

ALTON COMMUNITY UNIT SCHOOL  
DISTRICT NO. 11  
ALTON, ILLINOIS

ANNUAL REPORT AND  
FINANCIAL STATEMENTS INCLUDING  
FEDERAL COMPLIANCE SECTION

JUNE 30, 2018

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

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ALTON      EDWARDSVILLE      BELLEVILLE      HIGHLAND  
JERSEYVILLE      COLUMBIA      CARROLLTON      BARTELSON

October 4, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, Illinois

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alton Community Unit School District No. 11 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 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 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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alton Community Unit School District No. 11's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

### *Other Information*

The management's discussion and analysis and the schedules included as Other Information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 4, 2018, on our consideration of Alton Community Unit School District No. 11'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 the Alton Community Unit School District No. 11's internal control over financial reporting and compliance.

  
Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

October 4, 2018

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

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, 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, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Alton Community Unit School District No. 11's basic financial statements, and have issued our report thereon dated October 4, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Alton Community Unit School District No. 11'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 the Alton Community Unit School District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alton Community Unit School District No. 11'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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control as Finding Number 2018-001.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Alton Community Unit School District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding Number 2018-002.

### **Alton Community Unit School District No. 11's Response to Findings**

Alton Community Unit School District No. 11's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alton Community Unit School District No. 11's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

  
Alton, Illinois



## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2018

### USING THIS ANNUAL REPORT

The School District's annual report consists of a series of financial statements that show information for the School District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Our fund financial statements start on page 12. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School District's overall financial health. Fund financial statements also report the School District's operations in more detail than the government-wide financial statements providing information about the School District's most significant funds – such as the School District's General Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, and Transportation Fund. The remaining statement – the Statement of Fiduciary Net Position presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Our auditor's have provided assurance in their Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the supplemental information and the other information identified above. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

### Reporting the School District as a Whole

#### *The Statement of Net Position and the Statement of Activities*

Our analysis of the School District as a whole begins on page 6. One of the most important questions asked about the School District is "Is the School District as a whole better off or worse off financially as a result of the year's activities". The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *modified cash basis of accounting*.

These two statements report the School District's *net position* – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the School District's net position – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses is the School District's *operating results*. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the *overall health* of the School District.

The Statement of Net Position and Statement of Activities report the following activity for the School District:

Governmental Activities – All of the School District's services are reported here, including instruction, supporting services, transportation, and food services. Property taxes, corporate personal property replacement taxes, and state and federal grants finance most of these activities.

## *Fund Financial Statements*

The School District's fund financial statements, which begin on page 12, provide detailed information about the most significant funds – not the School District as a whole. These funds are required to be established by State law. However, the School District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like the Title I Grant). The School District's governmental funds use the following accounting approach:

**Governmental Funds** – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified cash accounting, which measures detailed short-term view of the School District's operations and the 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 School 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 reconciliation on Exhibits "D" and "F".

### THE SCHOOL DISTRICT AS TRUSTEE

#### *Reporting the School District's Fiduciary Responsibilities*

The School District is the trustee, or *fiduciary*, for the student activity funds. All of the School District's fiduciary activities are reported in a separate Statement of Assets Liabilities and Fund Balance on page 16. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### THE SCHOOL DISTRICT AS A WHOLE

The School District's net position was \$31.8 million at June 30, 2018 and \$32.2 million at June 30, 2017. Of the \$31.8 million total net position at June 30, 2018, \$27.2 million was unrestricted or invested in capital assets. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use its net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental activities.

Table 1  
Net Position  
June 30,  
(in millions)

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 11.7	\$ 7.9
Capital Assets	85.3	86.4
Total Assets	<u>\$ 97.0</u>	<u>\$ 94.3</u>
Current and Other Liabilities	\$ 7.0	\$ 13.0
Long-term Liabilities	56.7	46.5
Total Liabilities	<u>\$ 63.7</u>	<u>\$ 59.5</u>
Deferred Inflows of Resources	\$ 1.5	\$ 2.6
Invested in Capital Assets, Net of Related Debt	\$ 38.6	\$ 42.7
Restricted	4.6	5.8
Unrestricted	(11.4)	(16.3)
Total Net Position	<u>\$ 31.8</u>	<u>\$ 32.2</u>

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 11. Table 2, below, takes the information from that Statement and rounds off the numbers so you can see our total revenues for the year compared to the prior year.

