200-300	CRISISGO	4,000	4,000	0
ED-Technology Purchased Services	10-2200-300	Infosnap, LLC	13,860	13,860	0
ED-Technology Purchased Services	10-2200-300	Technology Resource	16,581	16,581	0
ED-Technology Purchased Services	10-2200-300	Earth Networks, Inc.	2,100	2,100	0
ED-Technology Purchased Services	10-2200-300	Journey Ed	11,907	11,907	0
ED-Technology Purchased Services	10-2200-300	CDS Office Technologies	10,642	10,642	0
ED-Assmt & Testing Purchased Services	10-2200-300	Univerisy of Oregon	2,300	2,300	0
ED-Assmt & Testing Purchased Services	10-2200-300	ESGI Software	3,497	3,497	0
ED-Assmt & Testing Purchased Services	10-2200-300	CSC Learning	6,750	6,750	0
ED-Assmt & Testing Purchased Services	10-2200-300	Lexia Learning	5,110	5,110	0
ED-Assmt & Testing Purchased Services	10-2200-300	EDMENTUM	7,800	7,800	0
ED-Fiscal Services Purchased Services	10-2520-300	Integrated Systems Corp.	7,722	7,722	0
ED-Fiscal Services Purchased Services	10-2520-300	ROE #21-Public School Works	8,760	8,760	0

Fund-Function-Object Name Where the Expenditure was Recorded (Column A)	Fund- Function- Object Number (Column B)	Contracted Company Name (Column C)	Current Year Amount Paid on Contract (Column D)	Contract Amount Applied to the Indirect Cost Rate Base (Column E)	Contract Amount deducted from the Indirect Cost Rate Base (Column F)
O&M-Purchased Services	20-2540-300	Applied Power Systems	2,995	2,995	0
O&M-Purchased Services	20-2540-300	Security Alarm Corp.	2,286	2,286	0
O&M-Purchased Services	20-2540-300	Byrne & Jones Construction	78,100	25,000	53,100
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator Corp.	4,366	4,366	0
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator Corp.	1,993	1,993	0
O&M-Purchased Services	20-2540-300	Thyssenkrupp Elevator Corp.	3,656	3,656	0
ED-Fiscal Services Purchased Services	10-2520-300	Kemper CPA Group LLP	17,800	17,800	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	81,747	25,000	56,747
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	10,571	10,571	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	72,166	25,000	47,166
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	13,571	13,571	0
Transportation Fund-Purchased Services	40-2550-300	Illinois Central School Bus	1,038,224	25,000	1,013,224
Lease Fund-Purchased Services	20-2540-300	Kansas State Bank	119,938	25,000	94,938
O&M-Purchased Services	20-2540-300	Terminix	7,398	7,398	0
O&M-Purchased Services	20-2540-300	Aramark	56,387	25,000	31,387
O&M-Purchased Services	20-2540-300	Clearwave Communications	105,600	25,000	80,600
Tort-Purchased Services	80-2300-300	Illinois School District Agency	14,695	14,695	0
Tort-Purchased Services	80-2300-300	Illinois School District Agency	37,511	25,000	12,511
Tort-Purchased Services	80-2300-300	School Leaders Risk Mgmt	202	202	0
Tort-Purchased Services	80-2300-300	Worker's Compensation	130,567	25,000	105,567
Tort-Purchased Services	80-2300-300	Worker's Compensation	270	270	0
Tort-Purchased Services	80-2300-300	Yewell Insurance	2,214	2,214	0
Tort-Purchased Services	80-2300-300	The Insurance House	238,452	25,000	213,452
Tort-Purchased Services	80-2300-300	Erie Insurance Group	14,879	14,879	0
Tort-Purchased Services	80-2300-300	Cincinnati Insurance Co.	525	525	0
Tort-Purchased Services	80-2300-300	Gilbert Huffman Prosser	96	96	0
Tort-Purchased Services	80-2300-300	Howerton Dorris Stone & Lambert	1,891	1,891	0
Tort-Purchased Services	80-2300-300	Hodges Loizzi Eisenhammer Rodick	40,289	25,000	15,289
Lease Fund-Purchased Services	20-2540-300	Kansas State Bank	63,175	25,000	38,175
Lease Fund-Purchased Services	20-2540-300	US Bank Equipment Finance	52,434	25,000	27,434
<b>Total</b>			<b>2,468,144</b>	<b>669,130</b>	<b>1,799,014</b>

