

MERCER COUNTY SCHOOL DISTRICT NO. 404

STATE OF ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

**Cavanaugh, Davies, Blackman & Cramblet
Certified Public Accountants
Monmouth, Illinois**

MERCER COUNTY SCHOOL DISTRICT NO. 404

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Independent Auditors' Report

To the Board of Education
Mercer County School District No. 404

We have audited the accompanying financial statements of the Mercer County School District No. 404 as of and for the fiscal year ended June 30, 2017, as listed in the table of contents and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed and permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note #1 of the financial statements, the financial statements are prepared by Mercer County School District No. 404 on the basis of the financial reporting provisions prescribed by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the audit requirements of the Illinois State Board of Education.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note #1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Mercer County School District No. 404 as of June 30, 2017, or changes in financial position for the year then ended.

Basis for Qualified Opinion

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. 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 possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Mercer County School District No. 404 as of June 30, 2017, and its revenue received and expenditures disbursed during the fiscal year then ended and the respective budgetary comparison statements, in accordance with the financial reporting provisions prescribed by the Illinois State Board of Education and described in Note #1.

Other Matters

Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Mercer County School District No. 404's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The 2016 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 16, 2016, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2016 financial statements as a whole.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mercer County School District No. 404's basic financial statements. The supplementary schedules on AFR pages 24 through 26, statistical section on AFR pages 27 through 29 and the itemization schedule on AFR page 33, and Activity Fund Schedules listed as supplementary information in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Mercer County School District No. 404.

Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on AFR page 28 and per capita tuition charges on AFR page 29, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information on AFR pages 28-30 is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations.

Other Information

The information provided on AFR pages 2 through 4, and AFR page 36 are presented for the purposes of additional analysis and are not a required part of the financial statements of Mercer County School District No. 404. The Administrative Cost Worksheet on AFR page 32 contains unaudited information concerning the current year budget which was provided by Mercer County School District No. 404. The actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements as a whole. The average daily attendance figure, included in the computation of operating expense per pupil on AFR page 28 and per capita tuition charges on AFR page 29 and the IMRF Multi-Year Schedule of Changes in the Net Pension Liability and Related Ratios and the IMRF Schedule of Employer Contributions, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2017, on our consideration of the Mercer County School District No. 404'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 testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mercer County School District No. 404's internal control over financial reporting and compliance.

Cavanaugh, Davies, Blackman & Cramblet

Cavanaugh, Davies, Blackman & Cramblet
Monmouth, Illinois
November 13, 2017

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**Independent Auditors' 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
Mercer County School District No. 404

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 Mercer County School District No. 404 as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Mercer County School District No. 404's basic financial statements, and have issued our report thereon dated November 13, 2017. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mercer County School District No. 404's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mercer County School District No. 404's internal control. Accordingly we do not express an opinion on the effectiveness of Mercer County School District No. 404's internal control.

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, and therefore material weaknesses or significant deficiencies may exist that were not identified. However as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the school district's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: Finding 2017-2002 and 2017-003.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: Finding 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mercer County School District No. 404's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are identified as Findings 2017-004, 2017-005 and 2017-006 in the accompanying schedule of findings and questioned costs.

School District's Response to Findings

Mercer County School District No. 404's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mercer County School District No. 404's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

Cavanaugh, Davies, Blackman & Cramblet

Cavanaugh, Davies, Blackman & Cramblet
Monmouth, Illinois
November 13, 2017

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**Independent Auditors' Report on Compliance For Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Education
Mercer County School District No. 404

Report on Compliance for Each Major Federal Program

We have audited Mercer County School District No. 404'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 its major federal programs for the year ended June 30, 2017. Mercer County School District No. 404's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mercer County School District No. 404'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 the 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 Mercer County School District No. 404'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 Mercer County School District No. 404's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion Mercer County School District No. 404 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, 2017.

Report on Internal Control Over Compliance

Management of Mercer County School District No. 404 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 Mercer County School District No. 404'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 Mercer County School District No. 404'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 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.

Cavanaugh, Davies, Blackman & Cramblet

Cavanaugh, Davies, Blackman & Cramblet
Monmouth, Illinois
November 13, 2017

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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, 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. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following fund types and account groups are used by the District:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The Educational and 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 other funds.

Transportation, Tort, and Municipal Retirement Funds/Social Security Funds, are used to account for cash received from specific revenue sources (other than Fiduciary, Capital Projects or Debt Service Funds) that are legally restricted to cash disbursements for specified purposes.

Debt Service Fund is used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.

The Working Cash Fund is used to account for financial resources held by the District to be used for temporary interfund loans to other funds.

Capital Projects Fund accounts for the receipt and disbursement of resources for the purposes of buying or building major capital assets. The Fire Prevention and Safety Fund is considered to be, by ISBE definition, a Capital Projects Fund.

Fiduciary Fund Types

Fiduciary funds are 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.

Trust and Agency Funds - Student Activity and Trust Funds are used to account for assets held by the District as an agent for students or teachers. These funds are custodial in nature and do not involve the measurement of results of operations. The amounts due to the activity fund organizations are equal to the assets.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION - FUND ACCOUNTING (Continued)

General Fixed Assets and General Long Term Debt Account Group

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 governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental 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.

B. GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed for capital outlay in the Governmental Funds and capitalized at cost in the general fixed assets account group, except that land and buildings acquired prior to June 30, 1950 are stated at estimated original cost. Capital assets are those purchased or acquired with an original cost of \$500 or more per unit and having a useful life of more than one year. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Land	N/A
Land Improvements	20
Building and Structures	50
Equipment	10
Transportation Equipment	3 to 5

Depreciation accounting is not considered applicable (except to determine the per capita tuition charge).

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 in the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, revenues are recognized and recorded in the accounts when cash is received and expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right-to-receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables, and other accrued and deferred items that do not arise from previous cash transactions.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Compiled Statutes. The budget, which was amended, was passed on September 21, 2016 and amended June 21, 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 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. By September 30, the budget is legally adopted through passage of a resolution.
4. The Board of Education may make transfers between various items in any fund, not exceeding in the aggregate 10% of the total of such funds, as set forth in the budget.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Earnings from pooled accounts are allocated to the respective funds based on the average balance of each fund.

F. INVESTMENTS

Investments, money market and savings accounts and certificates of deposit, are stated at cost which approximates market. The institutions in which investments are made must be approved by the Board of Education.

G. INVENTORIES

Most school districts do not maintain inventories that would be material to the financial statements and therefore expense items as they are purchased.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. REPORTING ENTITY

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of seven elected officials who, together, constitute the Board of Education.

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 includes, but are not limited to, whether the Board of Education exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters) over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other.

The joint agreements have been determined not to be part of the reporting entity. Accordingly, for the year ended, the District does not have any component units and is not a component unit of any other reporting entity.

NOTE 2 - CASH AND INVESTMENTS

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Illinois Compiled Statutes, Public Funds Investment Act 30 ILCS 235, and Section 8-7 of the School Code of Illinois (105ILCS5). Generally, allowable investments consist of: interest bearing deposits in financial institutions; the Illinois Public Treasurers' Investment Pool; notes and bonds guaranteed by the United States of America; and, subject to certain restrictions, short term corporate obligations and repurchase agreements with financial institutions.

The District's cash deposits and certificates of deposit at June 30, 2017 were entirely covered by federal depository insurance or by collateral held by the District's custodial bank in the District's name.

At June 30, 2017, the District had the following investments:

	<u>Investment Maturity</u>		
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>
Investment in School District Bonds - Educational Fund	\$ 375,000	\$ 87,000	\$ 288,000
Certificate of Deposit - Activity Funds	5,000	5,000	
Certificate of Deposit - Scholarship Funds	72,956	18,419	54,537
Money Market - Scholarship Funds	169	169	
Savings Account - Scholarship Funds	6,105	6,105	
Total Primary Government	<u>\$ 459,230</u>	<u>\$ 116,693</u>	<u>\$ 342,537</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - CASH AND INVESTMENTS (Continued)

The District's cash deposits and investments are subject to several types of risk, which are examined in detail as follows:

Custodial Credit Risk - is the risk that, in the event of a bank failure, the District will not be able to recover the value of its investment. The Public Funds Investment Act has requirements regarding collateralization. The District has obtained collateral to secure deposits in excess of FDIC coverage.

Interest Rate Risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy minimizes the risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in short-term securities.

Credit Risk - is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The District's investment policy minimizes the credit risk by limiting investments to the safest type of securities.

Concentration of Credit Risk - is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy places no limit on the amount the District may invest in any one issuer.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital asset activity, resulting from cash basis transactions, for the fiscal year ended:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 235,697	\$	\$	\$ 235,697
Capital Assets, Being Depreciated:				
Buildings	\$ 14,626,069	\$	\$	\$ 14,626,069
Improvements	4,756,390	1,432,694		6,189,084
Equipment	1,199,640	92,195	(193,374)	1,098,461
Transportation Equipment	972,411	86,689	(301,634)	757,466
Less Accumulated Depreciation	<u>(11,235,305)</u>	<u>(750,884)</u>	<u>495,008</u>	<u>(11,491,181)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 10,319,205</u>	<u>\$ 860,694</u>	<u>\$ -0-</u>	<u>\$ 11,179,899</u>
Governmental Activities, Capital Assets, Net	<u>\$ 10,554,902</u>	<u>\$ 860,694</u>	<u>\$ -0-</u>	<u>\$ 11,415,596</u>

Depreciation accounting is not considered applicable except to determine the per capita tuition charge and therefore is not recorded in the funds.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 4 - INTERFUND LOANS AND TRANSFERS

Interfund Loans - During the year ended June 30, 2016, there were interfund loans, which were still outstanding at June 30, 2017, as follows:

Tort Fund	Due from Operations and Maintenance	\$ 37,652
Tort Fund	Due from Fire Prevention and Safety	<u>106,549</u>
		<u>\$ 144,201</u>

These interfund loans were the result of auditor entries to reclass capital expenditures inadvertently paid by the Tort Fund.

Permanent Transfers - During the year ended, June 30, 2017, the District made permanent transfers between funds:

The Capital Projects Fund transferred \$260,000 of accumulated school facility occupation tax proceeds to the Debt Service Fund for the payment of Debt Certificates. The Working Cash Fund transferred \$290,000 of bond proceeds to the Debt Service Fund for the repayment of Working Cash bonds.

NOTE 5 - GENERAL LONG TERM DEBT

General long term debt at year end is summarized as follows:

	<u>Beginning Balance</u>	<u>New Borrowing</u>	<u>Repayments</u>	<u>Ending Balance</u>
General Obligation Refunding School Bonds, Series 2014	\$ 672,900	\$	\$ 182,200	\$ 490,700
General Obligation Working Cash Bonds, Series 2016	375,000		375,000	
General Obligation Working Cash Bonds, Series 2017		375,000		375,000
General Obligation Health/Life Safety School Bonds, Series 2016	<u>1,700,000</u>		<u>238,100</u>	<u>1,461,900</u>
	<u>\$ 2,747,900</u>	<u>\$ 375,000</u>	<u>\$ 795,300</u>	<u>\$ 2,327,600</u>

The annual cash flow requirements of bond principal and interest are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 538,800	\$ 43,978	\$ 582,778
2019	567,000	28,928	595,928
2020	500,300	20,125	520,425
2021	404,600	11,656	416,256
2022	<u>316,900</u>	<u>3,169</u>	<u>320,069</u>
	<u>\$ 2,327,600</u>	<u>\$ 107,856</u>	<u>\$ 2,435,456</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 5 - GENERAL LONG TERM DEBT (Continued)

General Obligation Refunding School Bonds, Series 2014

Original issue \$1,040,000, dated October 1, 2014, requires serial retirement of principal on December 1 and interest payable on December 1 and June 1 of each year at rates of .30% and 1.5%. These bonds were issued to pay off General Obligation Refunding School Bonds, Series 2005. At year end, the annual cash flow requirements of principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 187,300	\$ 5,007	\$ 192,307
2019	192,300	2,868	195,168
2020	111,100	833	111,933
Totals	<u>\$ 490,700</u>	<u>\$ 8,708</u>	<u>\$ 499,408</u>

General Obligation Working Cash Bonds, Series 2016

Original issue \$375,000, dated February 10, 2016, required a one time payment of principal and interest payable on December 1, 2016 at a rate of 2.5%. The \$375,000 plus interest of \$7,161 was paid in December 2016.

General Obligation Working Cash Bonds, Series 2017

Original issue \$375,000, dated February 1, 2017, requires four annual payments of principal and interest payable on December 1 of each year at a rate of 2.5%. Bond issuance costs of \$9,200 were paid from the Debt Service Fund. At year end, the annual cash flow requirement of principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 87,000	\$ 7,812	\$ 94,812
2019	92,000	7,200	99,200
2020	96,000	4,900	100,900
2021	100,000	2,500	102,500
Totals	<u>\$ 375,000</u>	<u>\$ 22,412</u>	<u>\$ 397,412</u>

Mercer County School District No. 404 purchased these bonds and this amount is shown as an investment of the Educational Fund.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 5 - GENERAL LONG TERM DEBT (Continued)

General Obligation Health/Life Safety School Bonds, Series 2016

Original issue \$1,700,000, dated May 24, 2016, requires retirement of principal on December 1 and interest payable on December 1 and June 1 of each year at rates of 1.0 - 2.0%. The bond proceeds were deposited to the Fire Prevention and Safety Fund. At year end, the annual cash flow requirements of principal and interest were as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 264,500	\$ 31,159	\$ 295,659
2019	282,700	18,860	301,560
2020	293,200	14,392	307,592
2021	304,600	9,156	313,756
2022	<u>316,900</u>	<u>3,169</u>	<u>320,069</u>
Totals	<u>\$ 1,461,900</u>	<u>\$ 76,736</u>	<u>\$ 1,538,636</u>

NOTE 6 - FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

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. All other fund balances are spendable resources.

B. RESTRICTED FUND BALANCE

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

1. Special Education - Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 6 - FUND BALANCE REPORTING (Continued)

B. RESTRICTED FUND BALANCE (Continued)

2. Leasing Levy - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational Fund and Operations and Maintenance Funds. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$23,498 in the Educational Fund and \$33,796 in the Operation and Maintenance Fund. These balances are included in the financial statements as Reserved in each Fund.
3. State Grants - Proceeds from state grants and the related expenditures have been included in the Educational, and Transportation Funds. Expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balances.
4. Federal Grants - Proceeds from federal grants and the related expenditures have been included in the Educational Fund. Expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balances.
5. Social Security - Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

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 balance by making motions or passing resolutions to adopt policy or approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

In 2017, the board approved construction bids for HVAC and roof repairs. The projects have an unpaid balance of \$336,267 to be paid for with Operations and Maintenance Funds. The project will be completed during fiscal year 2018.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. The total amount of unpaid contracts for services performed during the fiscal year ended amounted to \$872,739. This amount is shown as Unreserved in the Educational Fund.

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 or 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. No amounts have been assigned as of year end.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 6 - FUND BALANCE REPORTING (Continued)

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, and Working Cash Funds.

F. REGULATORY - FUND BALANCE DEFINITIONS

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.

G. RECONCILIATION OF FUND BALANCE REPORTING

The first five 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 preparation of the financial statements.

<u>Fund</u>	<u>Generally Accepted Accounting Principles</u>					<u>Regulatory Basis</u>	
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Financial Statements</u> <u>Reserved</u>	<u>Unreserved</u>
Educational		23,498	872,739		2,720,987	23,498	3,593,726
Operations & Maintenance		33,796	336,267		1,691,921	33,796	2,028,188
Debt Service		267,905					267,905
Transportation		514,423					514,423
Municipal Retirement		594,455					594,455
Capital Projects		214,563					214,563
Working Cash					1,712,530		1,712,530
Tort Liability		875,689					875,689
Fire Prevention & Safety					215,834		215,834
Agency			384,738			384,738	

H. 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.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 7 - EMPLOYEE HEALTH INSURANCE FUND - AGENCY FUND RESERVED FUND BALANCE

The District has established the Employee Health Insurance Fund to collect premiums and pay claims under a plan for health insurance for the employees of the District. Health insurance benefits are administered and paid through Blue Cross/Blue Shield.

Transactions of the Mercer County School District No. 404 Employee Health Insurance Fund are summarized as follows:

Plan Assets Balance at Beginning of Year	\$ 264,535
Premiums Collected	1,212,512
Earnings on Investments	4,228
Less: Benefits Paid, Administration Fees & Reinsurance Expense	<u>(1,096,537)</u>
Plan Assets Balance at End of Year	<u>\$ 384,738</u>

The financial statements for Mercer County School District No. 404 reflect expenses for the health insurance plan based on premiums paid during the year reduced by any family plan amounts paid by the employee.