Table 2  
Changes in Net Position  
Year Ended June 30,  
(in millions)

	<u>2018</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Charges for Service	\$ 1.0	\$ 0.8
Federal Grants	9.0	9.3
State Grants	8.1	6.0
General Revenues:		
Property Taxes	33.1	32.8
Payments in Lieu of Property Taxes	4.5	5.4
Evidence Based Funding (GSA FY17)	20.4	16.1
Other General Revenues	0.2	0.1
Total Revenues	<u>\$ 76.3</u>	<u>\$ 70.5</u>
Functions/Programs Expenses:		
Instruction	\$ 39.1	\$ 38.1
Supporting Services	24.9	24.6
Community Services	0.4	0.3
Non-Programmed Charges	0.1	0.1
Unallocated Depreciation	5.2	5.2
Interest, Net of Amortization	6.4	3.4
Other Debt Charges & Amortization	0.5	0
Total Expenses	<u>\$ 76.6</u>	<u>\$ 71.7</u>
Decrease in Net Position	<u>\$ (0.3)</u>	<u>\$ (1.2)</u>

### *Governmental Activities*

As reported in the Statement of Activities on page 11, the cost of all of our *governmental* activities this year was \$76.6 million. The amount that our taxpayers ultimately financed for these activities was \$58.5 million because some of the cost was paid by those who benefited from the programs (\$1.0 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$17.1 million). We paid for the remaining "public benefit" portion of our governmental activities with \$33.1 million in real estate taxes, \$4.5 million in payments in lieu of property taxes (primarily Corporate Personal Property Replacement Tax), \$20.4 million in evidence based funding, and with other revenues, such as interest earnings.

### THE SCHOOL DISTRICT'S FUNDS

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of \$9.9 million, which is an increase of \$8.1 million from last year. The primary reasons for the increase are:

Our General fund (which consists of the Educational, Operations & Maintenance, Working Cash, and Tort Funds) is our principal operating fund. The fund balance in the General fund increased \$6.3 million to \$8.1 million. The increase is mainly due to the issuance of approximately \$9.8 million in working cash bonds that was not done in the prior year. However it also abated monies to other funds in the amount of \$5.8 million. Before other financing sources/uses, the fund balance actually only increased by \$2.8 million mainly due to:

- The Evidence Based Funding Model which increased revenue received from the State of Illinois.
- A total of five categorical payments were received from the State, only three were received in fiscal year 17.

Our transportation fund's fund balance was higher from the prior year with an ending fund balance of \$.2 million compared to an ending fund balance of \$(4.7) million last year. This is due to increased revenue in the transportation fund; the District received five payments from the State vs. three payments that were received the prior year.

The debt service fund's fund balance decreased from the prior year with an ending fund balance of \$(.2) million compared to an ending fund balance of \$3.7 million in the prior year. This was due to the fiscal year 2018 payment of the 2002 general obligation bond. At the conclusion of fiscal year 2017 the \$3.7 million balance in the debt fund was obligated to make said payment; the payment amount was \$4.3 million.

The capital projects fund did not show an ending fund balance as there were no capital projects undertaken.

The fire prevention and safety fund had an increase in ending fund balance from \$.8 million to \$1.1 million. The District took out \$3.5 million in new fire prevention and safety bonds in the current year. Most of these proceeds were used for projects such as the renovation of Mark Twain Elementary School. There is still some proceeds remaining for future projects.

#### *General Fund Budgetary Highlights*

The School District adopts its budget annually prior to the end of September. Budgetary Comparison for all major fund expenditures required to be budgeted are shown, beginning on page 59, compared to actual expenditures.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

At June 30, 2018 and 2017, the School District had \$85.3 million and \$86.4 million, respectively invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a \$1.1 million net decrease (including additions, deductions and depreciation) from the prior year.

Capital Assets, Net of Depreciation as of Year-End (in millions)

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 2.2	\$ 2.2
Buildings and Improvements	81.2	81.9
Furniture and Equipment	1.8	1.9
Construction in Progress	<u>0.1</u>	<u>0.4</u>
Totals	<u>\$ 85.3</u>	<u>\$ 86.4</u>

## *Debt*

At the end of this year, the School District had \$62.2 million in long term debt outstanding which is an increase of \$7.1 million from last year. The bulk of this total is debt service on general obligation bonds issued by the District to finance its fire life safety improvements to existing buildings and equipment purchases, but some of the debt is due to Working Cash Bond sales that occurred in 2014, 2016, and 2017. A detailed discussion on debt is presented in Note 8 of the financial statements.

