



MOLINE-COAL VALLEY
SCHOOL DISTRICT

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the fiscal year ended June 30, 2018

*1619 11th Avenue
Moline, Illinois 61265-3198*

Moline-Coal Valley School
District No. 40

MOLINE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended June 30, 2018

Prepared by:

Office of the Chief Financial Officer

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December 10, 2018

President and Members of the
Board of Education
Moline-Coal Valley School District No. 40
Moline, Illinois 61265

The Comprehensive Annual Financial Report of Moline-Coal Valley School District No. 40, Moline, Illinois, for the fiscal year ended June 30, 2018 is hereby submitted.

The Superintendent of Schools and the Chief Financial Officer are responsible for all financial transactions of Moline-Coal Valley School District No. 40 and for the contents of this report. We believe the data, as presented, is accurate in all material respects, is presented in a manner designed to present fairly the financial position and results of operations of the District as measured by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's fiscal affairs have been included.

The comprehensive financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a list of the members of the Board of Education, a list of principal officials and the organizational chart. The financial section includes the basic financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

History of the District

Moline-Coal Valley School District No. 40, a unit (pre-kindergarten through 12th grade) school district, was established in 1873 in the City of Moline, which is located on the Mississippi River approximately 170 miles west of Chicago in Rock Island County, Illinois. Moline is the headquarters of Deere and Company. As the farm implement manufacturer grew, so did the City and the school district. Enrollment has declined slowly over the past 10 years. District enrollment ranged from 7,426 in the 2008-2009 school year to 7,267 in the 2017-2018 school year.

Washington (Central) School was the first building erected in 1873 at a cost of \$25,000. Other schools soon followed, including the first Moline High School in 1894. The high school was replaced with a new school in 1915 and later with the current Moline High School in 1958, which now has approximately 2,100 students. In 1928, Wharton Field House was constructed and became part of the high school athletic facilities with Browning Field. John Deere and Calvin Coolidge Junior High Schools were constructed in the early 1930s for grades seven, eight and nine. Woodrow Wilson Junior High School was built in 1962.

In the early 1980s, the District consolidated its facilities to adjust for reduced enrollment to 9,000 students and for operating efficiency, by closing eight of its 20 neighborhood elementary schools and Coolidge Junior High School. Moline High School became a four-year high school and John Deere and Woodrow Wilson schools became two-year (grades seven and eight) middle schools. Jane Addams Elementary School was reopened in 1992. Jefferson Elementary School was reopened in 1996 as Jefferson Early Childhood Center for pre-kindergarten students. Coolidge became the site of the Alternative High School, the Regional Office of Education and the District maintenance and support offices

In 1952, the Village of Coal Valley schools were annexed into Moline-Coal Valley School District No. 40. Bicentennial Elementary School, built in 1976, became the newest of the 13 District elementary schools located in Coal Valley to the south of Moline and across the Rock River. In 2008, the District finished reconstruction and expansion on Bicentennial Elementary School to accommodate the entire K-6 students from both Horace Mann Elementary and Bicentennial Elementary into a new school. In January 2009, the students moved into the new Bicentennial Elementary.

In 2010, the School District engaged in the largest capital project, in terms of bond sales, to renovate the two middle schools to accommodate the move of sixth graders from the elementary schools. In 1931, John Deere Middle School was built with 96,557 square feet for a cost of \$560,000. In the spring of 2010, construction was started on a new gymnasium, fitness center and ground level cafeteria, geothermal, and renovation to the entire existing building. In all, 11,963 new square feet were added. The total cost of the renovation and new construction was \$15,600,000. The new total square footage of the building is now 108,520. In 1961, Wilson Middle School was originally built with 103,622 square feet for a cost of \$1,943,625. In the spring of 2010, construction was started on a new science wing, fitness center, geothermal, and renovation to the entire existing building. In all, 9,388 new square feet were added. The total cost of the renovation and new construction was \$9,700,000. The new total square footage of the building is now 113,010. Both Middle Schools now provide educational services for sixth, seventh and eighth grade students.

In 2013 the School District started a \$17,300,000 expansion of Hamilton Elementary School to a four-section K-5 elementary attendance center. Beginning with the 2015-2016 school year, new boundaries were drawn to improve the educational process for elementary students throughout the district through more balanced class sizes, increased grade level collaboration and better alignment of educational resources. The expansion increased the square footage of Hamilton from 17,075 square feet to 85,619 square feet.

Starting with the 2015-2016 school year, Garfield and Ericsson Schools were closed as attendance centers. Ericsson was sold in June 2015. Garfield was sold in June 2016.

In 2017, the School District began planning for a new performing arts center at Moline High School. The project is estimated to cost \$10,000,000. The funding for this project will be supported by the Bartlett Family Trust (70%) and the District (30%).

District administrative offices are located at Allendale, a 23-room home donated to the District in 1933 by Mr. and Mrs. Frank Allen. Willard Elementary School, constructed in 1899, is the oldest of the District schools. All schools are in compliance with the Life-Safety Code for Illinois schools, as the result of extensive modifications and improvements.

Citizens and businesses of the District provide 46.52% of district revenues in the form of local property taxes. Referenda were approved by voters of the District in 1992 (operations and maintenance purposes rate change from \$0.54 to \$0.75 per \$100 equalized assessed valuation) and in 1987 (educational purposes rate change from \$2.55 to \$3.27 per \$100 equalized assessed valuation).

Moline-Coal Valley School District No. 40 enjoys strong support from active Parent-Teacher Association/Parent-Teacher Organizations in most of the schools. The Moline Public Schools Foundation raises funds through corporate and personal pledges and other annual fundraising activities to support schools. Recent funds supported upgrades to all the Elementary Computer Labs including student assessment/instructional software, as well as other specific grants to teachers to advance student learning. For 2017-2018, fundraising from all sources and organizations generated \$365,194 in funds for the schools.

Reporting Entity

The financial statements include all funds that are controlled by or dependent on the Board of Education of the District. The District does not exercise oversight responsibility over any other entity and thus does not include any other entity or a component unit in this report. Additionally, based on consideration of oversight responsibility, scope of public service and special financing relationships, the District is an independent entity, not included as a component unit of any other reporting entity.

Economic Condition and Outlook

Moline and Coal Valley, Illinois, are part of the "Quad-Cities" Metropolitan Statistical Area (includes Davenport and Bettendorf, Iowa, and Rock Island and East Moline, Illinois, and other contiguous communities), which has a population of nearly 400,000. Moline-Coal Valley School District No. 40 has a population of 46,006 and includes an area of 27.88 square miles.

After multiple plant closings and layoffs, as a result of the overall decline in the farm economy in the early 1980s, the economic conditions and outlook for the Moline-Coal Valley School District No. 40 remains in line with the national economy. The unemployment rate for Moline has decreased from 5.5% in 2008 to 4.6% in 2017. City of Moline building permits totaled \$904,152,512 in the past 10 years or an average of \$90,415,251 per year. As a result of this significant construction, the Moline-Coal Valley School District No. 40 assessment base (one-third of market value and excluding \$45,612,545 of Tax Increment Finance District assessed value) has increased from \$820,885,452 in 2008 to \$854,804,251 in 2017, or 4.10%; an average of 0.41% per year.

The economic development has included the construction of a 12,000 seat Quad-Cities Civic Center, the Mark, in Moline and a \$43 million mixed-use project, John Deere Commons, along the Mississippi River. The City of Moline has initiated work with developers for a \$40 million redevelopment project designated as Bass Street Landing, adjacent to John Deere Commons and The Mark. This project includes more than 60 condominium units on the river, mixed-use (retail, office, residential) space of 45,000 square feet. In addition to a new hospital complex, which opened in 1997, more than 1,000,000 square feet of commercial/retail stores have been constructed since 1996 along four miles of the John Deere Road corridor, located in the Southern portion of the community.

In recent years, local community groups, politicians, private companies and public and private organizations have been targeting state and federal funding to build a Quad City Riverfront Campus for Western Illinois University (WIU) along the Mississippi River. In the past few years, the federal and state governments have appropriated specific funds for this project. Phase I is completed and starting with the 2012-13 school year, students will be attending classes at the new WIU Riverfront Campus. Funding for Phase II has been approved by the State of Illinois with groundbreaking scheduled for the fall of 2012. In March 2007, WIU President Al Goldfarb indicated that the campus could have a \$50 million annual economic impact on the local economy and provide John Deere & Co and other businesses with training and education for the local workforce they need.

Moline continues to be a major retail hub of the Illinois Quad-Cities because of its central location, Southpark Mall and the John Deere Road corridor retail expansion. Due to the recent economy, residential permits for home construction in Moline and Coal Valley have slowed significantly in recent years. To accommodate future expansion, the City of Moline has adopted the South Rock River Annexation Plan, which includes the Boundary Agreement between Moline and the Village of Coal Valley. Even given the uncertainty of the national economy the outlook for the local economy remains positive. Enrollment is projected to be somewhat stable during the next several years.

The State of Illinois passed local property tax limitation legislation in recent years. Counties may elect to limit property tax growth to the lesser of the consumer price increase for the prior year or 5%. Rock Island County and, therefore, the District are not currently limited by this legislation. The District property tax revenue remained relatively flat, increased by 2.94% during the last year. State revenue increased by 14.41%. Federal revenue decreased by 3.78%. Total revenues increased 20.37% during fiscal year 2017-2018. District operating expenditures per pupil, \$11,035.11, remain below the state average for unit districts. The state average has been below the national average per pupil expenditure.

Current Operational Plan Instructional Priorities and Accomplishments

The district's Operational Plan is based upon three components that form the foundation for its improvement efforts: Student Achievement, Capacity Building and Sustainability. The Operational Plan outlines three objectives: Improve Student Achievement, Provide Facilities Appropriate for 21st Century Learning, and Ensure Long Term Financial Stability. Having made substantial progress in efforts in the area of Sustainability, the district is in a position to better allocate resources to support capacity building and improved student achievement.

The four goals within the objective of Improve Student Achievement are 1) Implement Professional Learning Communities, 2) Align Curriculum with Common Core State Standards, 3) Develop Common Formative and Summative Assessments, and 4) Revise Teacher Evaluation System.

The plan outlines five elements of focus for the Student Achievement component: Professional Learning Communities, Guaranteed and Viable Curriculum, Balanced Assessment, Rigor, and Instructional Practices.

In regard to Goal One, the district is continuing the implementation of DuFour's Professional Learning Communities model. The goal this year continues to assure a guaranteed and viable curriculum, increase proficiency to formatively assess student learning, analyze student achievement data, make necessary instructional adjustments, and lead educational change; refine work of elementary "networks" (regional groupings of elementary schools); and redefine the work of grade level teams.

As to Goal Two, the district is implementing a model English/Language Arts curriculum and math curriculum. Implementing these ELA and math units of instruction at each grade level, supporting intense development around the Integrated Services Delivery Model to ensure that all students have access to a rigorous guaranteed and viable curriculum, and studying resources to support a multi-tiered support system is a multifaceted goal.

Goal Three highlights the need to develop and refine common formative and summative assessments at all grade levels and in all content areas. This is to provide teachers with timely information on student learning, allow teachers to target student feedback to specific learning objectives, and to give teachers the ability to make appropriate instructional adjustments on a daily basis. The goal will also support the district's effort to include student growth in summative teacher evaluations. The district utilizes the services of Kids at the Core to Support this work. Additionally, foundational pieces in implementing this goal comes from Rick Stiggins' book *Defensible Teacher Evaluation: Student Growth through Classroom Assessment* which is used as a resource to increase assessment literacy in the district.

Finally, the district will build on its progress in the area of goal four. The district piloted the student growth component to the teacher evaluation system. The district will move to full implementation. During this pilot and full implementation period, additional time and resources are utilized to refine this component to ensure legal compliance as well as appropriate levels of fidelity to increase the effectiveness of the organization.

The district is providing professional development for teachers and administrators to increase understanding of best practices in assessment other methods stated above. The district continues to include additional professional development through a two-year mentoring and induction program.

For the Future

In July of 2014, the Operational Plan was extended through the year 2017. Each year the administration reports progress to the Board and objectives are revised. Next year, the objectives and focus areas will remain largely the same, with action plans updated based on this year's progress and identified student learning needs.

Current predicted focus areas are as follows:

- 1) At this time, the district projects that Professional Learning Communities will be fully implemented with a requirement of three Big Ideas, Four Critical Questions and basic tenets such as loose-tight leadership are monitored for fidelity and new employees are trained in these precepts. The high school will enjoy increased collaboration time due to schedule adjustments.
- 2) Now called the New Illinois Learning Standards, additional units will be developed with corresponding formative and summative assessments developed. These units will likely focus on extending coverage of additional standards throughout the grades in math and ELA. Implementation of an Integrated Services Delivery Model will need to be monitored and improved upon as teachers develop expertise in this new system of instructional delivery. Other priorities will include an increased focus on the Next Generation Science Standards, improving rigor through increased Advanced Placement participation and other means, and increasing student engagement with an emphasis on 21st Century Skills.
- 3) The district will move from a pilot to a fully developed Teacher Professional Growth System to include the Danielson Frameworks and student growth and establish the formal Joint Committee to make any appropriate adjustments to ensure successful compliance with the law for future school years.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Tests are made by the District's independent auditors to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2018, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a monthly basis. Reports of actual activity to budget are reported to the Board of Education monthly. Full disclosures are made if extraordinary variances appear during the year.

Cash Management

The District invests up to 100% of available cash, timing investment maturities to actual cash needs. In addition, all checking accounts are of interest bearing types. Investments are made in compliance with restrictions established by the Illinois statutes. The District maintains an investment relationship with the Illinois Funds, a state-wide investment pool, established by statute and managed by the Treasurer of the State of Illinois.

The school treasurer is appointed by the Board of Education and authorizes all investments and cash transactions. Investment strategies are structured to obtain the best yield for all invested funds while maintaining minimum risks. The District, accordingly, balances investments primarily in the Illinois Funds secured by direct U.S. Treasury obligations. The District earned interest revenue totaling \$860,309 on all investments for all governmental fund types for the year ended June 30, 2018.

Risk Management

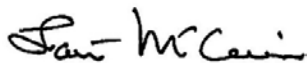
The District completed its annual review of all insurance coverages to minimize the risk of a major loss at reasonable premium costs. The District Group Insurance Fund (an internal service fund) was established in 1994 to account for and finance uninsured risk of loss. This insurance provides stop loss coverage for up to a maximum of \$200,000 for each participant covered by the health benefit plan. The District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past four fiscal years.

Independent Audit


The Illinois School Code and the District's policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The auditors' opinion has been included in this report.

Acknowledgments

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner. We also wish to thank the efficient and dedicated central office staff for their assistance in the timely preparation of this report.



Lanty McGuire
Superintendent



David T. McDermott
Chief Financial Officer

Moline-Coal Valley School District No. 40

**Board of Education
Year Ended June 30, 2018**

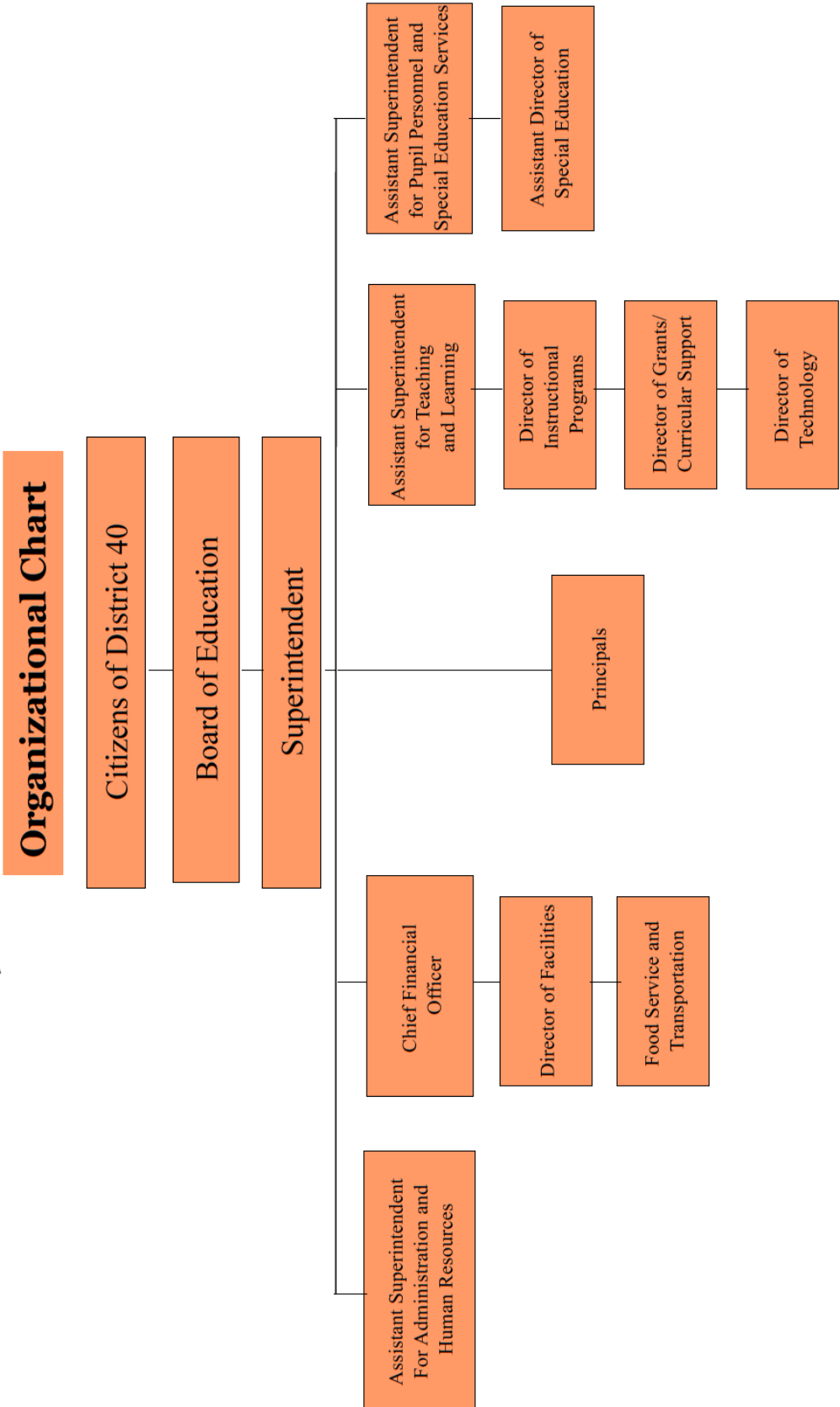
		First Elected	Term Expires
Kate Schaefer	President	2015	2019
Sangeetha Rayapati	Vice President	2017	2021
Justin Anderson	Member	2015	2019
Erin Waldron-Smith	Member	2017	2021
Tim Miller	Member	2015	2019
Andrew Waeyaert	Member	2017	2021
Susan Tucker	Member	2015	2019

Moline-Coal Valley School District No. 40

**District Administration
Year Ended June 30, 2018**

Lanty McGuire	Superintendent
Matt DaBaene	Assistant Superintendent for Teaching and Learning
Dave McDermott	Chief Financial Officer
Todd DeTaeye	Assistant Superintendent for Administration and Human Resources
Kristin Sanders	Assistant Superintendent for Pupil/Personnel Services and Special Education

Moline-Coal Valley School District 40





Independent Auditor's Report

RSM US LLP

To the Board of Education
Moline-Coal Valley School District No. 40

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Moline-Coal Valley School District No. 40 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Moline-Coal Valley School District No. 40 as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, during the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which required a restatement to opening net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Information; Illinois Municipal Retirement Fund Schedule of Changes in the Net Pension Liability and Related Ratios and Schedule of Employer Contributions; Teachers' Retirement System of the State of Illinois' Schedule of the Employer's Proportionate Share of the Net Pension Liability and Schedule of District Contributions; Teacher Health Insurance Security Fund Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability and Schedule of District Contributions and the Schedule of changes in the District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual General Fund and nonmajor governmental fund financial statements and combining statement of changes in assets and liabilities—Agency Fund, and capital asset schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RSM US LLP

Davenport, Iowa
December 10, 2018

Moline-Coal Valley School District No. 40

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

Introduction

Our discussion and analysis of Moline-Coal Valley School District No. 40's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this management's discussion and analysis is to look at Moline-Coal Valley School District No. 40's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to basic financial statements to enhance their understanding of Moline-Coal Valley School District No. 40's financial performance.

The reporting model is a combination of both government-wide financial statements and fund financial statements. The basic financial statements contain three components:

1. Government-wide financial statements including the statement of net position and the statement of activities which provide a broad, long-term overview of Moline-Coal Valley School District No. 40's finances.
2. Fund financial statements including the balance sheets and statement of revenues, expenditures and changes in fund balance that provide a greater level of detail of revenues and expenditures and focus on how well Moline-Coal Valley School District No. 40 has performed in the short term in the most significant funds.
3. Notes to basic financial statements.

Overall Analysis

Moline-Coal Valley School District No. 40 serves 7,267 students with a 2017-2018 total governmental fund budget of \$141,130,623. In general, the financial operations of Moline-Coal Valley School District No. 40 continued to perform well even during uncertain financial times. Expenditures for instructional programs and for regular maintenance continue to increase as Moline-Coal Valley School District No. 40 continues to monitor overall costs in these difficult economic times. For the year ended June 30, 2018, the District operated with 2 less full-time equivalent positions from the prior year.

In summary, Moline-Coal Valley School District No. 40's overall financial position remains strong, stable and consistent even in a challenging financial economy.

Financial Highlights

Key financial highlights for 2018 are as follows:

Total governmental fund revenues for the fiscal year ended June 30, 2018 of \$95,096,661 were comprised of General Fund revenues in the amount of \$76,594,590, Capital Project Fund revenues of \$8,296,394 and other governmental funds revenues totaling \$10,205,677. Total governmental funds revenues increased \$798,105 or 1 percent from the previous year.

Total governmental funds expenditures for the fiscal year ended June 30, 2018 of \$94,671,278 were comprised of General Fund expenditures of \$75,224,690, Capital Project Fund expenditures of \$6,385,527 and other governmental funds expenditures of \$13,061,066. Total governmental funds expenditures increased \$3,248,196 or 4 percent from the previous year.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$83,569,034, an increase of \$30,205,572 in comparison with the ending fund balance of \$53,363,462 from the prior year. Of the total combined fund balance, \$31,006,575 represents unassigned fund balance.

Moline-Coal Valley School District No. 40

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

As of June 30, 2018, unassigned fund balance for the General Fund was \$31,006,575 or 41 percent of total General Fund expenditures.

Moline-Coal Valley School District No. 40's total long-term debt including compensated absences increased by \$17,886,845 or 5 percent during the fiscal year ended June 30, 2018. The increase was primarily due to the issuance of the 2018 bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Moline-Coal Valley School District No. 40's basic financial statements. The District's basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. In addition, other supplementary information to the basic financial statements is provided.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position and the statement of activities provide information about the activities of the District as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting.

The **statement of net position** presents information on all of Moline-Coal Valley School District No. 40's assets plus deferred outflows less liabilities plus deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The **statement of activities** presents information showing how the District's net position changed during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

Both of the government-wide financial statements distinguish functions of Moline-Coal Valley School District No. 40 that are principally supported by taxes and intergovernmental revenues (governmental activities). The District does not currently have any activities that are considered business-type activities. The governmental activities of the District include instruction, support services, tuition paid to other districts and debt service interest.

The government-wide financial statements include only Moline-Coal Valley School District No. 40. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

The government-wide financial statements can be found on pages 14 – 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over specific sources of funding and spending on particular programs. Moline-Coal Valley School District No. 40, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Moline-Coal Valley School District No. 40

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

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

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

Moline-Coal Valley School District No. 40 maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget on page 56.

The basic governmental fund financial statements can be found on pages 17–20 of this report.

Proprietary funds: The District maintains an Internal Service Fund to account for the premium and claim payments for the self-insured health insurance plan for District employees and retirees. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The Internal Service Fund is presented in a separate presentation.

The basic proprietary funds fund financial statements can be found on pages 21–23 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Moline-Coal Valley School District No. 40's own programs. The fiduciary fund of the District is an Agency Fund. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statements can be found on page 24 of this report.

Notes to basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 25–49 of this report.

Moline-Coal Valley School District No. 40

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Moline-Coal Valley School District No. 40's progress in funding its obligation to provide pension and other postemployment benefits to its employees and budgetary comparison schedules. Required supplementary information can be found on pages 50–58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

By far the largest portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; therefore, these assets are not available for future spending. The District's net position net investment in capital assets was \$82,105,944. Although the District's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 - Condensed Statement of Net Position

	Governmental Activities	
	2018	2017
Assets		
Current and other assets	\$ 142,993,472	\$ 112,932,091
Capital assets	89,873,199	81,162,758
Total assets	232,866,671	194,094,849
Deferred outflows of resources, pension related deferred outflows		
Pension related	2,403,377	5,701,427
OPEB related	1,871,552	-
Total deferred outflows of resources	4,274,929	5,701,427
Liabilities		
Long-term liabilities	110,853,931	58,994,824
Other liabilities	17,810,706	14,488,503
Total liabilities	128,664,637	73,483,327
Deferred inflows of resources		
Unavailable revenue	41,054,933	40,524,821
Pension related	6,026,566	2,401,804
OPEB related	9,967,278	-
Total deferred inflows of resources	57,048,777	42,926,625
Net position		
Net investment in capital assets	64,579,826	60,228,675
Restricted	37,401,462	20,424,011
Unrestricted	(50,553,102)	2,733,638
Total net position	\$ 51,428,186	\$ 83,386,324

A restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Moline-Coal Valley School District No. 40

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

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was implemented during fiscal year 2018. The beginning net position as of July 1, 2017 for governmental activities were restated by \$45,546,010 to retroactively report the net postemployment benefits (OPEB) liability. Fiscal year 2017 financial statement amounts for total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, OPEB expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of OPEB expense, which is more reflective of the amounts employees earned during the year.

Table 2 highlights the District's revenues and expenses for the fiscal years ended June 30, 2018 and 2017. These two main components are subtracted to yield the change in net position.