NOTE 8 - DEFICIT FUND BALANCES

There were no deficit fund balances in any fund for the year ended June 30, 2017.

NOTE 9 - LEASE COMMITMENTS

Operating Leases -

The District has entered into agreements for the lease of equipment that require current and future payments under the terms of those agreements. These leases, are in substance, operating leases and are treated as such, with the periodic payments being expensed in the accounting period when paid. Details of the current operating lease are as follows:

<u>Lessor</u>	<u>Date</u>	<u>Term</u>	<u>Description</u>	<u>Payment</u>	<u>Payments Due FY 2018</u>	<u>Total Payments to Maturity</u>
R.K. Dixon	8/27/14	60 Months	Service Agreements	\$2,172/mo	\$ 23,264	\$ 61,090
US Bank	8/27/14	60 Months	Copiers	\$2,037/mo	\$ 24,444	\$ 54,600
Midwest Transit Equipment	7/1/17	24 Months	4 -72 Passenger Buses	\$45,248/yr	\$ 45,248	\$ 90,496

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 9 - LEASE COMMITMENTS (Continued)

Capital Leases -

Financing leases as of June 30, 2017 are summarized as follows:

	<u>Beginning Balance</u>	<u>New Leases</u>	<u>Repayments</u>	<u>Ending Balance</u>
2014 School Bus (Santander Bank)	\$ 115,734	\$	\$ 57,127	\$ 58,607
2015 School Bus (Santander Bank)	90,816		29,562	61,254
2012 Computer Lease (Kansas State Bank)	14,379		14,379	
2016 Computer Lease (Bank Orion)		44,493	15,400	29,093
2016 Computer Lease (Bank Orion)	29,984		29,984	
	<u>\$ 250,913</u>	<u>\$ 44,493</u>	<u>\$ 146,452</u>	<u>\$ 148,954</u>

2014 Bus Lease Purchase Obligation - In 2014, the District entered into a lease/purchase agreement for the acquisition of two buses, two vans, and an SUV in the amount of \$285,808. The agreement requires five payments of \$60,159 beginning August 2013. The interest rate is 2.62%. The final payment is due in August 2017.

2015 Bus Lease Purchase Obligation - In 2015, the District entered into a lease/purchase agreement for the acquisition of two buses in the amount of \$151,428. The agreement requires five payments of \$31,742 beginning October 2014. The interest rate is 2.4%. The final payment is due in October 2018.

	<u>2014 Bus Lease/Purchase</u>			<u>2015 Bus Lease/Purchase</u>		
<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 58,607	\$ 1,552	\$ 60,159	\$ 30,272	\$ 1,470	\$ 31,742
2019				30,982	760	31,742
	<u>\$ 58,607</u>	<u>\$ 1,552</u>	<u>\$ 60,159</u>	<u>\$ 61,254</u>	<u>\$ 2,230</u>	<u>\$ 63,484</u>

All school bus lease payments are paid from the Transportation Fund. The principal portion of the lease payment will be recorded as capital outlay expenditures when paid.

2016 Computer Lease - In 2016, the District entered into a lease/purchase agreement for the purchase of computer equipment in the amount of \$44,493. The District paid an initial payment of \$15,669 and agreed to two additional payment of \$15,669 beginning September 1, 2017, including accrued interest of 5.509% per year.

	<u>2016 Computer Lease</u>		
<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 14,242	\$ 1,427	\$ 15,669
2019	14,851	818	15,669
	<u>\$ 29,093</u>	<u>\$ 2,245</u>	<u>\$ 31,338</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 9 - LEASE COMMITMENTS (Continued)

2016 Computer Lease - In 2016, the District entered into a lease/purchase agreement for the purchase of computer equipment in the amount of \$45,449. The District paid an initial payment of \$15,465 and agreed to two additional payments of \$15,465 beginning July 1, 2016, including accrued interest of 2.25% per year. This lease was paid in full in June 2017.

2012 Computer Lease - In 2012, the District entered into a lease/purchase agreement for the purchase of computer and other technology equipment in the amount of \$70,694. The District paid an initial payment of \$15,878 and agreed to four additional payments of \$14,879 beginning July 5, 2013, including accrued interest of 3.372% per year. This lease was paid in full in July 2016.

All computer lease payments are paid from the Educational Fund. The principal portion of the payments will be recorded as capital outlay expenditures when paid.

NOTE 10 - 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 2016 tax levy was passed by the Board on December 14, 2016. Property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments in June and September. The District received significant distributions of tax receipts from the County Collector between July 1, 2016 and December 31, 2016. Taxes recorded in these financial statements are from the 2016 and prior tax levies. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of assessed valuation:

	Maximum Percent	Actual Percent	Actual Percent
	<u>2016 Rate</u>	<u>2015 Rate</u>	<u>2016 Rate</u>
Educational	2.7000	2.70000	2.7000
Operations, Building and Maintenance	.7000	.70000	.70000
Transportation	.2000	.20000	.20000
Municipal Retirement and Social Security	as needed	.33710	.32946
Working Cash	.0500	.05000	.05000
Tort Immunity	as needed	.37120	.37456
Lease	.0500	.05000	.05000
Special Education	.0400	.04000	.04000
Fire Prevention and Safety	.0500	<u>.05000</u>	<u>.05000</u>
		<u>4.49830</u>	<u>4.49402</u>
Debt Service - Aledo/Mercer County	as needed	.2759	.27750

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS

The School District participates in two retirement systems: the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all full-time teachers and teachers employed on a part-time basis in positions where services are expected to be rendered for a full and complete school term. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF. The District's payroll for the year ended June 30, 2017 was \$7,519,059.

For the year ended June 30, 2017, the District recognized aggregate pension expense of \$343,753 on a cash basis.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

The School 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 provision of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

TEACHER'S 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, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the District recognized revenue and expenditures of \$4,360,541 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, 2017 were \$33,508.

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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$70,207 were paid from federal and special trust funds that required employer contributions of \$27,058. The District paid \$61,558.

Employer Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The district is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer paid \$-0- to TRS for employer ERO contributions.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

TEACHER'S RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

The employer 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, 2017, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities and Pension Expense

At June 30, 2017, the employer has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount disclosed by the employer 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 employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,614,445
State's proportionate share of the net pension liability associated with the employer	<u>44,401,943</u>
Total	<u>\$ 46,016,388</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2016, the employer's proportion was 0.0020452565 percent, which was an increase (decrease) of (0.0000128206) from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the employer recognized pension expense of \$136,880 on a cash basis under this plan.

Actuarial assumptions

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

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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

TEACHER'S RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bond core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15%	5.44%
Commodities (real return)	11%	4.28%
Hedge funds (absolute return)	8%	4.16%
Private equity	<u>14%</u>	10.63%
Total	<u>100%</u>	

Discount rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

TEACHER'S RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 1,974,531	\$ 1,614,445	\$ 1,320,349

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

ILLINOIS MUNICIPAL RETIREMENT FUND

IMRF Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and select police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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

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

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

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	80
Inactive Plan Members entitled to but not yet receiving benefits	75
Active Plan Members	<u>89</u>
Total	<u>244</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2016 was 10.78%. For the calendar year ended December 31, 2016, the employer contributed \$195,857 to the plan. The employer 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.

For the year ended June 30, 2017, the employer recognized pension expense of \$206,873 on a cash basis under this plan.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2016. 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, 2016:

Actuarial Cost Method	Entry Age Normal.
Asset Valuation Method	Market Value of Assets.
Inflation Rate	2.75%
Salary Increases	3.75% to 14.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation according to an experience study of the period 2011 to 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational scale MP 2014 (Base year 2012). The IMRF specific rates for mortality 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.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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, 2016.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>1%</u>	2.25%
Total	<u>100%</u>	

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation report.

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 3.78%, and the resulting single discount rate is 7.50%.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Changes in the Net Pension Liability and Related Ratios

	<u>Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance December 31, 2015	\$ <u>9,276,094</u>	\$ <u>8,070,304</u>	\$ <u>1,205,790</u>
Service Costs	183,962		183,962
Interest on the Total Pension Liability	681,787		681,787
Difference Between Expected and Actual Experience	337,923		337,923
Changes in Assumptions	(32,252)		(32,252)
Employer Contributions		195,857	(195,857)
Employee Contributions		74,633	(74,633)
Net Investment Income		550,384	(550,384)
Benefit Payments, Net of Refunds	(482,135)	(482,135)	-0-
Other Changes	<u> </u>	<u>213,032</u>	<u>(213,032)</u>
Net Changes	<u>689,285</u>	<u>551,771</u>	<u>137,514</u>
Balance as of December 31, 2016	\$ <u><u>9,965,379</u></u>	\$ <u><u>8,622,075</u></u>	\$ <u><u>1,343,304</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			<u><u>86.52%</u></u>
Covered Valuation Payroll			\$ <u><u>1,615,991</u></u>
Net Pension Liability as a Percentage of Covered Valuation Payroll			<u><u>83.13%</u></u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - RETIREMENT PLANS (Continued)

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 (6.50%) or 1% higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Single Discount Rate Assumption (7.50%)	1% Increase (8.50%)
Total Pension Liability	\$ 11,120,533	\$ 9,965,379	\$ 9,005,091
Plan Fiduciary Net Position	8,622,075	8,622,075	8,622,075
Net Pension Liability/(Asset)	<u>\$ 2,498,458</u>	<u>\$ 1,343,304</u>	<u>\$ 383,016</u>

Additional information on the calculation of the 2016 Contribution Rate and other IMRF plan information is available in a separately issued actuarial financial report.

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.

NOTE 12 - TEACHER HEALTH INSURANCE SECURITY (THIS) FUND

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined postemployment 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 A and B may be eligible to enroll in a Medicare Advantage Plan.

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 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.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 12 - TEACHER HEALTH INSURANCE SECURITY (THIS) FUND (Continued)

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 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$61,758 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 employer THIS Fund contribution was .84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the district paid \$17,381 to the THIS Fund, which was 100 percent of the required contribution.

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."

NOTE 13 - OVER EXPENDITURE OF BUDGET

The District operated within the legal confines of the budget during the fiscal year except for the Educational Fund.

	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Educational Fund	\$ 9,083,226	\$ 9,443,223	\$ 359,997

NOTE 14 - CONTINGENCIES

The District has a policy allowing full-time personnel to accumulate sick days that are earned annually and allowed to accumulate and carryover from year to year up to a specified maximum. These days are only redeemable in the future as compensated absences in the case of illness or disability. Consequently, it is not practical to measure or value these future compensated absences.

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

MERCER COUNTY SCHOOL DISTRICT NO. 404

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 15 - JOINT AGREEMENTS

The District does not have an equity ownership in the following joint agreements, and therefore, the joint agreements would not cause a financial benefit or burden to the District's financial operations.

Quad City Vo Tech Region System

Mercer County School District No. 404 is a member of the Quad City Vo-Tech Region System. Members of the joint agreement receive state and federal funding for vocational programs. An audit report of Quad City Vo Tech Region System may be obtained from them at 1275 Avenue of the Cities, East Moline, Illinois 61244.

Black Hawk Area Special Education District

Mercer County School District No. 404 is a member of the Black Hawk Area Special Education District. This Coop of local school districts provides staff for special education students. The Coop shares in the cost of teachers, physical therapists, psychologists, speech therapists and other staff, as needed, based on a percentage of students served. An audit report of the Black Hawk Area Special Education District may be obtained from them at 4670 11th Street, East Moline, Illinois 61244.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by general liability, property, and worker's compensation insurance. During the year ended, there were no significant reductions in 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, there were no significant adjustments in premiums based on actual experience.

NOTE 17 - LEGAL DEBT MARGIN

Assessed Valuation, 2016 Tax Year	<u>\$ 142,123,001</u>
Statutory Debt Limitation (13.8% of Assessed Valuation)	\$ 19,612,974
Bonded Debt Outstanding	(2,327,600)
Capital Leases Outstanding	<u>(148,954)</u>
Legal Debt Margin	<u>\$ 17,136,420</u>

NOTE 18 - DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through the date of the Auditors' Report which is the date the financial statements were available to be issued.

MERCER COUNTY SCHOOL DISTRICT NO. 404
ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Agency Funds</u>	<u>Balance July 1, 2016</u>	<u>Receipts</u>	<u>Expenditures Disbursed</u>	<u>Balance June 30, 2017</u>
<u>Mercer County High School Activity Fund</u>				
Activity Tickets	\$ 200	\$ 2,120	\$ 2,120	\$ 200
All Purpose	242	3,618	3,779	81
Band	265	17,772	17,681	356
Boys and Girls Golf	89	1,911	967	1,033
Baseball	476	5,032	3,786	1,722
Bass Fishing Club	1,500	6,084	6,784	800
Basketball/Boys	212	412	624	
Basketball/Girls	2,460	8,200	5,732	4,928
Bryant J. Luxmore Memorial Foundation		1,000	1,000	
Business Office	2,038	1,229	2,768	499
Care Fund	158		130	28
Cheerleaders	2,085	5,229	4,661	2,653
Chorus	1,684	5,514	2,694	4,504
Class of 2017	(41)	283	242	
Class of 2018	34	3,830	2,329	1,535
Class of 2019	270		625	(355)
Class of 2020		239		239
Creative Writing Club	31			31
Cross Country	513	887	918	482
Dick Hogan Bank Memorial	5,014	1,000	4,460	1,554
Drama Class	765	890	603	1,052
Eagle Nation	146	5		151
Faculty Fund/Memorial		151	89	62
Faculty Lounge	209	569	571	207
F.C.A.	90	100		190
Flag Squad	553	746	1,126	173
Football	759	14,318	9,903	5,174
F.F.A.	2,519	26,775	25,998	3,296
F.F.A Donated for Student Use	6,386	4,125	1,000	9,511
F.F.A. (Section 4 Officers)	3,620	2,586	3,026	3,180
F.F.A. (Section 4 Teachers)	1,071	654	992	733
F.F.A. (Torch Mate)	1,983	970	670	2,283
Guidance Department		416	13	403

