

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124

FOX LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	5 - 6
Supplemental Information	
Management's Discussion and Analysis	7 - 11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	12
Statement of Activities - Modified Cash Basis	13
Fund Financial Statements	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions - Governmental Funds	14
Reconciliation of the Governmental Funds Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions to the Statement of Net Position	15
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Cash Receipts, Disbursements, and Changes in Fund Balances to the Statement of Activities	17
Statement of Assets, Liabilities, and Net Position Arising from Cash Transactions - Fiduciary Funds	18
Notes to the Financial Statements	19 - 41

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
Audited Individual Fund Financial Statements	
Detail Statements of Cash Receipts, Disbursements and Changes in Fund Balance - Budget and Actual	
Educational Fund	42 - 45
Operations and Maintenance Fund	46
Transportation Fund	47
Municipal Retirement/Social Security Fund	48
Working Cash Fund	49
Bond and Interest Fund	50
Capital Projects Fund	51
Detail Statements of Cash Receipts, Disbursements and Changes in Fund Balance - Fiduciary Funds	52
Annual Federal Financial Compliance Section	
Cover Sheet	53
Schedule of Expenditures of Federal Awards	54 - 56
Schedule of Findings and Questioned Costs	57
Notes to Schedule of Expenditures of Federal Awards	58
Supplemental Information	
Schedule of the District's Proportionate Share of the Net Pension Liability - TRS	59
Schedule of Employer Contributions - TRS	60
Schedule of Changes in the IMRF Net Pension Liability and Related Ratios	61
Schedule of Employer IMRF Contributions	62
Notes to Schedule of Employer IMRF Contributions	63
Schedule of Assessed Valuations, Tax Rates and Tax Extensions	64
Schedule of Operating Expenditures Per Student	65
Schedule of Per Capita Tuition Charge	66



Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

2122 YEDMAN STREET • WAUKEGAN, ILLINOIS 60087
TELEPHONE (847) 662-8300 • FAX (847) 662-8305

JAMES R. HENRY, C.P.A.
KEVIN P. KINNAVY, C.P.A.
JOHN D. ACETO, JR., C.P.A.

ALLAN J. JACOBS, C.P.A., OF COUNSEL
VINCENT A. VARSEK, C.P.A., OF COUNSEL

PAUL E. KAMSCHULTE, C.P.A., RETIRED

RALPH S. JACOBS, C.P.A., 1935-1976
JAMES E. EVOY, C.P.A., 1970-2008

INDEPENDENT AUDITOR'S REPORT

Board of Education
Grant Community High School District No. 124
Fox Lake, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Grant Community High School District No. 124, as of and for the year ending June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents. We have also audited the individual fund financial statements presented as audited individual fund financial statements as of and for the year ended June 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic and individual fund, financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, and each major fund, and each individual fund, of the Grant Community High School District No. 124, as of June 30, 2018, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant Community High School District No. 124's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were 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 supplemental information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018, on our consideration of Grant Community High School District No. 124's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant Community High School District No. 124's internal control over financial reporting and compliance.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 11, 2018
Waukegan, Illinois



Evoy, Kamschulte, Jacobs & Co. LLP

Certified Public Accountants

2122 YEOMAN STREET • WAUKEGAN, ILLINOIS 60087
TELEPHONE (847) 662-8300 • FAX (847) 662-8305

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PAUL E. KAMSCHULTE, C.P.A., RETIRED

RALPH S. JACOBS, C.P.A., 1935-1976
JAMES E. EVOY, C.P.A., 1970-2008

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

Board of Education
Grant Community High School District No. 124
Fox Lake, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Grant Community High School District No. 124 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Grant Community High School District No. 124's basic financial statements, and have issued our report thereon dated October 11, 2018, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grant Community High School District No. 124's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grant Community High School District No. 124's internal control. Accordingly, we do not express an opinion on the effectiveness of Grant Community High School District No. 124's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant Community High School District No. 124's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grant Community High School District No. 124's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 11, 2018
Waukegan, Illinois



Evoy, Kamschulte, Jacobs & Co. LLP

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

Board of Education
Grant Community High School District No. 124
Fox Lake, Illinois

Report on Compliance for Each Major Federal Program

We have audited Grant Community High School District No. 124's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Grant Community High School District No. 124's major federal programs for the year ended June 30, 2018. Grant Community High School District No. 124's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Grant Community High School District No. 124's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Grant Community High School District No. 124's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Grant Community High School District No. 124's compliance.

Opinion on Each Major Federal Program

In our opinion, Grant Community High School District No. 124 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of Grant Community High School District No. 124 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Grant Community High School District No. 124's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Grant Community High School District No. 124's internal control over compliance.

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

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

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

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October 11, 2018
Waukegan, Illinois

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Our discussion and analysis of the Grant Community High School District No. 124's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2018 by \$104,373,832 (net position). Of this amount, \$30,832,936 (unrestricted net position) may be used to finance the District's day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.
- The District's total net position increased by \$2,927,259.
- At June 30, 2018, the District's governmental funds reported combined fund balances of \$40,210,736, a decrease of \$3,405,978 over the prior year due to anticipated expenses related to a planned construction project being realized as well as a scheduled abatement to offset debt payments. Approximately 76.7% of this amount, \$30,832,936, may be used to finance day-to-day operations (unassigned fund balance), which was approximately 101.0% of General (Education) Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 12 and 13) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 14. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as agent for the benefit of those outside the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 9. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's net position and changes in it. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we report the District's governmental activities. All of the District's services are reported here, including instructional services, support services, community services, and non-programmed charges. Property taxes, earnings on investments, fees, and state and federal grants finance most of these activities.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(Continued)

USING THIS ANNUAL REPORT (continued)

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 10. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants.

- Governmental funds--All of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation schedule in the financial statements.

The General Fund's fund balance decreased by \$505,707 to \$30,832,936. The Operations & Maintenance Fund's fund balance decreased by \$50,719 to \$2,553,051 and the Transportation Fund's fund balance decreased by \$329,963 to \$2,523,131.

The District as Trustee

The District is the trustee, or fiduciary, for its student's activity funds. All of the District's fiduciary activities are reported in a separate Statement of Assets, Liabilities, and Net Position Arising from Cash Transactions on page 18, and a Statement of Cash Receipts, Disbursements and Changes in Fund Balance on page 52. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information to a full understanding of the government-wide financial statements. The notes to the financial statements are contained on pages 19-41.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net position and statement of activities is presented below.

Net Position	GOVERNMENTAL ACTIVITIES	
	2018	2017
Current and other assets	\$ 40,210,736	\$ 43,616,714
Capital Assets	64,163,096	63,554,859
Total Assets	\$ 104,373,832	\$ 107,171,573
Current Liabilities	\$ -	\$ 5,725,000
Long-term debt outstanding	-	-
Total Liabilities	\$ -	\$ 5,725,000
	\$ 104,373,832	\$ 101,446,573
Net Assets:		
Invested in capital assets, net of related debt	\$ 64,163,096	\$ 57,829,859
Restricted	9,377,800	12,278,071
Unrestricted	30,832,936	31,338,643
Total Net Position	\$ 104,373,832	\$ 101,446,573

Changes in Net Position

Receipts	GOVERNMENTAL ACTIVITIES	
	2018	2017
Program Receipts		
Charges for services	\$ 900,908	\$ 930,242
Operating grants	11,852,272	11,520,443
Capital grants	-	-
General Receipts		
Property taxes	23,332,125	25,862,577
Other taxes	260,195	310,960
Earnings on investments	404,117	182,861
General state aid	4,189,824	3,494,455
Other	102,731	33,560
Total Revenues	\$ 41,042,172	\$ 42,335,098
Disbursements		
Program Disbursements		
Instruction	\$ 23,289,573	\$ 23,215,908
Support services	12,362,076	11,036,582
Community services	80,595	72,983
Interest on long-term debt	144,625	433,041
Depreciation - unallocated	2,238,044	2,130,603
Total Disbursements	\$ 38,114,913	\$ 36,889,117
Increase (Decrease) in net position	\$ 2,927,259	\$ 5,445,981
Net Position - Beginning	101,446,573	96,000,592
Net Position - Ending	\$ 104,373,832	\$ 101,446,573

The net position of the District's governmental activities' increased by \$2,927,259. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — decreased by \$505,707 to \$30,832,936.

This decrease in unrestricted net position arose primarily because expenses were greater than state and local revenues received.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(Continued)

THE DISTRICT'S FUNDS

At June 30, 2018, the Districts' governmental funds (as presented in the Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions on page 14) reported a combined fund balance of \$40,210,736, which is below last year's total of \$43,616,714. The primary reasons for the governmental funds decrease was due to anticipated operating expenses.

General Fund Budgetary Highlights

The July 1, 2017 to June 30, 2018 budget was approved by the Board of Education on July 20, 2017, and was amended on June 21, 2018 to better allocate expenditures based upon more current information. The budget is a general guide for the financial activity of the District.

General (Education) Fund actual receipts were more than the budgeted amounts due primarily to more than anticipated receipts of property taxes as well as the state of Illinois payment of back obligations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had \$64,163,096 invested in capital assets, including land, land improvements, buildings and furniture and equipment, as shown below.

Capital Assets at Year End, net of depreciation	Governmental Activities	
	2018	2017
Land and Improvements	\$ 8,627,340	\$ 8,936,136
Buildings	52,974,338	52,396,063
Furniture and Equipment	2,561,418	2,222,660
Totals	\$ 64,163,096	\$ 63,554,859

The significant capital assets additions during the current fiscal year were for updates to the following: building and land improvements, technology infrastructure, furnishings and equipment.