Revenues are divided into two major categories: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes (property and replacement taxes), unrestricted grants and investment income.

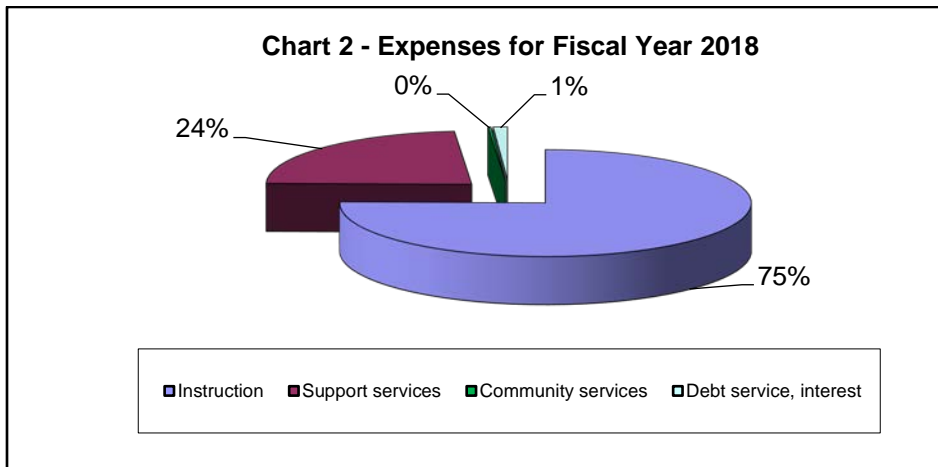
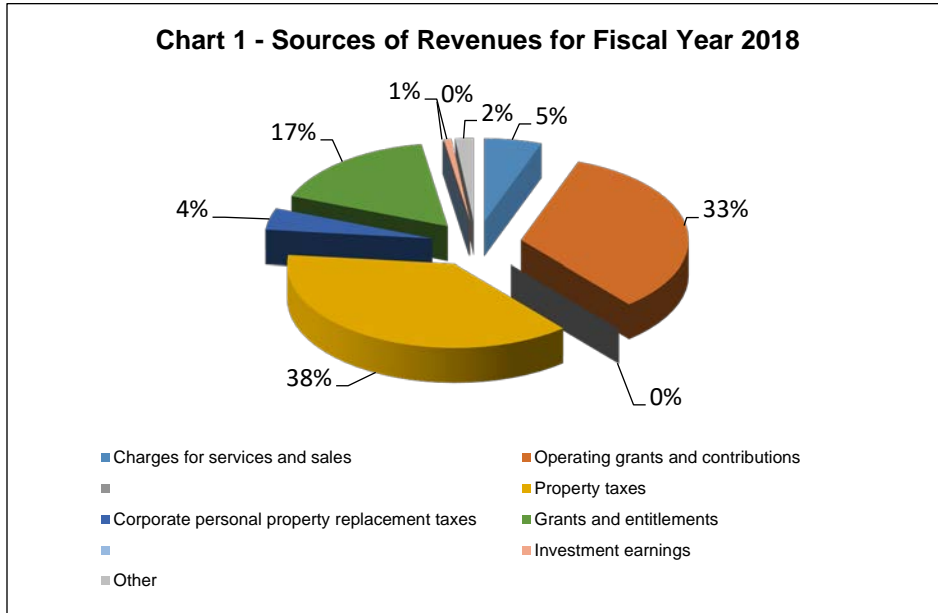
Table 2 - Program Revenues and Expenses

	Governmental Activities	
	2018 (As Restated)	2017 (Not Restated)
Revenues:		
Program revenues:		
Charges for services and sales	\$ 6,423,643	\$ 7,085,913
Operating grants and contributions	39,150,550	38,089,890
Capital grants and contributions	4,400,000	-
General revenue:		
Property taxes	43,730,177	42,480,125
Corporate personal property replacement taxes	4,865,949	5,185,632
Sales tax	3,513,031	-
Grants and entitlements	19,146,998	15,937,442
Investment earnings	860,309	285,757
Insurance proceeds	4,280,632	-
Other	2,059,049	2,394,079
Total revenues	128,430,338	111,458,838
Program expenses:		
Instruction	86,220,622	81,799,870
Support services	27,049,134	27,412,990
Community services	277,300	102,280
Debt service, interest	1,295,410	694,512
Total expenses	114,842,466	110,009,652
Increase in net position	13,587,872	1,449,186
Net position, beginning of year	37,840,314	81,937,138
Net position, end of year	\$ 51,428,186	\$ 83,386,324

Moline-Coal Valley School District No. 40

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

Charts 1 and 2 provide a pictorial summary of the data in Table 2.



Moline-Coal Valley School District No. 40

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2018**

Table 3 below discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to programs and the net cost column shows how much the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by unrestricted state aid (State Foundation) or local taxes. The difference in these two columns would represent restricted grants, fees and donations restricted grants, fees and donations.

Table 3 - Governmental Activities

<u>Programs</u>	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Instruction	\$ 86,220,622	\$ 39,981,147	\$ 81,799,870	\$ 40,330,692
Support services	27,049,134	23,314,416	27,412,990	23,706,365
Community services	277,300	277,300	102,280	102,280
Debt service, interest	1,295,410	1,295,410	694,512	694,512
Total expenses	\$ 114,842,466	\$ 64,868,273	\$ 110,009,652	\$ 64,833,849

Expenditures for instruction and program support continued to represent the largest percent of total District expenditures. Expenditures for instruction increased due to an increase of Teachers’ Retirement System (TRS) on-behalf payments and an increase in personal services.

The property tax is the most significant revenue source of the District. The three factors that affect property tax revenues are assessed valuation, tax multiplier and tax rate. Through an overall increase in property values, the 2017 equalized assessed valuation of the District increased by \$26,301,956 or 3 percent and resulted in an increase in property tax revenue of \$1,250,052. Sales tax collections were \$3,513, 031 which were new to the District in the current year. Capital grants and contributions increased by \$4,400,000 due to the donation made for the Bartlett Performing Arts Center.

Real estate tax bills in Rock Island County for a calendar year tax levy are payable in four equal installments in the subsequent calendar year, with all but the first payment falling due after the close of the District’s fiscal year. First installment tax collections prior to June 30, 2018 were 55.08 percent of the current property tax levy compared with 54.81 percent for the previous year. The remainder of the 2017 levy is billed for collection during calendar year 2018. Allocations of the 2017 property tax levy for fiscal 2018 and the two preceding levies are as follows (per \$100 assessed value):

Purpose	Tax Rate Calendar Years		
	2018	2017	2016
General	\$ 4.1600	\$ 4.1600	\$ 4.1600
Special revenue	0.4516	0.4850	0.4820
Debt Service	0.4478	0.4548	0.4674
Capital Projects	0.0500	0.0500	0.0500
Total Tax Rate	\$ 5.1094	\$ 5.1498	\$ 5.1594
Collection/Levy (2017 stated as of June 30, 2018)	55.08%	54.81%	54.35%

Moline-Coal Valley School District No. 40

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

Financial Analysis of the Government's Funds

As noted earlier, Moline-Coal Valley School District No. 40 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of Moline-Coal Valley School District No. 40's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Table 4 - Governmental Fund Balances

Purpose	2018	2017	% Change
	Fund Balance	Fund Balance	
General	\$ 44,872,396	\$ 39,221,864	14.41
Capital projects	25,681,966	1,347,538	
Nonmajor governmental funds	13,014,672	12,794,060	1.72
Total	\$ 83,569,034	\$ 53,363,462	56.60

The District completed the year with a total governmental fund balance of \$82,912,180, \$29,548,718 more than last year's ending fund balance of \$53,363,462. Approximately 37 percent of this amount, \$30,349,757, constitutes unassigned fund balance available for spending at the government's discretion. The majority of the increase in governmental fund balance is due to an increase in EAV (Equalized Assessed Value of local property values), issuance of the 2018 bonds, sales tax payments and CPPRT payments. The remainder of the governmental funds fund balance is restricted or assigned for 1) grantor restricted purposes \$4,346,4096; 2) working cash \$8,198,649; 3) transportation \$2,303,859; 4) municipal retirement and social security \$3,480,880; 5) tort immunity \$1,998,905; 5) debt service \$3,161,270; 6) life safety projects \$275,675; 7) capital projects \$17,099,833; 8) school activity \$742,680, and 9) encumbrances \$10,804,737.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$31,006,575 while total fund balance reached \$44,872,396. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total General Fund expenditures, while total fund balance also represents approximately 60 percent of that same amount.

General Fund Budgetary Highlights

The fund balance of the District's General Fund increased by \$5,650,532, during the current fiscal year. The increase in fund balance was due mainly to an increase in EAV and general state aid.

Revenues were under budget by \$6,036,053. The decrease in revenue was due mainly to a decrease in other local sources revenue and TRS on-behalf payments.

Moline-Coal Valley School District No. 40

**Management’s Discussion and Analysis
For Fiscal Year Ended June 30, 2018**

Expenditures were under budget by \$7,695,684. This is mainly due to a decrease in TRS on-behalf payments.

Capital Assets and Debt Administration

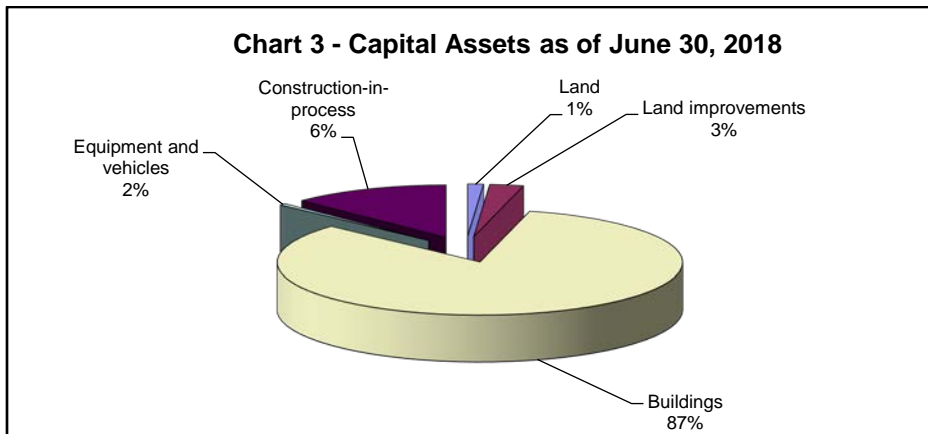
At the end of the 2018 fiscal year, the District had invested \$137,094,296 in a broad range of capital assets, including buildings, sites, equipment and vehicles. This amount represents an increase of \$11,343,074. Additional information about capital assets can be found in Note 3. Total accumulated depreciation on these assets equaled \$47,221,097 for governmental activities.

- Asset acquisitions for governmental activities totaled \$11,776,204 including transfers from construction-in-process of \$250,706.
- The District disposed of \$182,424 of capital assets.
- The District recognized depreciation expense of \$2,688,121 for governmental activities.

Table 5 - Capital Assets as of June 30 (Net of Depreciation)

Purpose	Governmental Activities		% Change
	2018	2017	
Land	\$ 1,139,143	\$ 1,135,499	0.32
Land improvements	2,417,509	2,641,462	(8.48)
Buildings	74,537,729	76,336,741	(2.36)
Equipment and vehicles	437,160	674,419	(35.18)
Construction-in-process	11,341,658	374,637	2,927.37
Total	\$ 89,873,199	\$ 81,162,758	10.73

The below graph shows the category and percentage of our School District’s assets.



Moline-Coal Valley School District No. 40

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

Debt

As of June 30, 2018, Moline-Coal Valley School District No. 40 had general obligation bonds outstanding totaling \$39,801,552. In the current year, the District issued \$25,001,000 of new bonds and paid \$6,064,100 in principal and \$935,651 in interest and fiscal charges on outstanding debt.

Table 6 - General Obligation Outstanding Debt as of June 30

	Governmental Activities		% Change
	2018	2017	
General obligation bonds	<u>\$ 39,801,552</u>	<u>\$ 20,864,652</u>	90.76%

The District issued General Obligation bonds for purposes of making facilities modifications and repairs for Life Safety Code purposes as follows: July 1990, \$2,215,000 (repaid on February 1, 2002); May 1991, \$5,000,000 (repaid on February 1, 2003); April 1992, \$4,800,000 (repaid on February 1, 2004); March 1993, \$4,500,000 (repaid on February 1, 2004); July 1994, \$4,800,000 (repaid on February 1, 2003); December 1996, \$7,945,000 (with \$4,945,000 for refunding outstanding bonds for interest savings purposes; repaid on February 1, 2006); February 1999, \$9,045,000 (with \$7,045,000 for refunding outstanding bonds for interest savings purposes, repaid on February 1, 2013); February 2002, \$2,500,000 (repaid on February 1, 2006); March 2003, \$2,000,000 (repaid on February 1, 2014); November 2005, \$4,500,000 (repaid on February 1, 2009); June 2007, \$6,000,000 (repaid February 1, 2011); November 2009, \$10,200,000 (refund in May 2018); December 2009, \$8,300,000; December 2010, \$11,495,000; December 2013, \$9,610,000; February 2018, \$21,925,000 and May 2018, \$3,075,000 (refunded the November 2009 bonds) . The District has an Aa2 insured Moody's Investors service rating insured by Financial Guaranty Insured.

As of June 30, 2018, the District's available legal debt margin was \$78,161,435.

Additional information about the District's long-term debt can be found in Note 4 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The following is a summary of the major 2018-2019 budget changes from the 2017-2018 Amended Budget:
- Revenues and available carried-forward fund balances equal or exceed expenditures for all funds for the 2018-2019 Fiscal Year.
- Salaries, wages and benefits have been updated to reflect known changes of staff costs.
- Summary of the Educational Fund:
 - The Educational Fund reflects a budgeted deficit of \$565,081. This is mainly due to an increase in salaries and fringe benefits.
 - Property tax revenue reflects an increase of \$669,416 or 2.4 percent, as a result of updated equalized assessed valuation projections provided by the Rock Island Assessment Office and anticipated needs based on the 2017 levy.
 - Corporate Personal Property Replacement Tax (CPPRT) remains flat due to uncertainty.
 - General State Aid has been replaced by Evidence Based Funding. The new Evidence Based Funding formula combines the previous General State Aid, Funding for Children Requiring Special Ed. Services, Special Ed. – Personnel, Special Ed. – Summer School and Bilingual Ed. – TPI and TBE. The combined amount reflects an increase of \$1,386,376, or 7.8 percent.

Moline-Coal Valley School District No. 40

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

- State funded Categorical grants (i.e., Special Ed. Private Facility, Orphanage, etc.) reflects a decrease of \$771,393 or 22.4 percent. Many of these grants have been included in the Evidence Based Funding model.
- State, federal and entitlement program revenues and expenditures have been analyzed to reflect updated awards, entitlements, carryovers and allocation changes from the prior year. Contingencies are included for unanticipated revenues and expenditures, mainly related to federal grants, as were in past budgets.
- Operations & Maintenance Fund reflects a budgeted deficit of \$609,107. The deficit is associated with budgeting fluctuating utility costs (i.e., water, gas and electric) which historically do not fully expend.
- Debt Service Fund reflects a budgeted deficit of \$1,360,156. The deficit is associated with the sale of general obligation bonds in the amount of \$21,925,000 in FY18. The associated debt service payments will be supported with the new Rock Island County School Facilities Sales Tax (i.e., 1 percent) revenues.
- Capital Projects Fund reflects a budgeted deficit of \$12,557,000, due to the timing of construction for the Bartlett Performing Arts Center, Franklin Elementary School and other projects authorized by the Board of Education in FY18.
- Life Safety Fund reflects a budgeted deficit of \$1,538,106, due to an increase in planned capital expenditures as reflected in the 10-Year Life Safety review.
- Total revenues decreased by \$39,263,778, or 28.4 percent, while expenditures decreased by \$24,953,997, or 17.7 percent, from the 2017-2018 Amended Budget. The majority of the change in revenue can be attributed to the 2018 bond sale and a reduction in TRS On-Behalf. The majority of the change in expenditures is a result of expenditures associated with construction of the Bartlett Performing Arts Center, Franklin Elementary School and TRS On-Behalf.
- Total Funds ending balance is budgeted at a deficit of \$14,309,781 mainly due to the 2018 bond sale, continued construction for the Bartlett Performing Arts Center and Franklin Elementary School, and the reduction of TRS On-Behalf.

Requests for Information

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate the District's high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional financial information, please write to Mr. David McDermott, Chief Financial Officer, Moline-Coal Valley School District No. 40, 1619 11th Avenue, Moline, Illinois 61265.

Moline-Coal Valley School District No. 40

**Statement of Net Position
June 30, 2018**

	Governmental Activities
<hr/>	
Assets	
Cash and investments	\$ 72,570,121
Receivables, net of allowances for uncollectible amounts:	
Property taxes	50,719,717
Corporate personal property replacement taxes	727,337
Sales tax	674,565
Other	51,551
Due from other governmental units	2,383,924
Inventory	29,372
Prepaid items	77,278
Restricted cash and investments	15,759,607
Capital assets:	
Nondepreciable:	
Land	1,139,143
Construction-in-process	11,341,658
Depreciable:	
Land improvements	8,619,398
Buildings	110,943,415
Equipment and vehicles	5,050,682
Accumulated depreciation	(47,221,097)
Total assets	<u>232,866,671</u>
Deferred outflow of resources	
Pension related amounts	2,403,377
OPEB related amounts	1,871,552
Total deferred outflow of resources	<u>4,274,929</u>

	Governmental Activities
Liabilities	
Accounts and contracts payable	\$ 3,582,475
Claims payable	1,189,548
Accrued wage and benefit liabilities	8,006,157
Accrued interest	576,464
Unearned revenue	39,143
Noncurrent liabilities:	
Due within one year:	
General obligation bonds	4,130,280
Compensated absences	286,639
Due in more than one year:	
General obligation bonds	35,671,272
Bond premium	553,179
Bond discount	(20,035)
Other postemployment benefits liability	59,093,717
Net pension liability	15,555,798
Total liabilities	<u>128,664,637</u>
Deferred inflows of resources	
Property taxes	41,054,933
Pension related amounts	6,026,566
OPEB related amounts	9,967,278
Total deferred inflows of resources	<u>57,048,777</u>
Net position	
Net investment in capital assets	64,579,826
Restricted for:	
Debt service	2,584,806
Grantor restricted purposes	4,346,409
Tort immunity	1,849,551
Life safety projects	275,675
Capital projects	17,099,833
Transportation	2,303,859
School activity	742,680
Working cash	8,198,649
Unrestricted	<u>(50,553,102)</u>
Total net position	<u>\$ 51,428,186</u>

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Activities
Year Ended June 30, 2018**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					Governmental Activities
Instruction	\$ 86,220,622	\$ 5,581,594	\$ 36,257,881	\$ 4,400,000	\$ (39,981,147)
Support services	27,049,134	842,049	2,892,669	-	(23,314,416)
Tuition paid to other districts	277,300	-	-	-	(277,300)
Debt service, interest on long-term debt	1,295,410	-	-	-	(1,295,410)
Total governmental activities	\$ 114,842,466	\$ 6,423,643	\$ 39,150,550	\$ 4,400,000	(64,868,273)

General Revenues

Property taxes	43,730,177
Corporate personal property replacement taxes	4,865,949
Sales tax	3,513,031
Grants and entitlements not restricted to specific programs	19,146,998
Insurance proceeds	4,280,632
Investment earnings	860,309
Other	2,059,049
Total general revenues	78,456,145
Changes in net position	13,587,872
Net position beginning of year, as restated	37,840,314
Net position end of year	\$ 51,428,186

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Balance Sheet
Governmental Funds
June 30, 2018**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 43,030,503	\$ 26,902,841	\$ 11,823,176	\$ 81,756,520
Receivables, net of allowances for uncollectible amounts:				
Property taxes	41,295,263	-	9,424,454	50,719,717
Corporate personal property replacement taxes	727,337	-	-	727,337
Sales taxes	-	674,565	-	674,565
Other	47,318	11	3,253	50,582
Due from other funds	817,140	-	-	817,140
Due from other governmental units	1,940,659	-	443,265	2,383,924
Inventory	29,372	-	-	29,372
Prepaid items	37,375	-	419	37,794
Total assets	\$ 87,924,967	\$ 27,577,417	\$ 21,694,567	\$ 137,196,951
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts and contracts payable	\$ 1,158,221	\$ 1,895,451	\$ 368,582	\$ 3,422,254
Accrued wage and benefit liabilities	7,764,310	-	241,744	8,006,054
Unearned revenue	39,143	-	-	39,143
Total liabilities	8,961,674	1,895,451	610,326	11,467,451
Deferred inflows of resources:				
Unavailable revenue - property taxes	33,428,628	-	7,626,305	41,054,933
Unavailable revenue - intergovernmental	662,269	-	443,264	1,105,533
Total deferred inflows of resources	34,090,897	-	8,069,569	42,160,466
Fund balances:				
Nonspendable:				
Inventory	29,372	-	-	29,372
Prepaid items	37,375	-	419	37,794
Restricted for:				
Grantor restricted purpose	4,346,409	-	-	4,346,409
Working cash	8,198,649	-	-	8,198,649
Transportation	-	-	2,303,859	2,303,859
Municipal retirement	-	-	1,861,824	1,861,824
Social security	-	-	1,619,056	1,619,056
Tort immunity	-	-	1,849,551	1,849,551
Debt service	-	-	3,161,270	3,161,270
Capital projects	-	17,099,833	-	17,099,833
Life safety projects	-	-	275,675	275,675
School activity	-	-	742,680	742,680
Assigned for:				
Purchases on order	1,254,016	8,582,133	1,092,117	10,928,266
Transportation	-	-	56,873	56,873
Municipal retirement and social security	-	-	51,348	51,348
Unassigned	31,006,575	-	-	31,006,575
Total fund balances	44,872,396	25,681,966	13,014,672	83,569,034
Total liabilities, deferred inflows of resources and fund balances	\$ 87,924,967	\$ 27,577,417	\$ 21,694,567	\$ 137,196,951

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
June 30, 2018**

Total governmental fund balances	\$ 83,569,034
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Land	1,139,143
Construction-in-process	11,341,658
Land improvements	8,619,398
Buildings	110,943,415
Equipment and vehicles	5,050,682
Accumulated depreciation	(47,221,097)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds:	
Unavailable revenue - intergovernmental	1,105,533
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds, as follows:	
Deferred outflow of resources:	
Pension related	2,403,377
OPEB related	1,871,552
Deferred inflow of resources:	
Pension related	(6,026,566)
OPEB related	(9,967,278)
Noncurrent liabilities, including accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(286,639)
Accrued interest	(576,464)
General obligation bonds	(39,801,552)
Other postemployment benefits liability	(59,093,717)
Net pension liability	(15,555,798)
Bond discount	20,035
Bond premium	(553,179)
Internal Service Fund, net position	<u>4,446,649</u>
Net position of governmental activities	<u>\$ 51,428,186</u>

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 35,478,829	\$ -	\$ 8,251,348	\$ 43,730,177
Corporate personal property replacement taxes	4,358,036	-	507,913	4,865,949
Sales tax	-	3,513,031	-	3,513,031
Other local sources and student fundraising activities	2,892,474	4,570,833	986,839	8,450,146
General state aid	19,146,998	-	-	19,146,998
Restricted state aid	3,162,427	-	365,841	3,528,268
Federal aid	6,723,855	-	-	6,723,855
On-behalf payments	4,409,293	-	-	4,409,293
Investment earnings	422,678	212,530	93,736	728,944
Total revenues	76,594,590	8,296,394	10,205,677	95,096,661
Expenditures:				
Current:				
Instruction	47,005,788	-	1,296,172	48,301,960
Support services	22,677,707	-	3,880,246	26,557,953
Tuition paid to other districts	277,300	-	-	277,300
Capital outlay	5,263,895	6,165,393	884,896	12,314,184
Debt service:				
Principal retirement	-	-	6,064,100	6,064,100
Interest and fiscal charges	-	-	935,651	935,651
Bond issuance costs	-	220,130	-	220,130
Total expenditures	75,224,690	6,385,523	13,061,065	94,671,278
Net change before other financing sources	1,369,900	1,910,871	(2,855,388)	425,383
Other financing sources:				
Proceeds from bonds sold	-	21,925,000	-	21,925,000
Refunding bonds issued	-	-	3,076,000	3,076,000
Premium on bonds sold	-	498,557	-	498,557
Insurance proceeds	4,280,632	-	-	4,280,632
Total other financing sources	4,280,632	22,423,557	3,076,000	29,780,189
Net change in fund balances	5,650,532	24,334,428	220,612	30,205,572
Fund balances, beginning of year	39,221,864	1,347,538	12,794,060	53,363,462
Fund balances, end of year	\$ 44,872,396	\$ 25,681,966	\$ 13,014,672	\$ 83,569,034

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

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

Net change in fund balances - total governmental funds	\$ 30,205,572
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:</p>	
Capital outlay	11,525,498
Depreciation expense	(2,688,121)
Loss on disposal of capital assets	(126,936)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(874,007)
<p>The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds interest expenditure is reported when due. The following is the detail of the net effect of these differences in treatment of long-term debt and related items:</p>	
Repayment of long-term debt	6,064,100
Issuance of long-term debt	(25,001,000)
Premium on long-term debt issued	(498,557)
Interest	(174,473)
Amortization of bond discount and bond premium	34,844
Internal Service Fund, net loss	(1,882,374)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
Increase in compensated absences	528
OPEB expense	(1,547,157)
OPEB special funding revenue	3,664,246
OPEB special funding expense	(3,664,246)
Pension expense	(1,450,045)
Pension special funding revenue	24,670,302
Pension special funding expense	(24,670,302)
	<hr/>
Change in net position of governmental activities	\$ 13,587,872

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Net Position
Governmental Activities—Internal Service Fund
June 30, 2018**

Assets

Investments	\$	6,573,208
Accounts receivable		969
Prepaid items		39,484
Total assets		<u>6,613,661</u>

Liabilities and Net Position

Liabilities:

Accounts payable		160,221
Accrued payroll		103
Claims payable		1,189,548
Due to other funds		817,140
Total liabilities		<u>2,167,012</u>

Net position, unrestricted	\$	<u>4,446,649</u>
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See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Revenues, Expenses and Changes in Fund Net Position—Governmental Activities—
Internal Service Fund
Year Ended June 30, 2018**

Operating revenues:	
Charges for services	\$ 8,707,614
Reimbursements	159,002
Total operating revenues	<u>8,866,616</u>
Operating expenses:	
Administration and stop loss	1,435,966
Claims	9,444,389
Total operating expenses	<u>10,880,355</u>
Operating loss	(2,013,739)
Nonoperating income, investment earnings	131,365
Change in net position	<u>(1,882,374)</u>
Total net position, beginning	<u>6,329,023</u>
Total net position, ending	<u>\$ 4,446,649</u>

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Cash Flows—Governmental Activities
Internal Service Fund
Year Ended June 30, 2018**

Cash flows from operating activities:	
Cash received from employees and employer	\$ 8,865,647
Cash payments for claims	(8,891,694)
Cash payments for administration and stop loss	(1,449,002)
Net cash used in operating activities	(1,475,049)
Cash flows provided by noncapital financing activities,	
Proceeds from other funds	817,140
Cash flows from investing activities:	
Investment income	131,365
Sale of investments	500,000
Proceeds from purchase of investments	(92,019)
Net cash provided by investing activities	539,346
Net decrease in cash and cash equivalents	(118,563)
Cash and cash equivalents:	
Beginning	118,563
Ending	\$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (2,013,739)
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) in prepaid items	(39,484)
(Increase) in accounts receivable	(969)
Increase in accounts and contracts payable	26,451
Increase in claims payable	552,695
(Decrease) in accrued wage and benefit payable	(3)
Net cash used in operating activities	\$ (1,475,049)

See notes to basic financial statements.