**ESTIMATED INDIRECT COST DATA**

	A	B	C	D	E	F	G	H
1	<b>ESTIMATED INDIRECT COST RATE DATA</b>							
2	<b>SECTION I</b>							
3	<b>Financial Data To Assist Indirect Cost Rate Determination</b>							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	<p><b>ALL OBJECTS EXCLUDE CAPITAL OUTLAY.</b> With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.</p>							
6	<b>Support Services - Direct Costs (1-2000) and (5-2000)</b>							
7	Direction of Business Support Services (1-2510) and (5-2510)				8,534			
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)				7,649			
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L63)</i>				614,476			
11	Value of Commodities Received for Fiscal Year 2018 <i>(Include the value of commodities when determining if a Single Audit is required).</i>				151,768			
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	<b>SECTION II</b>							
16	<b>Estimated Indirect Cost Rate for Federal Programs</b>							
17				<b>Restricted Program</b>		<b>Unrestricted Program</b>		
18		<b>Function</b>	<b>Indirect Costs</b>	<b>Direct Costs</b>	<b>Indirect Costs</b>	<b>Direct Costs</b>		
19	<b>Instruction</b>	1000		18,249,703		18,249,703		
20	<b>Support Services:</b>							
21	Pupil	2100		1,269,987		1,269,987		
22	Instructional Staff	2200		867,796		867,796		
23	General Admin.	2300		796,066		796,066		
24	School Admin	2400		2,016,811		2,016,811		
25	<b>Business:</b>							
26	Direction of Business Spt. Srv.	2510	140,100	8,534	140,100	8,534		
27	Fiscal Services	2520	160,973	0	160,973	0		
28	Oper. & Maint. Plant Services	2540		3,804,850	3,797,201	7,649		
29	Pupil Transportation	2550		1,257,626		1,257,626		
30	Food Services	2560		1,003,078		1,003,078		
31	Internal Services	2570	0	0	0	0		
32	<b>Central:</b>							
33	Direction of Central Spt. Srv.	2610		0		0		
34	Plan, Rsrch, Dvlp, Eval. Srv.	2620		0		0		
35	Information Services	2630		0		0		
36	Staff Services	2640	0	0	0	0		
37	Data Processing Services	2660	0	0	0	0		
38	<b>Other:</b>	2900		30,090		30,090		
39	<b>Community Services</b>	3000		138,730		138,730		
40	<b>Contracts Paid in CY over the allowed amount for ICR calculation (from page 29)</b>			(1,799,014)		(1,799,014)		
41	<b>Total</b>			301,073	27,644,257	4,098,274	23,847,056	
42			<b>Restricted Rate</b>		<b>Unrestricted Rate</b>			
43			Total Indirect Costs:	301,073	Total Indirect costs:	4,098,274		
44			Total Direct Costs:	27,644,257	Total Direct Costs:	23,847,056		
45			=	1.09%	=	17.19%		
46								