MERCER COUNTY SCHOOL DISTRICT NO. 404
ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Agency Funds</u>	Balance <u>July 1, 2016</u>	<u>Receipts</u>	Expenditures <u>Disbursed</u>	Balance <u>June 30, 2017</u>
<u>Mercer County High School Activity Fund</u> (Continued)				
Hall of Fame	\$ 144	\$ 556	\$ 699	\$ 1
Jazz Band	212	619	486	345
Key Club	161	3,663	2,994	830
Library	314	772	779	307
Locker Deposit				
McMeekin Scholarship	60,112	1,158	3,000	58,270
Music Theory	527	832	874	485
Music Trip	2,251	29,434	31,629	56
Musical	4,748	2,176	2,218	4,706
PE Bowling	1,284	4,975	5,122	1,137
Pom Pon Squad	577	12,911	13,188	300
S.T.E.P. Program	63	205	257	11
Scholastic Bowl	1,625	1,275	1,125	1,775
Softball	1,713	1,787	3,062	438
Spanish Club		293	292	1
Student Council	3,313	11,149	11,898	2,564
Swing Choir	1,390		1,390	
Tournament	3,258		3,258	
Track	358	3,028	2,665	721
Track Girls	2,717	3,466	2,506	3,677
Vending Machine	868	8,218	8,298	788
Volleyball	152	4,097	4,058	191
Wood Shop	3,916	8,381	7,313	4,984
Wrestling Team	874	9,478	4,657	5,695
Yearbook	5,926	10,858	5,711	11,073
Total High School Activity Fund	<u>\$ 131,834</u>	<u>\$ 235,996</u>	<u>\$ 222,770</u>	<u>\$ 145,060</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Agency Funds</u>	Balance <u>July 1, 2016</u>	<u>Receipts</u>	Expenditures <u>Disbursed</u>	Balance <u>June 30, 2017</u>
<u>Mercer County Junior High School Activity Funds</u>				
Art	\$ 8	\$	\$	\$ 8
Athletic Activity Fund	135			135
Band Fund	618	7,910	5,232	3,296
Basketball	749	3,283	2,175	1,857
Calculator Orders	575			575
Care Fund	406			406
Cheerleaders Fund	1,789	1,785	2,218	1,356
Chorus	826	8,115	7,457	1,484
Counselor	160			160
FFA	409			409
Flower Fund	189			189
Football Fund	62	65	126	1
General Fund	6,534	1,203	1,432	6,305
Interest	722	92		814
Library & Book Fund	1,464	415	36	1,843
Physical Education	96	718	188	626
Prairieland Conference	4,847	4,392	3,613	5,626
Scholastic Bowl	11	120	120	11
Science Explorers	522	610	539	593
Sports Fees		350	350	
Student Assistance Team	223			223
Student Awards	28			28
Student Culture	117			117
Student Senate	5,277	8,237	7,931	5,583
Teacher's Pop Fund	523	571	667	427
Technology Fund	17			17
Tournament Fund	523			523
Track Fund	1	3,127	2,607	521
Vending Machines	2,219	2,856	1,987	3,088
Volleyball	1,353	1,209	1,372	1,190
Wrestling	951	370	1,251	70
Yearbook	893	1,568	1,590	871
ZAP Program	16	94	66	44
Total Mercer County Junior High Activity Fund	<u>\$ 32,263</u>	<u>\$ 47,090</u>	<u>\$ 40,957</u>	<u>\$ 38,396</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Agency Funds</u>	Balance <u>July 1, 2016</u>	<u>Receipts</u>	Expenditures <u>Disbursed</u>	Balance <u>June 30, 2017</u>
<u>Mercer County Intermediate School Activity Funds</u>				
Art Fund	\$ 3	\$	\$	\$ 3
Band Fund	200	510		710
Care Fund	731			731
Chorus Fund	5	874	780	99
General Fund	786	1,659	1,300	1,145
Gift Fund	170		76	94
Library	629	44		673
McCaw Memorial	228		125	103
PBIS	327	1,782	1,878	231
Pop Fund	802	2,805	2,239	1,368
Rewards Fund	4			4
Student Assistance Fund	878	100	115	863
Yearbook	546	1,170	1,144	572
5 th Grade Science	83			83
Total Mercer County Intermediate School Activity Fund	<u>\$ 5,392</u>	<u>\$ 8,944</u>	<u>\$ 7,657</u>	<u>\$ 6,679</u>
<u>New Boston Elementary School Activity Funds</u>				
Donations	\$ 3,061	\$ 1,375	\$ 390	\$ 4,046
General	17,293	23,451	7,565	33,179
Library	354	159	101	412
Pop Fund	511	304	423	392
Summer School	1,439			1,439
Total New Boston Elementary School Activity Funds	<u>\$ 22,658</u>	<u>\$ 25,289</u>	<u>\$ 8,479</u>	<u>\$ 39,468</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

	Balance <u>July 1, 2016</u>	<u>Receipts</u>	Expenditures <u>Disbursed</u>	Balance <u>June 30, 2017</u>
<u>Agency Funds</u>				
<u>Apollo Elementary School Activity Funds</u>				
Art	\$ 1,818	\$	\$	\$ 1,818
Butterfly Garden	121			121
Care Fund	1,234	3,777	3,648	1,363
Library Fund	117	100		217
Music Sound System	200	334	122	412
PBIS/Principal	419	3,550	3,535	434
Pencil Fund	354			354
Pop Fund	436	105	146	395
Science	760	297	508	549
Staff Flower Fund	974	110	408	676
Total Apollo Elementary School Activity Funds	<u>\$ 6,433</u>	<u>\$ 8,273</u>	<u>\$ 8,367</u>	<u>\$ 6,339</u>
<u>Trust Funds</u>				
<u>Scholarship Funds</u>				
ABC Scholarship	\$ 26,397	\$ 335	\$ 1,000	\$ 25,732
Connie Sue Smith Scholarship	29,616	189	1,000	28,805
Frank Smith Scholarship	17,433	91	3,000	14,524
McKinney Memorial	10,041	128		10,169
Total Trust Funds	<u>\$ 83,487</u>	<u>\$ 743</u>	<u>\$ 5,000</u>	<u>\$ 79,230</u>
Total Agency and Trust Funds	<u>\$ 282,067</u>	<u>\$ 326,335</u>	<u>\$ 293,230</u>	<u>\$ 315,172</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404

SCHEDULE OF INVESTMENTS

JUNE 30, 2017

	<u>Interest Rate</u>	<u>Book Value</u>	<u>Market Value</u>
Educational Fund -			
Investment in School District Bonds	2.5%	\$ 375,000	\$ 375,000
Activity Funds -			
Junior High Activity Fund - Certificate of Deposit	0.50%	\$ 5,000	\$ 5,000
Scholarship Funds -			
ABC Scholarship			
Certificate of Deposit	1.20%	\$ 7,401	\$ 7,401
Certificate of Deposit	1.20%	6,787	6,787
Certificate of Deposit	1.35%	2,833	2,833
Certificate of Deposit	1.45%	8,711	8,711
Connie Sue Smith Scholarship - Certificate of Deposit	1.00%	28,805	28,805
Frank Smith Scholarship -			
Savings Account	.10%	6,105	6,105
Certificate of Deposit	.80%	8,419	8,419
McKinney Memorial -			
Money Market	1.50%	169	169
Certificate of Deposit	1.25%	<u>10,000</u>	<u>10,000</u>
Total Scholarship Funds		\$ 79,230	\$ 79,230
Total Investments		<u>\$ 459,230</u>	<u>\$ 459,230</u>

MERCER COUNTY SCHOOL DISTRICT NO. 404
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
MULTI-YEAR SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2017

Calendar year ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Costs	\$ 183,962	\$ 186,007	\$ 188,488
Interest on the Total Pension Liability	681,787	673,287	630,755
Difference between Expected and Actual Experience	337,923	(271,281)	(142,816)
Changes in Assumptions	(32,252)	20,339	382,980
Benefit Payments, Net of Refunds	<u>(482,135)</u>	<u>(456,811)</u>	<u>(501,358)</u>
Net Changes in Total Pension Liability	689,285	151,541	558,049
Total Pension Liability - Beginning	<u>9,276,094</u>	<u>9,124,553</u>	<u>8,566,504</u>
Total Pension Liability - Ending (a)	<u><u>\$ 9,965,379</u></u>	<u><u>\$ 9,276,094</u></u>	<u><u>\$ 9,124,553</u></u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 195,857	\$ 198,459	\$ 177,858
Employee Contributions	74,633	73,760	72,205
Pension Plan Net Investment Income	550,384	41,750	495,072
Benefit Payments and Refunds	(482,135)	(456,811)	(501,358)
Other Changes	<u>213,032</u>	<u>(229,055)</u>	<u>(43,164)</u>
Net Change in Plan Fiduciary Net Position	551,771	(371,897)	200,613
Plan Fiduciary Net Position - Beginning	<u>8,070,304</u>	<u>8,442,201</u>	<u>8,241,588</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 8,622,075</u></u>	<u><u>\$ 8,070,304</u></u>	<u><u>8,442,201</u></u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u><u>\$ 1,343,304</u></u>	<u><u>\$ 1,205,790</u></u>	<u><u>\$ 682,352</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>86.52%</u>	<u>87.00%</u>	<u>92.52%</u>
Covered Valuation Payroll	<u><u>\$ 1,615,991</u></u>	<u><u>\$ 1,599,191</u></u>	<u><u>\$ 1,581,619</u></u>
Net Pension Liability as a Percentage of Covered Valuation Payroll	<u>83.13%</u>	<u>75.40%</u>	<u>43.14%</u>

See notes to the Illinois Municipal Retirement Fund (IMRF) Schedules.

MERCER COUNTY SCHOOL DISTRICT NO. 404
ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2017

Calendar Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Valuation <u>Payroll</u>	Actual Contribution as a Percentage of Covered <u>Valuation Payroll</u>
2016	\$ 195,858	\$ 195,857	\$ 1	\$ 1,615,991	12.12%
2015	\$ 198,460	\$ 198,459	\$ 1	\$ 1,599,191	12.41%
2014	\$ 201,815	\$ 177,858	\$ 23,957	\$ 1,581,619	11.25%

*Estimated based on contribution rate of 12.12% and covered valuation payroll of \$1,615,991.

See notes to the Illinois Municipal Retirement Fund (IMRF) Schedules.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2017

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
 USED IN THE CALCULATION OF THE 2016 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 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level percentage of Payroll, Closed
Remaining Amortization Period	27 - year closed period
Asset Valuation method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75%—approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, 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 adjustment 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, 2014 actuarial valuation; note two year lag between valuation and rate setting.

MERCER COUNTY SCHOOL DISTRICT NO. 404
NOTES TO THE ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2017

DEVELOPMENT OF MARKET VALUE OF ASSETS

Market Value of Assets as of December 31, 2016

1. Employee Contribution Reserve (MDF Assets from IMRF)	\$ 1,648,332
2. Employer Contribution Reserve (EAF assets from IMRF)	2,101,786
3. Annuitant Reserve	4,854,254
4. Miscellaneous Adjustment *	<u>17,703</u>
5. Net Market Value	<u><u>\$ 8,622,075</u></u>

**Includes an adjustment factor of .002057409 on Items 1 through 4 to ensure that Market Value of Assets for all employers balance to the total Market Value of IMRF. Miscellaneous adjustments are due to various items such as suspended annuity reserve, disability benefit reserve, death benefit reserve, supplemental benefit reserve, employers with no assets, etc.*

SCHEDULE OF CONTRIBUTIONS

Total contributions

1. Employer

A.) Wage Reporting	\$ 195,857
B.) Accelerated payments and Reserve Payments	<u>-0-</u>
	\$ 195,857

2. Member

A.) Wage Reporting	\$ 72,719
B.) Member Payments	<u>1,914</u>
	\$ 74,633

C.) Voluntary Additional Plan	<u>-0-</u>
Total Member Contributions	\$ 74,633

Total Employer and Member Contributions	<u><u>\$ 270,490</u></u>
---	--------------------------

Due to ROE on Friday, October 14th
Due to ISBE on Tuesday, November 15th
SD/JA17

ILLINOIS STATE BOARD OF EDUCATION
School Business Services Division
100 North First Street, Springfield, Illinois 62777-0001
217/785-8779

**Illinois School District/Joint Agreement
Annual Financial Report ***
June 30, 201*

☒ School District
☐ Joint Agreement

<u>School District/Joint Agreement Information</u> <i>(See instructions on inside of this page.)</i>		<u>Accounting Basis:</u> <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		<u>Certified Public Accountant Information</u>	
School District/Joint Agreement Number: 33-066-4040-2		<u>Filing Status:</u> <u>Submit electronic AFR directly to ISBE</u> Click on the Link to Submit: Send ISBE a File		Name of Auditing Firm: Cavanaugh, Davies, Blackman & Cramble	
County Name: Mercer				Name of Audit Manager: Rod Davies	
Name of School District/Joint Agreement: Mercer County School District #40				Address: 1021 N. Main St., PO Box 318	
Address: 1002 SW 6th St				City: Monmouth State: IL Zip Code: 61462	
City: Aledo				Phone Number: 309-734-2331 Fax Number: 309-734-2341	
Email Address: petries@mercerschools.org				IL License Number (9 digit): 60.008471 Expiration Date: 1/1/2011	
Zip Code: 61231		Email Address: cdbccpas@monmouthcpa.com			
<u>Annual Financial Report</u> Type of Auditor's Report Issued: <input type="checkbox"/> Qualified <input type="checkbox"/> Unqualified <input checked="" type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer		<u>Single Audit Status:</u> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Are Federal expenditures greater than \$750,000? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Is all Single Audit Information completed and attached? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Were any financial statement or federal award findings issued?		ISBE Use Only	
<input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator		<input type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____		<input checked="" type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC	
District Superintendent/Administrator Name (Type or Print): Scott Petrie		Township Treasurer Name (type or print)		Regional Superintendent/Cook ISC Name (Type or Print): Jodi Scott	
Email Address: petries@mercerschools.org		Email Address:		Email Address: jscott@roe33.net	
Telephone: 309-582-2231 Fax Number: 309-582-7421		Telephone: Fax Number:		Telephone: 309-734-6821 Fax Number: 309-734-2451	
Signature & Date:		Signature & Date:		Signature & Date:	

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100).

ISBE Form SD50-35/JA50-60 (05/17)

This form is based on 23 Illinois Administrative Code, Subtitle A, Chapter I, Subchapter C, Part 100.

In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule. Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

Note regarding Page 23: Removed because it was no longer needed to report ARRA revenues and expenditures to the federal government. Page numbers are left intact to be consistent with instructions and other notes related to page numbers. In the 2018 AFR, page numbers will be changed.

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing).**

[23. Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C \(Part 100\)](#)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

Submit AFR Electronically

- * The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

[Attachment Manager Link](#)

Note: CD/Disk no longer accepted.

- * AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: In Windows 7 and above, files can be saved in Adobe Acrobat (*.pdf) and embedded even if you do not have the software. If you have problems embedding the files you may attach them as separate (.docx) in the Attachment Manager and ISBE will embed them for you.

Submit Paper Copy of AFR with Signatures

- 1) The auditor must send three **paper** copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.
Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.
 - 2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
 - 3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.
- * Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.
[Federal Single Audit 2 CFR 200.500](#)

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 period.
- * 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.

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 pursuant to *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 pursuant to *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 FY16 AFR (ISBE FORM 50-35), FY16 Annual Statement of Affairs (ISBE Form 50-37) and FY17 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 fund findings).
- ☐ 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: _____ (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.

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, and 3510) 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 FY2017, identify those late payments recorded as Intergovernmental Receivables, Other Recievables, 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
Deferred Revenues (490)						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Direct Receipts/Revenue						
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						0
Total						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)

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:

Cavanaugh, Davies, Blackman & Cramblet

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)												
6													
7	Tax Year 2016				Equalized Assessed Valuation (EAV):				142,123,001				
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.027000		+ 0.007000		+ 0.002000		= 0.036000		0.000500				
11													
12													
13	B. Results of Operations *												
14													
15	Receipts/Revenues		Disbursements/ Expenditures		Excess/ (Deficiency)		Fund Balance						
16	14,086,750		11,514,088		2,572,662		7,906,161						
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	C. Short-Term Debt**												
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													
27													
28	D. Long-Term Debt												
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,		19,612,974										
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		2,476,554								
38													
39													
40	E. Material Impact on Financial Position												
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													
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59													
60													

	A	B	C	D	E	F	G	H	I	J	K	L	M
61													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q	R
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ESTIMATED FINANCIAL PROFILE SUMMARY
 (Go to the following website for reference to the Financial Profile)
<https://www.isbe.net/Pages/School-District-Financial-Profile.aspx>

District Name:	Mercer County School District #404				
District Code:	33-066-4040-26				
County Name:	Mercer				

1. Fund Balance to Revenue Ratio:		Total	Ratio	Score	
Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	7,906,161.00	0.561		4
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70,	14,086,750.00		Weight	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00		Value	1.40
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)					

2. Expenditures to Revenue Ratio:		Total	Ratio	Score	
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	11,514,088.00	0.817	Adjustment	0
Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)	Funds 10, 20, 40 & 70,	14,086,750.00		Weight	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)	Minus Funds 10 & 20	0.00			
(Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)			0	Value	1.40
Possible Adjustment:					

3. Days Cash on Hand:		Total	Days	Score	
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	7,949,216.00	248.54	Weight	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	31,983.58		Value	0.40

4. Percent of Short-Term Borrowing Maximum Remaining:		Total	Percent	Score	
Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	Weight	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	4,348,963.83		Value	0.40

5. Percent of Long-Term Debt Margin Remaining:		Total	Percent	Score	
Long-Term Debt Outstanding (P3, Cell H37)		2,476,554.00	87.37	Weight	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		19,612,974.14		Value	0.40

Total Profile Score: 4.00 *

Estimated 2018 Financial Profile Designation: RECOGNITION

* 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.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2017

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	ASSETS (Enter Whole Dollars)	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	CURRENT ASSETS (100)										
4	Cash (Accounts 111 through 115) ¹		3,247,606	2,099,636	267,905	514,444	595,370	214,563	1,712,530	731,488	322,383
5	Investments	120	375,000								
6	Taxes Receivable	130									
7	Interfund Receivables	140								144,201	
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160	4,766								
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	Total Current Assets		3,627,372	2,099,636	267,905	514,444	595,370	214,563	1,712,530	875,689	322,383
14	CAPITAL ASSETS (200)										
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	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410		37,652							106,549
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430	2,531			21	915				
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480	7,617								
32	Deferred Revenues & Other Current Liabilities	490									
33	Due to Activity Fund Organizations	493									
34	Total Current Liabilities		10,148	37,652	0	21	915	0	0	0	106,549
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714	23,498	33,796							
39	Unreserved Fund Balance	730	3,593,726	2,028,188	267,905	514,423	594,455	214,563	1,712,530	875,689	215,834
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		3,627,372	2,099,636	267,905	514,444	595,370	214,563	1,712,530	875,689	322,383