Moline-Coal Valley School District No. 40

**Statement of Assets and Liabilities
Agency Funds
June 30, 2018**

Assets

Due from other governmental units	<u>\$ 21,520</u>
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Liabilities

Due to employees	<u>\$ 21,520</u>
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See notes to basic financial statements.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies

Nature of operations: Moline-Coal Valley School District No. 40 (the District) is a political subdivision created under Illinois State Statute. The District has the power to make rules and regulations for its own government consistent with the laws of the state of Illinois and the regulations of the Illinois State Board of Education. The District is governed by the Moline-Coal Valley School Board (the Board) which is elected at large in the general elections. The District is composed of one high school, one alternative high school, two middle schools, 11 elementary schools and one early childhood center. Student enrollment (pre-school through high school) for the 2017-2018 school year was 7,267 regular and special education students as of September 30, 2017. The District employs a total of 853 personnel of which 475 are teachers and administrators and 378 are educational support staff.

Reporting entity: The financial statements of the District include all District operations required to be included in accordance with Governmental Accounting Standards Board (GASB) pronouncements concerning the reporting entity. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are: a) appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District; and b) fiscal dependency. Additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. The District has no component units which meet the GASB criteria. In addition, the District is not aware of any entity which would exercise such oversight over it which would result in the District being considered a component unit of that entity.

Basis of presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The District does not have any activities that are considered business-type activities.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Fund financial statements: During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds. Major funds are presented in separate columns. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Measurement focus, basis of accounting and financial statement presentation:

Government-wide financial statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary and fiduciary fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow.

Fund financial statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows/outflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows/outflows of resources is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Illinois or the restrictions placed on the resources by a third party.

Capital Projects Fund: The Capital Projects Fund accounts the acquisition or construction of major capital facilities.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

The other governmental funds of the District are considered nonmajor:

The **Special Revenue Funds** account for the revenue sources that are legally restricted to expenditures for specific purposes.

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

The **Capital Projects fund** accounts for the revenue and expenditures related to fire prevention and safety projects.

Additionally, the District reports the following fund types:

Proprietary Fund: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The only proprietary fund of the District is classified as internal service.

Internal Service Fund: This fund supports the general government and accounts for the premium and claim payments for the self-insured health insurance plan for District employees.

Fiduciary funds: Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary funds of the District are considered agency funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Flexible Spending Fund: This fund accounts for voluntary employee contributions and reimbursements for medical, dental and dependent care expenses.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

Revenues—exchange and nonexchange transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted and levied for. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when usage is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, property taxes when budgeted for, personal property replacement taxes, intergovernmental revenues when eligibility requirements are met, charges for services and interest revenues are considered to be both measurable and available at fiscal year-end to the extent received within 60 days of year-end.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's Internal Service Fund is charges for services. Operating expenses for proprietary funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deferred outflow of resources: In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. In the District's government-wide statements, deferred outflows of resources consist of unrecognized items not yet charged to expense related to the net pension liability and other postemployment benefit (OPEB) liability and contributions paid by the employer after the measurement date of the net pension liability and OPEB liability but before the end of the employer's reporting period.

Deferred inflows of resources: In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and intergovernmental revenue. The amounts relating to intergovernmental revenue are deferred and recognized as an inflow of resources in the period that the amounts become available. In both the District's government-wide and governmental fund financial statements, property tax revenues for the succeeding year are reported as a deferred inflow of resources and will become an inflow in the year they are levied and budgeted for. Also, the unamortized portion of the difference between the expected and actual experience, net difference between projected and actual earnings on pension plan and OPEB investments, changes in assumptions and changes in proportion difference between District contributions and proportionate share of contributions are recorded in the government-wide statements as a deferred inflow of resources.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Expenses/expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus for governmental funds is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related liability is incurred and due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds. The fair value of donated commodities used during the year is reported in the statement of revenues, expenditures, and changes in fund balance as an expenditure with the amount donated to the District reported as federal aid revenue. Unused donated commodities are reported as inventory on the balance sheet.

Significant accounting policies: The significant accounting policies followed by the District include the following:

Property taxes: Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2017 levy and an estimate of the 2018 levy for the period January 1, 2018 through June 30, 2018. Property taxes are levied each year on all taxable real property in the District. Property taxes are levied on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in June, August, September and November, and are collected by the county collector, who in turn remits to the District its respective share. An allowance is provided for uncollectible taxes. Property taxes that are not available for current year operations are shown as deferred inflow of resources. Six months of the 2017 property tax levy along with six months from the 2018 property tax levy are intended to finance fiscal year ending June 30, 2019 and have been reported as deferred inflows of resources and will not be recognized as revenue until fiscal year 2019.

Due from other governmental units: Due from other governmental units represents amounts due from the Illinois State Board of Education, grants and reimbursements from other governments.

Inventories: Inventories are stated at cost (first-in, first-out) which approximates market. The consumption method of accounting is applied to the governmental fund type inventories. Unused commodities as of year-end are reported as inventory in the statement of net position and balance sheet.

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

Investments: The District invests in the Illinois School District Liquid Asset Fund Plus and the Illinois Funds Money Market Fund which are external investment pools that are not SEC-registered and regulated by the State Treasurer's Office. These external investment pools are valued at amortized cost based on the criteria set forth in GASB Statement No. 79.

Capital assets: General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction-in-process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and building improvements	20 - 50 years
Equipment and vehicles	5 - 20 years

The District's collection of library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Compensated absences: Certified employees working less than 12 months a year do not earn vacation days; however, certified and noncertified 12-month employees earn vacation days which vest as it accrues. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The entire compensated absence and liability is reported on the government-wide financial statements.

Self-insurance: The District is self-insured for health benefits. The District's premiums and claims are accounted for in the Internal Service Fund. Premiums are charged by the Internal Service Fund to operating funds based upon the number of employees and selected coverage in each fund.

Cash flows: For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Accrued liabilities and long-term obligations: All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, OPEB contributions and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due and payable.

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

Total OPEB liability: For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been based on the actuary reports of the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total of OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term debt: In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are reported as expenditures in the year the costs are incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt principal payments are reported as expenditures.

Fund balance: In the governmental fund financial statements fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the Board of Education to the Superintendent through an approved fund balance policy.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus, Basis of Accounting and Financial Statement Presentation and Significant Accounting Policies (Continued)

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications—committed, assigned and then unassigned fund balances.

Net position: Net position represent the difference between assets plus deferred outflows and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2018, unspent bond proceeds in the Capital Projects Funds were \$15,759,607. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consist of \$2,584,806 for debt service, \$1,998,905 for tort immunity, \$8,198,649 for working cash, \$2,303,859 for transportation and \$742,680 for life safety projects. The District first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position is available.

Interfund activity: Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 2. Cash and Investments

As of June 30, 2018, the District had the following cash and investments:

Cash and investments, statement of net position	<u>\$ 88,329,728</u>
Deposits	\$ 11,885,141
Certificates of deposit	430,109
Illinois School District Liquid Asset Fund Plus	32,567,441
Illinois Funds Money Market Fund	<u>43,447,037</u>
	<u>\$ 88,329,728</u>

As of June 30, 2018, the District had the following investments:

Investment Type	Weighted Average Maturities (Years)	Standard & Poor's	Amortized Cost
Illinois School District Liquid Asset Fund Plus	0.15	AAM	\$ 32,567,440
Illinois Funds Money Market Fund	0.15	AAAm	43,447,037

State statutes and the District's investment policy authorize the District to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.

The District is also authorized to invest in Illinois School District Liquid Asset Fund and the Illinois Funds Money Market Fund, which invests member deposits on a pooled basis, short-term certificates of deposit and high rated short-term obligations of major United States corporations and banks.

Interest rate risk: The District's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but it does state the investment portfolio should provide sufficient liquidity to pay District obligations as they become due.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. See above for credit ratings related to the Illinois School District Liquid Asset Fund Plus and the Illinois funds money market fund.

Concentration of credit risk: The District's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks diversification to minimize the risk of loss resulting in over concentration in a specific maturity, issuer or class of securities. The investments above are investments in an external investment pools and, therefore, are not subject to concentration of credit risk.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

Custodial credit risk: Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. The custodial risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. As of June 30, 2018, the District's deposits are not exposed to custodial credit risk, as they were fully insured by federal deposit insurance or secured by some form of collateral. The District's investments in the external investment pools are not subject to custodial credit risk.

Note 3. Capital Assets

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

Governmental Activities	Balance June 30, 2017	Additions	Retirements/ Transfers	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 1,135,499	\$ 3,644	\$ -	\$ 1,139,143
Construction-in-process	374,637	11,217,727	(250,706)	11,341,658
Total capital assets, not being depreciated	1,510,136	11,221,371	(250,706)	12,480,801
Capital assets, being depreciated:				
Land improvements	8,531,064	88,334	-	8,619,398
Buildings	110,527,328	165,381	250,706	110,943,415
Equipment and vehicles	5,182,694	50,412	(182,424)	5,050,682
Total capital assets, being depreciated	124,241,086	304,127	68,282	124,613,495
Accumulated depreciation:				
Land improvements	5,889,602	312,287	-	6,201,889
Buildings	34,190,587	2,215,099	-	36,405,686
Equipment and vehicles	4,508,275	160,735	(55,488)	4,613,522
Total accumulated depreciation	44,588,464	2,688,121	(55,488)	47,221,097
Total capital assets, being depreciated, net	79,652,622	(2,383,994)	123,770	77,392,398
Governmental activities capital assets, net	\$ 81,162,758	\$ 8,837,377	\$ (126,936)	\$ 89,873,199

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,552,261
Support services	135,860
Total depreciation expense	<u><u>\$ 2,688,121</u></u>

Note 4. General Long-Term Liabilities

Changes in general long-term liabilities for the year ended June 30, 2018 are summarized as follows:

	Balance June 30, 2017	Additions/ Change in Accrual	Deductions	Balance June 30, 2018	Balance Due Within One Year
Compensated absences	\$ 287,167	\$ 380,794	\$ 381,322	\$ 286,639	\$ 286,639
General obligation bonds payable	20,864,652	25,001,000	6,064,100	39,801,552	4,130,280
Total	<u>\$ 21,151,819</u>	<u>\$ 25,381,794</u>	<u>\$ 6,445,422</u>	<u>\$ 40,088,191</u>	<u>\$ 4,416,919</u>

Compensated absences are generally liquidated by the General Fund.

General obligation bonds payable as of June 30, 2018 are summarized as follows:

Original Issue Amount and Date	Maturity Date	Purpose	Interest Rate	Balance Due
\$8,300,000 December 15, 2009	Installments through December 15, 2025	Construction	1.40%	\$ 4,380,552
\$5,700,000 December 1, 2010	Installments through February 1, 2027	Construction	3.65% to 5.63%	5,200,000
\$2,535,000 December 1, 2010	Installments through February 1, 2029	Construction	6.00%	2,535,000
\$9,610,000 December 23, 2013	Installments through February 1, 2020	Construction	2.00% to 3.00%	2,685,000
\$21,925,000 February 27, 2018	Installments through February 1, 2028	Construction	3.00%	21,925,000
\$3,076,000 May 24, 2018	Installments through February 1, 2023	Refinance of Debt	2.27% to 2.79%	3,076,000
				<u><u>\$ 39,801,552</u></u>

Certain bonds have early redemption clauses that may be exercised at the District's option, subject to certain restrictions.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 4. General Long-Term Liabilities (Continued)

On May 24, 2018, the District issued \$3,076,000 in 2018 Series A refunding general obligation bonds maturing through June 30, 2023 with interest rates ranging from 2.27 percent to 2.79 percent to current refund, in advance of their maturity, \$3,600,000 of principal on the 2009 Series A general obligation bonds. The refunding was conducted to achieve interest savings. The District completed the current refunding to reduce its total debt service payments by \$57,520 and obtain an economic gain of \$54,350.

As of June 30, 2018, the District's future cash flow requirements for the retirement of general obligation bond principal and interest is as follows:

	Principal	Interest	Total
For the year ending June 30:			
2019	\$ 4,130,280	\$ 1,205,920	\$ 5,336,200
2020	5,098,596	1,163,720	6,262,316
2021	4,033,996	1,019,536	5,053,532
2022	4,103,500	902,268	5,005,768
2023	4,280,109	782,339	5,062,448
2024 - 2028	16,855,054	2,101,697	18,956,751
2029	1,300,017	78,000	1,378,017
	<u>\$ 39,801,552</u>	<u>\$ 7,253,480</u>	<u>\$ 47,055,032</u>

Legal debt margin:

Assessed valuation	<u>\$ 854,804,251</u>
Statutory debt limit (13.8% of assessed valuation)	\$ 117,962,987
Less indebtedness, outstanding general obligation bonds	<u>39,801,552</u>
Legal debt margin	<u>\$ 78,161,435</u>

Note 5. 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. These risks, except for employee's health benefits, are covered by the purchase of commercial insurance.

Settled claims from these risks have not exceeded the planned coverage during any of the past three years.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 5. Risk Management (Continued)

The District maintains an Internal Service Fund to account for its self-insurance related to its employees' health benefits. Self-insurance is in effect up to an individual stop loss amount of \$200,000 and aggregate stop loss amount of approximately 125 percent of cumulative monthly claim expenditures, with coverage from a private insurance company maintained for losses in excess of the aggregate stop loss amounts. All claim handling procedures are performed by an independent claims administrator. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Recognized liabilities include a provision for all estimated claims incurred but not reported. The changes in the aggregate liabilities for claims for the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Claims payable, beginning of the year	\$ 636,853	\$ 1,121,812
Claims expense	9,444,389	7,977,311
Claims payments	(8,891,694)	(8,462,270)
Claims payable, end of the year	<u>\$ 1,189,548</u>	<u>\$ 636,853</u>

The District may levy taxes annually for the purpose of providing protection against liability for a tortuous act performed by the District or its employees. The following is a listing of tort immunity expenditures recorded by the District for the year ended June 30, 2018:

Liability insurance premiums	\$ 701,528
Monitoring and compliance	208,062
Legal counsel	53,730
Worker's compensation and unemployment claims	3,030
	<u>\$ 966,350</u>

Monitoring and compliance expenditures represent an allocation of the salaries of teachers and administrators based on time spent performing and monitoring compliance activities during the school day.

Note 6. Pension Plans

Employees of the District are eligible to participate in one of two pension plans. Below is a summary of amounts reported by the District as of and for the year ended June 30, 2018:

	Illinois Teachers' Retirement System	Illinois Municipal Retirement Fund	Total
Net pension liability	\$ 11,842,690	\$ 3,713,108	\$ 15,555,798
Deferred outflows of resources	1,707,367	696,010	2,403,377
Deferred inflows of resources	1,767,032	4,259,534	6,026,566
Pension expense	28,963,182	1,102,458	30,065,640

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

Illinois Teachers' Retirement System (TRS)

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

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

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

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

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

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

On-behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$3,945,294 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$226,701 and are deferred because they were paid after the June 30, 2017 measurement date of the net pension liability.

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$164,993 were paid from federal and special trust funds that required employer contributions of \$16,664. These contributions are deferred because they were paid after the June 30, 2017 measurement date of the net pension liability.

Employer retirement cost contributions: Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the 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, 2018, the District paid no employer ERO contributions to TRS.

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, 2018, the District paid \$17,954 to TRS for District contributions due on salary increases in excess of 6 percent and none for sick leave days granted in excess of the normal annual allotment.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2018, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 11,842,690
State's proportionate share of the net pension liability associated with the employer	<u>290,763,957</u>
Total	<u><u>\$ 302,606,647</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.01550128 percent, which was an increase of 0.00098 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$28,963,182 and revenue of \$28,615,596 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 128,625	\$ (5,466)
Net difference between projected and actual earnings on pension plan investments	-	(332,180)
Changes of assumptions	790,414	(1,429,386)
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>544,963</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	1,464,002	(1,767,032)
District contributions subsequent to the measurement date	243,365	-
Total	<u><u>\$ 1,707,367</u></u>	<u><u>\$ (1,767,032)</u></u>

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

\$243,365 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2019. The deferred outflows and inflows of resources resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life (as of the beginning of the fiscal year) as follows:

Year ended June 30:

2019	\$ (368,408)
2020	24,126
2021	52,268
2022	(19,974)
2023	8,958
	<u>\$ (303,030)</u>

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

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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

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

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

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

Discount rate: At the June 30, 2017 measurement date, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 measurement date rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. 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.

At the June 30, 2016 measurement date, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

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 7 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
District's proportionate share of the net pension liability	\$ 14,550,292	\$ 11,842,690	\$ 9,624,939

TRS fiduciary net position: Detailed information about the TRS’s fiduciary net position as of June 30, 2017 is available in the separately issued TRS Comprehensive Annual Financial Report.

Payables to TRS: As of June 30, 2018, the District reported payables to TRS of \$741,787 for required District and employee contributions.

Illinois Municipal Retirement Fund (IMRF)

Plan description: The District’s defined benefit pension plan for employees provides retirement and disability benefits, postretirement increases and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. 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 selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

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

Retirees and beneficiaries currently receiving benefits	365
Inactive plan members entitled to but not yet receiving benefits	353
Active plan members	288
Total	<u>1,006</u>

Contributions: As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 and 2018 are 13.09 percent and 13.32 percent, respectively. For the fiscal year ended June 30, 2018 the District contributed \$1,289,080 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75 percent.
- Salary Increases were expected to be 3.75 percent to 14.50 percent, including inflation.
- The Investment Rate of Return was assumed to be 7.50 percent.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

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.

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:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37%	8.30%
International equity	18	8.45
Fixed income	28	3.05
Real estate	9	6.90
Alternative investments	7	4.25-12.45
Cash equivalents	1	2.25
Total	<u>100%</u>	

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

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

Changes in the net pension liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2017	\$ 62,829,310	\$ 53,267,237	\$ 9,562,073
Changes for the year:			
Service cost	1,015,296	-	1,015,296
Interest on the total pension liability	4,621,950	-	4,621,950
Differences between expected and actual experience of the total pension liability	45,569	-	45,569
Changes of assumptions	(2,001,918)	-	(2,001,918)
Contributions - employer	-	1,259,475	(1,259,475)
Contributions - employees	-	434,928	(434,928)
Net investment income	-	9,654,879	(9,654,879)
Benefit payments, including refunds of of employee contributions	(3,421,912)	(3,421,912)	-
Other (net transfer)	-	(1,819,420)	1,819,420
Net changes	258,985	6,107,950	(5,848,965)
Balances at June 30, 2018	\$ 63,088,295	\$ 59,375,187	\$ 3,713,108

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 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 10,924,333	\$ 3,713,108	\$ (2,337,696)

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

Pension expense, deferred outflows of resources, and deferred inflows of resources related to pension:
For the year ended June 30, 2018, the District recognized pension expense of \$1,102,458. At June 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Differences between expected and actual experience	\$ 28,685	\$ (27,699)
Changes of assumptions	-	(1,344,922)
Net difference between projected and actual earnings on pension plan investments	-	(2,886,913)
Total deferred amounts to be recognized in pension expense in future periods	28,685	(4,259,534)
Pension contributions made subsequent to the measurement date	667,325	-
Total deferred amounts related to pensions	\$ 696,010	\$ (4,259,534)

\$667,325 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019.

The deferred outflows of resources resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods over the average remaining service life (as of the beginning of the fiscal year) as follows:

Years ending December 31:	Deferred Outflows (Inflows) of Resources
2018	\$ (1,083,678)
2019	(888,648)
2020	(1,099,953)
2021	(1,158,570)
Total	\$ (4,230,849)

Payables to IMRF: As of June 30, 2018, the District reported payables to IMRF of \$136,678 for required District and employee contributions.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits

As a result of the adoption of GASB Statement No. 75, the beginning net position of the governmental activities was restated. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the total OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on the beginning net position is as follows:

	Governmental Activities
Net position July 1, 2017, as previously reported	\$ 83,386,324
Total OPEB liability	(65,972,178)
Deferred outflow of resources, OPEB contributions subsequent to the measurement date	329,892
Removal of net OPEB obligation	9,270,340
Removal of accrued sick leave	10,825,936
Net position July 1, 2017, as restated	<u>\$ 37,840,314</u>

The District offers two plans that employees may participate in, a self-funded District plan and the Illinois Teacher Health Insurance Security, (THIS). Below is a summary of amounts reported by the District as of and for the year ended June 30, 2018:

	District's Plan	THIS	Total
Total OPEB liability	\$ 14,793,272	\$ 44,300,445	\$ 59,093,717
Deferred outflow of resources	98,728	1,772,824	1,871,552
Deferred inflow of resources	4,667,145	5,300,133	9,967,278
OPEB expense	(1,619,730)	3,512,174	1,892,444

District's defined benefit OPEB

Plan description: The District's defined benefit OPEB plan is a single-employer health care plan that provides OPEB for active and retired employees and their eligible dependents. The plan is administered by the District and the District has the authority to establish or amend the plan provisions or contribution requirements through the Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Benefits provided: The District provided health insurance benefits for hourly employees and those non-certified staff until they reach 65 years of age at full cost to the retiree. For employees covered under a collective bargaining agreement, the District will pay one-half of the premiums for health and medical insurance as long as the employee is eligible to receive retirement benefits under the Illinois Municipal Retirement Fund or the Teachers' Retirement System.

Contributions: The required contribution is based on projected pay-as-you go financing. For fiscal year 2018, the District contributed \$919,244. Retiree and active members receiving benefits have required contributions based upon the current premiums charged for health insurance by the District or set rates by the state plan.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

Employees covered by benefit terms: At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	588
Active employees	306
	<u>894</u>

Total OPEB Liability

The District's total OPEB liability of \$14,793,272 was measured as of June 29, 2018, and was determined by an actuarial valuation as of July 1, 2017, rolled to the measurement date.

Actuarial methods and assumptions: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	4.00 percent
Discount rate	2.98 percent, based on S&P Municipal Bond 20-Year High Grade Rate Index.
Health care cost trend rates	Initial cost for TRIP plan members is 5.00 percent staying consistent for all year. Initial cost for the District's plan is 10.00 percent decrease ultimately to 5.5 percent.

Rates of mortality, retirement, withdrawal and disability are the same as those used in the December 31, 2017 IMRF valuation report and the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report, respectively.