The District's fiscal year 2019 budget calls for it to spend \$2,669,419 for capital projects, primarily for the completion of renovations and repairs to the existing building and grounds, furnishings and equipment related to these, and additional technology infrastructure updates.

See notes 1 and 3 to the financial statements for additional information about changes in capital assets and depreciation.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2018
 (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At June 30, 2018, the District had no long-term debt outstanding as shown below.

<u>Outstanding Debt at Year End</u>	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
General Obligation Bonded Debt	\$ -	\$ 5,725,000
Capital lease Obligations	-	-
Totals	<u>\$ -</u>	<u>\$ 5,725,000</u>

For the year ended June 30, 2018, principal payments on outstanding debt totaled \$5,725,000 and interest payments totaled \$144,625. The 2008 General Obligation School Building Bonds with the current year's principal reduction are paid in full.

There was no new long term debt issued during the year ended June 30, 2018. The last long-term debt issuance of the District (April 1, 2008) carried a Standard and Poor's rating of "Aa2". The District's total amount of long-term debt is well within its legal debt limit.

See note 4 to the financial statements for additional information about long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Education and administration consider many factors when setting the fiscal year budget and determining tax rates. We are cautious, but optimistic, with the recent passage and implementation of more equitable school funding reform. Property values are beginning to rise however commercial growth continues to be limited. There has been a slight increase in residential growth with construction re-starting on previous subdivisions. The District maintains long term planning for enrollment, curriculum and instruction, facilities, and finances. The Board of Education and administration will continue to monitor long term planning needs with local economic data and State funding availability.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Beth Reich, Business Manager, 285 East Grand Avenue, Fox Lake, IL 60020, 847-587-2561.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and Investments	\$ 40,210,736
Capital Assets	
Land	\$ 4,190,703
Land Improvements	6,497,234
Buildings	73,646,034
Furniture and Equipment	9,300,250
Less Accumulated Depreciation	(29,471,125)
Total Capital Assets, Net	\$ 64,163,096
Total Assets	\$ 104,373,832
 LIABILITIES	 \$ -
 NET POSITION	
Net Investment in Capital Assets	\$ 64,163,096
Restricted	
Operations and Maintenance	2,553,051
Transportation	2,523,131
Municipal Retirement/Social Security	904,693
Working Cash	3,135,409
Debt Service	261,084
Capital Projects	432
Unrestricted	30,832,936
 TOTAL NET POSITION	 \$ 104,373,832

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTION/PROGRAMS	Program Receipts		Charges for	Net (Disbursements)	
Governmental Activities	Disbursements	Operating Grants and Contributions	Services	Governmental Activities	Total
Instruction					
Regular	\$ 16,153,732	\$ 9,621,380	\$ 424,767	\$ (6,107,585)	\$ (6,107,585)
Special Education	4,824,538	494,608	-	(4,329,930)	(4,329,930)
Career & Tech Education	653,623	21,955	-	(631,668)	(631,668)
Interscholastic	1,404,338	-	-	(1,404,338)	(1,404,338)
Summer School	80,081	-	-	(80,081)	(80,081)
Driver's Education	173,261	-	-	(173,261)	(173,261)
Supporting Services					
Pupils	1,627,035	-	-	(1,627,035)	(1,627,035)
Instructional Staff	1,624,232	2,741	-	(1,621,491)	(1,621,491)
General Administration	1,094,085	-	-	(1,094,085)	(1,094,085)
School Administration	586,625	-	-	(586,625)	(586,625)
Business	6,330,797	1,711,588	476,141	(4,143,068)	(4,143,068)
Central	1,099,302	-	-	(1,099,302)	(1,099,302)
Community Services	80,595	-	-	(80,595)	(80,595)
Interest and Other Charges	144,625	-	-	(144,625)	(144,625)
Depreciation-Unallocated	2,238,044	-	-	(2,238,044)	(2,238,044)
Total Governmental Activities	<u>\$ 38,114,913</u>	<u>\$ 11,852,272</u>	<u>\$ 900,908</u>	<u>\$ (25,361,733)</u>	<u>\$ (25,361,733)</u>
GENERAL RECEIPTS					
Taxes					
Property Taxes, levied for general purposes					
Property Taxes, levied for debt service					
Property Taxes, levied for other specific purposes					
Personal Property Replacement					
Unrestricted Earnings on Investments					
General State Aid					
Other					
<u>TOTAL GENERAL RECEIPTS</u>					
<u>CHANGE IN NET POSITION</u>					
<u>NET POSITION - BEGINNING</u>					
<u>NET POSITION - ENDING</u>					

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	Educational Fund	Operations & Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Bond & Interest Fund	Capital Projects Fund	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 30,832,936	\$ 2,553,051	\$ 2,523,131	\$ 904,693	\$ 3,135,409	\$ 261,084	\$ 432	\$ 40,210,736
TOTAL ASSETS	<u>\$ 30,832,936</u>	<u>\$ 2,553,051</u>	<u>\$ 2,523,131</u>	<u>\$ 904,693</u>	<u>\$ 3,135,409</u>	<u>\$ 261,084</u>	<u>\$ 432</u>	<u>\$ 40,210,736</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES								
Restricted								
Operations & Maintenance	\$ -	\$ 2,553,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,553,051
Transportation Services	\$ -	\$ -	2,523,131	\$ -	\$ -	\$ -	\$ -	2,523,131
Employee Benefits Payments	\$ -	\$ -	\$ -	904,693	\$ -	\$ -	\$ -	904,693
Interfund Borrowing	\$ -	\$ -	\$ -	\$ -	3,135,409	\$ -	\$ -	3,135,409
Bond Payments	\$ -	\$ -	\$ -	\$ -	\$ -	261,084	\$ -	261,084
Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	432	432
Unassigned	30,832,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30,832,936
TOTAL FUND BALANCES	<u>\$ 30,832,936</u>	<u>\$ 2,553,051</u>	<u>\$ 2,523,131</u>	<u>\$ 904,693</u>	<u>\$ 3,135,409</u>	<u>\$ 261,084</u>	<u>\$ 432</u>	<u>\$ 40,210,736</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,832,936</u>	<u>\$ 2,553,051</u>	<u>\$ 2,523,131</u>	<u>\$ 904,693</u>	<u>\$ 3,135,409</u>	<u>\$ 261,084</u>	<u>\$ 432</u>	<u>\$ 40,210,736</u>

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

**GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balances - Governmental Funds	\$ 40,210,736
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$93,634,221, and the accumulated depreciation is \$(29,471,125).	64,163,096
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	-
Total Net Position of Governmental Activities	<u>\$ 104,373,832</u>

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund			
RECEIPTS								
Taxes	\$ 15,216,247	\$ 4,065,775	\$ 259,451	\$ 791,611	\$ 2,897,295	\$ -	\$ 23,592,320	
Tuition	65,357	-	-	-	-	-	65,357	
Earnings on Investments	288,313	23,947	17,198	5,552	14,542	-	404,117	
Food Service Fees	476,141	-	-	-	-	-	476,141	
Pupil Activity Fees	359,410	-	-	-	-	-	359,410	
Rentals	-	2,994	-	-	-	-	2,994	
Contributions	-	78,440	-	-	-	-	78,440	
Other	1,579	19,718	-	-	-	-	21,297	
State Aid	12,744,019	1,000,000	1,431,817	-	-	-	15,175,836	
Federal Aid	866,260	-	-	-	-	-	866,260	
TOTAL RECEIPTS	\$ 30,017,326	\$ 5,190,874	\$ 1,708,466	\$ 797,163	\$ 2,911,837	\$ -	\$ 41,042,172	
DISBURSEMENTS								
Current								
Instruction								
Regular	\$ 16,053,399	-	\$ -	\$ 100,333	\$ -	\$ -	\$ 16,153,732	
Special Education	2,268,487	-	-	51,190	-	-	2,319,677	
Career & Tech Education	646,757	-	-	6,866	-	-	653,623	
Interscholastic	1,357,779	-	-	46,559	-	-	1,404,338	
Summer School	79,073	-	-	1,008	-	-	80,081	
Driver's Education	171,160	-	-	2,101	-	-	173,261	
Supporting Services								
Pupils	1,573,513	-	-	53,522	-	-	1,627,035	
Instructional Staff	1,593,707	-	-	30,525	-	-	1,624,232	
General Administration	1,078,056	-	-	16,029	-	-	1,094,085	
School Administration	565,159	-	-	21,466	-	-	586,625	
Business	1,183,144	2,766,254	2,037,494	343,905	-	-	6,330,797	
Central	1,055,395	-	-	43,907	-	-	1,099,302	
Community Service	80,595	-	-	-	-	-	80,595	
Nonprogrammed Charges								
Special Education	2,360,088	86,714	-	58,059	-	-	2,504,861	
Debt Service								
Principal	-	-	-	-	5,725,000	-	5,725,000	
Interest and Other Charges	-	-	-	-	144,625	-	144,625	
Capital Outlay	456,721	2,368,625	935	-	-	-	2,846,281	
TOTAL DISBURSEMENTS	\$ 30,523,033	\$ 5,241,593	\$ 2,038,429	\$ 775,470	\$ 5,869,625	\$ -	\$ 44,448,150	
NET CHANGE IN FUND BALANCE	\$ (505,707)	\$ (50,719)	\$ (329,963)	\$ 21,693	\$ (2,957,788)	\$ -	\$ (3,405,878)	
FUND BALANCE - JULY 1, 2017	31,338,643	2,603,770	2,853,094	883,000	3,218,872	432	43,616,714	
FUND BALANCE - JUNE 30, 2018	\$ 30,832,936	\$ 2,553,051	\$ 2,523,131	\$ 904,693	\$ 261,084	\$ 432	\$ 40,210,736	