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2017

	A	B	L	M	N
1	ASSETS (Enter Whole Dollars)	Acct. #	Agency Fund	Account Groups	
2				General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 115) ¹		615,680		
5	Investments	120	84,230		
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	Total Current Assets		699,910		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		235,697	
17	Building & Building Improvements	230		14,626,069	
18	Site Improvements & Infrastructure	240		6,189,084	
19	Capitalized Equipment	250		1,855,927	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			267,905
22	Amount to be Provided for Payment on Long-Term Debt	350			2,208,649
23	Total Capital Assets			22,906,777	2,476,554
24	CURRENT LIABILITIES (400)				
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	315,172		
34	Total Current Liabilities		315,172		
35	LONG-TERM LIABILITIES (500)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			2,476,554
37	Total Long-Term Liabilities				2,476,554
38	Reserved Fund Balance	714	384,738		
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			22,906,777	
41	Total Liabilities and Fund Balance		699,910	22,906,777	2,476,554

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, 2017

	A	B	C	D	E	F	G	H	I	J	K
1			(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	RECEIPTS/REVENUES										
4	LOCAL SOURCES	1000	6,697,194	1,770,132	568,957	613,935	748,513	317,288	125,760	780,178	109,077
5	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	2000	0	0		0	0				
6	STATE SOURCES	3000	3,563,572	0	0	362,510	0	0	0	0	0
7	FEDERAL SOURCES	4000	953,647	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		11,214,413	1,770,132	568,957	976,445	748,513	317,288	125,760	780,178	109,077
9	Receipts/Revenues for "On Behalf" Payments ²	3998	4,422,299								
10	Total Receipts/Revenues		15,636,712	1,770,132	568,957	976,445	748,513	317,288	125,760	780,178	109,077
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	6,307,835				161,678				
13	Support Services	2000	2,574,856	1,182,968		882,587	252,454	500		560,596	1,109,798
14	Community Services	3000	0	0		0	0				
15	Payments to Other Districts & Governmental Units	4000	558,916	0	0	0	0	0			0
16	Debt Service	5000	1,714	0	870,041	5,212	0			0	0
17	Total Direct Disbursements/Expenditures		9,443,321	1,182,968	870,041	887,799	414,132	500		560,596	1,109,798
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	4,422,299	0	0	0	0	0		0	0
19	Total Disbursements/Expenditures		13,865,620	1,182,968	870,041	887,799	414,132	500		560,596	1,109,798
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		1,771,092	587,164	(301,084)	88,646	334,381	316,788	125,760	219,582	(1,000,721)
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund ¹²	7110									
25	Abatement of the Working Cash Fund ¹²	7110			290,000						
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 ⁴	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210							375,000		
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets ⁶	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
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			260,000						
44	Total Other Sources of Funds		0	0	550,000	0	0	0	375,000	0	0
45	OTHER USES OF FUNDS (8000)										

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, 2017

	A	B	C	D	E	F	G	H	I	J	K
1			(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
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund ¹²	8110							290,000		
48	Transfer of Working Cash Fund Interest ¹²	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 ⁴	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁵	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
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									
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						260,000			
76	Total Other Uses of Funds		0	0	0	0	0	260,000	290,000	0	0
77	Total Other Sources/Uses of Funds		0	0	550,000	0	0	(260,000)	85,000	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		1,771,092	587,164	248,916	88,646	334,381	56,788	210,760	219,582	(1,000,721)
79	Fund Balances - July 1, 2016		1,846,132	1,474,820	18,989	425,777	260,074	157,775	1,501,770	656,107	1,216,555
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2017		3,617,224	2,061,984	267,905	514,423	594,455	214,563	1,712,530	875,689	215,834

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
3			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
3	RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)										
4	AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY	1100									
5	Designated Purposes Levies (1110-1120) ⁷		5,574,561	1,445,251	565,141	412,930	323,655		103,251	768,254	103,232
6	Leasing Purposes Levy ⁸	1130	103,232								
7	Special Education Purposes Levy	1140	82,583								
8	FICA/Medicare Only Purposes Levies	1150					366,593				
9	Area Vocational Construction Purposes Levy	1160									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1190									
12	Total Ad Valorem Taxes Levied By District		5,760,376	1,445,251	565,141	412,930	690,248	0	103,251	768,254	103,232
13	PAYMENTS IN LIEU OF TAXES	1200									
14	Mobile Home Privilege Tax	1210									
15	Payments from Local Housing Authorities	1220									
16	Corporate Personal Property Replacement Taxes ⁹	1230	355,007	291,966		190,601	50,879				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290									
18	Total Payments in Lieu of Taxes		355,007	291,966	0	190,601	50,879	0	0	0	0
19	TUITION	1300									
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	Total Tuition		0								
41	TRANSPORTATION FEES	1400									
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				1,231					
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									

The Notes are an Integral Part of these Statements

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

	A	B	C	D	E	F	G	H	I	J	K
1			(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
52	CTE - Transp Fees from Other Districts (In State)	1432									
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	Total Transportation Fees					1,231					
64	EARNINGS ON INVESTMENTS	1500									
65	Interest on Investments	1510	48,894	28,378	3,816	7,326	7,386	3,147	22,509	9,692	5,845
66	Gain or Loss on Sale of Investments	1520									
67	Total Earnings on Investments		48,894	28,378	3,816	7,326	7,386	3,147	22,509	9,692	5,845
68	FOOD SERVICE	1600									
69	Sales to Pupils - Lunch	1611	173,769								
70	Sales to Pupils - Breakfast	1612	15,468								
71	Sales to Pupils - A la Carte	1613	96,113								
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620	7,738								
74	Other Food Service (Describe & Itemize)	1690									
75	Total Food Service		293,088								
76	DISTRICT/SCHOOL ACTIVITY INCOME	1700									
77	Admissions - Athletic	1711	51,375								
78	Admissions - Other (Describe & Itemize)	1719	14,247								
79	Fees	1720	5,260								
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790	11,490								
82	Total District/School Activity Income		82,372	0							
83	TEXTBOOK INCOME	1800									
84	Rentals - Regular Textbooks	1811	62,627								
85	Rentals - Summer School Textbooks	1812									
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	Total Textbook Income		62,627								
94	OTHER REVENUE FROM LOCAL SOURCES	1900									
95	Rentals	1910		215							
96	Contributions and Donations from Private Sources	1920	31,275	2,041							
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950	14,782							2,232	
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970	7,000								

The Notes are an Integral Part of these Statements

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983						314,141			
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									
106	Other Local Fees (Describe & Itemize)	1993									
107	Other Local Revenues (Describe & Itemize)	1999	41,773	2,281		1,847					
108	Total Other Revenue from Local Sources		94,830	4,537	0	1,847	0	314,141	0	2,232	0
109	Total Receipts/Revenues from Local Sources	1000	6,697,194	1,770,132	568,957	613,935	748,513	317,288	125,760	780,178	109,077
110	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	Total Flow-Through Receipts/Revenues from One District to Another District	2000	0	0		0	0				
115	RECEIPTS/REVENUES FROM STATE SOURCES (3000)										
116	UNRESTRICTED GRANTS-IN-AID (3001-3099)										
117	General State Aid- Sec. 18-8.05	3001	3,109,696								
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	Total Unrestricted Grants-In-Aid		3,109,696	0	0	0	0	0		0	0
122	RESTRICTED GRANTS-IN-AID (3100 - 3900)										
123	SPECIAL EDUCATION										
124	Special Education - Private Facility Tuition	3100									
125	Special Education - Funding for Children Requiring Sp ED Services	3105	131,186								
126	Special Education - Personnel	3110	171,110								
127	Special Education - Orphanage - Individual	3120	9,549								
128	Special Education - Orphanage - Summer Individual	3130									
129	Special Education - Summer School	3145									
130	Special Education - Other (Describe & Itemize)	3199									
131	Total Special Education		311,845	0		0					
132	CAREER AND TECHNICAL EDUCATION (CTE)										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220	138								
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235									
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3299									
140	Total Career and Technical Education		138	0			0				
141	BILINGUAL EDUCATION										
142	Bilingual Ed - Downstate - TPI and TBE	3305									
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	Total Bilingual Ed		0				0				

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
145	State Free Lunch & Breakfast	3360	1,261								
146	School Breakfast Initiative	3365									
147	Driver Education	3370	13,991								
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									
150	TRANSPORTATION										
151	Transportation - Regular and Vocational	3500				326,453					
152	Transportation - Special Education	3510				21,450					
153	Transportation - Other (Describe & Itemize)	3599									
154	Total Transportation		0	0		347,903	0				
155	Learning Improvement - Change Grants	3610									
156	Scientific Literacy	3660									
157	Truant Alternative/Optional Education	3695									
158	Early Childhood - Block Grant	3705	126,641			14,607					
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									
170	School Infrastructure - Maintenance Projects	3925									
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999									
172	Total Restricted Grants-In-Aid		453,876	0	0	362,510	0	0	0	0	0
173	Total Receipts from State Sources	3000	3,563,572	0	0	362,510	0	0	0	0	0
174	RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)										
175	UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4001-4009)										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt		0	0	0	0	0	0	0	0	0
179	RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT (4045-4090)										
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	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0	0		0	0	0			0
185	RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE (4100-4999)										
186	TITLE VI										
187	Title VI - Innovation and Flexibility Formula	4100									
188	Title VI - District Projects	4105									

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

	A	B	C	D	E	F	G	H	I	J	K
1			(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 VI - Rural Education Initiative (REI)	4107									
190	Title VI - Other (Describe & Itemize)	4199									
191	Total Title VI		0	0		0	0				
192	FOOD SERVICE										
193	Breakfast Start-Up Expansion	4200									
194	National School Lunch Program	4210	243,548								
195	Special Milk Program	4215									
196	School Breakfast Program	4220	67,520								
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	Total Food Service		311,068				0				
202	TITLE I										
203	Title I - Low Income	4300	281,130								
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	Total Title I		281,130	0		0	0				
212	TITLE IV										
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	Total Title IV		0	0		0	0				
217	FEDERAL - SPECIAL EDUCATION										
218	Fed - Spec Education - Preschool Flow-Through	4600									
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through	4620	241,927								
221	Fed - Spec Education - IDEA - Room & Board	4625	2,647								
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
224	Total Federal - Special Education		244,574	0		0	0				
225	CTE - PERKINS										
226	CTE - Perkins - Title III E - Tech Prep	4770									
227	CTE - Other (Describe & Itemize)	4799									
228	Total CTE - Perkins		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									
240	ARRA - McKinney - Vento Homeless Education	4862									

The Notes are an Integral Part of these Statements

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2017**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description (Enter Whole Dollars)	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
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	Total Stimulus Programs		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 (LIPLEP)	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	85,221								
269	Federal Charter Schools	4960									
270	Medicaid Matching Funds - Administrative Outreach	4991	21,939								
271	Medicaid Matching Funds - Fee-for-Service Program	4992	9,715								
272	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999									
273	Total Restricted Grants-In-Aid Received from the Federal Govt Thru the State		953,647	0	0	0	0	0		0	0
274	Total Receipts/Revenues from Federal Sources	4000	953,647	0	0	0	0	0	0	0	0
275	Total Direct Receipts/Revenues		11,214,413	1,770,132	568,957	976,445	748,513	317,288	125,760	780,178	109,077

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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	10 - EDUCATIONAL FUND (ED)											
4	INSTRUCTION (ED)	1000										
5	Regular Programs	1100	3,288,288	492,658	18,743	110,223		45			3,909,957	3,708,226
6	Tuition Payment to Charter Schools	1115									0	
7	Pre-K Programs	1125	103,147	22,836	605	20,122					146,710	129,200
8	Special Education Programs (Functions 1200-1220)	1200	888,300	145,201	11,437	4,233					1,049,171	991,950
9	Special Education Programs Pre-K	1225	36,000	8,383							44,383	52,550
10	Remedial and Supplemental Programs K-12	1250	177,206	83,226		565					260,997	240,600
11	Remedial and Supplemental Programs Pre-K	1275									0	
12	Adult/Continuing Education Programs	1300									0	
13	CTE Programs	1400	212,649	31,650	1,530	8,518	526				254,873	244,410
14	Interscholastic Programs	1500	363,849	24,552	97,223	36,366	6,628				528,618	515,125
15	Summer School Programs	1600	10,640	136		338					11,114	10,650
16	Gifted Programs	1650									0	
17	Driver's Education Programs	1700	74,052	18,901	3,362	697					97,012	94,800
18	Bilingual Programs	1800									0	
19	Truant Alternative & Optional Programs	1900			5,000						5,000	5,000
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	Total Instruction ¹⁰	1000	5,154,131	827,543	137,900	181,062	7,154	45	0	0	6,307,835	5,992,511
34	SUPPORT SERVICES (ED)	2000										
35	SUPPORT SERVICES - PUPILS											
36	Attendance & Social Work Services	2110									0	
37	Guidance Services	2120	150,379	35,758	424	903					187,464	177,000
38	Health Services	2130	54,603	18,765	1,003	1,097					75,468	72,700
39	Psychological Services	2140									0	
40	Speech Pathology & Audiology Services	2150	110,351	18,123	27,838	150					156,462	149,600
41	Other Support Services - Pupils (<i>Describe & Itemize</i>)	2190	3,184	58	846						4,088	4,050
42	Total Support Services - Pupils	2100	318,517	72,704	30,111	2,150	0	0	0	0	423,482	403,350
43	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
44	Improvement of Instruction Services	2210	810	17,165	7,982	729					26,686	43,315
45	Educational Media Services	2220	228,377	49,156	88,366	61,956	64,322				492,177	486,825
46	Assessment & Testing	2230			25,886						25,886	22,500
47	Total Support Services - Instructional Staff	2200	229,187	66,321	122,234	62,685	64,322	0	0	0	544,749	552,640
48	SUPPORT SERVICES - GENERAL ADMINISTRATION											
49	Board of Education Services	2310	63,398		36,978	975		35			101,386	116,300
50	Executive Administration Services	2320	102,965	5,943	6,229	748		1,208			117,093	129,650
51	Special Area Administration Services	2330									0	7,175
52	Tort Immunity Services	2360 - 2370									0	
53	Total Support Services - General Administration	2300	166,363	5,943	43,207	1,723	0	1,243	0	0	218,479	253,125