Changes in the total OPEB liability

	Total OPEB Liability
Balance as of June 30, 2017	<u>\$ 20,981,419</u>
Changes for the year:	
Service cost	610,225
Interest	611,550
Changes in benefit terms	(1,150,702)
Difference between expected and actual experience	(971,736)
Changes in assumptions or other inputs	(905,759)
Contributions and payments made	(919,244)
Other changes	(3,462,481)
Net changes	<u>(6,188,147)</u>
Balance as of June 30, 2018	<u><u>\$ 14,793,272</u></u>

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

The discount rate was changed from 3.13 percent as of June 30, 2017 to 2.98 percent as of June 30, 2018. Starting per capita costs were updated using most recent premiums. The health care trend rates were reset based on recent experience. Decrements were changed to those in the most recent IMRF and TRS Pension Fund valuation reports. The benefits and eligibility for Administrators and Certified Teachers were changed to the current policy.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.98%)	Discount Rate (2.98%)	1% Increase (3.98%)
Total OPEB liability	\$ 15,687,568	\$ 14,793,272	\$ 13,946,824

Sensitivity of the total OPEB liability to changes in the health care cost trend rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care cost trend rates:

	(9.00% Decreasing to 4.50%) (a)	Health Care Cost Trend Rates (10.00% Decreasing to 5.50%) (a)	(11.00% Decreasing to 6.50%) (a)
Total OPEB liability	\$ 13,598,674	\$ 14,793,272	\$ 16,154,872

(a) For employees that elect insurance under THIS, the health care cost trend rate stays consistent at 5.00 percent. Included above would be a 1 percent decrease (4.00 percent) and a 1 percent increase (6.00 percent) in the rate.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of \$(1,619,730). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ (831,333)
Changes of assumptions	98,728	(3,835,812)
	<u>\$ 98,728</u>	<u>\$ (4,667,145)</u>

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years ending June 30:	
2019	\$ (771,560)
2020	(771,560)
2021	(771,560)
2022	(771,560)
2023	(771,560)
Thereafter	(710,617)
	<u>\$ (4,568,417)</u>

Teachers' Health Insurance Security Fund OPEB

Plan description: The District (employer) participates in the Teachers' Health Insurance Security Fund (THIS) of the State of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment health care plan (OPEB established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the City of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

Benefits provided: THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) plan if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

Contributions: The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2018, required contributions are as follows:

- Active members contribute 1.18 percent of covered payroll.
- Employers contribute 0.88 percent of covered payroll. 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. For the year ended June 30, 2018, the employer paid \$345,287 to the THIS Fund, which was 100 percent of the required contribution.
- The State of Illinois makes contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 1.18 percent of covered payroll. For the year ended June 30, 2018, State of Illinois contributions on behalf of the District's employees were \$463,999 and the employer recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

OPEB liabilities, expense and deferred outflows of resources and deferred inflows of resources:

At June 30, 2018, the employer reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 44,300,445
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the District	<u>58,177,486</u>
Total THIS net collective OPEB liability associated with the employer	<u><u>\$ 102,477,931</u></u>

The collective net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as June 30, 2016, and rolled forward to June 30, 2017. The employer's proportionate share of the net OPEB liability was based on the employer's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating employers and the State during that period. At June 30, 2017, the District's proportion was 0.170717 percent, which was an increase of 0.006131 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>
State's proportionate share amount of the collective OPEB expense associated with the District	\$ 4,128,245
District OPEB expense/expenditure	<u>3,512,174</u>
Total OPEB expense/expenditure	<u><u>\$ 7,640,419</u></u>

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ (25,092)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,427,537	-
Net difference between projected and actual investment earnings	-	(488)
Changes of assumptions	-	(5,274,553)
Total deferred amounts to be recognized in expense in future periods	1,427,537	(5,300,133)
Employer contributions subsequent to the measurement date	345,287	-
	<u>\$ 1,772,824</u>	<u>\$ (5,300,133)</u>

The District reported \$345,287 as deferred outflows of resources resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the collective net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Years ending June 30:	
2019	\$ (594,916)
2020	(594,916)
2021	(594,916)
2022	(594,916)
2023	(594,794)
Thereafter	(898,138)
	<u>\$ (3,872,596)</u>

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, projected to June 30, 2017, based on the entry age normal cost method and using the following actuarial assumptions:

Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25 percent at 1 year of service to 3.25 percent at 20 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Investment rate of return	0 percent, net of OPEB plan investment expense, including inflation.
Health care cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00 percent and 9.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50 percent. Additional trend rate of 0.59 percent is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

80 percent of future retirees that are currently active are assumed to elect health care coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage.

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

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

The following OPEB-related assumption changes were made since the June 30, 2014 OPEB actuarial valuation date:

- The discount rate was changed from 2.85 percent at June 30, 2016 to 3.56 percent at June 30, 2017;
- The health care trend assumption was updated based on claim and enrollment experience through June 30, 2016, projected plan cost for plan year end June 30, 2017, premium changes through plan year end 2018, and expectation of future trend increases after June 30, 2017;
- The Excise trend rate adjustment was updated based on available premium and enrollment information as of June 30, 2017;
- Per capita claim costs were updated based on projected claims and enrollment experience through June 30, 2017, and updated premium rates through plan year 2018;
- The morbidity factors, used to adjust per capita claim cost by age and gender, were updated; and
- Health care plan participation rates by plan were updated based on observed experience.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

Discount Rate. Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2017 was 3.56 percent, which was an increase from the June 30, 2016 rate of 2.85 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily-required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Single Discount Rate. The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.56 percent, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.56 percent) or lower (2.56 percent) than the current rate:

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Employer's proportionate share of the collective net OPEB liability	\$ 53,160,157	\$ 44,300,445	\$ 37,211,054

Sensitivity of net OPEB liability to changes in the health care cost trend rate: The following presents the plan's net OPEB liability, calculated using the health care cost trend rates as well as what the plan's net OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point higher or lower, than the current health care cost trend rates. The key trend rates are 8.00 percent in 2018 decreasing to an ultimate trend rate of 5.09 percent in 2025, for non-Medicare coverage, and 9.00 percent decreasing to an ultimate trend rate of 4.50 percent in 2027 for Medicare coverage.

	1% Decrease (a)	Health Care Cost Trend Rates Assumption	1% Increase (b)
Employer's proportionate share of the net OPEB liability	\$ 35,754,900	\$ 44,300,445	\$ 56,565,837

(a) One percentage point decrease in health care trend rates are 7.00 percent in 2018 decreasing to an ultimate trend rate of 4.09 percent in 2025, for non-Medicare coverage, and 8.00 percent in 2018 decreasing to an ultimate trend rate of 3.50 percent in 2027 for Medicare coverage.

(b) One percentage point increase in health care trend rates are 9.00 percent in 2018 decreasing to an ultimate trend rate of 6.09 percent in 2025, for non-Medicare coverage, and 10.00 percent in 2018 decreasing to an ultimate trend rate of 5.50 percent in 2027 for Medicare coverage.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 7. Other Postemployment Benefits (Continued)

OPEB plan fiduciary net position. Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

Payable to the OPEB plan. At June 30, 2018, the District reported a payable of \$158,866 for the outstanding amount of contributions to the THIS plan for the year ended June 30, 2018.

Note 8. Commitments and Guarantees

The District had significant encumbrances in the General fund, capital projects fund, and nonmajor governmental funds of \$1,254,016, \$8,582,133 and \$1,092,116, respectively.

During the year ended June 30, 2018, the District guaranteed a note payable of the Moline Booster Club. As of June 30, 2018, the outstanding balance of the note was \$396,028.

Note 9. Tax Abatements

The Rock Island County Assessor's Office, in conjunction with municipalities located within Rock Island County and within the District's boundaries, encourage certain industrial and commercial development through the establishment of tax increment financing districts for new industrial facilities, the rehabilitation of existing industrial structures, and industrial utilization of abandoned buildings or areas experiencing severe stagnation. The District estimates its portion of annual abatement of property taxes to various local companies under these development incentives approximates \$2.3 million during the year ended June 30, 2018.

During the year ended June 30, 2017, the District entered into a development and economic incentive agreement with a local developer under Illinois Constitution Article VII, Section 10(a) whereas the developer agrees to redevelop certain property described in the agreement and the District is to provide an incentive in the form of certain economic development assistance. The District will pay the developer incentive payments based on a percentage of the increase from the 2015 base year equalized assessed value of the property for a maximum incentive of \$1,200,000 to be considered a property tax rebate to be paid to the developer. No payments were made to the developer during the year ended June 30, 2018.

Note 10. Pending Governmental Accounting Standards Board (GASB) Statements

As of June 30, 2018, the GASB had issued statements not yet implemented by the District. The statements which might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the District beginning with its fiscal year ending June 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Moline-Coal Valley School District No. 40

Notes to Basic Financial Statements

Note 10. Pending Governmental Accounting Standards Board (GASB) Statements (Continued)

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2021. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund**

	June 30,			
	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 1,015,296	\$ 1,050,538	\$ 1,007,213	\$ 1,172,219
Interest on the total pension liability	4,621,950	4,468,767	4,216,866	3,896,398
Differences between expected and actual experience of the total pension liability	45,569	(113,801)	1,377,838	(193,976)
Changes of assumptions	(2,001,918)	(348,219)	137,046	2,462,309
Benefit payments, including refunds of employee contributions	(3,421,912)	(3,372,313)	(3,083,408)	(2,566,791)
Net change in total pension liability	258,985	1,684,972	3,655,555	4,770,159
Total pension liability—beginning	62,829,310	61,144,338	57,488,783	52,718,624
Total pension liability—ending (A)	\$ 63,088,295	\$ 62,829,310	\$ 61,144,338	\$ 57,488,783
Plan Fiduciary Net Position				
Contributions—employer	\$ 1,259,475	\$ 1,287,664	\$ 1,192,690	\$ 1,274,597
Contributions—employees	434,928	418,536	414,037	430,046
Net investment income	9,654,879	3,499,434	253,098	2,989,204
Benefit payments, including refunds of employee contributions	(3,421,912)	(3,372,313)	(3,083,408)	(2,566,791)
Other (net transfer)	(1,819,420)	67,795	1,231,692	(203,466)
Net change in plan fiduciary net position	6,107,950	1,901,116	8,109	1,923,590
Plan fiduciary net position—beginning	53,267,237	51,366,121	51,358,012	49,434,422
Plan fiduciary net position—ending (B)	\$ 59,375,187	\$ 53,267,237	\$ 51,366,121	\$ 51,358,012
Net pension liability—ending (A)—(B)	\$ 3,713,108	\$ 9,562,073	\$ 9,778,217	\$ 6,130,771
Plan fiduciary net position as a percentage of the total pension liability	94.11%	84.78%	84.01%	89.34%
Covered valuation payroll	\$ 9,489,709	\$ 9,292,079	\$ 9,191,412	\$ 9,433,990
Net pension liability as a percentage of covered valuation payroll	39.13%	102.91%	106.38%	64.99%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Schedule of Employer Contributions
Illinois Municipal Retirement Fund**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 1,242,203	\$ 1,259,475	\$ (17,272)	\$ 9,489,709	13.27%
2016	1,267,440	1,287,664	(20,224)	9,292,079	13.86
2015	1,168,228	1,192,690	(24,462)	9,191,412	12.98
2014	1,197,174	1,274,597	(77,423)	9,433,990	13.51

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

Required Supplementary Information Notes to Schedule of Employer Contributions Illinois Municipal Retirement Fund

Summary of Actuarial Methods and Assumptions used in the Calculation of the 2017 Contribution Rate.*

Valuation date:

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

Methods and assumptions used to determine 2017 contribution rates:

Actuarial cost method	Aggregate entry age = normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset valuation method	5-year smoothed market, 20 percent corridor
Wage growth	3.50 percent
Price inflation	2.75 percent, approximate; no explicit price inflation assumption is used in valuation
Salary increases	3.75 percent to 14.50 percent, including inflation
Investment rate of return	7.50 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality	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, 2015, actuarial valuation.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
 Schedule of the Employer's Proportionate Share of the Net Pension Liability
 Teachers' Retirement System of the State of Illinois**

Fiscal year	June 30,			
	2018	2017	2016	2015
Measurement date	2017	2016	2015	2014
District's proportion of the net pension liability	0.01550128%	0.01452631%	0.0168347%	0.0174328%
District's proportionate share of the net pension liability	\$ 11,842,690	\$ 11,466,492	\$ 11,028,437	\$ 10,609,312
State's proportionate share of the net pension liability associated with the employer	290,763,957	304,287,214	254,742,191	247,593,163
Total	\$ 302,606,647	\$ 315,753,706	\$ 265,770,628	\$ 258,202,475
District's covered-employee payroll	\$ 37,270,912	\$ 38,327,122	\$ 39,336,127	\$ 40,132,544
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	30.2%	29.9%	28.0%	26.4%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
 Schedule of the Employer's Contributions
 Teachers' Retirement System of the State of Illinois**

	June 30,	
	2018	2017
Contractually-required contribution	\$ 243,365	\$ 632,755
Contributions in relation to the contractually-required contribution	(243,365)	(632,755)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 39,251,266	\$ 37,270,912
Contributions as a percentage of covered-employee payroll	0.6%	1.6%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

June 30,		
2016	2015	2014
\$ 556,745	\$ 577,997	\$ 621,994
(556,745)	(577,997)	(621,994)
\$ -	\$ -	\$ -
\$ 38,327,122	\$ 39,336,127	\$ 40,132,544
1.5%	1.5%	1.5%

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Notes to Schedule of the Employer's Contributions
Teachers' Retirement System of the State of Illinois**

Changes of assumptions

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

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
 Schedule of the District's Proportionate Share of the Collective Net OPEB Liability
 Teacher Health Insurance Security Fund**

Fiscal Year	June 30, 2018
Measurement date	2017
Employer's proportion of the collective net OPEB liability	0.170717%
Employer's proportionate share of the collective net OPEB liability	\$ 44,300,445
The portion of the State's proportionate share amount of the collective net OPEB liability associated with the employer	58,177,486
Total	<u>\$ 102,477,931</u>
Employee covered payroll	\$ 39,257,198
Collective net OPEB liability as a percentage of the employee covered payroll	261.0%
Plan fiduciary net position as a percentage of the total pension liability	0.00%

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Schedule of District Contributions
Teacher Health Insurance Security Fund**

For the fiscal year ending	2018
Statutorily-required contribution	\$ 345,287
Contributions in relation to the statutorily-required contribution	<u>345,287</u>
Contribution (excess) deficiency	<u>\$ -</u>
Employer's employee covered payroll	\$ 39,237,209
Contributions as a percentage of employee covered payroll	0.88%

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

Required Supplementary Information Notes to the Schedules

Notes to schedule of contributions

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Fiscal year-end date	June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12 percent of pay for active members, 0.84 percent of pay for school districts and 1.12 percent of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset valuation method	Market value
Investment rate of return	0 percent, net of OPEB plan investment expense, including inflation
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25 percent at less than 1 year of service to 3.25 percent at 20 or more years of service. Salary increase includes a 3.25 percent wage inflation assumption.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.
Health care cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00 percent and 9.00 percent for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50 percent. Additional trend rate of 0.59 percent is added to non-Medicare cost on and after 2020 to account for the Excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
District's Other Postemployment Plan**

	2018
Total OPEB liability	
Service cost	\$ 610,225
Interest	611,550
Changes of benefit terms	(1,150,702)
Differences between expected and actual experience	(971,736)
Changes of assumptions or other inputs	(905,759)
Benefit payments	(919,244)
Other changes	<u>(3,462,481)</u>
Net change in total OPEB liability	(6,188,147)
Total OPEB liability—beginning	20,981,419
Total OPEB liability—ending	<u><u>\$ 14,793,272</u></u>
Covered-employee payroll	\$ 39,774,632
Total OPEB liability as a percentage of covered-employee payroll	37.19%

Note: The other changes represent the change in retiree plan participation from the District's plan to the Teacher's Health Insurance Fund which does not have an implicit rate subsidy for pre-Medicare retirees.

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Notes to the Schedules**

District's other postemployment plan

Valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Aggregate entry age = normal
Price inflation	3.00 percent
Salary increases	4.00 percent
Discount rate	2.98 percent
Health care trend	For the District's Plan, starting at 10.00 percent and ending at 5.50 percent after the 2028 fiscal year. For the THIS Plan, staying consistent at 5.00 percent for all years.
Retirement contribution trend	Same as health care trend
Mortality and retirement rates	Same rates as used in the IMRF Actuarial Valuation Report and the TRS Actuarial Valuation Report.
Changes since last actuarial valuation	The discount rate was changed per GASB 75 rules. Starting per capita costs were updated using most recent premiums. The health care trend rates were reset based on recent experience. Decrements were changed to those in the most recent IMRF and TRS Pension Fund valuation report. The benefits and eligibility for Administrators and Certified Teachers were changed to the current policy.

Moline-Coal Valley School District No. 40

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018**

	Original/Final Budget	Actual	Variance With Final Budget
Revenues:			
Property taxes	\$ 34,507,028	\$ 35,478,829	\$ 971,801
Corporate personal property replacement taxes	3,506,394	4,358,036	851,642
Other local sources	13,087,488	2,892,474	(10,195,014)
General state aid	15,930,093	19,146,998	3,216,905
Restricted state aid	3,451,952	3,162,427	(289,525)
Federal aid	6,732,370	6,723,855	(8,515)
On-behalf payments	15,016,435	4,409,293	(10,607,142)
Investment earnings	399,918	422,678	22,760
Total revenues	<u>92,631,678</u>	<u>76,594,590</u>	<u>(16,037,088)</u>
Expenditures:			
Current:			
Instruction	59,097,110	47,005,788	(12,091,322)
Support services	32,586,166	22,677,707	(9,908,459)
Tuition paid to other districts	284,630	277,300	(7,330)
Capital outlay	5,968,903	5,263,895	(705,008)
Total expenditures	<u>97,936,809</u>	<u>75,224,690</u>	<u>(22,712,119)</u>
Excess of revenues over expenditures	(5,305,131)	1,369,900	6,675,031
Other financing source, insurance proceeds	-	4,280,632	4,280,632
	<u>\$ (5,305,131)</u>	<u>5,650,532</u>	<u>\$ 10,955,663</u>
Fund balance, beginning of year		<u>39,221,864</u>	
Fund balance, end of year		<u>\$ 44,872,396</u>	

Moline-Coal Valley School District No. 40

Note to Required Supplementary Information

Note 1. Budgets and Budgetary Information

Budgets are adopted by the Board annually for all governmental funds except for the School Activity Fund, a special revenue fund, which is not budgeted. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

The Board uses the following procedures in establishing the budget amounts reported in the financial statements:

1. The administration submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments. The proposed budget is readily available at least 30 days prior to final action by the Board.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy ordinance is filed with the county clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10 percent of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board.
5. Legal spending control for the budget is at the fund level, but formal budgetary integration at a line item level is employed as a management control device during the year for each fund.
6. The Board may amend the budget after it is approved using the same procedures required to approve the original budget.
7. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

There was one budget amendment for 2018 in the Capital Projects Fund increasing expenditures by \$27,707,473.

During the year ended June 30, 2018, expenditures exceeded the amounts budgeted in the Debt Service Fund.

Moline-Coal Valley School District No. 40

**Balance Sheet—By Account—General Fund
June 30, 2018**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Assets				
Cash and investments	\$ 27,253,348	\$ 3,294,381	\$ 12,482,774	\$ 43,030,503
Receivables, net of allowances for uncollectible amounts:				
Property taxes	33,353,864	7,445,061	496,338	41,295,263
Corporate personal property replacement taxes	727,337	-	-	727,337
Other	47,200	118	-	47,318
Due from other funds	817,140	-	-	817,140
Due from other governmental units	1,940,659	-	-	1,940,659
Inventory	29,372	-	-	29,372
Prepaid items	35,332	2,043	-	37,375
Total assets	\$ 64,204,252	\$ 10,741,603	\$ 12,979,112	\$ 87,924,967
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts and contracts payable	\$ 361,641	\$ 796,580	\$ -	\$ 1,158,221
Accrued liabilities	7,764,310	-	-	7,764,310
Unearned revenue	39,143	-	-	39,143
Total liabilities	8,165,094	796,580	-	8,961,674
Deferred inflows of resources:				
Unavailable revenue - property taxes	27,002,418	6,024,571	401,639	33,428,628
Unavailable revenue - intergovernmental	662,269	-	-	662,269
Total deferred inflows of resources	27,664,687	6,024,571	401,639	34,090,897
Fund balance:				
Nonspendable:				
Inventory	29,372	-	-	29,372
Prepaid items	35,332	2,043	-	37,375
Restricted for:				
Grantor restricted purpose	4,346,409	-	-	4,346,409
Working cash	-	-	8,198,649	8,198,649
Assigned, purchases on order	568,992	685,024	-	1,254,016
Unassigned	23,394,366	3,233,385	4,378,824	31,006,575
Total fund balance	28,374,471	3,920,452	12,577,473	44,872,396
Total liabilities, deferred inflows of resources and fund balance	\$ 64,204,252	\$ 10,741,603	\$ 12,979,112	\$ 87,924,967

Moline-Coal Valley School District No. 40

**Statement of Revenues, Expenditures and Changes in Fund Balance—
By Account—General Fund
Year Ended June 30, 2018**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Revenues:				
Property taxes	\$ 28,655,976	\$ 6,396,424	\$ 426,429	\$ 35,478,829
Corporate personal property replacement taxes	4,358,036	-	-	4,358,036
Other local sources	2,763,399	129,075	-	2,892,474
General state aid	19,146,998	-	-	19,146,998
Restricted state aid	3,162,427	-	-	3,162,427
Restricted federal aid:				
Title I	1,813,741	-	-	1,813,741
Special education	1,630,857	-	-	1,630,857
Lunch and breakfast programs	2,250,142	-	-	2,250,142
Other	1,029,115	-	-	1,029,115
On-behalf payments	4,409,293	-	-	4,409,293
Investment earnings	181,207	20,796	220,675	422,678
Total revenues	69,401,191	6,546,295	647,104	76,594,590
Expenditures:				
Current:				
Instruction:				
Regular	34,444,292	-	-	34,444,292
Special	7,510,656	-	-	7,510,656
Other	5,050,840	-	-	5,050,840
	47,005,788	-	-	47,005,788
Support services:				
Pupils	3,363,487	-	-	3,363,487
Instructional staff	5,252,324	-	-	5,252,324
General administration	3,190,455	-	-	3,190,455
School administration	4,107,897	-	-	4,107,897
Operation and maintenance of plant	-	6,027,412	-	6,027,412
Other business and central services	736,132	-	-	736,132
	16,650,295	6,027,412	-	22,677,707
Tuition paid to other districts	277,300	-	-	277,300
Capital outlay	856,285	4,407,610	-	5,263,895
Total expenditures	64,789,668	10,435,022	-	75,224,690
Excess (deficiency) of revenues over (under) expenditures	4,611,523	(3,888,727)	647,104	1,369,900
Other financing source, insurance proceeds	-	4,280,632	-	4,280,632
Net change in fund balance	4,611,523	391,905	647,104	5,650,532
Fund balance, beginning of year	23,762,948	3,528,547	11,930,369	39,221,864
Fund balance, end of year	\$ 28,374,471	\$ 3,920,452	\$ 12,577,473	\$ 44,872,396

Moline-Coal Valley School District No. 40

**Schedule of Revenues, Expenditures and Changes in Fund Balance—By Account
Budget and Actual—General Fund
Year Ended June 30, 2018**

	Educational Account		
	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 27,871,061	\$ 28,655,976	\$ 784,915
Corporate personal property replacement taxes	3,506,394	4,358,036	851,642
Other local sources	12,965,388	2,763,399	(10,201,989)
General state aid	15,930,093	19,146,998	3,216,905
Restricted state aid	3,451,952	3,162,427	(289,525)
Federal aid	6,732,370	6,723,855	(8,515)
On-behalf payments	15,016,435	4,409,293	(10,607,142)
Investment earnings	280,967	181,207	(99,760)
Total revenues	85,754,660	69,401,191	(16,353,469)
Expenditures:			
Current:			
Instruction	59,097,110	47,005,788	(12,091,322)
Support services	25,933,972	16,650,295	(9,283,677)
Tuition paid to other districts	284,630	277,300	(7,330)
Capital outlay	810,403	856,285	45,882
Provision for contingencies	1,045,747	-	(1,045,747)
Total expenditures	87,171,862	64,789,668	(22,382,194)
Excess (deficiency) of revenues over (under) expenditures	(1,417,202)	4,611,523	6,028,725
Other financing source, insurance proceeds	-	-	-
Net change in fund balance	\$ (1,417,202)	4,611,523	\$ 6,028,725
Fund balance, beginning of year		<u>23,762,948</u>	
Fund balance, end of year		<u>\$ 28,374,471</u>	

(Continued)

Operations and Maintenance Account			Working Cash Account		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 6,221,219	\$ 6,396,424	\$ 175,205	\$ 414,748	\$ 426,429	\$ 11,681
-	-	-	-	-	-
122,100	129,075	6,975	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,169	20,796	1,627	99,782	220,675	120,893
<u>6,362,488</u>	<u>6,546,295</u>	<u>183,807</u>	<u>514,530</u>	<u>647,104</u>	<u>132,574</u>
-	-	-	-	-	-
6,652,194	6,027,412	(624,782)	-	-	-
-	-	-	-	-	-
5,158,500	4,407,610	(750,890)	-	-	-
-	-	-	-	-	-
<u>11,810,694</u>	<u>10,435,022</u>	<u>(1,375,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5,448,206)	(3,888,727)	1,559,479	514,530	647,104	132,574
5,015,400	4,280,632	(734,768)	-	-	-
<u>\$ (432,806)</u>	<u>391,905</u>	<u>\$ 824,711</u>	<u>\$ 514,530</u>	<u>647,104</u>	<u>\$ 132,574</u>
	<u>3,528,547</u>			<u>11,930,369</u>	
	<u>\$ 3,920,452</u>			<u>\$ 12,577,473</u>	

Moline-Coal Valley School District No. 40

**Schedule of Revenues, Expenditures and Changes in Fund Balance—By Account
General Fund—Budget and Actual (Continued)
Year Ended June 30, 2018**

	Total		
	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 34,507,028	\$ 35,478,829	\$ 971,801
Corporate personal property replacement taxes	3,506,394	4,358,036	851,642
Other local sources	13,087,488	2,892,474	(10,195,014)
General state aid	15,930,093	19,146,998	3,216,905
Restricted state aid	3,451,952	3,162,427	(289,525)
Federal aid	6,732,370	6,723,855	(8,515)
On-behalf payments	15,016,435	4,409,293	(10,607,142)
Investment earnings	399,918	422,678	22,760
Total revenues	92,631,678	76,594,590	(16,037,088)
Expenditures:			
Current:			
Instruction	59,097,110	47,005,788	(12,091,322)
Support services	32,586,166	22,677,707	(9,908,459)
Tuition paid to other districts	284,630	277,300	(7,330)
Capital outlay	5,968,903	5,263,895	(705,008)
Provision for contingencies	1,045,747	-	(1,045,747)
Total expenditures	98,982,556	75,224,690	(23,757,866)
Excess (deficiency) of revenues over (under) expenditures	(6,350,878)	1,369,900	7,720,778
Other financing source, insurance proceeds	-	4,280,632	4,280,632
Net change in fund balance	\$ (6,350,878)	5,650,532	\$ 12,001,410
Fund balance, beginning of year		<u>39,221,864</u>	
Fund balance, end of year		<u><u>\$ 44,872,396</u></u>	

Nonmajor Governmental Funds

Transportation Fund: This fund accounts for all revenue received and expenditures made for student transportation to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement and Social Security Fund: This fund accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, OASDI and employer's share of Medicare for noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

School Activity Fund: This fund accounts for the monies generated by student organizations via fund raising activities.

Tort Immunity and Judgment Fund: This fund accounts for all revenue received and expenditures made for tort immunity or tort judgment purposes. Revenue is derived primarily from local property taxes.