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF CASH RECEIPTS,
DISBURSEMENTS AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Excess of Receipts and Other Financing Sources Over (Under)		
Disbursements and Other Financing (Uses) - Governmental Funds	\$	(3,405,978)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay \$2,846,281 exceeds depreciation expense \$2,238,044.		608,237
Issuing long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. During the year, the amount long-term debt principal paid was \$5,725,000.		5,725,000
Change in Net Position of Governmental Activities	\$	2,927,259

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION ARISING FROM
CASH TRANSACTIONS - FIDUCIARY FUNDS
STUDENT ACTIVITIES & SERVICE ACCOUNTS
JUNE 30, 2018

ASSETS

Cash and Investments	\$ <u>359,791</u>
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TOTAL ASSETS	\$ <u>359,791</u>
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LIABILITIES

Due to Student Groups	\$ 331,695
Due to Employees	<u>28,096</u>

TOTAL LIABILITIES	\$ <u>359,791</u>
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NET POSITION	<u><u>\$ -</u></u>
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See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Grant Community High School District No. 124 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding sources entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

New Accounting Standards

During fiscal year 2018, the District adopted or considered the following GASB statements:

- *GASBS 75, accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*
- *GASBS 80, Blending Requirements for Certain Component Units.*
- *GASBS 81, Irrevocable Split-Interest Arrangements.*
- *GASBS 82, Pension Issues-an Amendment of GASB Statement No. 67, 68 & 73.*

Basis of Presentation

District-wide Statements: The Statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no Business-Type Activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's Programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—*governmental, and fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports all its funds as major governmental funds.

The District reports the following major governmental funds:

- *General Fund.* This fund consists of the Educational Fund, is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in these funds.
- *Special Revenue Fund.* This fund includes the Operations and Maintenance Fund, Transportation Fund, the Illinois Municipal Retirement/Social Security Fund, the Working Cash Fund, and the Tort Immunity Fund. The Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement Fund, and Tort Immunity Fund are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. The District maintains a Working Cash Fund, which accounts for financial resources held by the District to be used for temporary interfund loans to any other governmental fund. Also, by Board resolution, financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. Although not an expendable fund the District Classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within this fund.
- *Debt Service Fund.* The Bond and Interest Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.
- *Capital Projects Fund.* This fund consists of the Capital Projects Fund, which accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

Fiduciary Funds Types. Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Agency Funds (Activity Funds) include both Student Activity Funds and Service Accounts. They account for assets held by the District as agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets, except that certain service account assets represent District activities and are shown as an interfund receivable/payable. This arrangement is for convenience only.

Basis of Accounting

The district-wide financial statements are reported using the modified cash basis of accounting. The cash basis of accounting is modified to account for: recording of depreciation on fixed assets, recognition of the net depreciated value of fixed assets, and, recognition of long-term liabilities. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes, grants, entitlements and donations are recognized when received consistent with the cash basis of accounting.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The governmental fund financial statements, and all other financial statements, are reported using the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grant, and then by general revenues.

Investments

Investments, if any, are reported at fair market value in the district-wide and fund financial statements. Gains or losses, if any, on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education. At the time of acquisition it is the District's intention to hold all investments to maturity.

Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. The District generally capitalizes assets with a cost of \$500 or more as purchases occur.

Depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements is as follows:

	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	Straight Line	20 Years
Buildings	Straight Line	50 Years
Equipment, other than food service	Straight Line	10 Years
Food Service equipment	Straight Line	10 Years
Transportation equipment	Straight Line	5 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, 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 position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgets and Budgetary Accounting

The budget for all major Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The July 1, 2017 to June 30, 2018 budget, was passed on July 20, 2017, and was amended on June 21, 2018.

For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

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

2. CASH AND INVESTMENTS

The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 235/2 and 235/6, and Chapter 105, Section 5/8-7.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be at least 102 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The District's Board of Education approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

2. CASH AND INVESTMENTS (continued)

Deposits (continued)

At June 30, 2018, the carrying amount of the District's deposits was \$31,724,273, which excludes a \$400 petty cash fund. The deposits in the Student Activity accounts had a carrying amount of \$359,791. At year end, the District and Student Activity account bank balances were \$32,014,950 and \$367,204 respectively. As of June 30, 2018, \$5,267,038 of the combined entity's bank balance of \$32,382,154 was exposed to custodial credit risk as follows:

	Bank Balance
Collateralized with securities held by the pledging financial institution	\$ 5,267,038

Investments

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

	Maturity Date	Historical Cost	Fair Value	% of Total
US Treasury Obligations				
U.S. Treasury Bill	7/19/2018	499,585	502,587	6%
U.S. Treasury Bill	8/9/2018	1,199,456	1,206,674	14%
		1,699,041	1,709,261	
External Investment Pools:				
Illinois School District Liquid Asset Fund - Max	N/A	\$ 4,585,418	\$ 4,585,418	54%
Illinois School District Liquid Asset Fund	N/A	2,191,384	2,191,384	26%
Total Investments		\$ 8,475,843	\$ 8,486,063	100%

The School District adopted the new accounting guidance as established by GASB 72 *Fair Value Measurement and Application* during the year ended June 30, 2016. This statement affected the reporting of certain investments as shown in the table above. The increase in value of \$10,220 has been recorded in the financial statements as an increase of asset value and investment income.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Standards & Poor's rates the money market funds invested with the Illinois School District Liquid Asset Fund AAA.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. Many of the District's investments are exposed to a concentration of credit risk greater than 5 percent as represented in the table above.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

	Balance July 1, 2017	Additions	Transfers/ Deletions	Balance June 30, 2018
Capital Assets not Being Depreciated				
Land	\$ 4,190,703	\$ -	\$ -	\$ 4,190,703
Construction in Progress	-	-	-	-
Total Capital Assets not Being Depreciated	<u>\$ 4,190,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,190,703</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 6,497,234	\$ -	\$ -	\$ 6,497,234
Building and Improvements	71,594,660	2,051,374	-	73,646,034
Equipment	7,797,497	794,907	-	8,592,404
Transportation Equipment	707,846	-	-	707,846
Total Capital Assets Being Depreciated	<u>\$ 86,597,237</u>	<u>\$ 2,846,281</u>	<u>\$ -</u>	<u>\$ 89,443,518</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (1,751,801)	\$ (308,796)	\$ -	\$ (2,060,597)
Building and Improvements	(19,198,597)	(1,473,099)	-	(20,671,696)
Equipment	(5,732,436)	(450,080)	-	(6,182,516)
Transportation Equipment	(550,247)	(6,069)	-	(556,316)
Total Accumulated Depreciation	<u>\$ (27,233,081)</u>	<u>\$ (2,238,044)</u>	<u>\$ -</u>	<u>\$ (29,471,125)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>\$ 59,364,156</u>	<u>\$ 608,237</u>	<u>\$ -</u>	<u>\$ 59,972,393</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 63,554,859</u>	<u>\$ 608,237</u>	<u>\$ -</u>	<u>\$ 64,163,096</u>

Depreciation was not charged to any specific function.

4. LONG-TERM DEBT

Prior Years' Debt Defeasance

In prior years the District has defeased a part of certain bond issues by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's government-wide financial statements. As of June 30, 2018, the amount of defeased debt outstanding amounted to \$2,860,000.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

4. LONG-TERM DEBT (continued)

Changes in Long-Term Debt

	Balance July 1, 2017	Additions	Retired/ Deceased	Balance June 30, 2018	Amounts Due Within One Year
2008 General Obligation School Building Bonds	\$ 5,725,000	\$ -	\$ 5,725,000	\$ -	\$ -
	<u>\$ 5,725,000</u>	<u>\$ -</u>	<u>\$ 5,725,000</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2018, all current bonds are paid in full.

There remains in the Debt Service Fund \$257,708 from retired Bond issues (\$62,603 in real estate taxes and \$195,105 of interest income), the appropriate disposition of which is yet to be determined.

Debt Limit

The Illinois School Code limits the amount of indebtedness to 6.9 percent of \$816,200,173, the most recent available assessed valuation of the District. The District's remaining debt margin at June 30, 2018, is \$56,317,812, which is 100.0 percent of its total legal debt limit.

The District has collected \$3,376 of bond and interest fund real estate taxes on behalf of School District #118.

5. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences in fund balance presentations.

Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Because the District reports on the cash basis of accounting all such items are expensed at the time of purchase, and therefore there are no amounts that fall into this classification.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The District reports several special revenue funds; the source of funding is through specific real estate tax levies. Namely the Operations and Maintenance Fund Levy, Transportation Fund Levy, Municipal Retirement/Social Security Fund Levy, Working Cash Fund Levy and the Tort Immunity Fund Levy.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

5. FUND BALANCE REPORTING (Continued)

Committed Fund Balance

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

The School Board commits funds balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No funds are currently committed.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the superintendent when the School board has delegated the authority to assign amounts to be used for a specific purpose. No funds are currently assigned.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned Fund Balance amounts are shown in the financial statements in the Educational Fund/ General Fund.