A	B	C	D	E	F	G
1	<b>REPORT ON SHARED SERVICES OR OUTSOURCING</b>					
2	School Code, Section 17-1.1 (Public Act 97-0357)					
3	Fiscal Year Ending June 30, 2018					
5	Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years.					
6	Marion Community Unit School					
7	21-100-0020-26					
8	<input type="checkbox"/>	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.	
9	Indicate with an (X) If Deficit Reduction Plan Is Required in the Budget →					
10	<b>Service or Function ( Check all that apply )</b>		<b>Barriers to Implementation</b>		(Limit text to 200 characters, for additional space use line 33 and 38)	
11	Curriculum Planning					
12	Custodial Services					
13	Educational Shared Programs					
14	Employee Benefits					
15	Energy Purchasing					
16	Food Services					
17	Grant Writing					
18	Grounds Maintenance Services					
19	Insurance		X	X	X	Worker's Compensation Self-Insurance Trust
20	Investment Pools					
21	Legal Services					
22	Maintenance Services					
23	Personnel Recruitment					
24	Professional Development					
25	Shared Personnel					
26	Special Education Cooperatives		X	X	X	Williamson County Education Services (WCES) (see below)
27	STEM (science, technology, engineering and math) Program Offerings					
28	Supply & Equipment Purchasing					
29	Technology Services					
30	Transportation					
31	Vocational Education Cooperatives		X	X	X	Williamson County Regional Vocational System (WCRVC) (see below)
32	All Other Joint/Cooperative Agreements		X	X	X	Williamson County Pre-K Cooperative (WCPre-k) (see below)
33	Other					
34						
35	<b>Additional space for Column (D) - Barriers to Implementation:</b>					
36						
37						
38						
40	<b>Additional space for Column (E) - Name of LEA :</b>					
41	Line 26: Marion CUSD No.2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					
42	Line 31: Marion CUSD No. 2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					
43	Line 32: Marion CUSD No. 2, Herrin CUSD No. 4, Carterville School District, Johnston City School District, Crab Orchard School District					



**ILLINOIS STATE BOARD OF EDUCATION**  
 School Business Services Division (N-330)  
 100 North First Street  
 Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**  
 (Section 17-1.5 of the School Code)

School District Name: Marion Community Unit School District #2  
 RCDT Number: 21-100-0020-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2018			Budgeted Expenditures, Fiscal Year 2019		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	280,232		280,232	294,243		294,243
2. Special Area Administration Services	2330	0		0	0		0
3. Other Support Services - School Administration	2490	0		0	0		0
4. Direction of Business Support Services	2510	128,881	0	128,881	135,325	0	135,325
5. Internal Services	2570	0		0	0		0
6. Direction of Central Support Services	2610	0		0	0		0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
<b>8. Totals</b>		409,113	0	409,113	429,568	0	429,568
<b>9. Percent Increase (Decrease) for FY2019 (Budgeted) over FY2018 (Actual)</b>							5%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2018" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2018.  
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2019" agree with the amounts on the budget adopted by the Board of Education.

\_\_\_\_\_  
*Signature of Superintendent*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Contact Name (for questions)*

\_\_\_\_\_  
*Contact Telephone Number*

**If line 9 is greater than 5% please check one box below.**

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 15, 2018 to ensure inclusion in the Fall 2018 report or postmarked by January 15, 2019 to ensure inclusion in the Spring 2019 report. Information on the waiver process can be found at <https://www.isbe.net/Pages/Waivers.aspx>
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Teacher's Retirement System of the State of Illinois - *Unaudited***

	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>
District's proportion of the net pension liability	0.0085%	0.0091%	0.0102%	0.0116%
District's proportionate share of the net pension liability	\$ 6,503,645	\$ 7,188,776	\$ 6,652,217	\$ 7,085,578
State's proportionate share of the net pension liability associated with the District	118,482,620	124,147,105	99,846,826	93,909,182
Total	<u>\$ 124,986,265</u>	<u>\$ 131,335,881</u>	<u>\$ 106,499,043</u>	<u>\$ 100,994,760</u>
District's covered-employee payroll	\$ 15,966,437	\$ 15,676,387	\$ 15,429,115	\$ 15,244,098
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	40.7%	45.9%	43.1%	46.5%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Teacher's Retirement System of the State of Illinois - *Unaudited***

	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>	<b>FY2014</b>
Statutorily-required contribution	\$ 171,834	\$ 324,515	\$ 357,387	\$ 352,263	\$ 416,014
Contributions in relation to the statutorily-required contribution	171,834	324,515	357,387	352,263	416,014
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 16,359,937	\$ 15,966,437	\$ 15,676,387	\$ 15,429,115	\$ 15,244,098
Contributions as a percentage of covered-employee payroll	1.05%	2.03%	2.28%	2.28%	2.73%

The information in both schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68.