Debt Service Fund: This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Life Safety Fund: This fund accounts for all revenue received and expenditures made for purposes of fire prevention, safety, energy conservation or school security.

Moline-Coal Valley School District No. 40

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue		
	Transportation	Municipal Retirement and Social Security	School Activity
Assets			
Cash and investments	\$ 2,268,646	\$ 3,337,363	\$ 796,184
Receivables, net of allowances for uncollectible amounts:			
Property taxes	873,554	2,283,152	-
Sales taxes	-	-	-
Other	275	993	121
Due from other funds	-	-	-
Due from other governmental units	443,265	-	-
Prepaid Items	-	-	-
Total assets	\$ 3,585,740	\$ 5,621,508	\$ 796,305
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and contracts payable	\$ 1,989	\$ -	\$ 12,980
Accrued wage and benefit liabilities	-	241,744	-
Total liabilities	1,989	241,744	12,980
Deferred inflows of resources:			
Unavailable revenue - property taxes	706,884	1,847,536	-
Unavailable revenue - intergovernmental	443,264	-	-
Total deferred inflows of resources	1,150,148	1,847,536	-
Fund balances:			
Nonspendable, prepaid items	-	-	-
Restricted for:			
Transportation	2,303,859	-	-
Municipal retirement	-	1,861,824	-
Social security	-	1,619,056	-
Tort immunity	-	-	-
Debt service	-	-	-
Life safety projects	-	-	-
School activity	-	-	742,680
Assigned for:			
Purchases on order	98,696	-	40,645
Transportation	31,048	-	-
Municipal retirement and social security	-	51,348	-
Total fund balances	2,433,603	3,532,228	783,325
Total liabilities, deferred inflows of resources and fund balances	\$ 3,585,740	\$ 5,621,508	\$ 796,305

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Tort Immunity and Judgment	Total	Debt Service	Life Safety		
\$ 1,750,540	\$ 8,152,733	\$ 2,313,144	\$ 1,357,299	\$	11,823,176
1,326,214	4,482,920	4,445,196	496,338		9,424,454
-	-	-	-		-
1,864	3,253	-	-		3,253
-	-	-	-		-
-	443,265	-	-		443,265
419	419	-	-		419
<u>\$ 3,079,037</u>	<u>\$ 13,082,590</u>	<u>\$ 6,758,340</u>	<u>\$ 1,853,637</u>	<u>\$</u>	<u>21,694,567</u>
\$ 6,536	\$ 21,505	\$ -	\$ 347,077	\$	368,582
-	241,744	-	-		241,744
6,536	263,249	-	347,077		610,326
1,073,177	3,627,597	3,597,070	401,638		7,626,305
-	443,264	-	-		443,264
1,073,177	4,070,861	3,597,070	401,638		8,069,569
419	419	-	-		419
-	2,303,859	-	-		2,303,859
-	1,861,824	-	-		1,861,824
-	1,619,056	-	-		1,619,056
1,849,551	1,849,551	-	-		1,849,551
-	-	3,161,270	-		3,161,270
-	-	-	275,675		275,675
-	742,680	-	-		742,680
123,529	262,870	-	829,247		1,092,117
25,825	56,873	-	-		56,873
-	51,348	-	-		51,348
1,999,324	8,748,480	3,161,270	1,104,922		13,014,672
<u>\$ 3,079,037</u>	<u>\$ 13,082,590</u>	<u>\$ 6,758,340</u>	<u>\$ 1,853,637</u>	<u>\$</u>	<u>21,694,567</u>

Moline-Coal Valley School District No. 40

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018**

	Special Revenue		
	Transportation	Municipal Retirement and Social Security	School Activity
Revenues:			
Property taxes	\$ 911,719	\$ 1,927,190	\$ -
Corporate personal property replacement taxes	-	507,913	-
Restricted state aid	365,841	-	-
Investment earnings	14,011	20,753	-
Other local sources and student fundraising activities	-	-	836,117
Total revenues	1,291,571	2,455,856	836,117
Expenditures:			
Current:			
Instruction	-	796,191	499,981
Support services	992,038	1,587,270	334,588
Capital outlay	7,539	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	999,577	2,383,461	834,569
Net change before other financing sources	291,994	72,395	1,548
Other financing sources, proceeds from bonds sold	-	-	-
Net change in fund balance	291,994	72,395	1,548
Fund balances, beginning of year	2,141,609	3,459,833	781,777
Fund balances, end of year	\$ 2,433,603	\$ 3,532,228	\$ 783,325

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Tort Immunity and Judgment	Total	Debt Service	Life Safety		
\$ 1,140,180	\$ 3,979,089	\$ 3,845,831	\$ 426,428	\$	\$ 8,251,348
-	507,913	-	-		507,913
-	365,841	-	-		365,841
11,482	46,246	17,750	29,740		93,736
-	836,117	150,722	-		986,839
1,151,662	5,735,206	4,014,303	456,168		10,205,677
-	1,296,172	-	-		1,296,172
966,350	3,880,246	-	-		3,880,246
-	7,539	-	877,357		884,896
-	-	6,064,100	-		6,064,100
-	-	935,651	-		935,651
966,350	5,183,957	6,999,751	877,357		13,061,065
185,312	551,249	(2,985,448)	(421,189)		(2,855,388)
-	-	3,076,000	-		3,076,000
185,312	551,249	90,552	(421,189)		220,612
1,814,012	8,197,231	3,070,718	1,526,111		12,794,060
\$ 1,999,324	\$ 8,748,480	\$ 3,161,270	\$ 1,104,922	\$	\$ 13,014,672

Moline-Coal Valley School District No. 40

**Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances—Budget and Actual—All Nonmajor Governmental Funds
Year Ended June 30, 2018**

	Special Revenue		
	Transportation		
	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,080,004	\$ 911,719	\$ (168,285)
Corporate personal property replacement taxes	-	-	-
Restricted state aid	330,455	365,841	35,386
Investment earnings	15,598	14,011	(1,587)
Other local sources	-	-	-
Total revenues	1,426,057	1,291,571	(134,486)
Expenditures:			
Current:			
Instruction	-	-	-
Support services	1,362,196	992,038	(370,158)
Capital outlay	200,000	7,539	(192,461)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Provision for contingencies	-	-	-
Total expenditures	1,562,196	999,577	(562,619)
Net change before other financing sources	(136,139)	291,994	428,133
Other financing sources, proceeds from bonds sold	-	-	-
Net change in fund balances	\$ (136,139)	291,994	\$ 428,133
Fund balances, beginning of year		2,141,609	
Fund balances, end of year		\$ 2,433,603	

(Continued)

Special Revenue

Municipal Retirement and Social Security			Tort Immunity and Judgment		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 1,833,186	\$ 1,927,190	\$ 94,004	\$ 1,109,865	\$ 1,140,180	\$ 30,315
462,860	507,913	45,053	-	-	-
-	-	-	-	-	-
28,727	20,753	(7,974)	13,970	11,482	(2,488)
-	-	-	-	-	-
<u>2,324,773</u>	<u>2,455,856</u>	<u>131,083</u>	<u>1,123,835</u>	<u>1,151,662</u>	<u>27,827</u>
835,285	796,191	(39,094)	-	-	-
1,553,034	1,587,270	34,236	986,941	966,350	(20,591)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,388,319</u>	<u>2,383,461</u>	<u>(4,858)</u>	<u>986,941</u>	<u>966,350</u>	<u>(20,591)</u>
(63,546)	72,395	135,941	136,894	185,312	48,418
-	-	-	-	-	-
<u>\$ (63,546)</u>	72,395	<u>\$ 135,941</u>	<u>\$ 136,894</u>	185,312	<u>\$ 48,418</u>
	<u>3,459,833</u>			<u>1,814,012</u>	
	<u>\$ 3,532,228</u>			<u>\$ 1,999,324</u>	

Moline-Coal Valley School District No. 40

**Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances—Budget and Actual—All Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018**

	Capital Projects		
	Life Safety		
	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 414,748	\$ 426,428	\$ 11,680
Corporate personal property replacement taxes	-	-	-
Restricted state aid	-	-	-
Investment earnings	16,280	29,740	13,460
Other local sources	-	-	-
Total revenues	431,028	456,168	25,140
Expenditures:			
Current:			
Instruction	-	-	-
Support services	-	-	-
Capital outlay	1,862,186	877,357	(984,829)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Provision for contingencies	100,000	-	(100,000)
Total expenditures	1,962,186	877,357	(1,084,829)
Net change before other financing sources	(1,531,158)	(421,189)	1,109,969
Other financing sources, proceeds from bonds sold	-	-	-
Net change in fund balances	\$ (1,531,158)	(421,189)	\$ 1,109,969
Fund balances, beginning of year		1,526,111	
Fund balances, end of year		\$ 1,104,922	

Debt Service

Budget	Actual	Variance
\$ 3,772,547	\$ 3,845,831	\$ 73,284
-	-	-
-	-	-
18,696	17,750	(946)
150,319	150,722	403
<u>3,941,562</u>	<u>4,014,303</u>	<u>72,741</u>
-	-	-
-	-	-
-	-	-
-	-	-
3,064,100	6,064,100	3,000,000
734,325	935,651	201,326
-	-	-
<u>3,798,425</u>	<u>6,999,751</u>	<u>3,201,326</u>
143,137	(2,985,448)	(3,128,585)
-	3,076,000	3,076,000
<u>\$ 143,137</u>	90,552	<u>\$ (52,585)</u>
	<u>3,070,718</u>	
	<u>\$ 3,161,270</u>	

Moline-Coal Valley School District No. 40

**Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances—Budget and Actual—All Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018**

	Total		
	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 8,210,350	\$ 8,251,348	\$ 40,998
Corporate personal property replacement taxes	462,860	507,913	45,053
Restricted state aid	330,455	365,841	35,386
Investment earnings	93,271	93,736	465
Other local sources	150,319	150,722	403
Total revenues	9,247,255	9,369,560	122,305
Expenditures:			
Current:			
Instruction	835,285	796,191	(39,094)
Support services	3,902,171	3,545,658	(356,513)
Capital outlay	2,062,186	884,896	(1,177,290)
Debt service:			
Principal retirement	3,064,100	6,064,100	3,000,000
Interest and fiscal charges	734,325	935,651	201,326
Provision for contingencies	100,000	-	(100,000)
Total expenditures	10,698,067	12,226,496	1,528,429
Net change before other financing sources	(1,450,812)	(2,856,936)	(1,406,124)
Other financing sources, proceeds from bonds sold	-	3,076,000	3,076,000
Net change in fund balances	\$ (1,450,812)	219,064	\$ 1,669,876
Fund balances, beginning of year		12,012,283	
Fund balances, end of year		\$ 12,231,347	

Moline-Coal Valley School District No. 40

**Combining Statement of Changes in Assets and Liabilities—Agency Funds
Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Flexible Spending Fund				
Assets , due from other governmental units	\$ 32,090	\$ 144,496	\$ 155,066	\$ 21,520
Liabilities , due to employees	\$ 32,090	\$ 144,496	\$ 155,066	\$ 21,520

Moline-Coal Valley School District No. 40

**Capital Assets Used in the Operation of Governmental Activities
By Source
June 30, 2018**

General capital assets:	
Land	\$ 1,139,143
Construction-in-process	11,341,658
Land improvements	8,619,398
Buildings	110,943,415
Equipment and vehicles	<u>5,050,682</u>
Total general capital assets	<u>\$ 137,094,296</u>
Investment in general capital assets:	
Investment in property from all sources other than federal, prior to June 30, 1988	\$ 23,699,174
Investment in property acquired on and after July 1, 1988 from:	
General Fund	79,908,466
Special revenue funds	219,101
Capital Projects Fund	<u>33,267,555</u>
Total as of June 30, 2018	<u>\$ 137,094,296</u>

Moline-Coal Valley School District No. 40

**Capital Assets Used in the Operation of Governmental Activities
By Function and Activity
June 30, 2018**

	Land	Land Improvements	Buildings
Function and activity:			
Instruction:			
High School	\$ 144,783	\$ 3,458,644	\$ 27,663,952
Middle Schools:			
John Deere	22,500	568,217	19,064,100
Woodrow Wilson	140,084	125,953	13,027,526
Elementary Schools:			
Jane Addams	46,428	81,318	704,428
Bicentennial	42,000	120,499	9,693,243
Butterworth	12,500	172,828	1,395,091
Franklin	40,316	47,729	1,228,537
Hamilton	307,657	43,280	18,261,740
Lincoln-Irving	50,523	104,073	1,806,596
Logan	91,552	102,062	3,645,635
Horace Mann	15,000	93,731	1,577,290
Roosevelt	9,000	61,046	4,369,211
Washington	96,340	29,069	1,864,015
Willard	34,465	100,101	1,174,457
Jefferson Early Childhood Center	44,750	100,431	858,768
Other District property:			
Coolidge	29,644	783,260	2,388,381
Wharton Field House	5,280	2,536,638	1,981,496
Total instruction	1,132,822	8,528,879	110,704,466
Support services, administration	6,321	90,519	238,949
Total governmental activities capital assets	\$ 1,139,143	\$ 8,619,398	\$ 110,943,415

	Equipment and Vehicles	Construction-In- Process	Total
\$	2,626,247	\$ 4,495,381	\$ 38,389,007
	393,404	1,634	20,049,855
	464,131	509,533	14,267,227
	-	46,777	878,951
	5,231	-	9,860,973
	32,215	193,389	1,806,023
	32,379	5,815,646	7,164,607
	139,186	-	18,751,863
	47,626	98,890	2,107,708
	42,691	33,042	3,914,982
	15,238	-	1,701,259
	12,884	1,634	4,453,775
	80,237	11,886	2,081,547
	9,393	123,267	1,441,683
	7,028	7,470	1,018,447
	973,662	-	4,174,947
	22,811	-	4,546,225
	4,904,363	11,338,549	136,609,079
	146,319	3,109	485,217
\$	5,050,682	\$ 11,341,658	\$ 137,094,296

Moline-Coal Valley School District No. 40

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Activities—
By Function and Activities
Year Ended June 30, 2018**

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Instruction:					
Moline High School:					
Land	\$ 144,783	\$ -	\$ -	\$ -	\$ 144,783
Land improvements	3,458,644	-	-	-	3,458,644
Buildings	27,455,130	62,083	-	146,739	27,663,952
Construction-in-process	260,006	4,382,114	-	(146,739)	4,495,381
Equipment and vehicles	2,715,477	24,034	113,264	-	2,626,247
	<u>34,034,040</u>	<u>4,468,231</u>	<u>113,264</u>	<u>-</u>	<u>38,389,007</u>
John Deere Middle School:					
Land	22,500	-	-	-	22,500
Land improvements	546,080	22,137	-	-	568,217
Buildings	19,064,100	-	-	-	19,064,100
Construction-in-process	1,333	301	-	-	1,634
Equipment and vehicles	393,404	-	-	-	393,404
	<u>20,027,417</u>	<u>22,438</u>	<u>-</u>	<u>-</u>	<u>20,049,855</u>
Woodrow Wilson Middle School:					
Land	140,084	-	-	-	140,084
Land improvements	125,953	-	-	-	125,953
Buildings	13,027,526	-	-	-	13,027,526
Construction-in-process	1,333	508,200	-	-	509,533
Equipment and vehicles	464,131	-	-	-	464,131
	<u>13,759,027</u>	<u>508,200</u>	<u>-</u>	<u>-</u>	<u>14,267,227</u>
Jane Addams:					
Land	46,428	-	-	-	46,428
Land improvements	81,318	-	-	-	81,318
Buildings	704,428	-	-	-	704,428
Construction-in-process	-	46,777	-	-	46,777
	<u>832,174</u>	<u>46,777</u>	<u>-</u>	<u>-</u>	<u>878,951</u>
Bicentennial:					
Land	42,000	-	-	-	42,000
Land improvements	120,499	-	-	-	120,499
Buildings	9,520,744	69,865	-	102,634	9,693,243
Construction-in-process	102,634	-	-	(102,634)	-
Equipment and vehicles	5,231	-	-	-	5,231
	<u>9,791,108</u>	<u>69,865</u>	<u>-</u>	<u>-</u>	<u>9,860,973</u>
Butterworth:					
Land	12,500	-	-	-	12,500
Land improvements	172,828	-	-	-	172,828
Buildings	1,395,091	-	-	-	1,395,091
Construction-in-process	1,333	192,056	-	-	193,389
Equipment and vehicles	32,215	-	-	-	32,215
	<u>1,613,967</u>	<u>192,056</u>	<u>-</u>	<u>-</u>	<u>1,806,023</u>

(Continued)

Moline-Coal Valley School District No. 40

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Activities—
By Function and Activities (Continued)
Year Ended June 30, 2018**

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Instruction:					
Franklin:					
Land	40,316	-	-	-	40,316
Land improvements	47,729	-	-	-	47,729
Buildings	1,227,120	84	-	1,333	1,228,537
Construction-in-process	1,333	5,815,646	-	(1,333)	5,818,312
Equipment and vehicles	32,379	-	-	-	32,379
	1,348,877	5,815,730	-	-	7,167,273
Hamilton:					
Land	307,657	-	-	-	307,657
Land improvements	43,280	-	-	-	43,280
Buildings	18,261,740	-	-	-	18,261,740
Equipment and vehicles	139,186	-	-	-	139,186
	18,751,863	-	-	-	18,751,863
Lincoln-Irving:					
Land	50,523	-	-	-	50,523
Land improvements	104,073	-	-	-	104,073
Buildings	1,806,596	-	-	-	1,806,596
Construction-in-process	1,333	97,557	-	-	98,890
Equipment and vehicles	47,626	-	-	-	47,626
	2,010,151	97,557	-	-	2,107,708
Logan:					
Land	91,552	-	-	-	91,552
Land improvements	102,062	-	-	-	102,062
Buildings	3,618,491	27,144	-	-	3,645,635
Construction-in-process	1,333	31,709	-	-	33,042
Equipment and vehicles	42,691	-	-	-	42,691
	3,856,129	58,853	-	-	3,914,982
Horace Mann:					
Land	15,000	-	-	-	15,000
Land improvements	93,731	-	-	-	93,731
Buildings	1,577,290	-	-	-	1,577,290
Equipment and vehicles	15,238	-	-	-	15,238
	1,701,259	-	-	-	1,701,259
Roosevelt:					
Land	9,000	-	-	-	9,000
Land improvements	61,046	-	-	-	61,046
Buildings	4,369,211	-	-	-	4,369,211
Construction-in-process	1,333	301	-	-	1,634
Equipment and vehicles	12,884	-	-	-	12,884
	4,453,474	301	-	-	4,453,775

(Continued)

Moline-Coal Valley School District No. 40

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Activities—
By Function and Activities (Continued)
Year Ended June 30, 2018**

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Instruction:					
Washington:					
Land	96,340	-	-	-	96,340
Land improvements	29,069	-	-	-	29,069
Buildings	1,864,015	-	-	-	1,864,015
Construction-in-process	1,333	10,553	-	-	11,886
Equipment and vehicles	80,237	-	-	-	80,237
	2,070,994	10,553	-	-	2,081,547
Willard:					
Land	34,465	-	-	-	34,465
Land improvements	100,101	-	-	-	100,101
Buildings	1,174,457	-	-	-	1,174,457
Construction-in-process	1,333	121,934	-	-	123,267
Equipment and vehicles	9,393	-	-	-	9,393
	1,319,749	121,934	-	-	1,441,683
Jefferson Early Childhood Center:					
Land	44,750	-	-	-	44,750
Land improvements	34,234	66,197	-	-	100,431
Buildings	858,768	-	-	-	858,768
Construction-in-process	-	7,470	-	-	7,470
Equipment and vehicles	7,028	-	-	-	7,028
	944,780	73,667	-	-	1,018,447
Coolidge:					
Land	26,000	3,644	-	-	29,644
Land improvements	783,260	-	-	-	783,260
Buildings	2,388,381	-	-	-	2,388,381
Equipment and vehicles	1,016,444	26,378	69,160	-	973,662
	4,214,085	30,022	69,160	-	4,174,947
Wharton Field House:					
Land	5,280	-	-	-	5,280
Land improvements	2,536,638	-	-	-	2,536,638
Buildings	1,975,291	6,205	-	-	1,981,496
Construction-in-process	-	-	-	-	-
Equipment and vehicles	22,811	-	-	-	22,811
	4,540,020	6,205	-	-	4,546,225
Support Services:					
Allendale:					
Land	6,321	-	-	-	6,321
Land improvements	90,519	-	-	-	90,519
Buildings	238,949	-	-	-	238,949
Construction-in-process	-	3,109	-	-	3,109
Equipment and vehicles	146,319	-	-	-	146,319
	482,108	3,109	-	-	485,217

(Continued)

Moline-Coal Valley School District No. 40

**Schedule of Changes in Capital Assets Used in the Operation of Governmental Activities—
By Function and Activities (Continued)
Year Ended June 30, 2018**

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Totals:					
Land	1,135,499	3,644	-	-	1,139,143
Land improvements	8,531,064	88,334	-	-	8,619,398
Buildings	110,527,328	165,381	-	250,706	110,442,003
Construction-in-process	374,637	11,217,727	-	(250,706)	11,843,070
Equipment and vehicles	5,182,694	50,412	182,424	-	5,050,682
	\$ 125,751,222	\$ 11,525,498	\$ 182,424	\$ -	\$ 137,094,296

Moline-Coal Valley School District No. 40

**Capital Assets Used in the Operation of Governmental Activities
Depreciation Expense
Year Ended June 30, 2018**

	Accumulated Depreciation June 30, 2017	Depreciation Expense	Accumulated Depreciation - Disposals	Accumulated Depreciation June 30, 2018
Instruction:				
Land improvements	\$ 5,733,909	\$ 219,946	\$ -	\$ 5,953,855
Buildings	33,991,278	2,171,580	-	36,162,858
Equipment and vehicles	4,399,387	160,735	55,488	4,504,634
	<u>44,124,574</u>	<u>2,552,261</u>	<u>55,488</u>	<u>46,621,347</u>
Support:				
Land improvements	155,693	92,341	-	248,034
Buildings	199,309	43,519	-	242,828
Equipment and vehicles	108,888	-	-	108,888
	<u>463,890</u>	<u>135,860</u>	<u>-</u>	<u>599,750</u>
Total:				
Land improvements	5,889,602	312,287	-	6,201,889
Buildings	34,190,587	2,215,099	-	36,405,686
Equipment and vehicles	4,508,275	160,735	55,488	4,613,522
	<u>\$ 44,588,464</u>	<u>\$ 2,688,121</u>	<u>\$ 55,488</u>	<u>\$ 47,221,097</u>

Moline School District No. 40

Statistical Section Contents

The statistical section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	96
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	112
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	120
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	125
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	127

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Moline School District No. 40

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2018	2017	2016	2015
Governmental activities:				
Net investment in capital assets	\$ 64,579,826	\$ 60,228,675	\$ 60,005,254	\$ 55,970,892
Restricted	37,401,462	21,094,811	19,013,574	21,106,472
Unrestricted	(50,553,102)	2,062,838	2,918,310	7,549,850
Total governmental activities net position	\$ 51,428,186	\$ 83,386,324	\$ 81,937,138	\$ 84,627,214

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 49,135,785	\$ 46,949,505	\$ 45,151,082	\$ 44,442,781	\$ 42,051,176	\$ 40,273,936
30,251,933	30,597,399	29,642,728	27,984,415	11,593,564	10,559,690
20,981,069	21,814,422	20,618,344	19,738,365	40,316,304	44,569,076
\$ 100,368,787	\$ 99,361,326	\$ 95,412,154	\$ 92,165,561	\$ 93,961,044	\$ 95,402,702

Moline School District No. 40

**Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2018	2017	2016	2015
Expenses:				
Governmental activities:				
Instruction	\$ 86,220,622	\$ 81,799,870	\$ 73,662,166	\$ 69,312,874
Support services	27,049,134	21,412,990	26,609,599	27,477,964
Tuition Paid to Other Districts	277,300	102,280	59,268	53,812
Debt Service	1,295,410	694,512	752,670	903,745
Total governmental activities expenses	114,842,466	104,009,652	101,083,703	97,748,395
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 5,581,594	\$ 6,174,470	\$ 5,644,571	\$ 6,016,817
Support services	842,049	911,443	944,990	920,676
Operating grants and contributions	39,150,550	38,089,890	29,061,654	26,756,199
Capital grants and contributions	4,400,000	-	-	-
Total governmental activities program revenues	49,974,193	45,175,803	35,651,215	33,693,692
Total governmental net (expense) revenue	\$ (64,868,273)	\$ (58,833,849)	\$ (65,432,488)	\$ (64,054,703)

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 60,941,932	\$ 55,259,386	\$ 57,141,072	\$ 57,588,075	\$ 58,573,730	\$ 53,819,065	
25,609,769	25,690,960	25,374,427	26,682,001	26,770,450	25,272,182	
806,963	1,352,253	1,580,531	1,503,723	1,362,781	1,223,554	
981,636	1,120,180	914,318	869,436	331,012	343,148	
88,340,300	83,422,779	85,010,348	86,643,235	87,037,973	80,657,949	
\$ 5,507,953	\$ 6,325,088	\$ 6,277,878	\$ 6,114,228	\$ 5,028,185	\$ 7,038,150	
947,485	1,001,251	1,042,466	1,005,008	1,061,140	1,070,240	
19,879,009	17,196,439	17,184,182	14,672,537	21,626,435	16,054,400	
100,000	-	-	-	68,000	-	
26,434,447	24,522,778	24,504,526	21,791,773	27,783,760	24,162,790	
\$ (61,905,853)	\$ (58,900,001)	\$ (60,505,822)	\$ (64,851,462)	\$ (59,254,213)	\$ (56,495,159)	

Moline School District No. 40

**General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2018	2017	2016	2015
Net governmental (expense)	\$ (64,868,273)	\$ (58,833,849)	\$ (65,432,488)	\$ (64,054,703)
General revenues and other changes in net position:				
Taxes:				
Property taxes levied for general purposes	43,303,749	42,068,022	40,718,071	40,887,777
Property taxes levied for capital projects	426,428	412,103	400,136	403,977
Sales tax	3,513,031	-	-	-
Corporate personal property replacement taxes	4,865,949	5,185,632	4,097,882	5,128,468
Unrestricted grants and contributions	19,146,998	15,937,442	15,280,537	14,853,278
Investment earnings	860,309	285,757	89,604	18,833
Insurance proceeds	4,280,632	-	-	-
Other, primarily student fund-raising	2,059,049	2,394,079	2,156,182	1,515,724
Total governmental activities	78,456,145	66,283,035	62,742,412	62,808,057
Changes in net position	\$ 13,587,872	\$ 7,449,186	\$ (2,690,076)	\$ (1,246,646)

						Fiscal Year
2014	2013	2012	2011	2010	2009	
\$ (61,905,853)	\$ (58,900,001)	\$ (60,505,822)	\$ (64,851,462)	\$ (59,254,213)	\$ (56,495,159)	
41,345,016	41,362,579	42,681,048	41,515,600	40,846,495	40,566,920	
410,464	412,845	426,021	414,614	410,683	406,716	
-	-	-	-	-	-	
4,768,648	4,713,871	4,613,555	5,015,123	3,867,251	4,780,333	
14,806,928	14,588,017	14,034,460	14,804,504	11,293,919	11,359,130	
19,023	56,745	53,350	109,600	159,512	925,557	
-	-	-	-	-	-	
1,563,235	1,715,116	1,943,981	1,196,538	1,234,695	1,225,060	
62,913,314	62,849,173	63,752,415	63,055,979	57,812,555	59,263,716	
\$ 1,007,461	\$ 3,949,172	\$ 3,246,593	\$ (1,795,483)	\$ (1,441,658)	\$ 2,768,557	

Moline School District No. 40

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

	Fiscal Year			
	2018	2017	2016	2015
General Fund:				
Nonspendable	\$ 66,747	\$ 53,423	\$ 59,739	\$ 85,705
Restricted	12,545,058	11,821,906	11,083,322	10,537,345
Committed	-	-	-	-
Assigned	1,254,016	776,851	431,981	618,166
Unassigned	31,006,575	26,569,684	25,798,733	26,269,576
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	\$ 44,872,396	\$ 39,221,864	\$ 37,373,775	\$ 37,510,792
All other governmental funds:				
Nonspendable	\$ 419	\$ 18,218	\$ 48,403	\$ 94,762
Restricted	29,063,102	12,433,334	12,640,300	16,039,122
Committed	-	-	-	-
Assigned	9,633,117	1,690,046	425,510	20,133
Unassigned	-	-	-	-
Reserved	-	-	-	-
Unreserved, reported in:				
Capital projects funds	-	-	-	-
Working cash	-	-	-	-
Special revenue funds	-	-	-	-
Total all other governmental funds	\$ 38,696,638	\$ 14,141,598	\$ 13,114,213	\$ 16,154,017

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011.