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
55	Office of the Principal Services	2410	502,970	104,756	3,617	1,455		1,727			614,525	629,050
56	Other Support Services - School Admin (Describe & Itemize)	2490									0	
57	Total Support Services - School Administration	2400	502,970	104,756	3,617	1,455	0	1,727	0	0	614,525	629,050
58	SUPPORT SERVICES - BUSINESS											
59	Direction of Business Support Services	2510			42,789						42,789	40,500
60	Fiscal Services	2520	58,780	12,528	3,975	857					76,140	71,350
61	Operation & Maintenance of Plant Services	2540			54,831						54,831	55,000
62	Pupil Transportation Services	2550									0	
63	Food Services	2560	157,049	44,852	635	371,302	20,219				594,057	612,100
64	Internal Services	2570									0	
65	Total Support Services - Business	2500	215,829	57,380	102,230	372,159	20,219	0	0	0	767,817	778,950
66	SUPPORT SERVICES - CENTRAL											
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	5,723	81							5,804	9,100
71	Data Processing Services	2660									0	
72	Total Support Services - Central	2600	5,723	81	0	0	0	0	0	0	5,804	9,100
73	Other Support Services (Describe & Itemize)	2900									0	
74	Total Support Services	2000	1,438,589	307,185	301,399	440,172	84,541	2,970	0	0	2,574,856	2,626,215
75	COMMUNITY SERVICES (ED)	3000									0	
76	PAYMENTS TO OTHER DISTRICTS & GOVT UNITS (ED)	4000										
77	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
78	Payments for Regular Programs	4110									0	
79	Payments for Special Education Programs	4120			200,603			20,305			220,908	230,000
80	Payments for Adult/Continuing Education Programs	4130			724						724	2,500
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									0	
84	Total Payments to Other Govt Units (In-State)	4100			201,327			20,305			221,632	232,500
85	Payments for Regular Programs - Tuition	4210									0	
86	Payments for Special Education Programs - Tuition	4220						337,284			337,284	230,000
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	Total Payments to Other Govt Units - Tuition (In State)	4200						337,284			337,284	230,000
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	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
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	Total Payments to Other Govt Units - Transfers (In-State)	4300			0			0			0	0
101	Payments to Other Govt Units (Out-of-State)	4400									0	
102	Total Payments to Other Govt Units	4000			201,327			357,589			558,916	462,500
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						1,714			1,714	2,000
112	Total Debt Services	5000						1,714			1,714	2,000
113	PROVISIONS FOR CONTINGENCIES (ED)	6000										
114	Total Direct Disbursements/Expenditures		6,592,720	1,134,728	640,626	621,234	91,695	362,318	0	0	9,443,321	9,083,226
115	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										1,771,092	
116												
117	20 - OPERATIONS & MAINTENANCE FUND (O&M)											
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					192,063				192,063	230,000
124	Operation & Maintenance of Plant Services	2540	385,723	73,732	85,642	314,975	130,833				990,905	983,000
125	Pupil Transportation Services	2550									0	
126	Food Services	2560									0	
127	Total Support Services - Business	2500	385,723	73,732	85,642	314,975	322,896	0	0	0	1,182,968	1,213,000
128	Other Support Services (Describe & Itemize)	2900									0	
129	Total Support Services	2000	385,723	73,732	85,642	314,975	322,896	0	0	0	1,182,968	1,213,000
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 Special Education Programs	4120									0	
134	Payments for CTE Programs	4140									0	
135	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
136	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0
137	Payments to Other Govt. Units (Out of State)	4400									0	
138	Total Payments to Other Govt Units	4000			0			0			0	0
139	DEBT SERVICES (O&M)	5000										
140	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
141	Tax Anticipation Warrants	5110									0	
142	Tax Anticipation Notes	5120									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
143	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
144	State Aid Anticipation Certificates	5140									0	
145	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
146	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
147	DEBT SERVICE - INTEREST ON LONG-TERM DEBT	5200									0	
148	Total Debt Services	5000						0			0	0
149	PROVISIONS FOR CONTINGENCIES (O&M)	6000										
150	Total Direct Disbursements/Expenditures		385,723	73,732	85,642	314,975	322,896	0	0	0	1,182,968	1,213,000
151	Excess (Deficiency) of Receipts/Revenues/Over Disbursements/										587,164	
152												
153	30 - DEBT SERVICES (DS)											
154	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000									0	
155	DEBT SERVICES (DS)	5000										
156	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
157	Tax Anticipation Warrants	5110									0	
158	Tax Anticipation Notes	5120									0	
159	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
160	State Aid Anticipation Certificates	5140									0	
161	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
162	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
163	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						65,541			65,541	65,542
164	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300										
165	DEBT SERVICES - OTHER (Describe & Itemize)	5400			9,200			795,300			795,300	795,300
166	Total Debt Services	5000			9,200			860,841			870,041	870,042
167	PROVISION FOR CONTINGENCIES (DS)	6000										
168	Total Disbursements/ Expenditures				9,200			860,841			870,041	870,042
169	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(301,084)	
170												
171	40 - TRANSPORTATION FUND (TR)											
172	SUPPORT SERVICES (TR)											
173	SUPPORT SERVICES - PUPILS											
174	Other Support Services - Pupils (Describe & Itemize)	2190									0	
175	SUPPORT SERVICES - BUSINESS											
176	Pupil Transportation Services	2550	208,431	30,544	407,905	125,990	86,689				859,559	862,888
177	Other Support Services (Describe & Itemize)	2900	21,765	1,263							23,028	21,569
178	Total Support Services	2000	230,196	31,807	407,905	125,990	86,689	0	0	0	882,587	884,457
179	COMMUNITY SERVICES (TR)	3000									0	
180	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)	4000										
181	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
182	Payments for Regular Programs	4110									0	
183	Payments for Special Education Programs	4120									0	
184	Payments for Adult/Continuing Education Programs	4130									0	
185	Payments for CTE Programs	4140									0	
186	Payments for Community College Programs	4170									0	
187	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
188	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
189	PAYMENTS TO OTHER GOVT UNITS (OUT-OF-STATE)	4400									0	
190	Total Payments to Other Govt Units	4000			0			0			0	0
191	DEBT SERVICES (TR)	5000										
192	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
193	Tax Anticipation Warrants	5110									0	
194	Tax Anticipation Notes	5120									0	
195	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
196	State Aid Anticipation Certificates	5140									0	
197	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
198	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
199	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						5,212			5,212	7,363
	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired) ¹¹	5300									0	
200	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
201	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
202	Total Debt Services	5000						5,212			5,212	7,363
203	PROVISION FOR CONTINGENCIES (TR)	6000										
204	Total Disbursements/ Expenditures		230,196	31,807	407,905	125,990	86,689	5,212	0	0	887,799	891,820
205	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										88,646	
206												
207	50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)											
208	INSTRUCTION (MR/SS)	1000										
209	Regular Programs	1100		47,012							47,012	47,775
210	Pre-K Programs	1125		5,766							5,766	5,875
211	Special Education Programs (Functions 1200-1220)	1200		75,236							75,236	70,200
212	Special Education Programs - Pre-K	1225		2,461							2,461	2,550
213	Remedial and Supplemental Programs - K-12	1250		15,477							15,477	14,150
214	Remedial and Supplemental Programs - Pre-K	1275									0	
215	Adult/Continuing Education Programs	1300									0	
216	CTE Programs	1400		3,128							3,128	3,210
217	Interscholastic Programs	1500		11,100							11,100	12,075
218	Summer School Programs	1600		496							496	70
219	Gifted Programs	1650									0	
220	Driver's Education Programs	1700		1,002							1,002	1,050
221	Bilingual Programs	1800									0	
222	Truants' Alternative & Optional Programs	1900									0	
223	Total Instruction	1000		161,678							161,678	156,955
224	SUPPORT SERVICES (MR/SS)	2000										
225	SUPPORT SERVICES - PUPILS											
226	Attendance & Social Work Services	2110									0	
227	Guidance Services	2120		5,257							5,257	5,050
228	Health Services	2130		7,549							7,549	7,450
229	Psychological Services	2140									0	
230	Speech Pathology & Audiology Services	2150		1,517							1,517	1,500
231	Other Support Services - Pupils (Describe & Itemize)	2190		114							114	450
232	Total Support Services - Pupils	2100		14,437							14,437	14,450
233	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
234	Improvement of Instruction Services	2210		16							16	125
235	Educational Media Services	2220		26,876							26,876	26,300
236	Assessment & Testing	2230									0	
237	Total Support Services - Instructional Staff	2200		26,892							26,892	26,425

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
238	SUPPORT SERVICES - GENERAL ADMINISTRATION											
239	Board of Education Services	2310		11,875							11,875	11,000
240	Executive Administration Services	2320		1,479							1,479	1,900
241	Service Area Administrative Services	2330									0	
242	Claims Paid from Self Insurance Fund	2361									0	
	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362									0	
243											0	
244	Unemployment Insurance Payments	2363									0	
245	Insurance Payments (Regular or Self-Insurance)	2364									0	
246	Risk Management and Claims Services Payments	2365									0	
247	Judgment and Settlements	2366									0	
	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367		314							314	200
249	Reciprocal Insurance Payments	2368									0	
250	Legal Services	2369									0	
251	Total Support Services - General Administration	2300		13,668							13,668	13,100
252	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
253	Office of the Principal Services	2410		34,739							34,739	35,900
	Other Support Services - School Administration (Describe & Itemize)	2490									0	
255	Total Support Services - School Administration	2400		34,739							34,739	35,900
256	SUPPORT SERVICES - BUSINESS											
257	Direction of Business Support Services	2510									0	
258	Fiscal Services	2520		11,438							11,438	13,100
259	Facilities Acquisition & Construction Services	2530									0	
260	Operation & Maintenance of Plant Services	2540		79,121							79,121	82,000
261	Pupil Transportation Services	2550		40,967							40,967	44,500
262	Food Services	2560		30,796							30,796	33,000
263	Internal Services	2570									0	
264	Total Support Services - Business	2500		162,322							162,322	172,600
265	SUPPORT SERVICES - CENTRAL											
266	Direction of Central Support Services	2610									0	
267	Planning, Research, Development, & Evaluation Services	2620									0	
268	Information Services	2630									0	
269	Staff Services	2640		83							83	175
270	Data Processing Services	2660									0	
271	Total Support Services - Central	2600		83							83	175
272	Other Support Services (Describe & Itemize)	2900		313							313	200
273	Total Support Services	2000		252,454							252,454	262,850
274	COMMUNITY SERVICES (MR/SS)	3000									0	
275	PAYMENTS TO OTHER DIST & GOVT UNITS (MR/SS)	4000										
276	Payments for Special Education Programs	4120									0	
277	Payments for CTE Programs	4140									0	
278	Total Payments to Other Govt Units	4000		0							0	0
279	DEBT SERVICES (MR/SS)	5000										
280	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
281	Tax Anticipation Warrants	5110									0	
282	Tax Anticipation Notes	5120									0	
283	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
284	State Aid Anticipation Certificates	5140									0	
285	Other (Describe & Itemize)	5150									0	
286	Total Debt Services - Interest	5000						0			0	0
287	PROVISION FOR CONTINGENCIES (MR/SS)	6000										
288	Total Disbursements/Expenditures			414,132				0			414,132	419,805
289	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										334,381	
290												
291	60 - CAPITAL PROJECTS (CP)											
292	SUPPORT SERVICES (CP)	2000										
293	SUPPORT SERVICES - BUSINESS											
294	Facilities Acquisition and Construction Services	2530					500				500	260,000
295	Other Support Services (Describe & Itemize)	2900									0	
296	Total Support Services	2000	0	0	0	0	500	0	0	0	500	260,000
297	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)	4000										
298	PAYMENTS TO OTHER GOVT UNITS (In-State)											
299	Payments to Other Govt Units (In-State)	4100									0	
300	Payments for Special Education Programs	4120									0	
301	Payments for CTE Programs	4140									0	
302	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
303	Total Payments to Other Govt Units	4000			0			0			0	0
304	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										
305	Total Disbursements/ Expenditures		0	0	0	0	500	0	0	0	500	260,000
306	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										316,788	
307												
308	70 - WORKING CASH (WC)											
309												
310	80 - TORT FUND (TF)											
311	SUPPORT SERVICES - GENERAL ADMINISTRATION											
312	Claims Paid from Self Insurance Fund	2361			62,065						62,065	75,000
313	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362			67,542						67,542	67,542
314	Unemployment Insurance Payments	2363									0	10,000
315	Insurance Payments (Regular or Self-Insurance)	2364			88,024						88,024	78,470
316	Risk Management and Claims Services Payments	2365			25,982						25,982	23,000
317	Judgment and Settlements	2366									0	
318	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367	310,420	1,263	2,757						314,440	320,300
319	Reciprocal Insurance Payments	2368									0	
320	Legal Services	2369			2,543						2,543	31,300
321	Property Insurance (Buildings & Grounds)	2371									0	
322	Vehicle Insurance (Transportation)	2372									0	
323	Total Support Services - General Administration	2000	310,420	1,263	248,913	0	0	0	0	0	560,596	605,612
324	DEBT SERVICES (TF)	5000										
325	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
326	Tax Anticipation Warrants	5110									0	
327	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2017**

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
328	Other Interest or Short-Term Debt	5150									0	
329	Total Debt Services - Interest on Short-Term Debt	5000						0			0	0
330	PROVISIONS FOR CONTINGENCIES (TF)	6000										
331	Total Disbursements/Expenditures		310,420	1,263	248,913	0	0	0	0	0	560,596	605,612
332	Excess (Deficiency) of Receipts/Revenues Over										219,582	
333												
334	90 - FIRE PREVENTION & SAFETY FUND (FP&S)											
335	SUPPORT SERVICES (FP&S)	2000										
336	SUPPORT SERVICES - BUSINESS											
337	Facilities Acquisition & Construction Services	2530					1,109,798				1,109,798	1,145,000
338	Operation & Maintenance of Plant Services	2540									0	
339	Total Support Services - Business	2500	0	0	0	0	1,109,798	0	0	0	1,109,798	1,145,000
340	Other Support Services (Describe & Itemize)	2900									0	
341	Total Support Services	2000	0	0	0	0	1,109,798	0	0	0	1,109,798	1,145,000
342	PAYMENTS TO OTHER DIST & GOVT UNITS (FP&S)	4000										
343	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
344	Total Payments to Other Govt Units	4000						0			0	0
345	DEBT SERVICES (FP&S)	5000										
346	DEBT SERVICES- INTEREST ON SHORT-TERM DEBT											
347	Tax Anticipation Warrants	5110									0	
348	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
349	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
350	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
351	Debt Service - Payments of Principal on Long-Term Debt ¹⁵ (Lease/Purchase Principal Retired)	5300									0	
352	Total Debt Service	5000						0			0	0
353	PROVISION FOR CONTINGENCIES (FP&S)	6000										
354	Total Disbursements/Expenditures		0	0	0	0	1,109,798	0	0	0	1,109,798	1,145,000
355	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(1,000,721)	

	A	B	C	D	E	F
1	SCHEDULE OF AD VALOREM TAX RECEIPTS					
2	Description (Enter Whole Dollars)	Taxes Received 7-1-16 Thru 6-30-17 (from 2015 Levy & Prior Levies) *	Taxes Received (from the 2016 Levy)	Taxes Received (from 2015 & Prior Levies)	Total Estimated Taxes (from the 2016 Levy)	Estimated Taxes Due (from the 2016 Levy)
3				(Column B - C)		(Column E - C)
4	Educational	5,574,561	1,880,588	3,693,973	3,837,321	1,956,733
5	Operations & Maintenance	1,445,251	487,558	957,693	994,861	507,303
6	Debt Services **	565,141	187,964	377,177	394,391	206,427
7	Transportation	412,930	139,302	273,628	284,246	144,944
8	Municipal Retirement	323,655	110,189	213,466	224,441	114,252
9	Capital Improvements	0		0		0
10	Working Cash	103,251	34,825	68,426	71,061	36,236
11	Tort Immunity	768,254	261,333	506,921	532,336	271,003
12	Fire Prevention & Safety	103,232	34,825	68,407	71,061	36,236
13	Leasing Levy	103,232	34,825	68,407	71,062	36,237
14	Special Education	82,583	27,860	54,723	56,849	28,989
15	Area Vocational Construction	0		0		0
16	Social Security/Medicare Only	366,593	119,662	246,931	243,798	124,136
17	Summer School	0		0		0
18	Other (Describe & Itemize)	0		0		0
19	Totals	9,848,683	3,318,931	6,529,752	6,781,427	3,462,496
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	SCHEDULE OF SHORT-TERM DEBT									
2	Description (Enter Whole Dollars)		Outstanding Beginning 07/01/16	Issued 07/01/16 Through 06/30/17	Retired 07/01/16 Through 06/30/17	Outstanding Ending 06/30/17				
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)									
4	Total CPPRT Notes					0				
5	TAX ANTICIPATION WARRANTS (TAW)									
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	Total TAWs		0	0	0	0				
16	TAX ANTICIPATION NOTES (TAN)									
17	Educational Fund					0				
18	Operations & Maintenance Fund					0				
19	Fire Prevention & Safety Fund					0				
20	Other - (Describe & Itemize)					0				
21	Total TANs		0	0	0	0				
22	TEACHERS'/EMPLOYEES' ORDERS (T/EO)									
23	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)					0				
24	GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
25	Total GSAACs (All Funds)					0				
26	OTHER SHORT-TERM BORROWING									
27	Total Other Short-Term Borrowing (Describe & Itemize)					0				
28										
29	SCHEDULE OF LONG-TERM DEBT									
30	Identification or Name of Issue	Date of Issue (mm/dd/yy)	Amount of Original Issue	Type of Issue *	Outstanding Beginning 07/1/16	Issued 7/1/16 thru 6/30/17	Any differences described and itemized	Retired 7/1/16 thru 6/30/17	Outstanding Ending 6/30/17	Amount to be Provided for Payment on Long- Term Debt
31	2012 Technology Lease Purchase	07/05/12	70,694	8	14,379			14,379	0	
32									0	
33	2014 Bus Lease Purchase	08/15/13	285,808	7	115,734			57,127	58,607	52,267
34									0	
35	2016 Technology Lease Purchase	08/29/16	44,493	8		44,493		15,400	29,093	25,946
36									0	
37	2016 Technology Lease Purchase	08/13/15	45,449	8	29,984			29,984	0	
38									0	
39	2015 Bus Lease Purchase	10/03/14	151,428	7	90,816			29,562	61,254	54,628
40									0	
41	General Obligation Bond Series, 2014	10/01/14	1,040,000	3	672,900			182,200	490,700	437,618
42									0	
43	2016 Life Safety Bonds	05/24/16	1,700,000	4	1,700,000			238,100	1,461,900	1,303,756
44									0	
45	2016 Working Cash Bonds	12/01/16	375,000	1	375,000			375,000	0	
46									0	
47	2017 Working Cash Bonds	02/01/17	375,000	1		375,000			375,000	334,434
48									0	
49			4,087,872		2,998,813	419,493	0	941,752	2,476,554	2,208,649
50										
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	Bus Lease						
53	2. Funding Bonds	5. Tort Judgment Bonds	8. Other	Technology Lease						
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	SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES										
2	Description (Enter Whole Dollars)					Account No	Tort Immunity ^a	Special Education	Area Vocational Construction	School Facility Occupation Taxes ^b	Driver Education
3	Cash Basis Fund Balance as of July 1, 2016									157,775	
4	RECEIPTS:										
5	Ad Valorem Taxes Received by District					10, 20, 40 or 50-1100		82,583			
6	Earnings on Investments					10, 20, 40, 50 or 60-1500				3,147	
7	Drivers' Education Fees					10-1970					7,000
8	School Facility Occupation Tax Proceeds					30 or 60-1983				314,141	
9	Driver Education					10 or 20-3370					13,991
10	Other Receipts (Describe & Itemize on tab "Itemization 32")					--					
11	Sale of Bonds					10, 20, 40 or 60-7200					
12	Total Receipts						0	82,583	0	317,288	20,991
13	DISBURSEMENTS:										
14	Instruction					10 or 50-1000					20,991
15	Facilities Acquisition & Construction Services					20 or 60-2530				500	
16	Tort Immunity Services					10, 20, 40-2360-2370					
17	DEBT SERVICE										
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 on tab "Itemization 32")					30-5400					
21	Total Debt Services									0	
22	Other Disbursements (Describe & Itemize on tab "Itemization 32")					--		82,583	82,583	260,000	
23	Total Disbursements						0	82,583	82,583	260,500	20,991
24	Ending Cash Basis Fund Balance as of June 30, 2017						0	0	(82,583)	214,563	0
25	Reserved Fund Balance					714					
26	Unreserved Fund Balance					730	0	0	(82,583)	214,563	0
27											
28	SCHEDULE OF TORT IMMUNITY EXPENDITURES ^a										
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:										
32	Total Claims Payments:										
32	Total Reserve Remaining:										
33	Using the following categories, list all other Tort Immunity expenditures <u>not</u>										
34	included in line 30 above. Include the total dollar amount for each category.										
35	Expenditures:										
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										
46	^a Schedules for Tort Immunity are to be completed <u>only if</u> 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 <u>other</u> than Tort Immunity Fund (80).										
48	^b 55 ILCS 5/5-1006.7										