Net Position Restrictions

The district-wide statements of net position reports \$9,377,800 of restricted net assets, all of which is restricted by enabling legislation for specific purposes.

6. RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

6. RETIREMENT FUND COMMITMENTS (Continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

TRS issues a publicly available financial report that can be obtained at <http://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 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

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

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

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

Contributions

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

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

On-Behalf Contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, state of Illinois contributions recognized by the employer 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 \$8,839,810 in pension contributions from the state of Illinois.

2.2 formula contributions: The District contributes 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 \$69,917.

Federal and Special Trust Fund Contributions: When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal trust funds. For the years ended June 30, 2018, salaries totaling \$130,212 were paid from federal and special trust funds that required employer contributions of \$13,151.

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 55 at retirement. For the year ended June 30, 2018, the employer paid \$-0- to TRS for employer ERO contributions.

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

Net Pension Liability and Pension Expense

At June 30, 2017, the most recent actuarial valuation date, the District's proportionate share of the net pension liability (first amount shown below) reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's 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:

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Net Pension Liability and Pension Expense (Continued)

District's proportionate share of the net pension liability	\$	971,974
State's proportionate share of the net pension liability associated with the District		89,821,588
	\$	90,793,562

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportionate share was 0.0012722486 percent, which was an increase (decrease) of 0.0007278014 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$8,839,810 and revenue of \$8,839,810 for support provided by the state.

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: the Inflation Rate was assumed to be 2.50%; Salary Increases were expected to be varied by amount of service credit; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 7.00%.

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 adjustments were used in the June 30, 2016 actuarial valuation.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities Large Cap	14.4%	6.94%
U.S. Equities Small Cap	3.6%	8.09%
International Equities Developed	14.4%	7.46%
Emerging Market Equities	3.6%	10.15%
U.S. Bond Core	10.7%	2.44%
International Debt Developed	5.3%	1.70%
Real Estate	15.0%	5.44%
Commodities (Real Return)	11.0%	4.28%
Hedge Funds	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which is a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$ 1,194,197	\$ 971,974	\$ 789,955

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

TRS Fiduciary Net Position

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

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is 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 note. 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's net position, and required supplementary information. That report for download at www.imrf.org.

Benefits Provided

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

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months with the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67 by the *lesser* of: 3% of the original pension amount, or ½ of the increase in the Consumer Price Index of the original pension amount.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Employees Covered by Benefit Terms

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

	IMRF
Retirees and Beneficiaries Currently receiving benefits	65
Inactive Plan Members entitled to but not yet receiving benefits	62
Active Plan Members	99
Total	226

Contributions

As set by statute, the District's Regular Plan Members are required to Contribute 4.5% of their annual covered salary. The statute requires employers to contribute that amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar 2017 was 10.28%. For fiscal year ended June 30, 2018, the District contributed \$325,520 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. For the fiscal year ended June 30, 2018 the District recognized pension expense of \$325,527 for payments made to IMRF.

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: 1) The Actuarial Cost Method used was Entry Age Normal. 2) The Asset Valuation Method used was Market Value of Assets. 3) The Inflation Rate was assumed to be 2.75%. 4) Salary Increases were expected to be 3.75% to 14.50%, including inflation. 5) The Investment Rate of Return was assumed to be 7.50%. 6) 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. 7) The IMRF-specific rates for Mortality (for non-disabled retirees) were developed for the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. 8) For Disabled Retirees, and IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. 9) For Active Members, and IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. 10) 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 rate of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

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

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rates reflects: 1) The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and 2) The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purposes of the most recent valuation, expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balance at December 31, 2016	\$ 10,236,664	\$ 8,781,388	\$ 1,455,276
Changes for the year			
Service Costs	307,167	-	307,167
Interest on the Total Pension Liability	762,003	-	762,003
Difference between Expected & Actual Exper.	(37,577)	-	(37,577)
Assumption Changes	(340,195)	-	(340,195)
Contributions Employee & Employer	-	440,888	(440,888)
Net Investment Income	-	1,568,696	(1,568,696)
Benefit Payments & Refunds	(460,405)	(460,405)	-
Other (Net Transfer)	-	(306,038)	306,038
Net Changes	230,993	1,243,141	(1,012,148)
Balance at December 31, 2017	<u>\$ 10,467,657</u>	<u>\$ 10,024,529</u>	<u>\$ 443,128</u>

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

6. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

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

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 11,776,532	\$ 10,467,657	\$ 9,379,481
Plan Fiduciary Net Position	10,024,529	10,024,529	10,024,529
Net Pension Liability	\$ 1,752,003	\$ 443,128	\$ (645,048)

AGGREGATE PENSION-RELATED INFORMATION

Aggregate pension related information of the District at June 30, 2018 is as follows:

	Net Pension Liability	Amount Recognized as Expense
Teachers' Retirement System (TRS)	\$ 971,974	\$ 8,839,810
Illinois Municipal Retirement Fund (IMRF)	443,128	325,527
	<u>\$ 1,415,102</u>	<u>\$ 9,165,337</u>

SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$200,108, the total required contribution for the current fiscal year.

7. OTHER POST-EMPLOYMENT BENEFIT PROGRAMS (OPEB)

DISTRICT OPEB PLAN

The District provides a health insurance stipend to thirty-nine retired and soon to be retired employees. The stipend is payable at \$100 a month for a maximum of \$1,200 per year for a 15 year period or until the death of the employee. During the year ended June 30, 2018, the district paid \$39,600 in health insurance stipends. Future payments under this program, as of June 30, 2018, are as follows:

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

7. POST-EMPLOYMENT BENEFITS PROGRAMS (Continued)

DISTRICT OPEB PLAN (Continued)

Year Ending June 30,	Amount
2019	\$ 37,200
2020	33,600
2021	30,000
2022	26,400
2023	21,600
2024-2028	79,200
2029-2033	37,200
2034-2035	2,400
	\$ 267,600

TEACHER'S HEALTH INSURANCE SECURITY FUND OPEB

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

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

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active members of TRS, including substitute and part-time non-contractual teachers, who are not employees of a state agency covered by the state employees' health plan, to make a contribution to the THIS Fund. The member contribution rate for the ended June 30, 2018 was 1.18 percent of earnings. 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 year.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

7. POST-EMPLOYMENT BENEFITS PROGRAMS (Continued)

TEACHER'S HEALTH INSURANCE SECURITY FUND (continued)

On behalf contributions to THIS Fund: The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were \$142,245, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund: The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$106,081 to the THIS Fund, which was 100 percent of the required contribution.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017. The total net OPEB liability is the System's total OPEB liability less the fiduciary net position. The net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2016, the most recent actuarial valuation date, the District's proportionate share of the net OPEB liability was \$15,077,616. The District's proportion of the net pension liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportionate share was 0.058104 percent, which was an increase (decrease) of 0.003994 from its proportion measured as of June 30, 2016.

Actuarial Assumptions and Discount Rate

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: the Inflation Rate was assumed to be 2.75%; Salary Increases were expected to be varied by amount of service credit and ranges from 9.25 at 1 year of service to 3.25% at 20 or more years of service, including a 3.25% wage inflation assumption; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 0.00%; the Healthcare Cost Trend Rates were actual trend used for fiscal year 2017, and for fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Projected benefit payments were discounted to their actual present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with 20-year general obligation bond index has been selected. The discount rates

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

7. POST-EMPLOYMENT BENEFITS PROGRAMS (Continued)

TEACHER'S HEALTH INSURANCE SECURITY FUND (continued)

Actuarial Assumptions and Discount Rate (Continued)

are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

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

During plan year ending June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2017 was a negative \$43 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's Proportionate Share of the Net OPEB Liability	\$ 18,093,060	\$ 15,077,616	\$ 12,664,783

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

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rate Assumption	1% Increase (b)
District's Proportionate Share of the Net OPEB Liability	\$ 35,341,287	\$ 38,960,635	\$ 49,747,738

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

7. POST-EMPLOYMENT BENEFITS PROGRAMS (Continued)

TEACHER'S HEALTH INSURANCE SECURITY FUND (continued)

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

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

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

THIS Fiduciary Net Position

Detailed information about THIS's fiduciary net position as of June 30, 2017 is available in the separately issued *THIS Financial Audit*.

8. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2017 Levy was passed by the Board on November 16, 2017. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately June 1 and September 1 of the year subsequent to the Levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2017 and 2016 tax levy years. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of assessed valuation.

	Legal Limit	Actual	
		2017 Levy	2016 Levy
Educational	*	\$ 1.853	\$ 1.917
Operations and Maintenance	0.550	0.502	0.520
Bond and Interest	*	-	0.770
Transportation	*	0.031	0.035
Municipal Retirement	*	0.043	0.044
Social Security	*	0.043	0.044
Working Cash	0.050	0.045	0.046
SEDOL IMRF	*	0.007	0.008
		<u>\$ 2.523</u>	<u>\$ 3.383</u>

* As Needed

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

9. COMMITMENTS

Operating Lease Obligations

The District leases certain office and transportation equipment under operating lease expiring in 2019. The leases require various monthly payments. Current year rent expense was \$302,763. The minimum future rental payments under this non-cancelable operating lease in the aggregate are:

Year Ending June 30,	Amount
2019	\$ 126,839
2020	30,476
	\$ 157,315

10. 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 and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

11. TORT IMMUNITY INSURANCE

The District does not levy the Tort Immunity (liability insurance) special tax levy. Tort Immunity related disbursements have been included in the operations of the general (educational) fund. As required by the Illinois State Board of Education, the District reports the following disbursements for tort immunity purposes for the year ended June 30, 2018:

Property and Liability Insurance	\$ 81,112
Worker's Compensation Insurance	92,175
	\$ 173,287

12. INVESTMENT IN JOINT AGREEMENTS

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational Education, etc. This District has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return of its investment should it choose to withdraw from the joint agreement.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

12. INVESTMENT IN JOINT AGREEMENTS (Continued)

Lake County High School Technology Campus

The District is a member of the Lake County High School Technology Campus, along with other area school districts. The Lake County High School Technology Campus provides vocational education programs and services which benefit District students, and also provides jointly administered grants and programming which benefits the District. The District is financially responsible for annual and special assessments as established by the Lake County High School Technology Campus governing board, and fees for programs and services based on usage. The Lake County Technology Campus is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from the Lake County Technology Campus by contacting its administration at 19525 West Washington Street, Grayslake, Illinois 60030.