							Fiscal Year					
2014		2013		2012		2011		2010		2009		
\$	65,106	\$	70,940	\$	59,984	\$	107,336	\$	-	\$	-	
	9,689,226		16,558,098		15,848,803		15,029,066		-		-	
	-		-		-		-		-		-	
	560,734		637,978		802,442		1,060,582		-		-	
	25,424,172		23,766,662		21,950,634		19,070,893		-		-	
	-		-		-		-		2,915,096		2,433,061	
	-		-		-		-		14,887,675		21,119,968	
\$	35,739,238	\$	41,033,678	\$	38,661,863	\$	35,267,877	\$	17,802,771	\$	23,553,029	
<hr/>												
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
	32,068,960		18,427,142		19,037,746		21,136,373		-		-	
	-		-		-		-		-		-	
	17,730		17,730		15,340		10,036		-		-	
	-		-		-		-		-		-	
	-		-		-		-		27,365,301		16,730,803	
	-		-		-		-		4,596,760		2,028,567	
	-		-		-		-		4,024,810		4,026,342	
	-		-		-		-		6,225,139		5,870,821	
\$	32,086,690	\$	18,444,872	\$	19,053,086	\$	21,146,409	\$	42,212,010	\$	28,656,533	

Moline School District No. 40

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

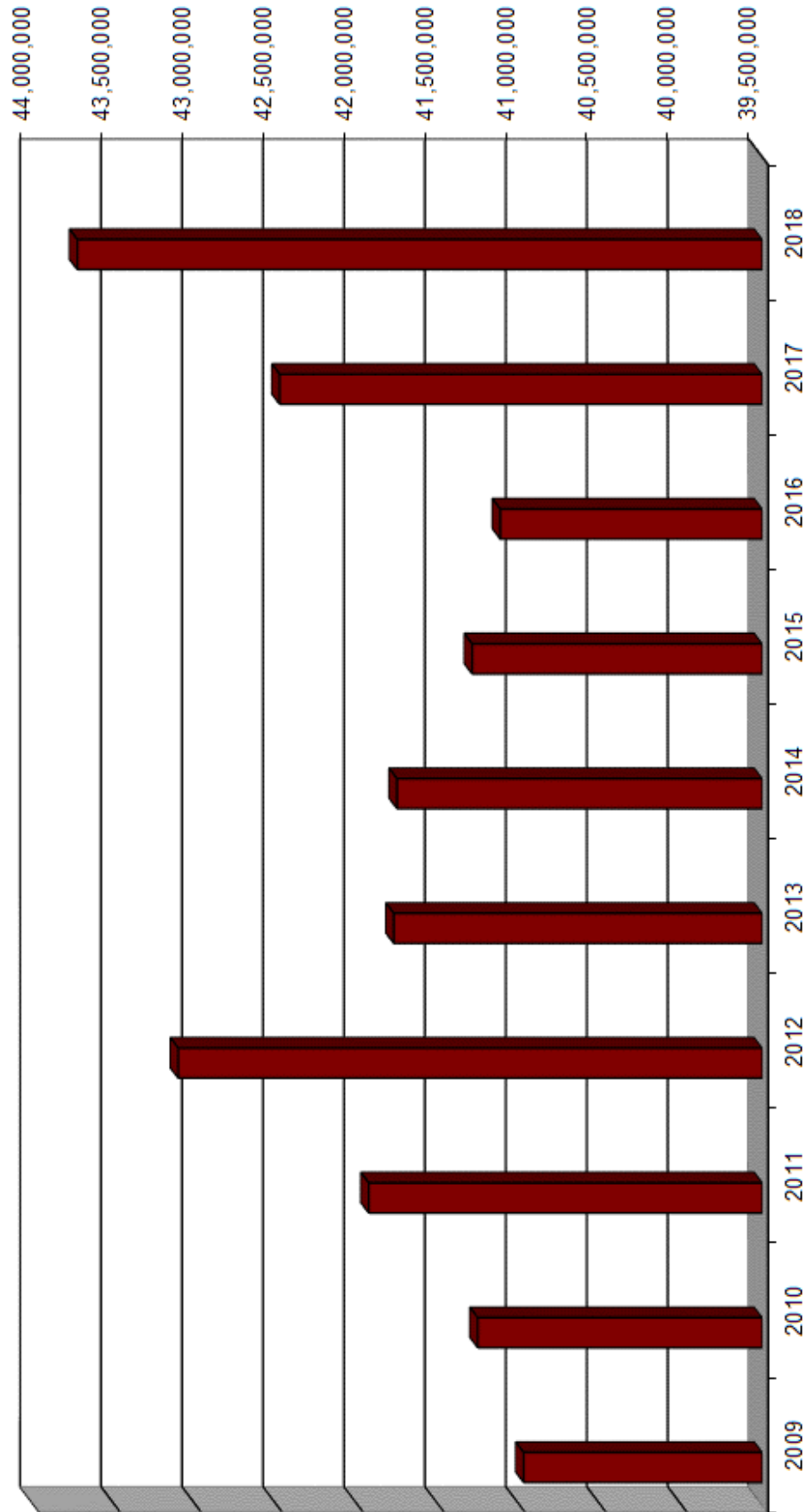
(Unaudited)

	Fiscal Year			
	2018	2017	2016	2015
Federal sources:				
Federal grants	\$ 4,473,713	\$ 4,873,614	\$ 4,919,827	\$ 4,734,746
General state aid (ARRA)	-	-	-	-
Food services	2,250,142	2,149,240	2,011,553	1,742,155
Total federal sources	6,723,855	7,022,854	6,931,380	6,476,901
State sources:				
General state aid	19,146,998	15,937,442	15,280,537	14,853,278
State grants and other	3,528,268	3,882,338	3,414,186	4,132,165
Total state sources	22,675,266	19,819,780	18,694,723	18,985,443
Local sources:				
Property taxes	43,730,177	42,480,125	41,118,207	41,291,754
Corporate replacement taxes	4,865,949	5,185,632	4,097,882	5,128,468
Sales tax	3,513,031	-	-	-
Interest and other income	728,944	247,805	76,291	16,054
Other local sources	8,450,146	4,384,127	4,058,694	3,323,756
Total local sources	61,288,247	52,297,689	49,351,074	49,760,032
Total revenues	\$ 90,687,368	\$ 79,140,323	\$ 74,977,177	\$ 75,222,376

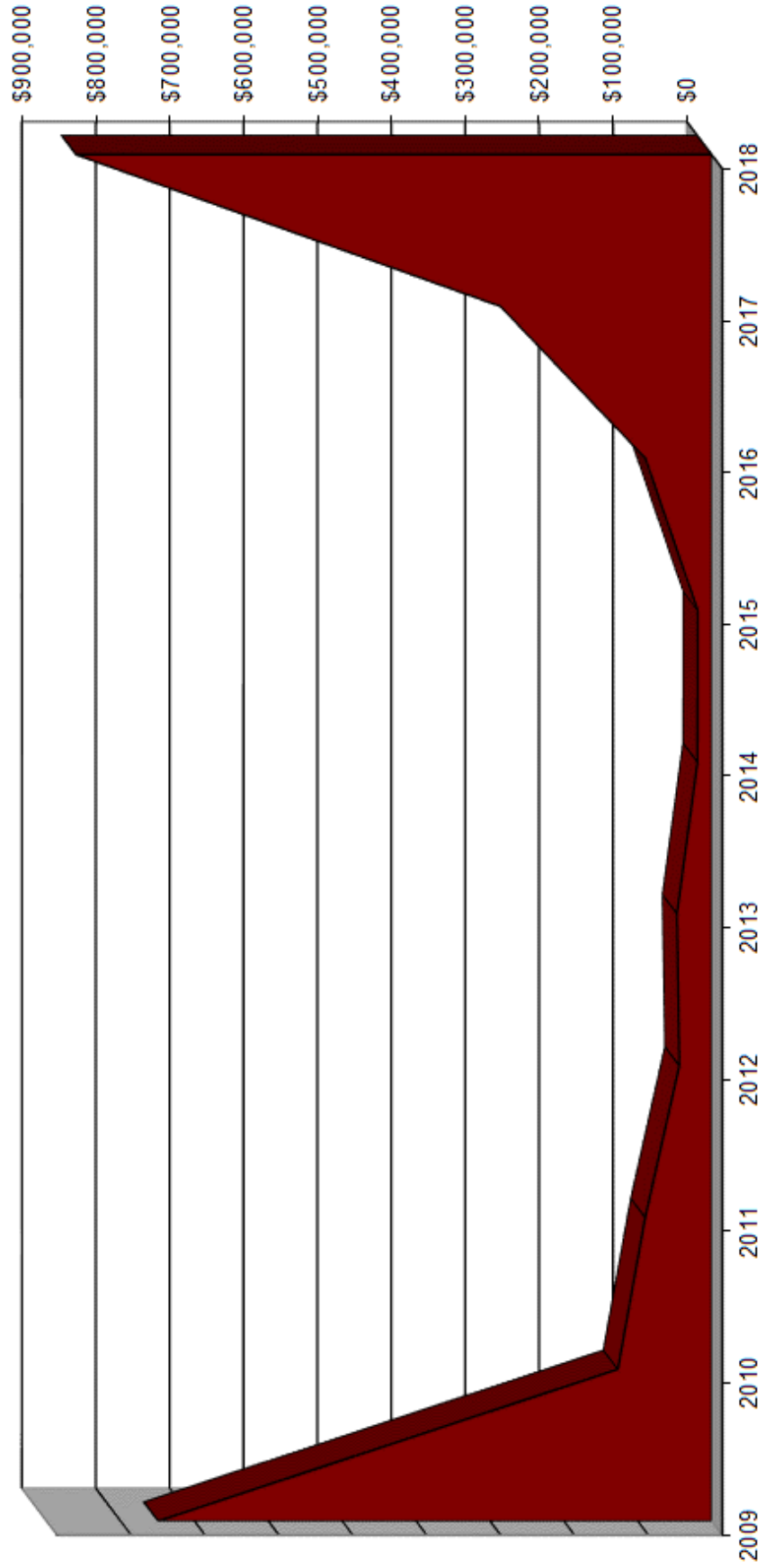
Chart does not include on-behalf payments from the State of Illinois for Illinois Teachers' Retirement System.

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	3,831,655	\$	4,077,163	\$	4,869,056	\$	5,439,712	\$	6,097,273	\$	4,180,033
	-		-		-		-		1,887,636		3,349,913
	1,680,893		1,633,935		1,524,275		1,453,690		1,451,437		1,261,306
	5,512,548		5,711,098		6,393,331		6,893,402		9,436,346		8,791,252
	14,806,928		14,588,017		14,034,460		14,804,504		11,293,919		11,359,130
	3,784,543		4,458,969		4,663,165		4,889,174		3,126,471		4,834,169
	18,591,471		19,046,986		18,697,625		19,693,678		14,420,390		16,193,299
	41,755,480		41,775,424		43,107,069		41,930,214		41,257,178		40,973,636
	4,768,648		4,713,871		4,613,555		5,015,123		3,867,251		4,780,333
	-		-		-		-		-		-
	17,147		46,825		43,559		89,760		126,867		749,094
	3,386,059		3,724,031		3,856,108		3,023,815		3,684,445		4,050,503
	49,927,334		50,260,151		51,620,291		50,058,912		48,935,741		50,553,566
\$	74,031,353	\$	75,018,235	\$	76,711,247	\$	76,645,992	\$	72,792,477	\$	75,538,117

**Moline-Coal Valley School District No. 40
 Property Tax Revenues
 Last Ten Fiscal Years
 (Unaudited)**



**Moline-Coal Valley School District No. 40
Earnings on Investments
Last Ten Fiscal Years
(Unaudited)**



Moline School District No. 40

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2018	2017	2016	2015
Instructional:				
Regular programs	\$ 30,452,858	\$ 30,546,868	\$ 29,691,507	\$ 29,684,752
Special education programs	7,552,570	7,871,742	7,762,227	8,070,176
Educationally deprived/remedial programs	1,768,613	1,986,120	2,060,820	1,161,122
Vocational programs	59,200	70,300	68,450	63,825
Interscholastic programs	876,340	906,596	871,475	837,981
Summer school	92,213	79,686	119,746	70,397
Gifted programs	617,993	645,655	639,382	642,738
Bilingual programs	1,197,586	1,168,000	1,018,042	1,082,158
Alternative and optional programs	775,313	879,775	857,782	791,529
School activity accounts *	499,981	459,295	494,097	427,916
On-behalf payments	4,409,293	15,158,233	13,890,945	13,020,760
Total instructional	48,301,960	59,772,270	57,474,473	55,853,354
Support services:				
Pupil services	2,824,797	2,803,621	2,711,549	2,620,283
Instructional staff	1,651,539	1,652,871	1,928,785	1,937,212
School activity accounts *	334,588	302,699	298,534	326,361
General administration	1,102,477	1,152,779	1,258,622	1,258,917
School administration	4,567,258	4,203,172	4,055,802	4,049,930
Business	3,027,000	3,143,338	3,812,455	2,777,151
Central	1,882,056	2,094,047	1,899,564	1,764,140
Other	1,241,957	1,014,617	964,466	981,199
Operations and maintenance	7,189,439	7,302,510	6,133,840	7,027,422
Pupil transportation	1,418,740	1,344,168	1,284,138	1,127,231
Tort immunity and judgement	966,350	940,287	1,319,115	1,086,518
Total support services	26,206,201	25,954,109	25,666,870	24,956,364
Total current operating	74,508,161	85,726,379	83,141,343	80,809,718
Other:				
Community services	351,752	175,304	172,544	167,372
Capital outlay	12,314,184	1,637,670	4,858,712	17,584,358
Payments to other governmental units	277,300	102,280	59,268	53,812
Debt service:				
Principal	6,064,100	2,982,002	2,950,002	2,843,098
Interest	935,651	799,447	863,074	945,897
Bond issuance costs	220,130	-	-	-
Total expenditures	\$ 94,671,278	\$ 91,423,082	\$ 92,044,943	\$ 102,404,255
Debt service as a percentage of noncapital expenditures	8.42%	4.21%	4.37%	4.39%

Source of Information: 2009-2018 Annual Financial Reports.

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	28,825,742	\$	28,685,257	\$	29,625,150	\$	30,849,695	\$	31,980,485	\$	30,932,840
	6,843,451		6,520,023		6,508,230		6,748,953		6,893,989		6,668,451
	1,959,047		1,831,535		1,999,954		2,154,991		2,295,936		2,074,925
	78,000		71,997		69,012		73,494		129,379		74,139
	808,595		803,882		843,863		840,090		878,858		896,492
	62,133		2,912		17,937		11,679		62,485		86,468
	689,416		702,837		596,340		633,553		601,906		581,847
	950,393		934,769		950,205		971,480		957,561		941,179
	611,576		641,212		747,384		778,358		1,132,793		1,196,732
	518,768		-		-		-		-		-
	13,644,693		10,888,676		9,923,271		9,236,968		9,301,243		6,617,407
	54,991,814		51,083,100		51,281,346		52,299,261		54,234,635		50,070,480
	2,610,047		2,369,319		2,284,724		2,203,594		2,287,400		2,188,345
	1,905,560		2,053,094		1,851,661		2,339,622		2,870,873		2,907,387
	300,087		763,596		785,778		819,364		820,906		758,652
	1,301,214		1,190,597		1,217,103		1,088,577		1,198,241		1,054,683
	4,208,425		4,192,848		4,217,880		4,425,544		4,594,683		4,372,229
	3,770,644		3,942,923		3,994,019		3,884,682		3,898,087		3,756,691
	1,803,864		2,439,119		2,195,312		2,909,476		2,475,090		2,056,509
	151,659		157,670		59,811		-		-		-
	6,265,663		5,944,533		5,981,393		6,182,789		6,193,142		6,360,589
	1,077,775		944,913		658,291		951,048		966,202		858,093
	1,329,398		1,242,649		1,005,252		876,351		835,118		775,270
	24,724,336		25,241,261		24,251,224		25,681,047		26,139,742		25,088,448
	79,716,150		76,324,361		75,532,570		77,980,308		80,374,377		75,158,928
	166,460		165,674		168,607		207,642		142,990		168,161
	4,979,647		2,476,438		4,228,897		16,639,781		6,955,513		7,964,552
	806,963		1,352,253		1,580,531		1,503,723		1,362,781		1,223,554
	12,536,290		2,964,576		2,797,955		3,966,425		3,350,000		3,421,824
	913,237		860,008		1,025,295		629,589		249,338		510,128
	-		-		-		101,820		321,420		-
\$	99,118,747	\$	84,143,310	\$	85,333,855	\$	101,029,288	\$	92,756,419	\$	88,447,147
	14.21%		4.68%		4.71%		5.57%		4.57%		4.89%

Moline School District No. 40

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2017	2017	2016	2015
Excess of revenues over (under) expenditures	\$ 425,383	\$ 2,875,474	\$ (3,176,821)	\$ (14,161,119)
Other financing sources (uses):				
General long-term debt issued	25,001,000	-	-	-
Insurance proceeds	4,280,632	-	-	-
Capital lease obligations issued	-	-	-	-
Bond premium (discount)	498,557	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	29,780,189	-	-	-
Net change in fund balances	\$ 30,205,572	\$ (12,282,759)	\$ (17,067,766)	\$ (14,161,119)

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ (11,442,701)	\$ 1,763,601	\$ 1,300,663	\$ (15,146,328)	\$ (10,662,699)	\$ (6,291,623)	
19,410,000	-	-	11,495,000	18,500,000	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
380,079	-	-	50,833	(32,082)	-	
7,500,000	-	-	-	-	6,693,411	
(7,500,000)	-	-	-	-	(6,693,411)	
19,790,079	-	-	11,545,833	18,467,918	-	
\$ 8,347,378	\$ 1,763,601	\$ 1,300,663	\$ (3,600,495)	\$ 7,805,219	\$ (6,291,623)	

Moline School District No. 40

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)
(Unaudited)**

Fiscal Year	Equalized Assessed Value	Less Exemptions & TIF	Total Taxable Value	Total Direct Rate
2018	\$ 1,019,624,686	\$ 165,944,152	\$ 853,680,534	5.1094
2017	998,946,705	165,193,541	833,753,164	5.1498
2016	972,777,970	165,209,082	807,568,888	5.1594
2015	965,273,421	157,845,337	807,428,084	5.1120
2014	974,598,538	159,441,451	815,157,087	5.1090
2013	983,234,085	161,393,607	821,840,478	5.0590
2012	998,407,630	157,724,084	840,683,546	5.0600
2011	998,070,490	161,353,117	836,717,373	5.0584
2010	999,820,402	171,362,930	828,457,472	5.0266
2009	974,140,572	153,255,120	820,885,452	5.0188

Source of Information: County Property Appraiser.

Moline School District No. 40

**Property Tax Rates - Levies and Collections (1)
Last Ten Levy Years
(Unaudited)**

	Levy Year			
	2017	2016	2015	2014
Rates Extended:				
Educational	3.2700	3.2700	3.2700	3.2700
Tort immunity	0.1336	0.1338	0.1380	0.1738
Operations and maintenance	0.7500	0.7500	0.7500	0.7500
Special education	0.0400	0.0400	0.0400	0.0400
Fire prevention and safety	0.0500	0.0500	0.0500	0.0500
Bond and interest	0.4478	0.4548	0.4674	0.4714
Transportation	0.0880	0.1302	0.1070	0.0368
Facility leasing	0.0500	0.0500	0.0500	0.0500
Illinois Municipal Retirement	0.1164	0.1092	0.1154	0.1052
Social Security	0.1136	0.1118	0.1216	0.1148
Working Cash	0.0500	0.0500	0.0500	0.0500
Total rates extended	5.1094	5.1498	5.1594	5.1120
Levies Extended:				
Educational	\$ 27,952,099	\$ 27,296,482	\$ 26,436,408	\$ 26,430,885
Tort immunity	1,142,018	1,116,902	1,115,665	1,404,797
Operations and maintenance	6,411,032	6,260,661	6,063,396	6,062,130
Special education	341,922	333,902	323,381	323,314
Fire prevention and safety	427,402	417,377	404,226	404,142
Bond and interest	3,827,813	3,796,465	3,778,709	3,810,251
Transportation	752,228	1,086,851	865,045	297,448
Facility leasing	427,402	417,377	404,226	404,142
Illinois Municipal Retirement	994,992	911,552	932,955	850,315
Social Security	971,058	933,256	983,079	927,910
Working Cash	427,402	417,377	404,226	404,142
Total rates extended	\$ 43,675,368	\$ 42,988,202	\$ 41,711,316	\$ 41,319,476
Total collections (2)	\$ 24,057,728	\$ 43,236,032	\$ 41,585,096	\$ 41,148,600
Percentage of extensions collected	55.08%	100.58%	99.70%	99.59%

(1) Tax rates are expressed in dollars per \$100 of equalized assessed valuation

(2) Modified accrual basis of accounting includes receipts for June, July and August

Source of Information: Rock Island County Levy, Rate and Extension Reports for 2006 to 2016

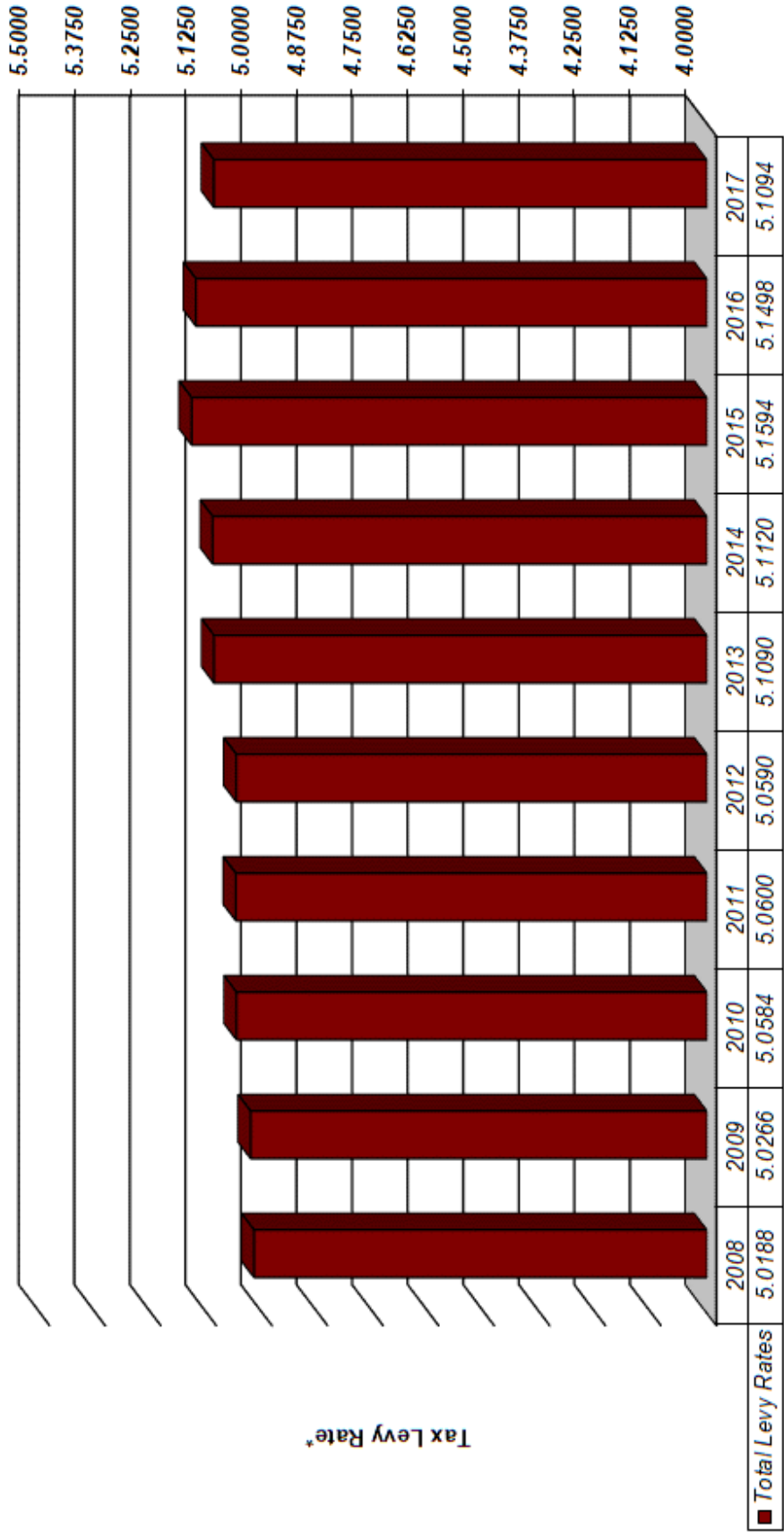
Levy Year					
2013	2012	2011	2010	2009	2008
3.2700	3.2700	3.2700	3.2700	3.2700	3.2700
0.1702	0.1548	0.1308	0.1136	0.0998	0.0950
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
0.4642	0.4272	0.4546	0.4566	0.4842	0.4344
0.0374	0.0372	0.0510	0.0662	0.0822	0.0870
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
0.1178	0.1196	0.1046	0.1042	0.0932	0.0816
0.1094	0.1102	0.1090	0.1078	0.1072	0.1108
0.0500	0.0500	0.0500	0.0500	-	0.0500
5.1090	5.0590	5.0600	5.0584	5.0266	5.0188