	A	B	C	D	E	F	G	H	I	J	K	L
1	Schedule of Capital Outlay and Depreciation											
2	Description of Assets (Enter Whole Dollars)	Acct #	Cost Beginning 7/1/16	Add: Additions 2016-2017	Less: Deletions 2016-2017	Cost Ending 6/30/17	Life In Years	Accumulated Depreciation Beginning 7/1/16	Add: Depreciation Allowable 2016-2017	Less: Depreciation Deletions 2016-2017	Accumulated Depreciation Ending 6/30/17	Ending Balance Undepreciated 6/30/17
3	Works of Art & Historical Treasures	210				0	50				0	0
4	Land	220										
5	Non-Depreciable Land	221	235,697			235,697						235,697
6	Depreciable Land	222				0					0	0
7	Buildings	230										
8	Permanent Buildings	231	14,626,069			14,626,069	50	8,468,450	229,828		8,698,278	5,927,791
9	Temporary Buildings	232				0	20				0	0
10	Improvements Other than Buildings (Infrastructure)	240	4,756,390	1,432,694		6,189,084	20	1,318,779	307,538		1,626,317	4,562,767
11	Capitalized Equipment	250					10					
12	10 Yr Schedule	251	1,199,640	92,195	193,374	1,098,461		698,125	109,675	193,374	614,426	484,035
13	5 Yr Schedule	252	972,411	86,689	301,634	757,466		749,951	103,843	301,634	552,160	205,306
14	3 Yr Schedule	253				0					0	0
15	Construction in Progress	260				0	--					0
16	Total Capital Assets	200	21,790,207	1,611,578	495,008	22,906,777	10	11,235,305	750,884	495,008	11,491,181	11,415,596
17	Non-Capitalized Equipment	700				0			0			
18	Allowable Depreciation							750,884				

	A	B	C	D	E	F	G
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2016-2017)						
2	<i>This schedule is completed for school districts only.</i>						
3							
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount	
5							
6	OPERATING EXPENSE PER PUPIL						
7	EXPENDITURES:						
8	ED	Expenditures 15-22, L114	Total Expenditures		\$	9,443,321	
9	O&M	Expenditures 15-22, L150	Total Expenditures			1,182,968	
10	DS	Expenditures 15-22, L168	Total Expenditures			870,041	
11	TR	Expenditures 15-22, L204	Total Expenditures			887,799	
12	MR/SS	Expenditures 15-22, L288	Total Expenditures			414,132	
13	TORT	Expenditures 15-22, L331	Total Expenditures			560,596	
14			Total Expenditures		\$	13,358,857	
15							
16	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:						
17							
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)			1,231	
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	Revenues 9-14, L148, Col D	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+I)	1125 Pre-K Programs			146,710	
35	ED	Expenditures 15-22, L9, Col K - (G+I)	1225 Special Education Programs Pre-K			44,383	
36	ED	Expenditures 15-22, L11, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K			0	
37	ED	Expenditures 15-22, L12, Col K - (G+I)	1300 Adult/Continuing Education Programs			0	
38	ED	Expenditures 15-22, L15, Col K - (G+I)	1600 Summer School Programs			11,114	
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+I)	3000 Community Services			0	
53	ED	Expenditures 15-22, L102, Col K	4000 Total Payments to Other Govt Units			558,916	
54	ED	Expenditures 15-22, L114, Col G	- Capital Outlay			91,695	
55	ED	Expenditures 15-22, L114, Col I	- Non-Capitalized Equipment			0	
56	O&M	Expenditures 15-22, L130, Col K - (G+I)	3000 Community Services			0	
57	O&M	Expenditures 15-22, L138, Col K	4000 Total Payments to Other Govt Units			0	
58	O&M	Expenditures 15-22, L150, Col G	- Capital Outlay			322,896	
59	O&M	Expenditures 15-22, L150, Col I	- Non-Capitalized Equipment			0	
60	DS	Expenditures 15-22, L154, Col K	4000 Payments to Other Dist & Govt Units			0	
61	DS	Expenditures 15-22, L164, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			795,300	
62	TR	Expenditures 15-22, L179, Col K - (G+I)	3000 Community Services			0	
63	TR	Expenditures 15-22, L190, Col K	4000 Total Payments to Other Govt Units			0	
64	TR	Expenditures 15-22, L200, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			0	
65	TR	Expenditures 15-22, L204, Col G	- Capital Outlay			86,689	
66	TR	Expenditures 15-22, L204, Col I	- Non-Capitalized Equipment			0	
67	MR/SS	Expenditures 15-22, L210, Col K	1125 Pre-K Programs			5,766	
68	MR/SS	Expenditures 15-22, L212, Col K	1225 Special Education Programs - Pre-K			2,461	
69	MR/SS	Expenditures 15-22, L214, Col K	1275 Remedial and Supplemental Programs - Pre-K			0	
70	MR/SS	Expenditures 15-22, L215, Col K	1300 Adult/Continuing Education Programs			0	
71	MR/SS	Expenditures 15-22, L218, Col K	1600 Summer School Programs			496	
72	MR/SS	Expenditures 15-22, L274, Col K	3000 Community Services			0	
73	MR/SS	Expenditures 15-22, L278, Col K	4000 Total Payments to Other Govt Units			0	
74							
75			Total Deductions for OEPP Computation (Sum of Lines 18 - 73)		\$	2,067,657	
76			Total Operating Expenses Regular K-12 (Line 14 minus Line 75)			11,291,200	
77			9 Mo ADA from the General State Aid Claimable for 2016-2017 and Payable in 2017-2018 (ISBE 54-33), L12			1,218.07	
78			Estimated OEPP (Line 76 divided by Line 77)		\$	9,269.75	
79							

	A	B	C	D	E	F	G
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2016-2017)						
2	<i>This schedule is completed for school districts only.</i>						
3							
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount	
5							
80	PER CAPITA TUITION CHARGE						
81							
82	LESS OFFSETTING RECEIPTS/REVENUES:						
83	TR	Revenues 9-14, L42, Col F	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	0	
84	TR	Revenues 9-14, L44, Col F	1413	Regular - Transp Fees from Other Sources (In State)		0	
85	TR	Revenues 9-14, L45, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)		0	
86	TR	Revenues 9-14, L46, Col F	1416	Regular Transp Fees from Other Sources (Out of State)		0	
87	TR	Revenues 9-14, L51, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)		0	
88	TR	Revenues 9-14, L53, Col F	1433	CTE - Transp Fees from Other Sources (In State)		0	
89	TR	Revenues 9-14, L54, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)		0	
90	TR	Revenues 9-14, L55, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)		0	
91	TR	Revenues 9-14, L57, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)		0	
92	TR	Revenues 9-14, L58, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)		0	
93	ED	Revenues 9-14, L75, Col C	1600	Total Food Service		293,088	
94	ED-O&M	Revenues 9-14, L82, Col C,D	1700	Total District/School Activity Income		82,372	
95	ED	Revenues 9-14, L84, Col C	1811	Rentals - Regular Textbooks		62,627	
96	ED	Revenues 9-14, L87, Col C	1819	Rentals - Other (Describe & Itemize)		0	
97	ED	Revenues 9-14, L88, Col C	1821	Sales - Regular Textbooks		0	
98	ED	Revenues 9-14, L91, Col C	1829	Sales - Other (Describe & Itemize)		0	
99	ED	Revenues 9-14, L92, Col C	1890	Other (Describe & Itemize)		0	
100	ED-O&M	Revenues 9-14, L95, Col C,D	1910	Rentals		215	
101	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1940	Services Provided Other Districts		0	
102	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1991	Payment from Other Districts		0	
103	ED	Revenues 9-14, L106, Col C	1993	Other Local Fees (Describe & Itemize)		0	
104	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3100	Total Special Education		311,845	
105	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3200	Total Career and Technical Education		138	
106	ED-MR/SS	Revenues 9-14, L144, Col C,G	3300	Total Bilingual Ed		0	
107	ED	Revenues 9-14, L145, Col C	3360	State Free Lunch & Breakfast		1,261	
108	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3365	School Breakfast Initiative		0	
109	ED-O&M	Revenues 9-14, L147, Col C,D	3370	Driver Education		13,991	
110	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3500	Total Transportation		347,903	
111	ED	Revenues 9-14, L155, Col C	3610	Learning Improvement - Change Grants		0	
112	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3660	Scientific Literacy		0	
113	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3695	Truant Alternative/Optional Education		0	
114	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3715	Reading Improvement Block Grant		0	
115	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3720	Reading Improvement Block Grant - Reading Recovery		0	
116	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3725	Continued Reading Improvement Block Grant		0	
117	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3726	Continued Reading Improvement Block Grant (2% Set Aside)		0	
118	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3766	Chicago General Education Block Grant		0	
119	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3767	Chicago Educational Services Block Grant		0	
120	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	
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3780	Technology - Technology for Success		0	
122	ED-TR	Revenues 9-14, L167, Col C,F	3815	State Charter Schools		0	
123	O&M	Revenues 9-14, L170, Col D	3925	School Infrastructure - Maintenance Projects		0	
124	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999	Other Restricted Revenue from State Sources		0	
125	ED	Revenues 9-14, L180, Col C	4045	Head Start (Subtract)		0	
126	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	
127	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	-	Total Title VI		0	
128	ED-MR/SS	Revenues 9-14, L201, Col C,G	-	Total Food Service		311,068	
129	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	-	Total Title I		281,130	
130	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	-	Total Title IV		0	
131	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through		241,927	
132	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board		2,647	
133	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary		0	
134	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)		0	
135	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700	Total CTE - Perkins		0	
160	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C231 thru J258)	4800	Total ARRA Program Adjustments		0	
161	ED	Revenues 9-14, L260, Col C	4901	Race to the Top		0	
162	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	
163	ED,O&M,M/SS	Revenues 9-14, L262, Col C,D,G	4904	Advanced Placement Fee/International Baccalaureate		0	
164	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)		0	
165	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)		0	
166	ED-TR-MR/SS	Revenues 9-14, L265, Col C,F,G	4910	Learn & Serve America		0	
167	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4920	McKinney Education for Homeless Children		0	
168	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula		0	
169	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4932	Title II - Teacher Quality		85,221	
170	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4960	Federal Charter Schools		0	
171	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach		21,939	
172	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program		9,715	
173	ED-O&M-TR-MR/SS	Revenues 9-14, L272, Col C,D,F,G	4999	Other Restricted Revenue from Federal Sources (Describe & Itemize)		0	
174							
175	Total Deductions for PCTC Computation Line 83 through Line 173					\$	2,067,087
176	Net Operating Expense for Tuition Computation (Line 76 minus Line 175)						9,224,113
177	Total Depreciation Allowance (from page 27, Line 18, Col I)						750,884
178	Total Allowance for PCTC Computation (Line 176 minus Line 177)						9,974,997
179	9 Month ADA (from the GSA Claimable for 2016-2017 Payable in 2017-2018 (ISBE form 54-33, Line 12))						1,218.07
180	Total Estimated PCTC (Line 178 divided by Line 179) * \$						8,189.18
181							
182	* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE						

ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	ESTIMATED INDIRECT COST RATE DATA							
2	SECTION I							
3	Financial Data To Assist Indirect Cost Rate Determination							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>							
5	ALL OBJECTS EXCLUDE CAPITAL OUTLAY. 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.							
6	Support Services - Direct Costs (1-2000) and (5-2000)							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L62)</i>				371,937			
11	Value of Commodities Received for Fiscal Year 2017 <i>(Include the value of commodities when determining if a Single Audit is required)</i>				58,521			
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	SECTION II							
16	Estimated Indirect Cost Rate for Federal Programs							
17								
18				Restricted Program		Unrestricted Program		
19	Instruction	Function	Indirect Costs	Direct Costs	Indirect Costs	Direct Costs		
20	Support Services:	1000		6,462,359		6,462,359		
21	Pupil	2100		437,919		437,919		
22	Instructional Staff	2200		507,319		507,319		
23	General Admin.	2300		792,743		792,743		
24	School Admin	2400		649,264		649,264		
25	Business:							
26	Direction of Business Spt. Srv.	2510	42,789	0	42,789	0		
27	Fiscal Services	2520	87,578	0	87,578	0		
28	Oper. & Maint. Plant Services	2540		994,024	994,024	0		
29	Pupil Transportation	2550		813,837		813,837		
30	Food Services	2560		232,697		232,697		
31	Internal Services	2570	0	0	0	0		
32	Central:							
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	5,887	0	5,887	0		
37	Data Processing Services	2660	0	0	0	0		
38	Other:	2900		23,341		23,341		
39	Community Services	3000		0		0		
40	Total		136,254	10,913,503	1,130,278	9,919,479		
41			Restricted Rate		Unrestricted Rate			
42			Total Indirect Costs:	136,254	Total Indirect costs:	1,130,278		
43			Total Direct Costs:	10,913,503	Total Direct Costs:	9,919,479		
44			=	1.25%	=	11.39%		
45								

	A	B	C	D	E	F	G
1	REPORT ON SHARED SERVICES OR OUTSOURCING						
2	School Code, Section 17-1.1 (Public Act 97-0357)						
3	Fiscal Year Ending June 30, 2017						
5	<i>Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years.</i>						
6	Mercer County School District #404						
7	33-066-4040-26						
8	<input type="checkbox"/> <i>Check if the schedule is not applicable.</i>	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 ➡				(Limit text to 200 characters, for additional space use line 33 and 38)		
10	Service or Function (Check all that apply)			Barriers to Implementation			
11	Curriculum Planning						
12	Custodial Services						
13	Educational Shared Programs	x	x		Alternative HS through ROE #33		
14	Employee Benefits						
15	Energy Purchasing						
16	Food Services	x	x		US/Hawkeye Food		
17	Grant Writing						
18	Grounds Maintenance Services						
19	Insurance						
20	Investment Pools						
21	Legal Services						
22	Maintenance Services						
23	Personnel Recruitment						
24	Professional Development						
25	Shared Personnel						
26	Special Education Cooperatives	x	x		Blackhawk Area Special Ed		
27	STEM (science, technology, engineering and math) Program Offerings						
28	Supply & Equipment Purchasing	x	x		Western Area Purchasing		
29	Technology Services						
30	Transportation	x	x		Johannes Bus Service		
31	Vocational Education Cooperatives	x	x		Quad City Area Vo Tech		
32	All Other Joint/Cooperative Agreements						
33	Other						
34							
35	<u>Additional space for Column (D) - Barriers to Implementation:</u>						
36							
37							
38							
40	<u>Additional space for Column (E) - Name of LEA:</u>						
41							
42							
43							

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: Mercer County School District #404

RCDT Number: 33-066-4040-26

Description	Funct. No.	Actual Expenditures, Fiscal Year 2017			Budgeted Expenditures, Fiscal Year 2018		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	117,093		117,093	142,200		142,200
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	42,789	0	42,789	41,000		41,000
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		159,882	0	159,882	183,200	0	183,200
9. Percent Increase (Decrease) for FY2018 (Budgeted) over FY2017 (Actual)							15%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2017" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2017.