Special Education District of Lake County

The District is a member of the Special Education District of Lake County (SEDOL), along with other area school districts. SEDOL provides special education programs and services which benefit District students, and also provides jointly administered grants and programming which benefits the District. The District is financially responsible for annual and special assessments as established by the SEDOL board of trustees, and fees for programs and services based on usage. SEDOL is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from SEDOL at 18160 Gages Lake Road, Gages Lake, Illinois 60030.

Lake Region Schools Benefit Cooperative

The District is a member of the Lake Region Schools Benefit Cooperative (LRSBC), along with other area school districts. LRSBC's purpose is to manage and fund medical claims of District employees. The District is financially responsible for monthly premiums based on types and levels of coverage provided to employees. LRSBC is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from LRSBC by contacting its administration.

Collective Liability Insurance Cooperative

The District is a member of the Collective Liability Insurance Cooperative (CLIC), along with other area school districts. The District obtains property, liability and workers compensation insurance, and claims and loss administration services, through CLIC. The District is financially responsible for annual premiums based on types and levels of coverage. CLIC is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from CLIC, by contacting its administration, in care of, High School District 113 at 1040 Park Avenue West, Highland Park, Illinois 60035.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

13. STEWARDSHIP AND COMPLIANCE

Over-expenditure of Budget

For the year ended June 30, 2018, actual disbursements exceeded the budgeted disbursements in the following individual funds:

Special Revenue Fund				
IMRF Fund	\$	775,470	\$	775,228
	\$	242		
	<u>\$</u>	<u>775,470</u>	<u>\$</u>	<u>775,228</u>
	<u>\$</u>	<u>242</u>	<u>\$</u>	<u>242</u>

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 15,181,005	\$ 15,181,005	\$ 15,216,247
Tuition	80,000	50,000	65,357
Earnings on Investments	85,000	100,000	288,313
Food Service Fees	400,000	450,000	476,141
Pupil Activity Fees	436,500	401,500	359,410
Other	500	500	1,579
Total Receipts from Local Sources	<u>\$ 16,183,005</u>	<u>\$ 16,183,005</u>	<u>\$ 16,407,047</u>
Receipts from State Sources			
General State Aid	\$ 2,600,000	\$ 2,600,000	\$ 3,189,824
Special Education	514,000	514,000	491,500
Career and Technical Education	21,955	22,429	21,955
Bilingual Education	3,186	3,186	3,108
Free Lunch & Breakfast	1,500	1,500	3,224
Driver Education	50,000	50,000	49,612
Other Grants-In-Aid	2,000	2,000	2,741
TRS Employer Contribution - "On Behalf" Receipts	4,263,000	10,500,000	8,982,055
Total Receipts from State Sources	<u>\$ 7,455,641</u>	<u>\$ 13,693,115</u>	<u>\$ 12,744,019</u>
Federal Aid			
National School Lunch Program	\$ 235,000	\$ 250,000	\$ 276,547
Title I - Low Income	134,462	180,311	174,647
Title IV - Safe & Drug-Free Schools Form		10,000	9,000
Federal Special Education	344,059	383,177	213,620
Career and Technical Education	21,596	21,596	21,596
Title II - Teacher Quality	19,536	41,358	39,305
Medicaid Matching Funds	25,000	100,000	131,545
Total Receipts from Federal Sources	<u>\$ 779,653</u>	<u>\$ 986,442</u>	<u>\$ 866,260</u>
TOTAL RECEIPTS	<u>\$ 24,418,299</u>	<u>\$ 30,862,562</u>	<u>\$ 30,017,326</u>
DISBURSEMENTS	<u>26,138,274</u>	<u>32,773,235</u>	<u>30,523,033</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,719,975)</u>	<u>\$ (1,910,673)</u>	<u>\$ (505,707)</u>
FUND BALANCE - JULY 1, 2017			<u>31,338,643</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 30,832,936</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SCHEDULE OF DISBURSEMENTS
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

INSTRUCTION	Original Budget	Final Budget	Actual
Regular Programs			
Salaries	\$ 6,001,489	\$ 6,074,351	\$ 6,003,716
Employee Benefits	963,461	967,509	777,476
TRS Employer Contribution - "On Behalf" Payments	4,263,000	10,500,000	8,982,055
Purchased Services	37,420	57,588	39,676
Supplies & Materials	336,681	358,112	247,874
Capital Outlay	15,400	17,884	11,267
Other	10,555	10,555	2,602
Total Regular Programs	<u>\$ 11,628,006</u>	<u>\$ 17,985,999</u>	<u>\$ 16,064,666</u>
Special Programs			
Salaries	\$ 1,104,585	\$ 1,141,983	\$ 1,089,654
Employee Benefits	217,840	207,305	183,560
Purchased Services	781,328	781,328	983,987
Supplies & Materials	10,000	10,000	10,926
Other	600	600	360
Total Special Programs	<u>\$ 2,114,353</u>	<u>\$ 2,141,216</u>	<u>\$ 2,268,487</u>
CTE Programs			
Salaries	\$ 545,574	\$ 546,048	\$ 514,969
Employee Benefits	84,715	84,715	67,889
Purchased Services	4,500	19,600	17,447
Supplies & Materials	43,820	50,316	46,452
Capital Outlay	26,596	5,000	-
Other	200	200	-
Total CTE Programs	<u>\$ 705,405</u>	<u>\$ 705,879</u>	<u>\$ 646,757</u>
Interscholastic Programs			
Salaries	\$ 1,065,664	\$ 1,065,664	\$ 1,076,198
Employee Benefits	124,794	124,794	104,014
Purchased Services	129,344	129,344	83,163
Supplies & Materials	102,784	102,784	64,797
Capital Outlay	24,219	24,219	16,203
Other	33,380	33,380	29,607
Total Interscholastic Programs	<u>\$ 1,480,185</u>	<u>\$ 1,480,185</u>	<u>\$ 1,373,982</u>
Summer School			
Salaries	\$ 71,604	\$ 71,604	\$ 71,177
Employee Benefits	10,354	10,354	7,896
Total Summer School	<u>\$ 81,958</u>	<u>\$ 81,958</u>	<u>\$ 79,073</u>
Driver's Education Programs			
Salaries	\$ 146,757	\$ 146,757	\$ 149,311
Employee Benefits	22,923	22,923	16,953
Purchased Services	8,402	8,402	2,406
Supplies & Materials	5,750	5,750	2,490
Total Driver's Education Programs	<u>\$ 183,832</u>	<u>\$ 183,832</u>	<u>\$ 171,160</u>
TOTAL INSTRUCTION	<u>\$ 16,193,739</u>	<u>\$ 22,579,069</u>	<u>\$ 20,604,125</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SCHEDULE OF DISBURSEMENTS
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

SUPPORT SERVICES	Original Budget	Final Budget	Actual
Pupils			
Salaries	\$ 1,302,475	\$ 1,306,209	\$ 1,352,964
Employee Benefits	205,151	205,151	147,729
Purchased Services	38,450	38,450	30,130
Supplies & Materials	34,800	38,165	33,496
Other	11,900	11,900	9,194
Total Pupils	\$ 1,592,776	\$ 1,599,875	\$ 1,573,513
Instructional Staff			
Salaries	\$ 874,771	\$ 898,396	\$ 992,892
Employee Benefits	266,115	266,115	266,842
Purchased Services	146,458	155,897	109,770
Supplies & Materials	276,550	306,550	221,625
Capital Outlay	2,300	21,800	-
Other	2,700	2,700	2,578
Total Instructional Staff	\$ 1,568,894	\$ 1,651,458	\$ 1,593,707
General Administration			
Salaries	\$ 288,045	\$ 288,045	\$ 287,043
Employee Benefits	480,067	672,067	38,074
Purchased Services	347,950	267,950	719,219
Supplies & Materials	16,000	16,000	10,308
Other	27,500	31,000	23,412
Total General Administration	\$ 1,159,562	\$ 1,275,062	\$ 1,078,056
School Administration			
Salaries	\$ 427,125	\$ 465,625	\$ 407,495
Employee Benefits	133,008	133,008	126,340
Purchased Services	6,100	6,100	129
Supplies & Materials	23,500	23,500	17,683
Other	15,500	15,500	13,512
Total School Administration	\$ 605,233	\$ 643,733	\$ 565,159
Business			
Salaries	\$ 579,303	\$ 622,224	\$ 585,315
Employee Benefits	161,756	163,171	148,062
Purchased Services	64,659	77,000	65,824
Supplies & Materials	394,700	394,700	380,450
Capital Outlay	2,000	2,000	-
Other	3,795	3,795	3,493
Total Business	\$ 1,206,213	\$ 1,262,890	\$ 1,183,144
Central			
Salaries	\$ 329,673	\$ 329,673	\$ 342,262
Employee Benefits	67,375	67,375	70,800
Purchased Services	98,709	85,000	107,646
Supplies & Materials	507,900	507,900	534,687
Capital Outlay	250,000	250,000	429,251
Total Central	\$ 1,253,657	\$ 1,239,948	\$ 1,484,646
TOTAL SUPPORT SERVICES	\$ 7,386,335	\$ 7,672,966	\$ 7,478,225