\$ 26,680,910	\$ 26,877,454	\$ 27,490,352	\$ 27,360,658	\$ 27,090,559	\$ 26,842,954
1,388,713	1,272,364	1,099,614	950,511	826,801	779,841
6,119,475	6,164,554	6,305,127	6,275,380	6,213,431	6,156,641
326,372	328,776	336,273	334,687	331,383	328,354
407,965	410,970	420,342	418,359	414,229	410,443
3,787,547	3,511,330	3,821,747	3,820,452	4,011,391	3,565,926
305,158	305,762	428,749	553,907	680,992	714,170
407,965	410,970	420,342	418,359	414,229	410,443
961,166	983,041	879,355	871,860	772,122	669,843
892,627	905,778	916,345	901,981	888,106	909,541
407,965	410,970	420,342	418,359	-	410,443
\$ 41,685,862	\$ 41,581,969	\$ 42,538,587	\$ 42,324,512	\$ 41,643,243	\$ 41,198,599

\$ 41,554,677	\$ 42,443,590	\$ 42,220,737	\$ 41,498,431	\$ 41,079,743	\$ 40,645,928
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99.93%	99.78%	99.25%	98.05%	98.65%	98.66%
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**Moline-Coal Valley School District No. 40
Property Tax Levy Rates
Last Ten Tax Levy Years (Unaudited)**



Moline School District No. 40

**Direct and Overlapping Property Tax Rates (1)
Last Ten Levy Years
(Unaudited)**

Taxing District	Levy Year			
	2017	2016	2015	2014
Overlapping Government Rates:				
Common Rates				
Moline School District No. 40	5.1094	5.1498	5.1594	5.1120
County of Rock Island (2)	1.2436	1.2466	1.2480	1.0596
Metropolitan Airport Authority	0.0756	0.0750	0.0750	0.0750
Black Hawk College District No. 503	0.5676	0.5718	0.5598	0.5485
Metropolitan Transit Authority (3)	0.2120	0.2056	0.2086	0.2082
Cities and Villages:				
City of Moline	2.0742	2.0854	2.0782	2.0638
Village of Coal Valley (4)	1.2138	1.1834	1.3144	1.2183
Townships:				
Township of Moline	0.2536	0.2498	0.2498	
Township of South Moline (5)	0.1248	0.1278	0.1284	0.1292
Township of Coal Valley (6)	0.2222	0.2200	0.2304	0.2220
Township of Blackhawk (7)	0.1812	0.2082	0.2006	0.2014
Representative total tax rates by township/municipality location:				
Township #8 - Moline/				
City of Moline - Code 1	9.5360	9.5840	9.5788	9.3085
Township #7 - South Moline				
City of Moline - Code 5	9.4188	9.4738	9.4730	9.2115
Township #12 - Coal Valley/				
Village of Coal Valley - Code 3	8.4684	8.4858	8.5440	8.2619

(1) Tax Rates are expressed in dollars per \$100 of assessed (one third of market) valuation.

(2) Includes Forest Preserve

(3) Common to all township locations except Coal Valley

(4) Includes Coal Valley Municipality Roads & Bridges; Coal Valley FPD; and Coal Valley Library

(5) Includes roads & bridges for Municipal Moline and Township of South Moline

(6) Includes Coal Valley Township Roads & Bridges

(7) Includes .1% of total District assessed valuations.

Source of Information: Rock Island County Clerk's Office, Department of Tax Extension.

Levy Year					
2013	2012	2011	2010	2009	2008
5.1090	5.0590	5.0600	5.0584	5.0266	5.0188
1.0184	0.8872	0.8684	0.8574	0.8542	0.8480
0.0750	0.0750	0.0750	0.0734	0.0742	0.0734
0.5427	0.5403	0.5369	0.5324	0.5337	0.5356
0.2054	0.1948	0.1872	0.1822	0.1812	0.1768
2.0500	2.0268	1.9744	1.9324	1.9288	1.9966
1.2113	1.2760	1.2719	1.2732	1.2324	1.2045
0.2326	0.2254	0.2146	0.2096	0.2048	0.1490
0.1786	0.1536	0.1484	0.1578	0.1574	0.1540
0.2232	0.1806	0.1817	0.1844	0.2022	0.2043
0.1924	0.1840	0.1710	0.1648	0.1604	0.1570
9.2331	9.0085	8.9165	8.8458	8.8035	8.7982
9.1501	8.9367	8.8503	8.7940	8.7561	8.8032
8.2087	8.0181	7.9939	7.9792	7.9233	7.8846

Moline School District No. 40

**Principal Property Taxpayers
Current Year and Ten Years Ago
(Unaudited)**

Taxpayer	2018			2008		
	2017 Equalized Assessed Valuation	Rank	Percentage of Total 2017 Equalized Assessed Valuation	2007 Equalized Assessed Valuation	Rank	Percentage of Total 2007 Equalized Assessed Valuation
SDG Macerich-Southpark Mall	\$ 10,766,480	1	1.29%	\$ 20,898,790	1	2.60%
Kone	4,550,384	2	0.55%			0.00%
Mills at Riverbend Commons	4,406,559	3	0.53%			0.00%
United Health Care Service	4,097,256	4	0.49%	3,916,237	2	0.49%
Deere & Company	4,027,662	5	0.48%	3,849,718	3	0.48%
Wal-Mart Stores	3,748,583	6	0.45%	3,617,608	4	0.45%
Heritage Place	3,091,799	7	0.37%	3,383,333	5	0.42%
Carr Limited Partnership-Highland Toyota	3,069,827	8	0.37%			0.00%
Pedcor (Valley View Apts.)	2,956,639	9	0.35%			0.00%
Moline Hotel LLC-Pine Ridge Apartments	2,847,376	10	0.34%			0.00%
Ryan Moline LLC (Ryan Property)			0.00%	2,721,576	6	0.34%
City Line Meyers LLC/Citi Line Plaza			0.00%	2,706,666	7	0.34%
Moline Properties LP			0.00%	2,615,805	8	0.33%
Lowes Co., Inc.			0.00%	2,579,351	9	0.32%
Trinity Medical Center			0.00%	2,516,968	10	0.31%
Homewood Manor			0.00%			0.00%
Other Properties in District	791,212,362		94.78%	755,152,599		93.93%
Total	\$ 834,774,927		100.00%	\$ 803,958,651		100.00%

Source of Information: Rock Island County Supervisor of Assessments.

Moline School District No. 40

**Property Tax Levies and Collections
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy *		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 43,675,368	\$ 24,057,728	55.08%	\$ -	24,057,728	55.08%
2017	42,988,203	23,563,585	54.81	19,672,447	43,236,032	100.58
2016	41,711,316	22,668,557	54.35	18,916,539	41,585,096	99.70
2015	41,319,476	22,698,948	54.94	18,449,652	41,148,600	99.59
2014	41,685,862	22,949,784	55.05	18,592,811	41,542,595	99.66
2013	41,581,969	22,748,980	54.71	18,805,696	41,554,677	99.93
2012	42,538,587	23,417,150	55.05	19,026,440	42,443,590	99.78
2011	42,324,512	22,530,821	53.23	19,689,916	42,220,737	99.75
2010	41,643,243	22,205,649	53.32	19,292,782	41,498,431	99.65
2009	41,198,599	22,028,214	53.47	19,051,529	41,079,743	99.71

* Modified accrual basis of accounting includes receipts for June, July and August

Source of Information: Rock Island County Levy, Rate and Extension Reports

Moline School District No. 40

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Tax Levy Year	General Obligation Bonds	Equalized Assessed Valuation	Percent of Actual Taxable Value of Property	Estimated Population*	Per Capita
2018	2017	\$ 39,801,552	\$ 854,804,251	4.66%	46,006	\$ 865.14
2017	2016	20,864,651	834,754,801	2.50	45,971	453.87
2016	2015	23,846,653	808,452,845	2.95	42,681	558.72
2015	2014	26,796,655	808,283,955	3.32	47,226	567.41
2014	2013	29,639,754	815,929,969	3.63	47,226	627.62
2013	2012	22,766,044	821,940,478	2.77	47,226	482.07
2012	2011	25,730,620	840,683,546	3.06	47,226	544.84
2011	2010	28,528,575	836,717,373	3.41	47,226	604.09
2010	2009	21,000,000	828,457,472	2.53	47,374	443.28
2009	2008	5,850,000	820,885,452	0.71	47,374	123.49

* Population estimates are based on census data

Moline School District No. 40

**Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Governmental Activities			Total Outstanding Debt	Personal Income (1) (000's)	Percentage of Personal Income	Estimated Population (2)	Per Capita
	General	Notes	Capital					
	Obligation Bonds	Payable	Leases					
2018	39,801,552	-	-	39,801,552	*	*	46,006	\$ 865.14
2017	20,864,652	-	-	20,864,652	*	*	45,971	453.87
2016	23,846,653	-	-	23,846,653	*	*	42,681	558.72
2015	26,796,656	-	-	26,796,656	*	*	47,226	567.41
2014	29,639,754	-	-	29,639,754	*	*	47,226	627.62
2013	22,766,044	-	-	22,766,044	*	*	47,226	482.07
2012	25,730,620	-	-	25,730,620	*	*	47,226	544.84
2011	28,528,575	-	-	28,528,575	*	*	47,226	604.09
2010	21,000,000	-	-	21,000,000	*	*	47,374	443.28
2009	5,850,000	-	-	5,850,000	*	*	47,374	123.49

(1) Personal income data is unavailable at this time.

(2) Population estimates are based on census data

Moline School District No. 40

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
(Unaudited)**

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
County:			
Rock Island County	\$ 44,615,000	32.550%	\$ 14,522,183
Rock Island County Forest Preserve	4,140,000	32.550%	1,347,570
Municipality:			
City of Moline	46,845,000	98.090%	45,950,261
Village of Coal Valley	820,000	102.250%	838,450
City of Milan	8,350,000	1.750%	146,125
Other:			
Metropolitan Airport Authority (3)	19,660,000	43.750%	8,601,250
Blackhawk Community College District 503	50,170,000	32.530%	16,320,301
Metropolitan Mass Transit Authority	-	0.000%	-
Subtotal, overlapping debt			87,726,140
Direct bonded debt, Moline School District No. 40			20,876,551
Total direct and overlapping debt			\$ 108,602,691

(1) As of November 30, 2015

(2) Overlapping debt percentages are based on the 2015 equalized assessed valuation, the most current available.

(3) Represents the principal amounts due on a lease obligation issued through a Public Building Commission.

Source of Information: Rock Island County Clerk

Moline School District No. 40

**Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 854,804,251
Debt limit (13.8% of assessed valuation)	\$ 117,962,987
Debt applicable to limit	39,801,552
Legal debt margin	\$ 78,161,435

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 117,962,987	\$ 115,196,163	\$ 111,566,493	\$ 111,543,186
Total net debt applicable to limit	39,801,552	20,864,652	23,846,654	26,796,655
Legal debt margin	\$ 78,161,435	\$ 94,331,511	\$ 87,719,839	\$ 84,746,531
Total net debt applicable to the limit as a percentage of debt limit	33.74%	18.11%	21.37%	24.02%

2014	2013	2012	2011	2010	2009
\$ 112,598,336	\$ 113,427,786	\$ 116,014,329	\$ 115,466,997	\$ 114,327,131	\$ 113,282,192
29,639,754	22,766,044	25,730,620	28,528,575	21,000,000	5,850,000
\$ 82,958,582	\$ 90,661,742	\$ 90,283,709	\$ 86,938,422	\$ 93,327,131	\$ 107,432,192
26.32%	20.07%	22.18%	24.71%	18.37%	5.16%

Moline School District No. 40

Demographic and Economic Statistics (1)

Last Ten Calendar Years

(Unaudited)

Calendar Year	Estimated Population (2)	Personal Income (3) (000's)	Per Capita Personal Income	Unemployment Rate
2017	46,006	*	*	4.60%
2016	45,971	*	*	6.10
2015	42,681	*	*	6.00
2014	43,483	*	*	6.00
2013	43,483	*	*	7.80
2012	43,483	*	*	8.80
2011	43,483	*	*	8.10
2010	43,483	*	*	9.10
2009	43,768	*	*	8.50
2008	43,768	*	*	5.50

(1) Information provided for the City of Moline only; Coal Valley information unavailable

(2) Population estimates are based on census data estimates

(3) Personal income data is unavailable at this time

Source of Information: City of Moline

Moline School District No. 40

**Principal Employers in the Area (1)
Current Year and Ten Years Ago
(Unaudited)**

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Rock Island Arsenal (2)	6,163	1	15.09%	7,270	2	22.05%
Deere & Company (3)	6,000	2	14.70%	8,365	1	25.37%
Genesis Health System	5,173	3	12.67%	4,900	3	14.86%
Hy-Vee Stores	4,568	4	11.19%	2,192	8	6.65%
Unity Point - Trinity	3,954	5	9.68%	2,900	4	8.79%
HNI Corporation/The Hon Company	3,200	6	7.84%	-	-	0.00%
Wal-Mart Super Centers	2,821	7	6.91%	-	-	0.00%
Arconic (Alcoa)	2,500	8	6.12%	2,250	7	6.82%
Tyson Foods (IBP Inc.)	2,400	9	5.88%	2,400	6	7.28%
Kraft Foods (Oscar Mayer Foods)	1,600	10	3.92%	1,650	9	5.00%
Isle of Capri Casino & Hotel	1,250	11	3.06%	1,050	11	3.18%
Tri-City Electric Co.	1,200	12	2.94%	-	-	0.00%
Davenport Community Schools	-	-	0.00%	2,500	5	7.58%
Moline Schools	-	-	0.00%	1,401	10	4.25%
MidAmerican Energy	-	-	0.00%	1,025	12	3.11%
Total	40,829		100.00%	32,977		100.00%

(1) Quad City Metropolitan Statistical Area (includes Davenport and Bettendorf, Iowa, and Rock Island and Moline, Illinois, and other contiguous communities).

(2) Military and Civilian employees.

(3) Employment levels are for the entire Quad Cities area.

Sources of Information: Quad Cities First; Hoover's Inc. and Bi-State Regional Commission

Moline School District No. 40

**Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

	2017 - 2018	2016 - 2017	2015 - 2016	2014 - 2015	2013 - 2014
Administration:					
Superintendent	1	1	1	1	1
Assistant superintendents and directors	6	6	6	6	6
Principals, assistants, deans and athletic director	25	24	23	23	25
Total administration	32	31	30	30	32
Teachers:					
Regular grades K-12	290	294	286	286	292
Special education	74	74	72	72	94
Elementary music, art, physical education specialists	17	17	17	15	15
Social workers, counselors	16	17	17	17	14
Reading recovery			-	-	-
Librarians	6	6	6	6	6
Group orphanage programs - Arrowhead Ranch		-	-	-	-
Pre-school At-Risk programs	6	6	6	6	6
Gifted programs - PATS	6	7	7	5	7
Educationally deprived/remedial programs	10	9	8	9	8
Bilingual programs	15	15	14	12	10
Psychologists	3	4	4	4	4
Total teachers	443	449	437	432	456
Other supporting staff:					
Regular grade teachers' paraprofessionals	73	57	59	58	56
Special education teachers' paraprofessionals	102	116	115	110	105
Nurses, health professionals	16	16	17	21	16
Hall monitors	7	4	4	4	5
Lab managers	20	20	21	21	21
Library paraprofessionals	8	10	10	13	9
Lunchroom assistants	24	24	27	40	25
Administrative assistants	48	47	44	49	52
Custodial-maintenance and supervisors	66	65	67	63	68
Educational Technology	8	8	8	8	8
Other	8	8	8	5	7
Total support staff	378	375	380	392	372
Total staff	853	855	847	854	860

Source of information: District Human Resources records

						Percentage Change 2008-2009 to 2017-2018
2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010	2008 - 2009		
1	1	1	1	1	-	
6	6	6	7	7	(14.3)	
25	25	26	27	28	(10.7)	
32	32	33	35	36	(11.1)	
302	306	315	319	320	(9.4)	
100	98	105	112	112	(33.9)	
16	16	20	18	19	(10.5)	
14	14	14	15	14	14.3	
-	5	4	7	7	(100.0)	
8	8	9	10	11	(45.5)	
-	-	-	4	6	(100.0)	
5	6	6	6	6	-	
8	6	7	7	7	(14.3)	
11	10	13	12	12	(16.7)	
10	11	9	8	8	87.5	
4	4	3	3	3	-	
478	484	505	521	525	(15.6)	
48	55	33	35	27	170.4	
100	110	108	111	108	(5.6)	
15	14	14	14	14	10.7	
3	3	3	4	3	133.3	
20	20	21	23	23	(15.2)	
10	9	8	8	8	-	
20	21	20	21	23	4.3	
57	57	57	61	61	(22.1)	
66	66	66	70	70	(6.1)	
8	8	7	7	6	33.3	
3	3	4	4	4	100.0	
350	366	341	358	347	9.0	
860	882	879	914	908	(6.0)	

Moline School District No. 40

**Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Average Daily Attendance	Net Operating Expenditures	Net Operating Expenditures Per Pupil	Percentage Change	Enrollment (1)
2018	6,492.78	\$ 71,648,551	\$ 11,035.11	0.07%	7,267
2017	6,537.55	69,932,990	10,697.13	0.04	7,196
2016	6,541.00	69,367,857	10,605.08	0.03	7,305
2015	6,623.00	68,124,245	10,286.01	0.04	7,370
2014	6,746.99	66,484,613	9,853.97	(0.88)	7,493
2013	6,876.67	65,249,033	9,488.46	(4.55)	7,542
2012	6,964.76	66,394,142	9,532.87	(4.11)	7,438
2011	6,898.35	68,578,276	9,941.26	(0.46)	7,423
2010	6,957.32	69,483,077	9,987.05	2.70	7,537
2009	6,857.71	66,685,089	9,724.10	7.79	7,426

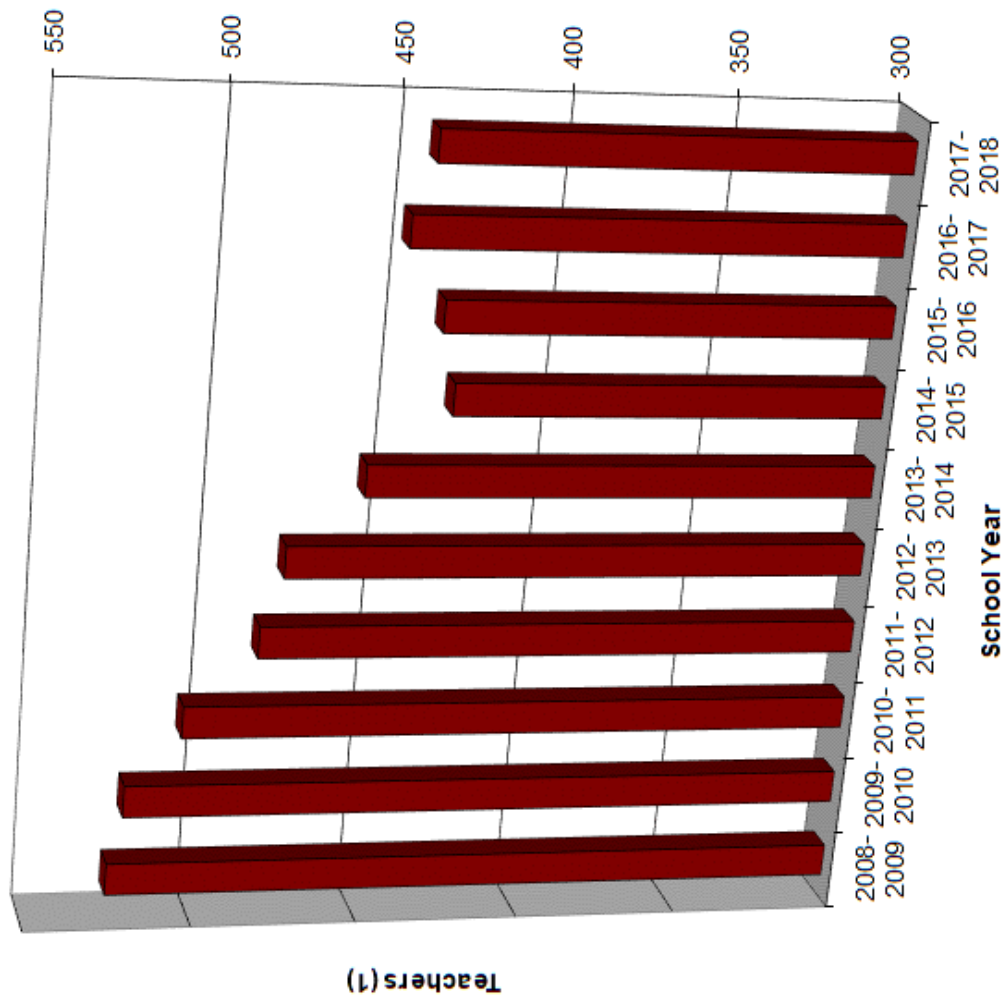
(1) Enrollment information as of April 30 of each year through 2013, Fall Housing Report thereafter.

(2) Total Teachers include all Illinois certificated positions including teachers, counselors, social workers, psychologists, librarians, speech and language and other specialists.

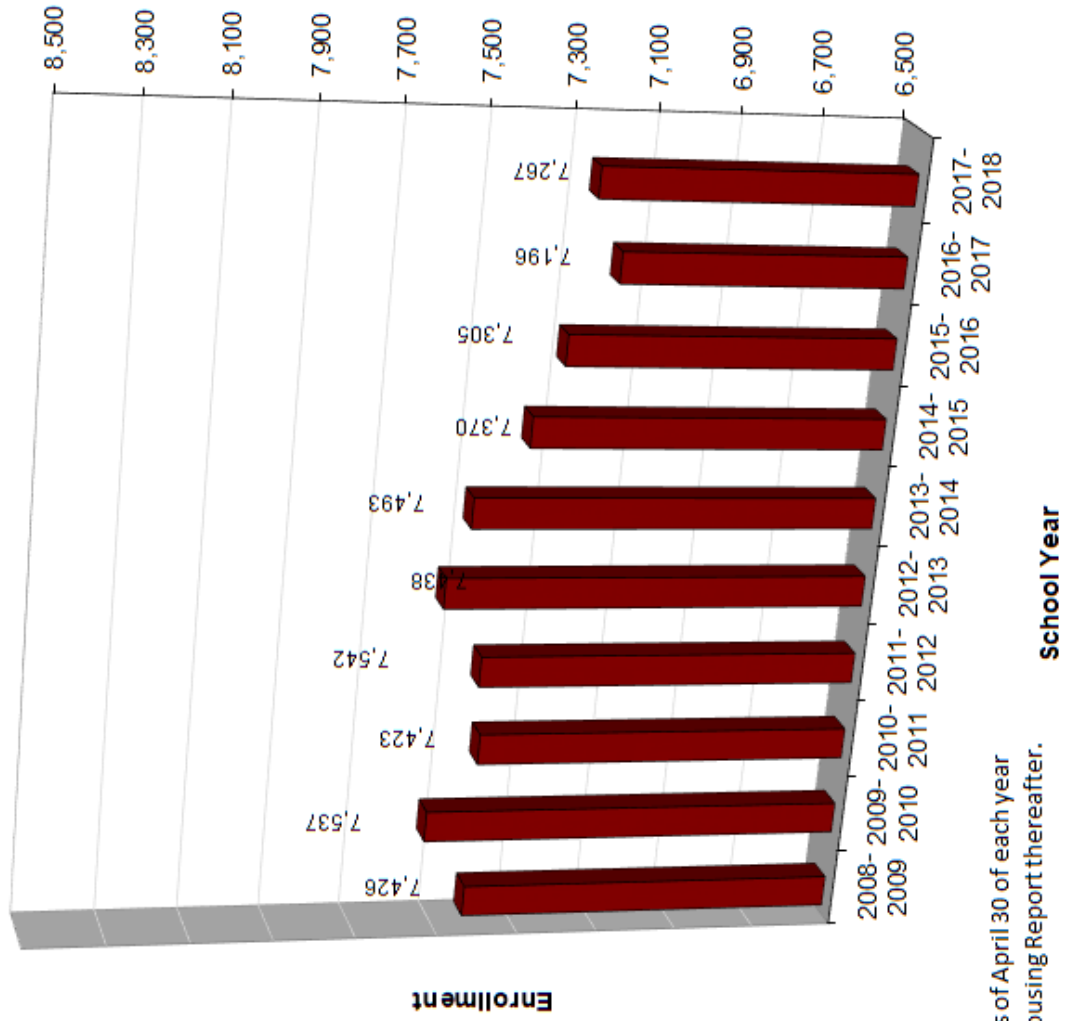
Employee Benefits Liability

	Total				Pupil-Teacher	Percentage of Students
	Expenses	Cost Per Pupil	Percentage Change	Teachers (2)	Ratio	Receiving Free or Reduced-Priced Meals
\$	94,671,278	13,027.56	(6.24)%	443	16.40	56.37%
	91,423,082	12,705	(8.56)	449	16.03	53.73
	92,044,943	12,600	(0.09)	437	16.71	49.69
	102,404,255	13,895	0.05	432	17.06	49.19
	99,118,747	13,228	(2.81)	456	16.43	48.39
	84,143,310	11,157	(18.03)	478	15.78	47.53
	85,333,855	11,473	(15.71)	484	15.37	48.26
	101,029,288	13,610	10.59	505	14.70	47.93
	92,756,419	12,307	3.33	521	14.47	46.39
	88,447,147	11,910	11.65	525	14.14	43.36

**Moline-Coal Valley School District No. 40
Teacher Statistics
Last Ten Fiscal Years
(Unaudited)**



**Moline-Coal Valley School District No. 40
Enrollment Statistics as of April 30
Last Ten Fiscal Years
(Unaudited)**



*Enrollment information as of April 30 of each year through 2012-2013, Fall Housing Report thereafter.