I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2018" 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 11, 2017 to ensure inclusion in the Fall 2017 report or postmarked by January 12, 2018 to ensure inclusion in the Spring 2018 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.

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

Education Fund

District/School Activity Income #1790, Line 81, Page 10, Other School District Activity Revenues

\$11,490 Sports Participation Fees

Other Local Revenues #1999, Line 107, Page 11

\$1,628 Expense Reimbursements

\$1,728 Rebates

\$38,417 E-Rate Grant

Other Support Services - Pupils #2190, Line 41, Page 15

\$4,088 Special Program Support Service

Operations and Maintenance Fund

Other Local Revenues #1999, Line 107, Page 11

\$2,281 Expense Reimbursements

Debt Service

Debt Service Fund Other #5400, Line 165, Page 18

\$9,200 Debt Issue Fees

Transportation Fund

Other Local Revenues #1999, Line 107, Page 11

\$1,847 Refunds

Other Support Services #2900, Line 177, Page 18

\$23,028 Administrative Salaries

Municipal Retirement Fund

Other Support Services - Pupils #2190, Line 231, Page 19

\$114 Special Program Support Service

Other Support Services #2900, Line 272, Page 20

\$313 Transportation Supervisor

Schedule of Restricted Local Tax Levies and Selected Revenue Sources

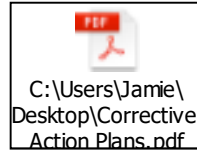
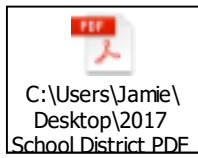
Other Disbursements Page 26, Line 22

\$82, 583 Special Ed Tuition

The Schedule of Long-Term Debt on Page 25 includes repayments on bus leases & technology leases which are posted as capital outlay in the year the payments are made out of the Transportations Fund and the Education Fund.

Reference Pages.

- ¹ Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- ² GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- ³ Equals Line 8 minus Line 17
- ⁴ May require notification to the county clerk to abate an equal amount from taxes next extended. Refer to Section 17-2.11 for the applicable provisions and other "limited" transfer authority to O&M through June 30, 2013
- ⁵ Requires notification to the county clerk to abate an equal amount from taxes next extended. See Section 10-22.14
- ⁶ Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 5-22 and 10-22.8 of the School Code.
- ⁷ Include revenue accounts 1110 through 1115, 1117, 1118 & 1120. Include taxes for bonds sold that are in addition to those identified separately.
- ⁸ Educational Fund (10) - Computer Technology only.
- ⁹ Corporate personal property replacement tax revenue must be first applied to the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only purposes.
- ¹⁰ Include only tuition payments made to private facilities. See Function 4200 or 4400 for public facility disbursements/expenditures.
- ¹¹ Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness principal only otherwise reported within the func—e.g. alternate revenue bonds(Describe & Itemize).
- ¹² Only abolishment of Working Cash Fund must transfer its funds directly to the Educational Fund upon adoption of a resolution and at the close of the current school Year (see 105 ILCS 5/20-8 for further explanation)
Only abatement of working cash fund can transfer its funds to any fund in most need of money (see 105 ILCS 5/20-10 for further explanation)



[Please insert files above]

Instructions to insert word doc or pdf files:

Choose: **Insert** - Select: **Object** - Select **Create New** tab -
Select file type **Adobe Acrobat or Microsoft Word Document** - Select **Create from File** tab - Select **Browse** -
Select **file that you want to embed** - Check **Display as icon** - Select **OK**.

If you have trouble inserting pdf files it is because you do not have the Adobe program.

	A	B	C	D	E	F
1	DEFICIT ANNUAL FINANCIAL REPORT (AFR) SUMMARY INFORMATION New Provisions in the School Code, Section 17-1 (105 ILCS 5/17-1)					
2	<i>Instructions: If the Annual Financial Report (AFR) reflects that a "deficit reduction plan" is required as calculated below, then the school district is to complete the "deficit reduction plan" in the annual budget and submit the plan to Illinois State Board of Education (ISBE) within 30 days after accepting the audit report. This may require the FY2018 annual budget to be amended to include a "deficit reduction plan" and narrative.</i>					
3	<i>The "deficit reduction plan" is developed using ISBE guidelines and format in the School District Budget Form 50-36. A plan is required when the operating funds listed below result in direct revenues (line 7) being less than direct expenditures (line 8) by an amount equal to or greater than one-third (1/3) of the ending fund balance (line 10). That is, if the ending fund balance is less than three times the deficit spending, the district must adopt and submit an original budget/amended budget with ISBE that provides a "deficit reduction plan" to balance the shortfall within the next three years.</i>					
4	DEFICIT AFR SUMMARY INFORMATION - Operating Funds Only <i>(All AFR pages must be completed to generate the following calculation)</i>					
5	Description	EDUCATIONAL FUND (10)	OPERATIONS & MAINTENANCE FUND (20)	TRANSPORTATION FUND (40)	WORKING CASH FUND (70)	TOTAL
6	Direct Revenues	11,214,413	1,770,132	976,445	125,760	14,086,750
7	Direct Expenditures	9,443,321	1,182,968	887,799		11,514,088
8	Difference	1,771,092	587,164	88,646	125,760	2,572,662
9	Fund Balance - June 30, 2017	3,617,224	2,061,984	514,423	1,712,530	7,906,161
10	<p style="text-align: center;">Balanced - no deficit reduction plan is required.</p>					
11						
12						
13						

Audit Checklist

All entries must balance within the individual fund statements and schedules as instructed below.
Any error messages left unresolved below, will be returned to the school district/joint agreement.

- | | |
|--------------------------|--|
| <input type="checkbox"/> | 1. The auditor's Opinion and Notes to the Financial Statements are embedded in the "Opinion-Notes 34" tab. |
| <input type="checkbox"/> | 2. Student Activity Funds, Convenience Accounts, and other agency funds are included, if applicable. |
| <input type="checkbox"/> | 3. All audit questions on page 2 are answered appropriately by checking all that apply. This page must also be certified with the signature of the CPA firm. Comments and explanations are included for all checked items at the bottom of page 2. |
| <input type="checkbox"/> | 4. All Other accounts and functions labeled "(describe & itemize)" are properly noted on the "Itemization 32" tab. |
| <input type="checkbox"/> | 5. In all funds, Function No. 2900 does not include Worker's Compensation or Unemployment Insurance. |
| <input type="checkbox"/> | 6. Tuition paid to another school district or to a joint agreement (in state) is coded to Function 4200, and Other Objects (600). |
| <input type="checkbox"/> | 7. Business Manager/Bookkeeper Costs are charged to the proper Function (No. 2510/2520). |
| <input type="checkbox"/> | 8. If district is subject to PTELL on tab "Aud Quest 2", line 21 be sure to check the box and enter the effective date. |
| <input type="checkbox"/> | 9. All entries were entered to the nearest whole dollar amount. |

Balancing Schedule

Check this Section for Error Messages

The following assures that various entries are in balance. Any out of balance condition is followed by an error message in **RED** and must be resolved before submitting to ISBE. One or more errors detected may cause this AFR to be returned for corrections and resubmission. If impossible for entries to balance please explain on the itemization page.

Description:	Error Message
1. Cover Page: The Accounting Basis must be Cash or Accrual.	
2. The Single Audit related documents must be completed and attached.	
What Basis of Accounting is used?	CASH
Accounting for late payments (Audit Questionnaire Section D)	OK
Are Federal Expenditures greater than \$750,000?	OK
Is all Single Audit information completed and enclosed?	OK
Is Budget Deficit Reduction Plan Required?	Congratulations! You have a balanced AFR.
3. Page 3: Financial Information must be completed.	
Section A: Tax rates are not entered in the following format: [1.50 should be .0150]. Please enter with the correct decimal point.	OK
Section D: Check a or b that agrees with the school district type.	OK
4. Page 5: Cells C4:L4 Acct 111-115 - Cash Balances cannot be negative.	
Fund (10) ED: Cash balances cannot be negative.	OK
Fund (20) O&M: Cash balances cannot be negative.	OK
Fund (30) DS: Cash balances cannot be negative.	OK
Fund (40) TR: Cash balances cannot be negative.	OK
Fund (50) MR/SS: Cash balances cannot be negative.	OK
Fund (60) CP: Cash balances cannot be negative.	OK
Fund (70) WC: Cash balances cannot be negative.	OK
Fund (80) Tort: Cash balances cannot be negative.	OK
Fund (90) FP&S: Cash balances cannot be negative.	OK
5. Page 5 & 6: Total Current & Capital Assets must = Total Liabilities & Fund Balance.	
Fund 10, Cell C13 must = Cell C41.	OK
Fund 20, Cell D13 must = Cell D41.	OK
Fund 30, Cell E13 must = Cell E41.	OK
Fund 40, Cell F13 must = Cell F41.	OK
Fund 50, Cell G13 must = Cell G41.	OK
Fund 60, Cell H13 must = Cell H41.	OK
Fund 70, Cell I13 must = Cell I41.	OK
Fund 80, Cell J13 must = Cell J41.	OK
Fund 90, Cell K13 must = Cell K41.	OK
Agency Fund, Cell L13 must = Cell L41.	OK
General Fixed Assets, Cell M23 must = Cell M41.	OK
General Long-Term Debt, Cell N23 must = Cell N41.	OK
6. Page 5: Sum of Reserved & Unreserved Fund Balance must = Page 8, Ending Fund Balance.	
Fund 10, Cells C38+C39 must = Cell C81.	OK
Fund 20, Cells D38+D39 must = Cell D81.	OK
Fund 30, Cells E38+E39 must = Cell E81.	OK
Fund 40, Cells F38+F39 must = Cell F81.	OK
Fund 50, Cells G38+G39 must = Cell G81.	OK
Fund 60, Cells H38+H39 must = Cell H81.	OK
Fund 70, Cells I38+I39 must = Cell I81.	OK
Fund 80, Cells J38+J39 must = Cell J81.	OK
Fund 90, Cells K38+K39 must = Cell K81.	OK
8. Page 25: Schedule of Bonds Payable must = Pages 5, 8 & 18: Basic Financial Statements.	
Note: Explain any unreconcilable differences in the Itemization sheet.	
Total Long-Term Debt Issued (P25, Cell F49) must = Principal on Long-Term Debt Sold (P8, Cells C33:F33, H33:K33).	ERROR!
Total Long-Term Debt (Principal) Retired (P18, Cells H163) must = Debt Service - Long-Term Debt (Principal) Retired (P25, Cells H49).	ERROR!
9. Page 7 & 8: Other Sources of Funds (L 24:42) must = Other Uses of Funds (P8, L46:59).	
Acct 7130 - Transfer Among Funds, Cells C27:K27 must = Acct 8130 Transfer Among Funds, Cells C49:K49	OK
Acct 7140 - Transfer of Interest, Cells C28:K28 must = Acct 8140 Transfer of Interest, Cells C50:K50.	OK
Acct 7900 - ISBE Loan Proceeds (Cells C42:K42) must = Acct 8910 - Transfers to Debt Service Fund to Pay Principal on ISBE Loans (Cells C74:K74)	OK
10. Restricted Local Tax Levies Page 26, Line 25 must = Reserved Fund Balance, Pages 5 & 6, Line 38.	
Reserved Fund Balance, Page 5, Cells C38:H38 must be => Reserve Fund Balance Cell G25:K25.	OK
Unreserved Fund Balance, Page 5, Cells C39:H39 must be > 0	OK
11. Page 5: "On behalf" payments to the Educational Fund	
Fund (10) ED: Account 3998 must be entered	OK
12. Page 28: The 9 Month ADA must be entered on Line 77.	OK
13. Page 32: LIMITATION OF ADMINISTRATIVE COST, Budget Information must be completed and submitted to ISBE.	OK
14. Page 31: SHARED OUTSOURCED SERVICES, Completed.	OK

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2017

DISTRICT/JOINT AGREEMENT NAME Mercer County School District #404	RCDT NUMBER 33-066-4040-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 60.008476	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) Scott Petrie		NAME AND ADDRESS OF AUDIT FIRM Cavanaugh, Davies, Blackman & Cramblet 1021 N. Main St., PO Box 318 Monmouth IL 61462	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 1002 SW 6th St Aledo 61231		E-MAIL ADDRESS: cdbccpas@monmouthcpa.com	
		NAME OF AUDIT SUPERVISOR Rod Davies	
		CPA FIRM TELEPHONE NUMBER 309-734-2330	FAX NUMBER 309-734-2349

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 (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

IF THE PAPER COPY OF THE AFR IS NOT THE SAME AS THE ELECTRONIC VERSION, PLEASE NOTIFY LESLIE CLAY AT LCLAY@ISBE.NET.

Mercer County School District #404
33-066-4040-26
SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is **OPTIONAL**; it is not a required form for completion of Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all Single Audit requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

- ☐ 1. **Signed** and **dated** copies of audit opinion letters have been included with audit package submitted to ISBE.
- ☐ 2. All opinion letters use the **most current audit language and formatting** as mandated in SAS 115/SAS 117 and other pronouncements.
- ☐ 3. **ALL** Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
 - For those forms that are not applicable, "N/A" or similar language has been indicated.
- ☐ 4. **ALL** Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
- ☐ 5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
 - Verify or reconcile on reconciliation worksheet.
- ☐ 6. The total value of non-cash **COMMODITIES** has been included within the AFR on the **INDIRECT COSTS** page (ICR Computation 30) on Line 11. It **should not** be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299. Those accounts are specific cash programs, not non-cash assistance such as **COMMODITIES**.
- ☐ 7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse <https://harvester.census.gov/facweb/Default.aspx>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- ☐ 8. All prior year's projects are included and reconciled to final FRIS report amounts.
 - Including receipt/revenue and expenditure/disbursement amounts.
- ☐ 9. All current year's projects are included and reconciled to most recent FRIS report filed.
 - Including receipt/revenue and expenditure/disbursement amounts.
- ☐ 10. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, - discrepancies should be reported as Questioned Costs.
- ☐ 11. The total amount provided to subrecipients from each Federal program is included.
- ☐ 12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received):
 Project year runs from October 1 to September 30, so projects will cross fiscal year;
 This means that audited year revenues will include funds from both the prior year and current year projects.
- ☐ 13. Each CNP project should be reported on a separate line (one line per project year per program).
- ☐ 14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☐ 15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
- ☐ 16. Exceptions should result in a finding with Questioned Costs.
- ☐ 17. The total value of non-cash **COMMODITIES** has been reported on the SEFA (CFDA 10.555).
 - The value is determined from the following, **with each item on a separate line**:
 - ☐ * **Non-Cash Commodities**: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
 Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
 Verify Non-Cash Commodities amount on ISBE web site: <https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
 - ☐ * **Non-Cash Commodities**: Commodities information for non-cash items received through **Other Food Services**
 Districts should track separately through year; no specific report available from ISBE
 Verify Non-Cash Commodities amount through Other Food Services on ISBE web site:
<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
 - ☐ * **Department of Defense Fresh Fruits and Vegetables** (District should track through year)
 - **The two commodity programs should be reported on separate lines on the SEFA.**
 Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site:
<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
 - ☐ * Amounts verified for **Fresh Fruits and Vegetables** cash grant program (ISBE code 4240)
 CFDA number: 10.582
- ☐ 18. **TOTALS** have been calculated for Federal revenue and expenditure amounts (Column totals).
- ☐ 19. Obligations and Encumbrances are included where appropriate.
- ☐ 20. **FINAL STATUS** amounts are calculated, where appropriate.
- ☐ 21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have **not** been included on the SEFA.
- ☐ 22. **All** programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
- ☐ 23. **NOTES TO THE SEFA** within the AFR Excel workbook (SEFA NOTES) have been completed.