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 SCHEDULE OF DISBURSEMENTS
 BUDGET AND ACTUAL
 EDUCATIONAL FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
COMMUNITY SERVICES			
Purchased Services	\$ 80,000	\$ 81,000	\$ 80,595
NONPROGRAMMED CHARGES			
Purchased Services	\$ 46,200	\$ 46,200	\$ 46,167
Other	2,432,000	2,394,000	2,313,921
TOTAL NONPROGRAMMED CHARGES	<u>\$ 2,478,200</u>	<u>\$ 2,440,200</u>	<u>\$ 2,360,088</u>
TOTAL DISBURSEMENTS	<u>\$ 26,138,274</u>	<u>\$ 32,773,235</u>	<u>\$ 30,523,033</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 4,048,225	\$ 4,048,225	\$ 4,065,775
Earnings on Investments	10,000	10,000	23,947
Rentals	10,000	10,000	2,994
Impact Fees	15,000	15,000	78,440
Other	-	-	19,718
Total Receipts from Local Sources	<u>\$ 4,083,225</u>	<u>\$ 4,083,225</u>	<u>\$ 4,190,874</u>
Receipts from State Sources			
General State Aid	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
TOTAL RECEIPTS	<u>\$ 5,083,225</u>	<u>\$ 5,083,225</u>	<u>\$ 5,190,874</u>
DISBURSEMENTS			
Support Services			
Operations and Maintenance			
Salaries	\$ 1,038,795	\$ 1,038,795	\$ 985,005
Employee Benefits	201,672	201,672	223,372
Purchased Services	810,800	810,800	751,463
Supplies & Materials	816,000	816,000	806,208
Capital Outlay	2,350,000	2,350,000	2,388,625
Other	500	500	206
Total Support Services	<u>\$ 5,217,767</u>	<u>\$ 5,217,767</u>	<u>\$ 5,154,879</u>
Nonprogrammed Charges			
Payments to Other Governmental Units			
Purchased Services	<u>128,223</u>	<u>128,223</u>	<u>86,714</u>
TOTAL DISBURSEMENTS	<u>\$ 5,345,990</u>	<u>\$ 5,345,990</u>	<u>\$ 5,241,593</u>
NET CHANGE IN FUND BALANCE	<u>\$ (262,765)</u>	<u>\$ (262,765)</u>	<u>\$ (50,719)</u>
FUND BALANCE - JULY 1, 2017			<u>2,603,770</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 2,553,051</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 269,057	\$ 269,057	\$ 259,451
Earnings on Investments	7,500	7,500	17,198
Total Receipts from Local Sources	<u>\$ 276,557</u>	<u>\$ 276,557</u>	<u>\$ 276,649</u>
Receipts from State Sources			
State Transportation Aid	<u>940,000</u>	<u>945,000</u>	<u>1,431,817</u>
TOTAL RECEIPTS	<u>\$ 1,216,557</u>	<u>\$ 1,221,557</u>	<u>\$ 1,708,466</u>
DISBURSEMENTS			
Support Services			
Pupil Transportation			
Salaries	\$ 490,421	\$ 527,500	\$ 513,441
Employee Benefits	131,224	129,018	133,420
Purchased Services	1,105,513	1,314,513	1,304,369
Supplies & Materials	70,300	70,000	86,214
Capital Outlay	1,000	1,000	935
Other	<u>1,000</u>	<u>1,000</u>	<u>50</u>
TOTAL DISBURSEMENTS	<u>\$ 1,799,458</u>	<u>\$ 2,043,031</u>	<u>\$ 2,038,429</u>
NET CHANGE IN FUND BALANCE	<u>\$ (582,901)</u>	<u>\$ (821,474)</u>	<u>\$ (329,963)</u>
FUND BALANCE - JULY 1, 2017			<u>2,853,094</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 2,523,131</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 772,462	\$ 772,462	\$ 791,611
Earnings on Investments	3,000	3,000	5,552
TOTAL RECEIPTS	<u>\$ 775,462</u>	<u>\$ 775,462</u>	<u>\$ 797,163</u>
DISBURSEMENTS			
Employee Benefits			
Instruction			
Regular Programs	\$ 120,289	\$ 120,289	\$ 100,333
Special Education Programs	53,862	53,628	51,190
Career and Technical Programs	7,120	7,120	6,866
Interscholastic Programs	50,998	50,998	46,559
Summer School Programs	1,200	1,200	1,008
Driver's Education	2,421	2,421	2,101
Total Instruction	<u>\$ 235,890</u>	<u>\$ 235,656</u>	<u>\$ 208,057</u>
Support Services			
Attendance and Social Work Services	\$ 12,387	\$ 12,387	\$ 11,270
Guidance Services	28,300	28,300	27,019
Health Services	11,215	11,215	11,811
Psychological Services	4,040	4,040	3,422
Improvement of Instruction Services	19,370	19,370	22,381
Educational Media Services	8,908	8,908	8,144
Board of Education Services	275	275	224
Executive Administration Services	16,995	16,995	15,805
Office of the Principal Services	13,525	13,525	21,466
Direction of Business Support Services	19,607	19,607	26,130
Operations and Maintenance Services	185,590	185,590	174,296
Pupil Transportation Services	72,125	72,125	90,743
Food Services	51,000	51,000	52,736
Information Services	38,101	38,101	43,907
Total Support Services	<u>\$ 481,438</u>	<u>\$ 481,438</u>	<u>\$ 509,354</u>
Nonprogrammed Charges	<u>\$ 58,134</u>	<u>\$ 58,134</u>	<u>\$ 58,059</u>
TOTAL DISBURSEMENTS	<u>\$ 775,462</u>	<u>\$ 775,228</u>	<u>\$ 775,470</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ 21,693</u>
FUND BALANCE - JULY 1, 2017			<u>883,000</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 904,693</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 360,267	\$ 360,267	\$ 361,941
Earnings on Investments	20,000	20,000	54,565
	<hr/>	<hr/>	<hr/>
TOTAL RECEIPTS	\$ 380,267	\$ 380,267	\$ 416,506
DISBURSEMENTS	<hr/>	<hr/>	<hr/>
	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 380,267</u>	<u>\$ 380,267</u>	\$ 416,506
FUND BALANCE - JULY 1, 2017			<hr/>
			2,718,903
FUND BALANCE - JUNE 30, 2018			<u>\$ 3,135,409</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND AND INTEREST FUND .
FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Receipts from Local Sources			
Taxes	\$ 2,904,111	\$ 2,904,111	\$ 2,897,295
Earnings on Investments	5,000	5,000	14,542
TOTAL RECEIPTS	<u>\$ 2,909,111</u>	<u>\$ 2,909,111</u>	<u>\$ 2,911,837</u>
DISBURSEMENTS			
Debt Service			
Interest on Bonds	\$ 143,125	\$ 143,125	\$ 143,125
Bond Principal Retired	5,725,000	5,725,000	5,725,000
Fiscal Charges	5,000	5,000	1,500
TOTAL DISBURSEMENTS	<u>\$ 5,873,125</u>	<u>\$ 5,873,125</u>	<u>\$ 5,869,625</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,964,014)</u>	<u>\$ (2,964,014)</u>	<u>\$ (2,957,788)</u>
FUND BALANCE - JULY 1, 2017			<u>3,218,872</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 261,084</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
RECEIPTS			
Receipts from Local Sources			
Earnings on Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS			
Facilities Acquisition and Construction			
Capital Outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL DISBURSEMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - JULY 1, 2017			<u>432</u>
FUND BALANCE - JUNE 30, 2018			<u>\$ 432</u>

See accompanying Independent Auditor's Report.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
STUDENT ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