The District paid back their line of credit in August 2017 for \$3,450,000 when property tax monies came in. No more draws were necessary in fiscal year 2018.

The state limits the amount of debt that School Districts can issue to 13.8 percent of the assessed valuation of all taxable property within the School District's limits. The current debt limitation for the District is \$95.5 million, which is \$33.3 million greater than the District's outstanding debt as of June 30, 2018.

### CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

Health Life Safety projects are in progress at Alton Middle School and paving and building improvement is planned for Gilson Brown Elementary, West Elementary, and Eunice Smith Elementary. In addition, Alton High School Athletic Facilities projects which began in the winter of 2014 were substantially completed, although minor additions such as the cross-country track, restrooms, and a music storage facility are still in progress.

### CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mary Schell, Director of Financial Services, at Alton Community Unit School District No. 11, 1854 East Broadway, Alton, Illinois 62002.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2018

GOVERNMENTAL  
ACTIVITIES

ASSETS

Current Assets:

Cash and Invested Cash	\$ 11,306,866
Investments	90,195
Total Current Assets	<u>\$ 11,397,061</u>

Non-Current Assets:

Discount on Bonds Payable, Net	\$ 57,153
Bond Insurance Costs, Net	210,113
Capital Assets, Net of Accumulated Depreciation	85,302,666
Total Non-Current Assets	<u>\$ 85,569,932</u>

TOTAL ASSETS

\$ 96,966,993

LIABILITIES

Current Liabilities:

Current Portion of Long-Term Debt	\$ 6,955,124
Total Current Liabilities	<u>\$ 6,955,124</u>

Long-Term Liabilities:

General Obligation Bonds Payable	\$ 54,563,542
Premium on Bonds Payable, Net	1,399,983
Lease Purchase Agreements	714,576
Total Long-Term Liabilities	<u>\$ 56,678,101</u>
Total Liabilities	<u>\$ 63,633,225</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	<u>\$ 1,484,565</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 38,594,424
Restricted for:	
Federal and State Grants	2,510,301
Tort	371,792
Municipal Retirement/Social Security	627,459
Fire Prevention and Safety	1,107,373
Unrestricted	(11,362,146)
Total Net Position	<u>\$ 31,849,203</u>

TOTAL LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND NET POSITION

\$ 96,966,993

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2018

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
Primary Government:					
Governmental Activities:					
Instruction	\$ 39,126,816	\$ 328,860	\$ 13,104,198		\$ (25,693,758)
Supporting Services	24,860,824	510,116	4,050,480	\$ 6,000	(20,294,228)
Community Services	473,386				(473,386)
Nonprogrammed Charges	49,388				(49,388)
Debt Services	485,450				(485,450)
Unallocated Depreciation	5,248,274				(5,248,274)
Interest, Net of Amortization	6,434,013				(6,434,013)
Total Primary Government	<u>\$ 76,678,151</u>	<u>\$ 838,976</u>	<u>\$ 17,154,678</u>	<u>\$ 6,000</u>	<u>\$ (58,678,497)</u>
General Revenues:					
Property Taxes					\$ 33,142,937
Intergovernmental					4,531,452
Unrestricted Grants-In-Aid-State					20,383,544
Unrestricted Grants-In-Aid-Federal					6,024
Earnings on Invested Cash					158,321
Unrealized Gain (Loss) on Investments					546
Total General Revenues					<u>\$ 58,222,824</u>
CHANGE IN NET POSITION					\$ (455,673)
NET POSITION, BEGINNING OF YEAR					<u>32,183,979</u>
NET POSITION, END OF YEAR					<u>\$ 31,728,306</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>GENERAL</u> <u>FUND</u>	<u>MUNICIPAL</u> <u>RETIREMENT/</u> <u>SOCIAL</u> <u>SECURITY</u> <u>FUND</u>	<u>TRANSPORTATION</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>FIRE</u> <u>PREVENTION</u> <u>AND SAFETY</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>							
Cash and Invested Cash	\$ 8,465,532	\$ 717,070	\$ 877,001		\$ 1,139,940	\$ 107,323	\$ 11,306,866
Investments						90,195	90,195
Loans to Other Funds	600,000						600,000
<b>TOTAL ASSETS</b>	<b>\$ 9,065,532</b>	<b>\$ 717,070</b>	<b>\$ 877,001</b>	<b>\$ 0</b>	<b>\$ 1,139,940</b>	<b>\$ 197,518</b>	<b>\$ 11,997,061</b>
<u>LIABILITIES</u>							
Loans from Other Funds			\$ 600,000				\$ 600,000
<b>TOTAL LIABILITIES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 600,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 600,000</b>
<u>DEFERRED INFLOWS</u> <u>OF RESOURCES</u>							
Property Taxes	\$ 974,287	\$ 77,216	\$ 58,387		\$ 14,597	\$ 360,078	\$ 1,484,565
<u>FUND BALANCES</u>							
Restricted	\$ 2,882,093	\$ 627,459			\$ 1,107,373		\$ 4,616,925
Committed	4,746,513		\$ 176,142				4,922,655
Assigned	10,586	12,395	42,472		17,970		83,423
Unassigned - Working Cash	5,637,110						5,637,110
Unassigned	(5,185,057)					\$ (162,560)	(5,347,617)
<b>Total Fund Balances (Deficit)</b>	<b>\$ 8,091,245</b>	<b>\$ 639,854</b>	<b>\$ 218,614</b>	<b>\$ 0</b>	<b>\$ 1,125,343</b>	<b>\$ (162,560)</b>	<b>\$ 9,912,496</b>
<b>TOTAL LIABILITIES, DEFERRED</b>							
<b>INFLOWS OF RESOURCES,</b>							
<b>AND FUND BALANCES</b>	<b>\$ 9,065,532</b>	<b>\$ 717,070</b>	<b>\$ 877,001</b>	<b>\$ 0</b>	<b>\$ 1,139,940</b>	<b>\$ 197,518</b>	<b>\$ 11,997,061</b>