**Notes to Supplementary Information**

***Changes of assumptions***

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and 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.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
LAST FOUR CALENDAR YEARS - *UNAUDITED***

Calendar Year Ended December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 325,051	\$ 331,622	\$ 339,141	\$ 349,629
Interest on the Total Pension Liability	1,782,555	1,746,299	1,686,924	1,566,193
Changes of Benefit Terms			-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	534,591	(99,559)	197,447	101,893
Changes of Assumptions	(828,059.00)	(77,985.00)	25,868.00	970,496
Benefit Payments, including Refunds of Employee Contributions	(1,542,532)	(1,471,853)	(1,369,309)	(1,256,855)
<b>Net Change in Total Pension Liability</b>	<u>271,606</u>	<u>428,524</u>	<u>880,071</u>	<u>1,731,356</u>
<b>Total Pension Liability - Beginning</b>	<u>24,376,137</u>	<u>23,947,613</u>	<u>23,067,542</u>	<u>21,336,186</u>
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 24,647,743</u>	<u>\$ 24,376,137</u>	<u>\$ 23,947,613</u>	<u>\$ 23,067,542</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 448,601	\$ 461,056	\$ 457,417	\$ 456,751
Contributions - Employees	143,184	144,033	132,392	145,152
Net Investment Income	3,860,742	1,402,532	101,997	1,205,447
Benefit Payments, including Refunds of Employee Contributions	(1,542,532)	(1,471,853)	(1,369,309)	(1,256,855)
Other (Net Transfer)	(590,681)	25,904	467,559	149,801
<b>Net Change in Plan Fiduciary Net Position</b>	<u>2,319,314</u>	<u>561,672</u>	<u>(209,944)</u>	<u>700,296</u>
<b>Plan Fiduciary Net Position - Beginning (Restated)</b>	<u>21,140,928</u>	<u>20,579,256</u>	<u>20,789,200</u>	<u>20,088,904</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 23,460,242</u>	<u>\$ 21,140,928</u>	<u>\$ 20,579,256</u>	<u>\$ 20,789,200</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 1,187,501</u>	<u>\$ 3,235,209</u>	<u>\$ 3,368,357</u>	<u>\$ 2,278,342</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	95.18%	86.73%	85.93%	90.12%
<b>Covered Valuation Payroll</b>	\$ 3,064,217	\$ 2,936,349	\$ 2,917,207	\$ 2,865,445
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	38.75%	110.18%	115.47%	79.51%

**Notes to Schedule**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST FOUR CALENDAR YEARS - *UNAUDITED***

<b>Calendar Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Valuation Payroll</b>	<b>Actual Contribution as a Percentage of Covered Valuation Payroll</b>
2014	\$ 461,011	\$ 456,751	\$ 4,260	\$ 2,892,162	15.79%
2015	447,791	457,417	(9,626)	2,917,207	15.68%
2016	452,491	461,056	(8,565)	2,936,349	15.70%
2017	448,601	448,601	-	3,064,217	14.64%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate\****

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2017 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	26-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**MARION COMMUNITY UNIT SCHOOL DISTRICT #2  
MARION, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST FOUR CALENDAR YEARS - *UNAUDITED* – (CONCLUDED)**

**Methods and Assumptions Used to Determine 2017 Contribution Rates (Concluded):**

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

*Other Information:*

*Notes:*

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation; note two year lag between valuation and rate setting.