Mercer County School District #404
33-066-4040-26
SINGLE AUDIT INFORMATION CHECKLIST

Including, but not limited to:

- ☐ 24. Basis of Accounting
- ☐ 25. Name of Entity
- ☐ 26. Type of Financial Statements
- ☐ 27. Subrecipient information (**Mark "N/A" if not applicable**)
- ☐ * ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR'S RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

- ☐ 28. Audit opinions expressed in opinion letters **match** opinions reported in Summary.
- ☐ 29. **All** Summary of Auditor Results questions have been answered.
- ☐ 30. All tested programs **and** amounts are listed.
- ☐ 31. Correct testing threshold has been entered. (Title 2 CFR §200.518)

Findings have been filled out completely and correctly (if none, mark "N/A").

- ☐ 32. Financial Statement and/or Federal Award Findings information has been completely filled out for each finding, with finding numbers in correct format.
- ☐ 33. Finding completed for each **Significant Deficiency** and for each **Material Weakness** noted in opinion letters.
- ☐ 34. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
- ☐ 35. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
- ☐ 36. Questioned Costs have been calculated where there are questioned costs.
- ☐ 37. Questioned Costs are separated by project year **and** by program (and sub-project, if necessary).
- ☐ 38. Questioned Costs have been calculated for Interest Earned on **Excess Cash on Hand**.
 - Should be based on actual amount of interest earned
 - Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding
- ☐ 39. **A CORRECTIVE ACTION PLAN** has been completed for each finding.
 - Including Finding number, action plan details, projected date of completion, name and title of contact person

Mercer County School District #404
33-066-4040-26

RECONCILIATION OF FEDERAL REVENUES

Year Ending June 30, 2017

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 953,647
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		58,521
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 271	Account 4992	(9,715)
AFR TOTAL FEDERAL REVENUES:		\$ 1,002,453

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----

ADJUSTED AFR FEDERAL REVENUES	\$ 1,002,453
--------------------------------------	---------------------

Total Current Year Federal Revenues Reported on SEFA:		
Federal Revenues	Column D	\$ 1,003,367

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

Medicaid Admin Assessment Fee Withheld	\$ (914)
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----

ADJUSTED SEFA FEDERAL REVENUE:	\$ 1,002,453
--------------------------------	--------------

DIFFERENCE:	\$ -
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Mercer County School District #40
33-066-4040-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2017

Federal Grantor/Pass-Through Grantor Subrecipients *	ISBE Project #		Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
	CFDA Number ² (A)	(1st 8 digits) or Contract # ³ (B)	Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
US Department of Education - Pass through from Illinois State Board of Education										0	
Title I - Low Income	84.010	4300-2017		167,428			166,032		9,032	175,064	186,319
Title I - Low Income	84.010	4300-2016	137,990	113,702	225,509		26,183			251,692	251,692
Title II - Teacher Quality	84.367	4932-2017		42,940			56,617		4,289	60,906	71,899
Title II - Teacher Quality	84.367	4932-2016	40,852	42,281	76,354		6,779			83,133	84,125
Fed Special Ed IDEA - Room & Board	84.027	4625-2016		2,647	2,647					2,647	n/a
Total US Department of Education - Pass through from Illinois State Board of			178,842	368,998	304,510		255,611		13,321	573,442	
										0	
US Department of Education - Pass through from Blackhawk Area Special Education										0	
Federal Special Ed - IDEA - Flow Through	84.027	4620-2017		241,927			241,927			241,927	241,927
Federal Special Ed - IDEA - Flow Through	84.027	4620-2016	234,554		209,010		25,544			234,554	234,554
Total US Department of Education - Pass through from Blackhawk Area Special			234,554	241,927	209,010		267,471			476,481	
										0	
										0	
Total US Department of Education			413,396	610,925	513,520		523,082		13,321	1,049,923	

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

*** NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

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

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

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

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

Mercer County School District #40
33-066-4040-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2017

Federal Grantor/Pass-Through Grantor Subrecipients *	ISBE Project #		Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
	CFDA Number ² (A)	(1st 8 digits) or Contract # ³ (B)	Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
US Department of Agriculture - Pass through from Illinois State Board of Education										0	
National School Lunch (M)	10.555	4210-2017		199,631			199,631			199,631	n/a
National School Lunch (M)	10.555	4210-2016	202,592	43,917	202,592		43,917			246,509	n/a
National School Breakfast (M)	10.553	4220-2017		56,330			56,330			56,330	n/a
National School Breakfast (M)	10.553	4220-2016	57,978	11,190	57,978		11,190			69,168	n/a
Food Commodities (non cash) (M)	10.555	33066-404026		38,598			38,598			38,598	n/a
Department of Defense - Fresh Fruits & Vegetables (M)	10.555	33066-404026		19,923			19,923			19,923	n/a
Total US Department of Agriculture - Pass through from Illinois Department of			260,570	369,589	260,570		369,589			630,159	
										0	
US Department of Health & Human Services - Pass through from Illinois Department of Healthcare & Family Services										0	
Medicaid Admin Outreach	93.778	2017-4991		18,110			22,810			22,810	n/a
Medicaid Admin Outreach	93.778	2016-4991	18,646	4,743	23,389					23,389	n/a
Total US Department of Health & Human Services-Pass through from Illinois Department of Healthcare & Family Services			18,646	22,853	23,389		22,810			46,199	
										0	
Total All Pages			692,612	1,003,367	797,479		915,481		13,321	1,726,281	

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

*** NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).**

The accompanying notes are an integral part of this schedule.

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

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

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

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

Mercer County School District #404

33-066-4040-26

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Year Ending June 30, 2017

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Mercer County School District #404 and is presented on the cash basis **of accounting**. 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 costs⁶

Auditee elected to use 10% de minimis cost rate? _____ YES _____ ☒ NO

Note 3: Subrecipients

Of the federal expenditures presented in the schedule, Mercer County School District #404 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
None		

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by Mercer County School District #404 and **should be** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:

\$58,521

OTHER NON-CASH ASSISTANCE

\$0

Total Non-Cash

\$58,521**Note 5: Other Information**

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

Property

No

Auto

No

General Liability

No

Workers Compensation

No

Loans/Loan Guarantees Outstanding at June 30:

No

District had Federal grants requiring matching expenditures

No

(Yes/No)

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

⁵ 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))

⁶ 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)

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

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? X YES None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES 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, Disclaimer⁷)

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

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰	AMOUNT OF FEDERAL PROGRAM
10.555, 10.553	Child Nutrition Cluster	369,589
	Total Amount Tested as Major	\$369,589

Total Federal Expenditures for 7/1/16-6/30/17

\$915,481

% tested as Major

40.37%

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

Auditee qualified as low-risk auditee? YES X NO

⁷ 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."

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

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ 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.

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2017- 001** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
Year originally reported? 2011

3. Criteria or specific requirement

Statement on Auditing Standards 115 has prescribed definitions for significant deficiencies and material weaknesses in an entity's internal control structure. Internal controls are designed to allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements and safeguard assets. A concept in a good system of internal control is adequate segregation of duties, including

4. Condition

A limited number of key employees have the primary responsibility for performing most of the accounting and financial duties including key functions of recording, reconciling, and reporting cash transactions. This structure reduces certain aspects of the internal control system which rely on adequate segregation of duties.

5. Context¹²

All District accounting and financial records are maintained by a limited number of employees.

6. Effect

Certain individuals have the ability to complete and record accounting functions which ideally would be segregated. The accounting and control of the Activity and Imprest Funds are maintained by a single individual at most locations.

7. Cause

8. Recommendation

Segregation of duties is normally difficult to accomplish within a small governmental entity. Hiring of additional personnel is not practical in the circumstances, because the cost of implementing internal control procedures should not exceed the benefit derived.

9. Management's response¹³

A review will be made to determine whether some functions could be segregated.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2017- 002** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
 Year originally reported? 2015

3. Criteria or specific requirement

The accounting records should reflect all of the financial transactions of the District.

4. Condition

For the year ended June 30, 2017, the book balances were not in agreement with a reconciled bank balance. Also, a bond payment was not recorded in the books.

5. Context¹²

Monthly reports need to be printed, reviewed and maintained such as: balance sheet reports, bank reconciliation, which should include an outstanding check list, deposit listings with account coding, check registers with account coding, payroll check registers, and employee payroll journals including monthly withholdings and benefit reports that include account coding.

6. Effect

7. Cause

Not all transactions of the District were recorded, which misstated the cash balances of the District accounts.

8. Recommendation

A monthly bank reconciliation should be done on a timely basis, and all transactions necessary to reconcile the bank account to the cash balance in the financial ledger should be made at that time. The superintendent should review and initial monthly bank reconciliations and bank statements of the District's operating accounts. A verification that the bank reconciliation is in agreement with the District's book balances must be done. A treasurer's report should be prepared each month summarizing receipts, disbursements and cash balances of each fund.

9. Management's response¹³

The superintendent and accounting personnel will ensure that any future transactions necessary to reconcile the ledger cash balance to the bank will be recorded on a timely basis. The superintendent will review monthly bank reconciliations and bank statements of the District's operating accounts.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2017- 003 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
 Year originally reported? 2016

3. Criteria or specific requirement

Account coding for receipts and disbursements should be done in accordance with the ISBE program manual.

4. Condition

There were deposits and expenses that were incorrectly coded and posted to the District accounts.

5. Context¹²

The identified mispostings were corrected with audit entries. Entries were made to correct the recoding of salaries and benefits, and the recording of supplies from capital outlay accounts. The recording of bond proceeds was incorrectly coded and the repayment of a bond was not recorded.

6. Effect

Misposting of receipts or expenditures by account or fund may cause the District's financial statements to be misstated.

7. Cause

District personnel are not able to rely on financial information presented. Incorrect account balances resulted in the need to file corrected payroll, IMRF, TRS, and grant reports for the year ended June 30th, 2017.

8. Recommendation

It is recommended that the fund ledger and supporting monthly reports be printed and reviewed for misposting errors.

9. Management's response¹³

The superintendent and bookkeeper will review the fund ledger detail each month for account posting errors, and then make corrections needed.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2017- 004** 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
 Year originally reported? 2016

3. Criteria or specific requirement

Beginning January 1st each year, corporate personal property replacement taxes must be deposited into the Municipal Retirement Fund to satisfy the lien requirement.

4. Condition

The District deposited the personal property replacement taxes into the IMRF Fund in December 2016 and May 2017.

5. Context¹²

6. Effect

7. Cause

Due to an oversight, the District missed depositing a portion of the corporate personal property replacement taxes into the IMRF Fund in January of the current fiscal year.

8. Recommendation

The District will deposit the required amount in January of each year beginning with the January corporate personal property replacement tax collection.

9. Management's response¹³

This was overlooked, and a deposit into the IMRF Fund was not done until May 2017. This will be done on a timely basis in the future.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2017- 005 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
Year originally reported? 2015

3. Criteria or specific requirement

For each fund, total expenditures disbursed may not legally exceed the District's budgeted amounts.

4. Condition

For the year ended June 30, 2017, the actual expenditures exceeded the budget amount in the Education Fund.

5. Context¹²

6. Effect

The District's actual expenditures were over budget in the Education Fund.

7. Cause

8. Recommendation

A review of actual expenditures compared to the budget should be done on an ongoing basis. If the District's needs change, the board should amend the budget with amounts necessary to cover actual operating expenditures.

9. Management's response¹³

The superintendent and board will review actual and budgeted amounts in the individual funds before year end and amend the budget with amounts necessary to cover the District's actual expenditures.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2017- 006** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Illinois Compiled Statutes require all key administrative employees, including teachers holding an administrative certificate earning over \$50,000, and board members to file an economic interest statement with the office of the County Clerk by May 1st.

4. Condition

Not all employees or board members filed economic interest statements by May 1st.

5. Context¹²

6. Effect

7. Cause

8. Recommendation

A staff member should be appointed to make sure that the required economic interest statements are filed on a timely basis each year.

9. Management's response¹³

The superintendent will appoint an office staff member to remind employees and board members that economic interest statements need to be filed by May 1st.

For ISBE Review

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

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

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

Mercer County School District #404
33-066-4040-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2017- _____ 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. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review

Date: Resolution Criteria Code Number

Initials: _____ Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.

¹⁰ Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).

¹⁰ Identify questioned costs as required by §200.516 (a)(3 - 4).

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

Mercer County School District #404
33-066-4040-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS ¹⁹
Year Ending June 30, 2017

[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> ²⁰
2016-001	Inadequate Segregation of Duties	Repeat Finding - Corrective action is not practical in the current circumstances.
2016-002	Bank Reconciliation Adjustments were not recorded	Repeat Finding - Bank reconciliation transactions were not posted in the ledger.
2016-003	Expenditures Disbursed Exceeded the District's Budgeted Amounts	Overbudget in the Education Fund.
2016-004	Corporate Personal Property Replacement Taxes were not deposited correctly into the IMRF Fund	Repeat Finding - The corporate personal property replacement taxes were deposited late into the IMRF Fund.
2016-005	Deposits and Expenses were Incorrectly Coded and Posted to the District accounts, and Expenditures were Incorrectly Paid from the Wrong Fund	Repeat Finding - Journal entries were done to correct the posting of deposits and expenses.

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

¹⁹ Explanation of this schedule - §200.511

²⁰ Current Status should include one of the followi

- 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.

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 001**

Condition:
Inadequate Segregation of Duties

Plan:
It is not feasible for the District to hire additional personnel as the cost of implementing internal control procedures should not exceed the benefit derived.

Anticipated Date of Completion: Unknown

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: The superintendent will monitor the activity of District personnel and monthly financial statements for any unusual activity. A review will be made to determine whether some functions could be segregated.

²¹ Must address **each** audit finding - §200.511 (c)

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 002**

Condition:

Entries needed to reconcile the bank account were not posted to the ledger.

Plan:

A monthly bank reconciliation will be done on a timely manner, and all transactions necessary to reconcile the bank account to the cash balance in the financial ledger should be made at that time.

Anticipated Date of Completion: Current Fiscal Year

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: Accounting personnel will ensure that any transactions necessary to reconcile the ledger cash balance to the bank will be done on a timely basis. The superintendent will review and approve the monthly bank reconciliations and bank statements, and verify that the book balances of the financial statements are in agreement with the reconciliations.

²¹ Must address **each** audit finding - §200.511 (c)

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 003**

Condition:

Deposits and expenses were incorrectly coded and posted to the District accounts.

Plan:

The District personnel will review the ISBE program accounting manual for account coding and review the fund ledger for misposting errors. Fund ledgers and monthly reports will be printed each month and reviewed for account posting errors.

Anticipated Date of Completion: Current Fiscal Year

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: The superintendent and bookkeeper will review the fund ledger detail monthly for account posting errors.

²¹ Must address **each** audit finding - §200.511 (c)

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 004**

Condition:

The District did not deposit the corporate personal property replacement tax money into the IMRF Fund until May 2017.

Plan:

The District will deposit the required amount of corporate personal property replacement tax money into the IMRF Fund in January of each year.

Anticipated Date of Completion: Current Fiscal Year

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: The superintendent and bookkeeper will monitor the receipt of the corporate personal property replacement taxes and make sure the required amount is recorded into the IMRF Fund in January of each year.

²¹ Must address **each** audit finding - §200.511 (c)

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 005**

Condition:

The District's actual expenditures exceeded the budget in the Education Fund.

Plan:

The District will review monthly statements to determine whether it is operating within its approved budget. If necessary the District will amend the budget before year end.

Anticipated Date of Completion: Current Fiscal Year

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: The superintendent and board will review the actual and budgeted amounts in the individual funds and amend the budget before year end with the amounts appropriate to cover actual expenses.

²¹ Must address **each** audit finding - §200.511 (c)

Mercer County School District #404
33-066-4040-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 006**

Condition:

Not all employees or board members filed their economic interest statement by May 1st.

Plan:

A staff member will be appointed to ensure that the required economic interest statements are filed on a timely basis each year.

Anticipated Date of Completion: Current Fiscal Year

Name of Contact Person: Mr. Scott Petrie, Superintendent

Management Response: The superintendent will appoint an office staff member to remind employees and board members that economic interest statements need to be filed by May 1st.

²¹ Must address **each** audit finding - §200.511 (c)