Moline School District No. 40

**Operating Expenditures Per Student
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

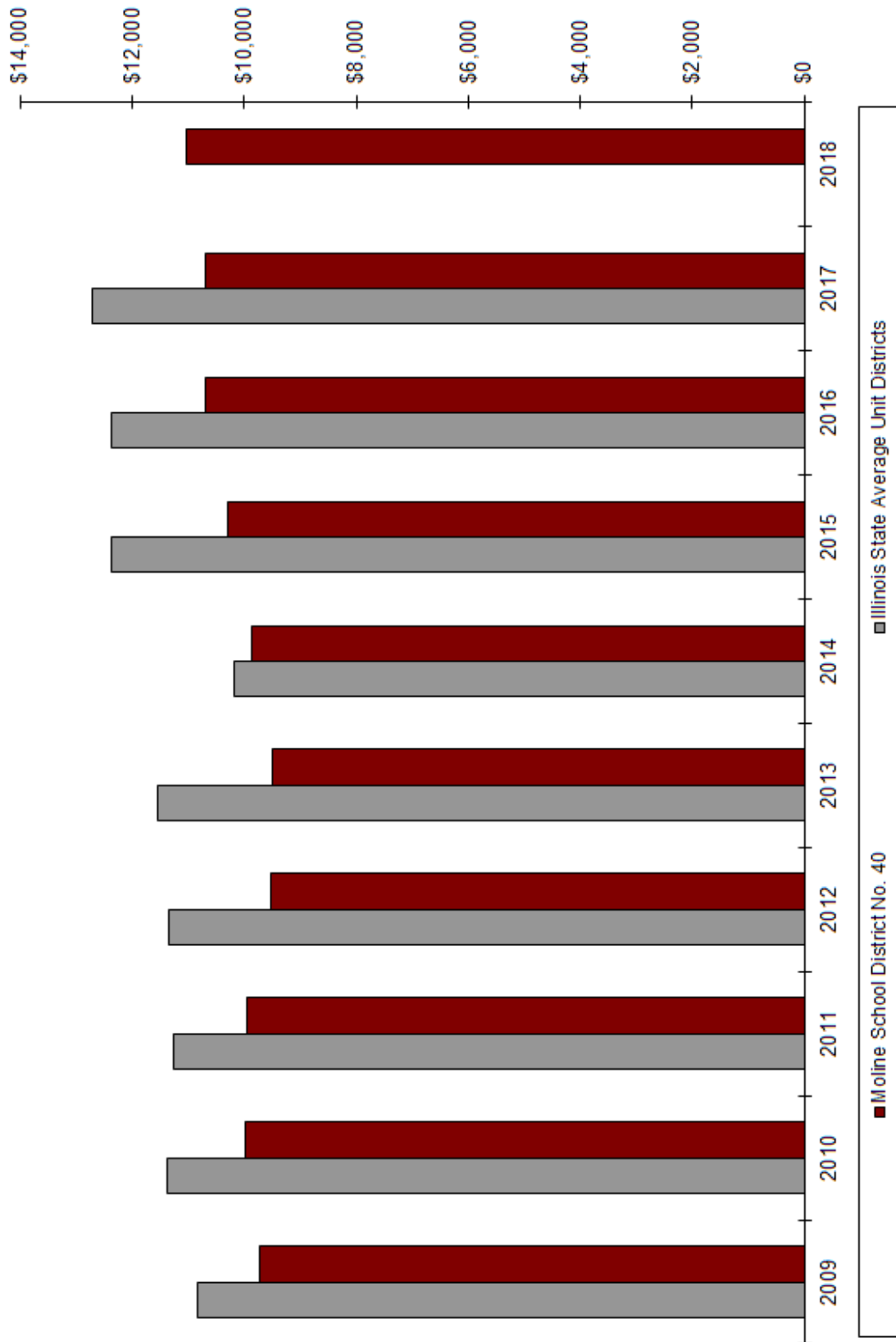
	Fiscal Year			
	2018	2017	2016	2015
Expenditures				
Educational fund *	\$ 62,798,707	\$ 60,955,774	\$ 60,391,247	\$ 58,667,408
Operations and maintenance fund	10,435,023	6,380,692	6,238,297	6,276,269
Debt service fund	6,999,751	3,781,449	3,813,076	3,788,995
Transportation fund	999,577	921,874	1,325,752	1,114,846
Municipal retirement fund	2,383,461	2,066,483	2,062,835	2,374,105
Tort fund	966,350	940,287	1,319,115	1,086,518
Total	84,582,869	75,046,559	75,150,322	73,308,141
Less expenditures not applicable to operation of regular programs:				
Early childhood	718,892	710,755	691,165	667,375
Summer school	94,520	81,179	124,461	74,899
Capital outlay	5,271,438	909,123	1,507,989	
Bond principal retired	6,064,100	2,982,002	2,950,002	2,843,098
Lease/purchases principal retired	-	-	-	-
Tuition	252,460	102,280	59,268	53,812
Federal special education	-	-	-	-
Community services	349,065	185,758	179,376	172,640
Nonprogrammed charges	183,843	142,472	270,204	258,812
Total	12,934,318	5,113,569	5,782,465	5,183,896
Net operating expenditures	\$ 71,648,551	\$ 69,932,990	\$ 69,367,857	\$ 68,124,245
Average daily attendance	6,492.78	6,537.55	6,541.00	6,623.00
Net operating expenditure per student	\$ 11,035.11	\$ 10,697.13	\$ 10,605.08	\$ 10,286.01
State average operating expense per student - all districts (2)	N/A	N/A	\$ 12,973.10	\$ 12,824.06
State average operating expense per student - unit districts (2)	N/A	N/A	\$ 12,374.36	\$ 12,375.38
*Educational fund expenditures from annual financial report	\$ 62,141,686	\$ 75,544,231	\$ 72,930,800	\$ 70,538,147
Less "on-behalf of" payments	(4,409,293)	(15,158,233)	(13,890,945)	(13,020,750)
Less Internal Service Fund contributions (in excess) under of claims	2,013,739	569,776	1,351,392	1,150,011
	\$ 59,746,132	\$ 60,955,774	\$ 60,391,247	\$ 58,667,408

(2) Illinois State Board of Education, 2016 data not available until Spring 2017

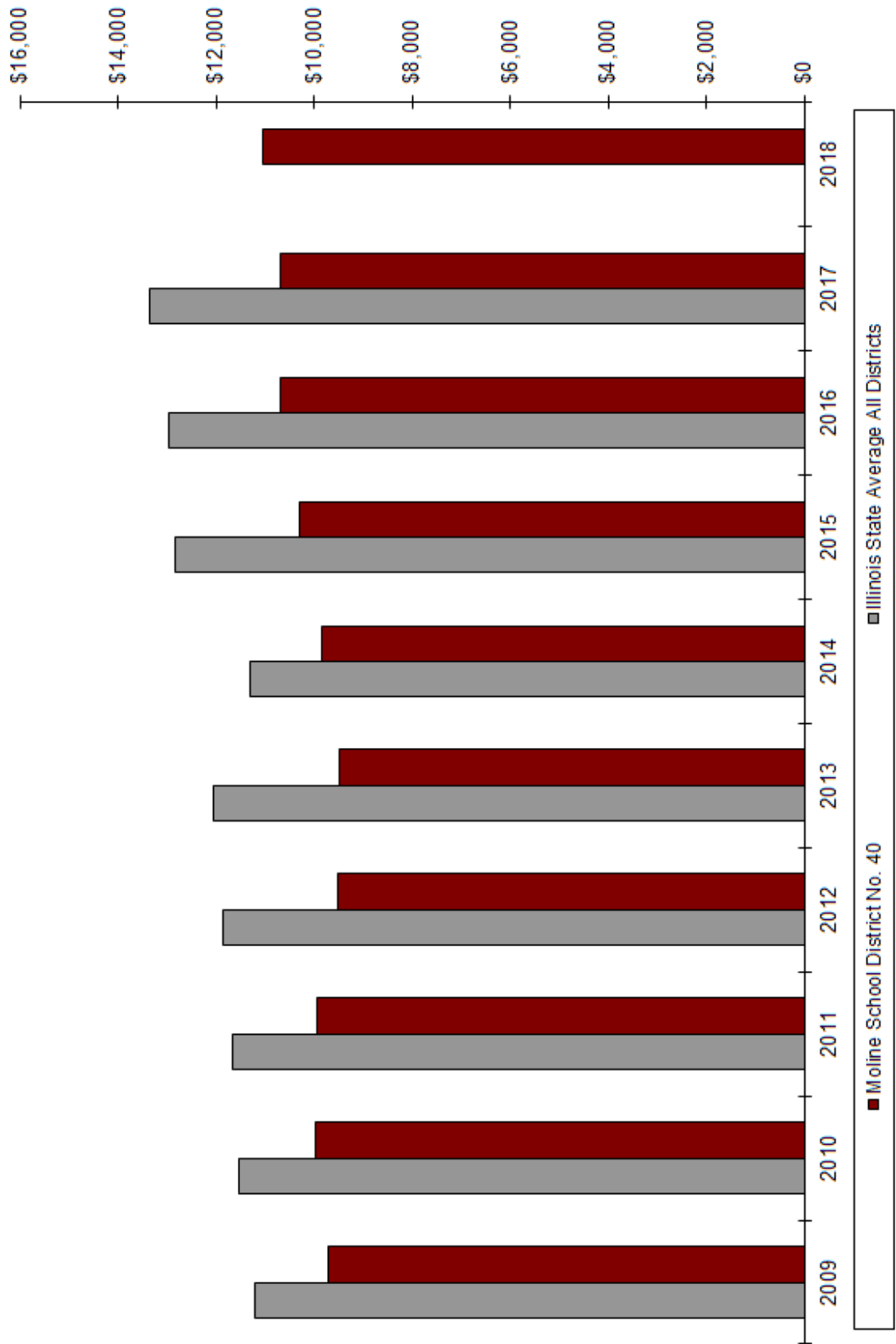
Source of Information: 2009-2018 Annual Financial Report

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 57,467,025	\$ 57,485,896	\$ 59,181,169	\$ 61,304,623	\$ 62,904,503	\$ 59,612,809	
6,219,147	6,118,966	5,842,486	5,928,597	6,174,043	6,721,786	
3,541,514	3,824,584	3,823,250	4,596,014	3,566,014	3,606,175	
1,077,775	944,913	658,291	951,048	966,202	901,621	
2,252,550	2,130,079	2,076,614	2,091,865	1,980,496	1,765,261	
1,329,398	1,242,649	1,005,252	876,351	835,118	775,270	
<u>71,887,409</u>	<u>71,747,087</u>	<u>72,587,062</u>	<u>75,748,498</u>	<u>76,426,376</u>	<u>73,382,922</u>	
642,280	658,756	728,436	644,262	725,412	666,401	
62,552	2,912	17,937	11,679	62,485	86,466	
762,537	1,348,440	894,574	832,226	1,298,486	1,131,475	
2,736,290	2,964,576	2,797,955	3,966,425	3,350,000	3,125,000	
-	-	-	-	-	41,779	
694,508	1,244,267	1,467,648	1,397,765	1,232,757	1,361,342	
-	-	-	-	-	-	
173,789	171,117	173,487	211,907	144,131	168,113	
330,840	107,986	112,883	105,958	130,025	117,257	
<u>5,402,796</u>	<u>6,498,054</u>	<u>6,192,920</u>	<u>7,170,222</u>	<u>6,943,296</u>	<u>6,697,833</u>	
\$ 66,484,613	\$ 65,249,033	\$ 66,394,142	\$ 68,578,276	\$ 69,483,080	\$ 66,685,089	
6,746.99	6,876.67	6,964.76	6,898.35	6,957.32	6,857.71	
\$ 9,853.97	\$ 9,488.46	\$ 9,532.87	\$ 9,941.26	\$ 9,987.05	\$ 9,724.10	
\$ 11,296.83	\$ 12,040.08	\$ 11,841.53	\$ 11,663.55	\$ 11,537.06	\$ 11,196.59	
\$ 10,177.41	\$ 11,532.48	\$ 11,338.19	\$ 11,261.70	\$ 11,370.09	\$ 10,821.03	
\$ 69,754,386	\$ 67,990,525	\$ 67,807,861	\$ 69,856,674	\$ 72,408,633	\$ 67,085,306	
(13,644,693)	(10,888,676)	(9,923,271)	(9,236,968)	(9,301,243)	(6,617,407)	
1,357,332	384,047	1,296,579	684,917	(202,887)	(855,090)	
<u>\$ 57,467,025</u>	<u>\$ 57,485,896</u>	<u>\$ 59,181,169</u>	<u>\$ 61,304,623</u>	<u>\$ 62,904,503</u>	<u>\$ 59,612,809</u>	

**Moline-Coal Valley School District No. 40
 Operating Expenditures Per Student
 State Average Comparison - Unit Districts
 (Unaudited)**



**Moline-Coal Valley School District No. 40
 Operating Expenditures Per Student
 State Average Comparison - All Districts
 (Unaudited)**



Moline School District No. 40

**Schedule of Insurance in Force
Fiscal Year 2017 - 2018
(Unaudited)**

- I. Property (includes Boiler & Machinery and Inland Marine)
 - A. Policy #: ZCC014523810
 - B. Carrier: Citizens Insurance Co. of Illinois
 - C. Policy Period: July 1, 2017 to July 1, 2018
 - D. Premium: \$182,326
 - E. Limit: Blanket per Statement of Values on file
\$25,000 Deductible (except earthquake \$100,000 deductible)

- II. General Liability & Employee Benefits Liability
 - A. Policy #: ZCC014523810
 - B. Carrier: Citizens Insurance Co. of Illinois
 - C. Policy Period: July 1, 2017 to July 1, 2018
 - D. Premium: \$60,571
 - E. Limit: \$2,000,000 Aggregate Limit with No Deductible - General Liability
\$3,000,000 Aggregate Limit with \$1,000 Deductible -
Employee Benefits Liability

- III. Automobile/Garagekeepers
 - A. Policy #: ABC016334211
 - B. Carrier: Citizens Insurance Co. of Illinois
 - C. Policy Period: July 1, 2017 to July 1, 2018
 - D. Premium: \$25,557
 - E. Limit: \$1,000,000 Liability Limit with No Deductible
\$1,000 Deductible on Comprehensive/Collision
\$30,000 Garagekeepers Legal Liability
\$500/\$2,500 Comprehensive Deductible; \$500 Collision
Deductible

- IV. Fidelity/Crime Bond
 - A. Policy #: 83FA0233390-17
 - B. Carrier: The Hartford
 - C. Policy Period: July 1, 2017 to July 1, 2018
 - D. Premium: \$6,415
 - E. Limit: \$1,000,000/\$5,000 Deductible

- V. Workers' Compensation and Employers' Liability
 - A. Policy #: A28700700
 - B. Carrier: Argent/West Bend
 - C. Policy Period: July 1, 2017 to July 1, 2018
 - D. Premium: \$274,244
 - E. Limit: \$500,000 each Accident

(Continued)

Moline School District No. 40

Schedule of Insurance in Force (Continued)

Fiscal Year 2017 - 2018

(Unaudited)

VI.	School Leaders Errors and Omissions	
A.	Policy #:	ZCC014523810
B.	Carrier:	Citizens Insurance Co. of Illinois
C.	Policy Period:	July 1, 2017 to July 1, 2018
D.	Premium:	\$17,003
E.	Limit:	\$1,000,000/\$25,000 Deductible
VII.	Excess Liability Insurance (Umbrella)	
A.	Policy #:	UHC038317910
B.	Carrier:	Hanover Insurance Group
C.	Policy Period:	July 1, 2017 to July 1, 2018
D.	Premium:	\$22,346
E.	Limit:	\$10,000,000 Limit with \$10,000 Retention
VIII.	Cyber Liability	
A.	Policy #:	ZCC014523810
B.	Carrier:	Citizens Insurance Co. of Illinois
C.	Policy Period:	July 1, 2017 to July 1, 2018
D.	Premium:	\$100
E.	Limit:	\$50,000 Aggregate Limit/\$5,000 Deductible
VIII.	Treasurer's Bond	Employee Benefits Liability
A.	Policy #:	0021172
B.	Carrier:	Underwriters at Lloyd's, London
C.	Policy Period:	July 1, 2017 to July 1, 2018
D.	Premium:	\$19,419
E.	Limit:	\$32,638,639

Source of Information: District insurance records

Moline School District No. 40

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year			
	2018	2017	2016	2015
Elementary:				
Addams Elementary School				
Square feet	25,138	25,138	25,138	25,138
Capacity	284	284	284	284
Enrollment	283	267	260	267
Bicentennial Elementary School				
Square feet	47,600	47,600	47,600	47,600
Capacity	370	370	370	370
Enrollment	299	304	307	315
Butterworth Elementary School				
Square feet	29,942	29,942	29,942	29,942
Capacity	411	411	411	411
Enrollment	268	305	251	259
Ericsson Elementary School****				
Square feet	-	-	-	22,912
Capacity	-	-	-	233
Enrollment	-	-	-	Employee Benefits Liability
Franklin Elementary School				
Square feet	28,646	28,646	28,646	28,646
Capacity	370	370	370	370
Enrollment	267	280	274	258
Garfield Elementary School****				
Square feet	-	-	-	37,621
Capacity	-	-	-	357
Enrollment	-	-	-	379
Hamilton Elementary School*				
Square feet	85,619	85,619	85,619	17,075
Capacity	600	600	600	192
Enrollment	572	579	541	-
Lincoln-Irving Elementary School				
Square feet	41,960	41,960	41,960	41,960
Capacity	492	492	492	492
Enrollment	388	424	443	443
Logan Elementary School				
Square feet	41,472	41,472	41,472	41,472
Capacity	413	413	413	413
Enrollment	323	319	352	383
Mann Elementary School				
Square feet	36,555	36,555	36,555	36,555
Capacity	372	372	372	372
Enrollment	-	-	-	-
Roosevelt Elementary School				
Square feet	56,774	56,774	56,774	56,774
Capacity	484	484	484	484
Enrollment	328	321	346	301

(Continued)

Fiscal Year					
2014	2013	2012	2011	2010	2009
25,138	25,138	25,138	25,138	25,138	25,138
284	284	284	284	284	284
316	309	294	335	327	313
47,600	47,600	47,600	47,600	47,600	47,600
370	370	370	370	370	370
299	293	304	364	343	350
29,942	29,942	29,942	29,942	29,942	29,942
411	411	411	411	411	411
290	308	279	382	362	342
22,912	22,912	22,912	22,912	22,912	22,912
233	233	233	233	233	233
172	178	170	180	226	216
28,646	28,646	28,646	28,646	28,646	28,646
370	370	370	370	370	370
268	248	262	296	315	321
37,621	37,621	37,621	37,621	37,621	37,621
357	357	357	357	357	357
291	279	288	334	337	336
17,075	17,075	17,075	17,075	17,075	17,075
192	192	192	192	192	192
106	138	149	172	159	177
41,960	41,960	41,960	41,960	41,960	41,960
492	492	492	492	492	492
390	384	386	448	484	438
41,472	41,472	41,472	41,472	41,472	41,472
413	413	413	413	413	413
385	403	398	482	493	478
36,555	36,555	36,555	36,555	36,555	36,555
372	372	372	372	372	372
-	-	-	-	-	-
56,774	56,774	56,774	56,774	56,774	56,774
484	484	484	484	484	484
274	266	256	314	332	346

Moline School District No. 40

**School Building Information (Continued)
Last Ten Fiscal Years
(Unaudited)**

School	Fiscal Year			
	2018	2017	2016	2015
Washington Elementary School				
Square feet	44,223	44,223	44,223	44,223
Capacity	366	366	366	366
Enrollment	271	253	291	295
Willard Elementary School				
Square feet	30,108	30,108	30,108	30,108
Capacity	267	267	267	267
Enrollment	221	197	196	269
Middle:				
Deere Middle School				
Square feet	108,520	108,520	108,520	108,520
Capacity	854	854	854	854
Enrollment	764	749	756	755
Wilson Middle School				
Square feet	113,010	113,010	113,010	113,010
Capacity	963	963	963	963
Enrollment	860	853	842	Employee Benefits Liability
High:				
Moline High School				
Square feet	352,958	352,958	352,958	352,958
Capacity	2,333	2,333	2,333	2,333
Enrollment	2,082	2,040	2,117	2,122
Wharton Field House				
Square feet	33,000	33,000	33,000	33,000
Capacity	-	-	-	-
Enrollment	-	-	-	-
Other:				
Coolidge/Alternative High School				
Square feet	98,232	98,232	98,232	98,232
Capacity	623	623	623	623
Enrollment	94	78	72	65
Jefferson Early Childhood Center**				
Square feet	17,998	17,998	17,998	17,998
Capacity	171	171	171	171
Enrollment	247	227	257	260
Allendale/Administrative Services				
Square feet	17,400	17,400	17,400	17,400
Capacity	-	-	-	-
Enrollment	-	-	-	-
Blackhawk School/Leased Facility***				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Students in Non-District Buildings	-	-	-	1
Total enrollment	7,267	7,196	7,305	7,370

* Hamilton was not in session during the 2014-2015 school year due to construction.

** Students attend half days.

*** The District separated from Blackhawk School as of 6/30/14.

****Garfield and Ericsson closed 6/30/15.

Source of Information: Enrollment information from District enrollment records.

Occupancy/capacity and square feet from District facilities records.

Fiscal Year						
2014	2013	2012	2011	2010	2009	
44,223	44,223	44,223	44,223	44,223	44,223	
366	366	366	366	366	366	
280	272	263	285	287	331	
30,108	30,108	30,108	30,108	30,108	30,108	
267	267	267	267	267	267	
265	251	243	254	247	254	
108,520	108,520	108,520	96,557	96,557	96,557	
854	854	854	623	623	623	
761	812	828	515	478	447	
113,010	113,010	113,010	105,220	105,220	105,220	
963	963	963	731	731	731	
853	857	840	565	572	595	
352,958	352,958	352,958	352,958	352,958	352,958	
2,333	2,333	2,333	2,333	2,333	2,333	
2,089	1,948	1,939	1,954	2,023	1,941	
33,000	33,000	33,000	33,000	33,000	33,000	
-	-	-	-	-	-	
-	-	-	-	-	-	
98,232	98,232	98,232	98,232	98,232	98,232	
623	623	623	623	623	623	
66	106	66	85	87	90	
17,998	17,998	17,998	17,998	17,998	17,998	
171	171	171	171	171	171	
248	284	262	256	290	254	
17,400	17,400	17,400	17,400	17,400	17,400	
-	-	-	-	-	-	
-	-	-	-	-	-	
17,579	17,579	17,579	17,579	17,579	17,579	
229	229	229	229	229	229	
-	-	-	-	-	-	
140	206	211	202	175	197	
7,493	7,542	7,438	7,423	7,537	7,426	

Moline School District No. 40

District Owned Buildings

June 30, 2018

Building Name	Occupancy*	Square Feet	Enrollment
Moline High School	2,333	352,958	2,082
Wharton Field House	-	33,000	-
Total high school	2,333	385,958	2,082
Deere Middle School	854	108,520	764
Wilson Middle School	963	113,010	860
Total middle schools	1,817	221,530	1,624
Addams Elementary School	284	25,138	283
Bicentennial Elementary School	370	47,600	299
Butterworth Elementary School	411	29,942	268
Ericsson Elementary School***	-	-	-
Franklin Elementary School	370	28,646	267
Garfield Elementary School***	-	-	-
Hamilton Elementary School	600	85,619	572
Lincoln-Irving Elementary School	492	41,960	388
Logan Elementary School	413	41,472	323
Horace Mann Elementary School	372	36,555	-
Roosevelt Elementary School	484	56,774	328
Washington Elementary School	366	44,223	271
Willard Elementary School	267	30,108	221
Total elementary schools	4,429	468,037	3,220
Coolidge/Alternative High School	623	98,232	94
Jefferson Early Childhood Center **	171	17,998	247
Total special schools	794	116,230	341
Allendale/Administrative Services	-	17,400	-
Total	9,373	1,209,155	7,267
Students in Non-District Buildings			-
Total Enrollment			7,267

*Capacity

** Students attend half days

***Garfield and Ericsson closed 6/30/15.

Source of Information: Enrollment information from District enrollment records.

Occupancy/capacity and square feet from District facilities records.