STUDENT ACTIVITIES	BALANCE JULY 1, 2017	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2018
Art Club	\$ 189	1,144	\$ 1,257	\$ 76
Academic Team	324	532	856	-
Black Student Union	-	500	-	500
Bass Fishing Club	(3)	2,067	2,010	54
Bulldog Alliance	-	500	140	360
Bulldog Café	168	358	340	186
Chess Club	291	750	943	98
Chorus	3,756	11,071	12,191	2,636
Class of 2020	522	9,108	3,681	5,949
Class of 2016	1,286	-	-	1,286
Class of 2021	950	1,569	1,952	567
Class of 2014	500	-	446	54
Class of 2019	2,798	60,243	62,669	372
Class of 2018	377	995	621	751
Debate Club	563	610	918	255
Environmental Club	4,045	500	160	4,385
FBLA	700	2,886	3,044	542
FCCLA	2,842	689	1,436	2,095
Film Club	2,425	500	288	2,637
French Club	167	748	906	9
Frisbee Golf Club	173	500	673	-
Gamers Club	500	500	476	524
Guitar Club	1,255	599	896	958
LaCrosse Club	-	500	294	206
Language Club	(1)	4,326	3,839	486
Literary Magazine	2,000	-	-	2,000
Math Club	1,481	2,560	3,254	787
Miscellaneous	351	1,754	2,131	(26)
Music Club	2,345	15,486	13,137	4,694
National Honor Society	9,283	9,032	6,293	12,022
Pom Pon Club	5,462	39,183	43,876	769
Science Club	496	500	31	965
Ski Club	3,393	5,290	5,835	2,848
Spanish Club	27	894	773	148
Sports Club	118,999	233,207	212,318	139,888
Stand Club	372	-	-	372
Student Council	18,944	2,169	4,971	16,142
Table Tennis	-	500	175	325
Teams	2,943	1,200	1,500	2,643
Thespian Club (Speech)	4,136	8,927	8,929	4,134
Volley for Cure	541	-	-	541
Woodworking Club	820	500	-	1,320
Year Book Club	1,157	543	805	895
Totals - Student Activities	\$ 196,577	\$ 422,940	\$ 404,064	\$ 215,453
ADMINISTRATIVE ACCOUNTS				
Melinda Bowen Scholarship	\$ 14,785	\$ 2	\$ -	\$ 14,787
Grant Memorial Scholarship	4,078	2	-	4,080
Paul Vickers Memorial	14,673	21	5	14,689
Escrow Account	4,003	2	-	4,005
Don Weinstein Scholarship	23,131	11	-	23,142
Partnership Scholarship	55,456	83	-	55,539
Flex Benefit Account	31,150	89,543	92,597	28,096
Totals - Administrative Accounts	\$ 147,276	\$ 89,664	\$ 92,602	\$ 144,338
TOTAL - ALL ACCOUNTS	\$ 343,853	\$ 512,604	\$ 496,666	\$ 359,791

See accompanying Independent Auditor's Report.

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

DISTRICT/JOINT AGREEMENT NAME Grant Community High School District No. 34	RCDT NUMBER 34-049-1240-16	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003289	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) Dr. Christine Sefcik		NAME AND ADDRESS OF AUDIT FIRM EVOY, KAMSCHULTE, JACOBS & CO. LLP 2122 Yeoman Street Waukegan	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i> 285 East Grand Avenue Fox Lake 60020		E-MAIL ADDRESS: jaceto@ekjllp.com	NAME OF AUDIT SUPERVISOR John D. Aceto, Jr., CPA
		CPA FIRM TELEPHONE NUMBER 847-662-8300	FAX NUMBER 847-662-8305

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

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

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

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

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

Grant Community High School District No. 124
34-049-1240-16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditures/Disbursements ⁴			Final Status (E)-(F)-(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 Pass through to Subrecipients (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients (G)		
US DEPARTMENT OF AGRICULTURE									
Child Nutrition Cluster								0	
Passed Through Illinois State Board of Education								0	
(M) National School Lunch Program	10.555	4210-2017	191,720	46,016	191,720	46,016		0	N/A
(M) National School Lunch Program	10.555	4210-2018		200,900		200,900		237,736	N/A
(M) School Breakfast Program	10.553	4220-2017	19,163	4,219	19,163	4,219		0	N/A
(M) School Breakfast Program	10.553	4220-2018		25,412		25,412		23,382	N/A
(M) NSLP: Preferred Meal System	10.555	4210-2018		20,664		20,664		25,412	N/A
(M) DoD Fruits & Vegetables	10.555	4210-2018		19,621		19,621		20,664	N/A
Total Child Nutrition Cluster			210,883	316,832	210,883	316,832		19,621	N/A
TOTAL US DEPARTMENT OF AGRICULTURE			210,883	316,832	210,883	316,832		527,715	
								527,715	
US DEPARTMENT OF EDUCATION								0	
Passed Through Illinois State Board of Education								0	
(M) Title I - Low Income	84.010A	4300-2017	159,257	21,404	180,661			0	
(M) Title I - Low Income	84.010A	4300-2018		153,243		179,311		180,661	
								179,311	
								0	

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

* Include the total amount provided to subrecipients from each Federal program. \$200,510 (b)(4).

The accompanying notes are an integral part of this schedule.

1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
 2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
 3 When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. \$200.510 (b)(2)
 4 The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

Grant Community High School District No. 124
34-049-1240-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Year 7/1/17-6/30/18 Pass through to Subrecipients	Obligations/ Encumb. (G)	Final Status (E)-(F)-(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients				
US DEPARTMENT OF EDUCATION - (Continued)										
Passed Through Illinois State Board of Education									0	
Title II - Teacher Quality	84.367A	4932-2017	18,676	975	19,651				0	
Title II - Teacher Quality	84.367A	4932-2018	38,330			41,358			19,651	19,651
Title IVA - Student Support & Academic Enrich	84.424A	4400-2018		9,000		10,000			41,358	41,358
Special Education Cluster (IDEA)									10,000	10,000
Passed Through Illinois State Board of Education									0	
IDEA Room & Board	84.027A	4625-2017	127,939	62,286	142,154	48,072			0	
IDEA Room & Board	84.027A	4625-2018		107,998		119,998			190,226	
IDEA, Part B - Flow-Through	84.027A	4620-2017	165,521		165,521				119,998	
IDEA, Part B - Flow-Through	84.027A	4620-2018		43,336		201,725			165,521	
Total Special Education Cluster (IDEA)			293,460	213,620	307,675	369,795			201,725	
Total Passed Through ISBE			471,393	436,572	507,987	600,464			677,470	
Passed Through LCAYS									1,108,451	
CTE - Perkins Secondary Program	84.365A	4770-2018		21,596		21,596			0	
Total Passed Through LCAYS			0	21,596		21,596			21,596	
TOTAL US DEPARTMENT OF EDUCATION			471,393	458,168	507,987	622,060			21,596	
									1,130,047	

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

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

The accompanying notes are an integral part of this schedule.

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

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

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)
The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

Grant Community High School District No. 124
34-049-1240-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)-(F)-(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)			
US DEPARTMENT OF HEALTH & HUMAN SERVICES Passed Through Illinois Dept. of Healthcare & Family Services								0	0	
Medicaid Matching Funds - Admin Outreach	93.778	4991-2017	14,653		15,264			0		
Medicaid Matching Funds - Admin Outreach	93.778	4991-2018		14,667		15,278		15,264	N/A	
TOTAL US DEPART. OF HEALTH & HUMAN SERVICES			14,653	14,667	15,264	15,278		15,278	N/A	
TOTAL FEDERAL FINANCIAL ASSISTANCE			696,929	789,667	734,134	954,170		0	1,688,304	
Value of Federal Awards Expended in the Form of Non- Cash Assistance during the Year	10,555	4290-2018	0	0	0	40,285		0	40,285	
Federal Insurance in effect During the Year	N/A	N/A	0	0	0	0		0	0	
Federal Loans or Loan Guarantees, Including Interest Subsidies Outstanding at Year End	N/A	N/A	0	0	0	0		0	0	
Amount Provided to Subrecipients- There were no amounts provided to subrecipients	N/A	N/A	0	0	0	0		0	0	

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

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

The accompanying notes are an integral part of this schedule.

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

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

3 When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)
4 The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees

**GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SUMMARY OF AUDITOR'S RESULTS

1. We have audited the financial statements of Grant Community High School District No. 124 as of and for the year ended June 30, 2018. The District's policy is to prepare its financial statements on the modified cash basis, which is another comprehensive basis of accounting. The auditor's report expresses an unmodified opinion on the financial statements in conformity with the modified cash basis of accounting.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Our audit disclosed no instances of noncompliance, which are material to the financial statements of Grant Community High School District No. 124.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance Required by Uniform Guidance.
5. We have audited the compliance of Grant Community High School District No. 124 with the types of compliance requirements described in the *Office of Management and Budget Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2018, and have issued our unmodified opinion thereon dated October 11, 2018.
6. Audit findings relative to the major federal award programs of Grant Community High School District No. 124 that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported under the Findings and Questioned Costs - Major Federal Award Programs section of this schedule.
7. The following programs were identified as a major programs:

	<u>CFDA #</u>
National School Lunch Program	10.555
School Breakfast Program	10.553
Preferred Meal System Commodities	10.555
Title I – Low Income	84.010A

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Grant Community High School District No. 124 did not qualify as a "low-risk auditee."

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no financial statements findings or major federal award programs findings or questioned costs in the prior year audit.

FINDINGS – CURRENT YEAR FINANCIAL STATEMENTS AUDIT

None.

FINDINGS AND QUESTIONED COSTS – CURRENT YEAR MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Grant Community High School District No. 124. The District's reporting entity is defined in Note 1 to the District's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified cash basis of accounting, which is described in Note 1 to the District's financial statements.

Relationship to Basic Financial Statements

Federal awards received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs, which have filed final reports as of June 30, 2018, with the Illinois State Board of Education.

2. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The fair market value of federal awards expended in the form of non-cash assistance was \$40,285 in the form of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2018.

The amount of federal insurance in effect during the year ended June 30, 2018 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2018 was \$-0-.

3. SUBRECIPIENTS

No amounts were provided to subrecipients during the year ended June 30, 2018.