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



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018

Total Governmental Fund Balances	\$ 9,912,496
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Governmental Funds expense discounts and bond insurance costs when paid or issued, but are amortized over the life of the bonds issued in the Statement of Net Position.	267,266
Governmental Funds receipt bond premiums when received but are amortized over the life of the bonds in the Statement of Net Position	(1,399,983)
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	
Those assets consist of:	
Land	\$ 2,204,599
Buildings and Improvements, Net of \$76,289,158 Accumulated Depreciation	81,248,976
Equipment and Improvements, Net of \$8,485,545 Accumulated Depreciation	1,807,176
Construction in Progress	<u>41,915</u>
Total Capital Assets	85,302,666
Long-Term Liabilities applicable to the District's Governmental Activities are not due and payable in the current period and accordingly, are not reported as fund liabilities.	<u>(62,233,242)</u>
Total Net Position of Governmental Activities	<u>\$ 31,849,203</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	<u>GENERAL</u> <u>FUND</u>	<u>MUNICIPAL</u> <u>RETIREMENT/</u> <u>SOCIAL</u> <u>SECURITY</u> <u>FUND</u>	<u>TRANSPORTATION</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>FIRE</u> <u>PREVENTION</u> <u>AND SAFETY</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTALS</u>
REVENUES RECEIVED:							
Local Sources	\$ 27,544,629	\$ 1,884,168	\$ 1,374,087		\$ 343,538	\$ 7,454,068	\$ 38,600,490
State Sources	24,406,200	41,643	4,050,480				28,498,323
Federal Sources	8,351,251	187,587	66,036			441,049	9,045,923
Charges for Services			39,771				39,771
Earnings on Invested Cash	106,911	10,925	2,700		10,500	27,284	158,320
Unrealized Gain (Loss) on Investments						546	546
Total Revenues Received	<u>\$ 60,408,991</u>	<u>\$ 2,124,323</u>	<u>\$ 5,533,074</u>	<u>\$ 0</u>	<u>\$ 354,038</u>	<u>\$ 7,922,947</u>	<u>\$ 76,343,373</u>
EXPENDITURES DISBURSED:							
Current							
Instruction	\$ 38,247,899	\$ 863,383					\$ 39,111,282
Supporting Services	18,200,989	725,688	\$ 5,900,105		\$ 3,554,086		28,380,868
Community Services	263,421	14,534					277,955
Nonprogrammed Charges	49,388						49,388
Debt Services	11,033		7,050			\$ 19,182,597	19,200,680
Capital Outlay							
Instruction	53,303						53,303
Supporting Services	190,675						190,675
Community Services	594,585						594,585
Total Expenditures Disbursed	<u>\$ 57,611,293</u>	<u>\$ 1,603,605</u>	<u>\$ 5,907,155</u>	<u>\$ 0</u>	<u>\$ 3,554,086</u>	<u>\$ 19,182,597</u>	<u>\$ 87,858,736</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 2,797,698</u>	<u>\$ 520,718</u>	<u>\$ (374,081)</u>	<u>\$ 0</u>	<u>\$ (3,200,048)</u>	<u>\$(11,259,650)</u>	<u>\$(11,515,363)</u>
OTHER FINANCING SOURCES (USES):							
Permanent Transfers, Net	\$ (6,584,212)		\$ 5,250,000			\$ 1,334,212	\$ 0
Lease Purchase Agreement Proceeds	284,999						284,999
Bond Proceeds	9,772,161				\$ 3,118,226	5,855,631	18,746,018
Premium on Bonds Sold					385,312	242,163	627,475
Receipts for State "On-Behalf" Payments	21,864,235						21,864,235
Disbursements for State "On-Behalf" Payments	(21,864,235)						(21,864,235)
Total Other Financing Sources-(Uses)	<u>\$ 3,472,948</u>	<u>\$ 0</u>	<u>\$ 5,250,000</u>	<u>\$ 0</u>	<u>\$ 3,503,538</u>	<u>\$ 7,432,006</u>	<u>\$ 19,658,492</u>
NET CHANGE IN FUND BALANCES	<u>\$ 6,270,646</u>	<u>\$ 520,718</u>	<u>\$ 4,875,919</u>	<u>\$ 0</u>	<u>\$ 303,490</u>	<u>\$ (3,827,644)</u>	<u>\$ 8,143,129</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>1,820,599</u>	<u>119,136</u>	<u>(4,657,305)</u>	<u>0</u>	<u>821,853</u>	<u>3,665,084</u>	<u>1,769,367</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 8,091,245</u>	<u>\$ 639,854</u>	<u>\$ 218,614</u>	<u>\$ 0</u>	<u>\$ 1,125,343</u>	<u>\$ (162,560)</u>	<u>\$ 9,912,496</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 8,143,129