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2018**

DISTRICT/JOINT AGREEMENT NAME <b>Marion Community Unit School District #</b>	RCDT NUMBER <b>21-100-0020-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-003998</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>Dr. Keith Oates</b>		NAME AND ADDRESS OF AUDIT FIRM <b>Kemper CPA Group, LLP</b> <b>3401 Professional Park Drive, PO BOX 129</b> <b>Marion</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>1700 W. Cherry Street</b> <b>Marion</b>		E-MAIL ADDRESS: <b>kwalker@kcpag.com</b>	
		NAME OF AUDIT SUPERVISOR <b>Kimberly Walker, CPA</b>	
		CPA FIRM TELEPHONE NUMBER <b>618-997-3055</b>	FAX NUMBER <b>618-997-5121</b>
		<b>62959</b>	

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes (Title 2 CFR §200.510 (a))
- Schedule of Expenditures of Federal Awards including footnotes (Title 2 CFR §200.510 (b))
- Independent Auditor's Report on the Financial Statements (Title 2 CFR §200.515 (a))
- Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Title 2 CFR §200.515 (b))
- Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance (Title 2 CFR §200.515 (c))
- Schedule of Findings and Questioned Costs (Title 2 CFR §200.515 (d))
- Summary Schedule of Prior Audit Findings (Title 2 CFR §200.511 (b))
- Corrective Action Plan on LEA letterhead (Title 2 CFR §200.511 (c))

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- A Copy of the Federal Data Collection Form (Title 2 CFR §200.512 (b))
- A Copy of each Management Letter

**Note: IF THE PAPER COPY OF THE AFR IS NOT THE SAME AS THE ELECTRONIC VERSION, PLEASE NOTIFY - Leslie Clay at [lclay@isbe.net](mailto:lclay@isbe.net)**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Marion Community Unit School District #2  
1700 W. Cherry Street  
Marion, Illinois 62959

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

We have audited Marion Community Unit School District #2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Marion Community Unit School District #2's major federal programs for the year ended June 30, 2018. Marion Community Unit School District #2's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Marion Community Unit School District #2's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion Community Unit School District #2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marion Community Unit School District #2's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Marion Community Unit School District #2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

Management of Marion Community Unit School District #2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marion Community Unit School District #2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marion Community Unit School District #2's internal control over compliance.

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

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

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

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
*Certified Public Accountants and Consultants*

Marion, Illinois  
September 28, 2018



**Marion Community Unit School District #2  
21-100-0020-26**

**RECONCILIATION OF FEDERAL REVENUES  
Year Ending June 30, 2018  
Annual Financial Report to Schedule of Expenditures of Federal Awards**

**TOTAL FEDERAL REVENUE IN AFR**

Account Summary 7-8, Line 7	Account 4000	\$	2,405,958
Flow-through Federal Revenues Revenues 9-14, Line 112	Account 2200		-
Value of Commodities Indirect Cost Info 29, Line 11			151,768
Less: Medicaid Fee-for-Service Program Revenues 9-14, Line 271	Account 4992		(15,845)
<b>AFR TOTAL FEDERAL REVENUES:</b>		\$	<b>2,541,881</b>

**ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:**

Reason for Adjustment:

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<b>ADJUSTED AFR FEDERAL REVENUES</b>		\$	<b>2,541,881</b>
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Total Current Year Federal Revenues Reported on SEFA: Federal Revenues	Column D	\$	2,541,881
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**Adjustments to SEFA Federal Revenues:**

Reason for Adjustment:

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ADJUSTED SEFA FEDERAL REVENUE:		\$	2,541,881
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DIFFERENCE:		\$	-
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**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2018**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget  (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)			
U.S. DEPARTMENT OF AGRICULTURE										
Passed through the Illinois State Board of Education										
<i>Child Nutrition Cluster</i>										
School Breakfast Program	10.553	17-4220-00	239,491	46,259	239,491		46,259		285,750	N/A
School Breakfast Program	10.553	18-4220-00		236,129			236,129		236,129	N/A
National School Lunch Program	10.555	17-4210-00	704,689	146,161	704,689		146,161		850,850	N/A
National School Lunch Program	10.555	18-4210-00		703,165			703,165		703,165	N/A
Commodities (non-cash)	10.555	N/A		128,912			128,912		128,912	N/A
Dept. of Defense Fresh Fruits & Vegetables (non-cash)	10.555	N/A		22,856			22,856		22,856	N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE			944,180	1,283,482	944,180	0	1,283,482	0	2,227,662	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed through IL Dept. of Healthcare & Family Services										
Passed through Williamson County Education Services										
Medicaid Matching - Administrative Outreach	93.778	N/A		26,489			26,489		26,489	N/A