4. INDIRECT FACILITIES & ADMINISTRATIVE COSTS

The School District did not elect to use a 10% de minimis cost rate.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 SUPPLEMENTAL INFORMATION
 JUNE 30, 2018

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

<u>Fiscal Year Ending June 30</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.1272250%	0.00200005%	0.0035224%	0.0015323%
District's proportionate share of the net pension liability	\$ 971,974	\$ 15,791,146	\$ 2,307,527	\$ 932,552
State's proportionate share of the net pension liability associated with the District	89,821,588	91,250,102	72,692,922	58,154,899
Total	<u>\$ 90,793,562</u>	<u>\$ 107,041,248</u>	<u>\$ 75,000,449</u>	<u>\$ 59,087,451</u>
District's covered-employee payroll	<u>\$ 12,054,653</u>	<u>\$ 12,019,872</u>	<u>\$ 11,583,188</u>	<u>\$ 11,073,966</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.1%	13.1%	19.9%	8.4%
Plan fiduciary net position as a percentage of the total pension liability	39.3%	36.4%	41.5%	43.0%

* The amounts presented were determined as of the prior fiscal-year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

<u>Fiscal Year Ending June 30</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually-required contribution	\$ 61,738	\$ 91,253	\$ 144,357	\$ 62,270
Contributions in relation to the contractually-required contribution	(52,416)	(77,474)	(123,425)	(54,673)
Contribution deficiency (excess)	<u>\$ 9,322</u>	<u>\$ 13,779</u>	<u>\$ 20,932</u>	<u>\$ 7,597</u>
District's covered-employee payroll	<u>\$ 12,054,653</u>	<u>\$ 12,019,872</u>	<u>\$ 11,583,188</u>	<u>\$ 11,073,966</u>
Contributions as a percentage of covered-employee payroll	0.51%	0.80%	1.20%	0.60%

* The amounts presented were determined as of the prior fiscal-year end.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SUPPLEMENTAL INFORMATION
JUNE 30, 2018

TRS NOTES TO SUPPLEMENTARY INFORMATION

Changes of Assumptions

For the 2017 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 9.25% at one year of service to 3.25% at 20 and more years of service.

For the 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 real return of 4.5 percent. Salary increases were assumed to vary by service credit.

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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE IMRF NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2018

Calendar Year Ending December 31,	2017	2016	2015	2014
Total Pension Liability				
Service Costs	\$ 307,167	\$ 301,355	\$ 291,966	\$ 303,885
Interest on the Total Pension Liability	762,003	732,758	682,017	614,267
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	(37,577)	(138,995)	205,442	57,032
Assumption Changes	(340,195)	(24,853)	12,017	367,052
Benefit Payments & Refunds	(460,405)	(558,315)	(452,899)	(388,690)
Net Change in Total Pension Liability	<u>230,993</u>	<u>311,950</u>	<u>738,543</u>	<u>953,546</u>
Total Pension Liability - Beginning	<u>10,236,664</u>	<u>9,924,714</u>	<u>9,186,171</u>	<u>8,232,625</u>
Total Pension Liability - Ending (a)	<u><u>\$ 10,467,657</u></u>	<u><u>\$ 10,236,664</u></u>	<u><u>\$ 9,924,714</u></u>	<u><u>\$ 9,186,171</u></u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 308,533	\$ 291,484	\$ 281,921	\$ 264,843
Employee Contributions	132,355	124,212	121,286	112,960
Pension Plan Net Investment Income	1,568,696	574,345	42,112	483,022
Benefit Payments & Refunds	(460,405)	(558,315)	(452,899)	(388,690)
Other	(306,038)	(48,782)	(41,312)	51,365
Net Change in Plan Fiduciary Net Position	<u>1,243,141</u>	<u>382,944</u>	<u>(48,892)</u>	<u>523,500</u>
Plan Fiduciary Net Position - Beginning	<u>8,781,388</u>	<u>8,398,444</u>	<u>8,447,336</u>	<u>7,923,836</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 10,024,529</u></u>	<u><u>\$ 8,781,388</u></u>	<u><u>\$ 8,398,444</u></u>	<u><u>\$ 8,447,336</u></u>
Net Pension Liability/(Asset) -Ending (a-b)	<u>\$ 443,128</u>	<u>\$ 1,455,276</u>	<u>\$ 1,526,270</u>	<u>\$ 738,835</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.77%	85.78%	84.62%	91.96%
Covered Valuation Payroll	\$ 2,941,213	\$ 2,760,258	\$ 2,695,235	\$ 2,579,409
Net Pension Liability as a Percentage of Covered Valuation Payroll	15.07%	52.72%	56.63%	28.64%

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution As a % of Covered Valuation Payroll
2017	\$ 266,429	\$ 264,843	\$ 1,586	\$ 2,523,002	10.50%
2016	\$ 291,483	\$ 291,484	\$ (1)	\$ 2,760,258	10.56%
2015	\$ 281,922	\$ 281,921	\$ 1	\$ 2,695,235	10.46%
2014	\$ 272,386	\$ 264,843	\$ 7,543	\$ 2,579,409	10.27%

These schedules are presented to illustrate the intention to show information for 10-years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

* Estimated based on contribution rate of 10.49% and covered valuation payroll of \$2,941,213.

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS
 JUNE 30, 2018

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 until 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% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, and 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

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
SUPPLEMENTAL INFORMATION

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
FOR THE YEARS 2017, 2016, 2015, 2014, AND 2013

	2017	2016	2015	2014	2013
ASSESSED VALUATION	\$ 816,200,173	\$ 769,748,856	\$ 727,109,768	\$ 713,595,026	\$ 747,877,749
TAX RATES					
Educational	1.853	1.917	2.029	1.992	1.854
Operations and Maintenance	0.502	0.520	0.523	0.503	0.475
Bond and Interest	-	0.770	0.772	0.789	0.661
Transportation	0.031	0.035	0.058	0.124	0.117
Municipal Retirement	0.043	0.044	0.046	0.043	0.041
Social Security	0.043	0.044	0.046	0.043	0.041
Working Cash	0.045	0.046	0.030	0.049	0.049
SEDOL IMRF	0.007	0.008	0.008	0.007	0.010
	\$ 2.523	\$ 3.383	\$ 3.512	\$ 3.550	\$ 3.248
TAX EXTENSIONS					
Educational	15,120,924	14,753,684	14,749,996	14,211,973	13,865,653
Operations and Maintenance	4,099,920	4,000,008	3,799,999	3,588,377	3,552,419
Bond and Interest	-	5,926,811	5,616,630	5,631,813	4,943,472
Transportation	251,488	265,933	419,462	883,873	875,017
Municipal Retirement	349,921	341,384	337,219	309,736	306,630
Social Security	349,921	341,384	337,219	309,736	306,630
Working Cash	364,923	356,017	216,991	346,672	366,460
SEDOL IMRF	57,656	58,062	57,631	53,091	74,788
	\$ 20,594,753	\$ 26,043,283	\$ 25,535,147	\$ 25,335,271	\$ 24,291,069
TAX COLLECTIONS	\$ 10,604,431	\$ 25,992,463	\$ 25,412,884	\$ 25,234,109	\$ 24,220,039
PERCENT COLLECTED	51.49%	99.80%	99.52%	99.60%	99.71%

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF OPERATING EXPENDITURES PER STUDENT
 FOR THE YEAR ENDED JUNE 30, 2018

TOTAL DISBURSEMENTS			
Educational Fund	\$	30,523,033	
Operations and Maintenance Fund		5,241,593	
Bond and Interest Fund		5,869,625	
Transportation Fund		2,038,429	
Municipal Retirement/Social Security Fund		775,470	\$ 44,448,150
LESS: Disbursements Not Applicable to Operating Expense of Regular Programs			
Educational Fund			
Summer School	\$	79,073	
Community Service		80,595	
Nonprogrammed Charges		2,360,088	
Capital Outlay		456,721	
TRS Employer Contribution - "On Behalf" Payments		8,982,055	
Operations and Maintenance Fund			
Capital Outlay		2,388,625	
Nonprogrammed Charges		86,714	
Bond Fund			
Bond Principal		5,725,000	
Transportation Fund			
Capital Outlay		935	
Municipal Retirement Fund			
Summer School		1,008	
Nonprogrammed Charges		58,059	20,218,873
NET OPERATING DISBURSEMENTS	\$		24,229,277
AVERAGE DAILY ATTENDANCE			1,670.15
OPERATING DISBURSEMENTS PER STUDENT	\$		14,507

GRANT COMMUNITY HIGH SCHOOL DISTRICT NO. 124
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2018

NET OPERATING DISBURSEMENTS		\$ 24,229,277
LESS: Offsetting Receipts of All or Part of the Disbursement of a Specific Activity		
Educational Fund		
Special Education	\$ 491,500	
Bilingual Education	3,108	
Other State Grants-In-Aid	2,741	
Title I - Low Income	174,647	
State Free Lunch	3,224	
IDEA Grants	213,620	
Food Services	476,141	
Federal Food Service	276,547	
Pupil Activities	359,410	
CTE - Perkins	21,596	
Other Career Tech Ed	21,955	
Title IV - Grant	9,000	
Medicaid Matching Funds	131,545	
Title II - Teacher Quality	39,305	
Drivers Education	49,612	
Special Education Contribution to EBF	523,511	
English Learners Contribution to EBF	3,476	
Operations and Maintenance Fund		
Rentals	2,994	
Transportation Fund		
State Transportation Aid	1,431,817	4,235,749
NET OPERATING EXPENSE FOR TUITION COMPUTATION		\$ 19,993,528
ADD: Depreciation Allowance		2,238,044
TOTAL ALLOWANCE FOR TUITION COMPUTATION		\$ 22,231,572
AVERAGE DAILY ATTENDANCE		1,670.15
PER CAPITA TUITION CHARGE		\$ 13,311