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

**\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

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

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

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

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

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2018**

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)			
U.S. DEPARTMENT OF EDUCATION										
Passed through the Illinois State Board of Education										
Title I - Low Income (M)	84.010A	17-4300-00	930,396	317,438	990,946		256,888		1,247,834	1,262,497
Title I - Low Income (M)	84.010A	18-4300-00		896,541			1,004,381		1,004,381	1,303,133
			930,396	1,213,979	990,946	0	1,261,269	0	2,252,215	
Passed through the Regional Office of Education #21										
Title I - Low Income (M)	84.010A	N/A		1,762			1,762		1,762	N/A
Total Title I - Low Income			930,396	1,215,741	990,946	0	1,263,031	0	2,253,977	
Passed through the Illinois State Board of Education and Williamson County Education Services										
V.E. - Perkins - Title IIC - Secondary	84.048A	N/A		14,776			14,776		14,776	N/A
Fed. Sp. Ed. - I.D.E.A. - Flow Through	84.027A	N/A		1,393			1,393		1,393	N/A
			0	16,169	0	0	16,169	0	16,169	
TOTAL U.S. DEPARTMENT OF EDUCATION			930,396	1,231,910	990,946	0	1,279,200	0	2,270,146	
TOTAL FEDERAL AWARDS			1,874,576	2,541,881	1,935,126	0	2,589,171	0	4,524,297	

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

**\*Include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

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

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

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

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

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2018**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Marion Community Unit School District #2 and is presented on the modified cash basis that demonstrates compliance with regulatory provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2: Indirect Facilities & Administration costs<sup>6</sup>**

Auditee elected to use 10% de minimis cost rate? \_\_\_\_\_ YES \_\_\_\_\_ X NO

**Note 3: Subrecipients**

Of the federal expenditures presented in the schedule, Marion Community Unit School District #2 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
N/A		

**Note 4: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by [Entity #XYZ] and should be included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$128,912</u>	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	<u>\$22,856</u>	Total Non-Cash <b><u>\$151,768</u></b>

**Note 5: Other Information**

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>\$0</u>
Auto	<u>\$0</u>
General Liability	<u>\$0</u>
Workers Compensation	<u>\$0</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>\$0</u>
District had Federal grants requiring matching expenditures	<u>No</u>

(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))  
<sup>6</sup> The Uniform Guidance requires the Schedule of Expenditures of Federal Awards to note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Adverse  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported
- Noncompliance material to the financial statements noted?        YES   X   NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)?        YES   X   NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
84.010A	Title I - Low Income	1,263,031
	<b>Total Amount Tested as Major</b>	\$1,263,031

**Total Federal Expenditures for 7/1/17-6/30/18**

\$2,589,171

% tested as Major

48.78%

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee?        YES   X   NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program.  
Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup>                      **2018- None**                      2. THIS FINDING IS:                       New                       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

3. Criteria or specific requirement

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

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

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

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

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

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**1. FINDING NUMBER:<sup>14</sup>**      **2018- None**      **2. THIS FINDING IS:**       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

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

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

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

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

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

**9. Condition<sup>15</sup>**

**10. Questioned Costs<sup>16</sup>**

**11. Context<sup>17</sup>**

**12. Effect**

**13. Cause**

**14. Recommendation**

**15. Management's response<sup>18</sup>**

**For ISBE Review**  
Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

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

**Marion Community Unit School District #2**  
**21-100-0020-26**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2018**

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2017-001	Material adjusting journal entries were recorded as a result of our audit for the purpose of proper preparation of the District's Annual Financial Report on the modified cash basis of accounting that demonstrates compliance with regulatory provisions prescribed by the Illinois State Board of Education. The Annual Financial Report represents the financial statements of the District.	Not Repeated

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

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

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

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