Amounts reported for governmental activities in the Statement of Activities are different because:	
Proceeds from debt issuance is reported as Other Financing Sources in the governmental funds, but a debt issue increases long-term liabilities in the Statement of Net Position.	(19,029,999)
Premium on Bonds sold is amortized over the life of the debt in the Statement of Net Position, but is reported as Other Financing Sources in the year the debt is issued in the governmental funds.	(432,958)
Discounts are expenditures in the governmental funds, but are amortized over the life of the debt in the Statement of Net Position.	(7,351)
Bond insurance costs are expenditures in the governmental funds in the year the debt is issued, but are amortized over the life of the debt in the Statement of Net Position.	185,298
Governmental funds report capital outlay (\$4,152,851) as expenditures while governmental activities report depreciation expense (\$5,248,274) to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(1,095,423)
Disposal of capital assets reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	(5,205)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	11,907,733
Change in Net Position of Governmental Activities	<u>\$ (334,776)</u>

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
FIDUCIARY FUNDS  
JUNE 30, 2018

DISTRICT NO. 11  
ACTIVITY  
FUNDS

ASSETS

Cash and Invested Cash	\$ 733,052
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TOTAL ASSETS	\$ 733,052
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LIABILITIES AND NET POSITION

Liabilities:

Due to Students and Organizations	\$ 733,052
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TOTAL LIABILITIES AND NET POSITION	\$ 733,052
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The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Alton Community Unit School District No. 11 (the District), conform to the modified cash basis of accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's funds are grouped into one broad fund category and several generic fund types for financial statement presentation purposes. Governmental funds include the General, Municipal Retirement/Social Security, Transportation, Capital Projects, Fire Prevention and Safety, and Debt Service. The District has one fiduciary agency fund.

B. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District, the primary government, as a whole.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. The government-wide statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. This basis recognized assets, liabilities, net position, revenues, and expenditures when they result from cash transactions modified to include capital assets, long-term liabilities such as bonds and capital leases and the related premiums, discounts, and bond insurance costs, interfund loans, deferred revenue related to property taxes, and a provision for depreciation of fixed assets.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the District and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients for the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net position is the difference between assets and liabilities and deferred inflows. Net position invested in capital assets, net of related debt represents capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors or grantors.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (Continued)

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. All funds are reported as major funds and are presented in separate columns. The General Fund consists of the Educational, Operation and Maintenance, Working Cash, and Tort Funds.

Transportation Fund and the Municipal Retirement/Social Security Fund – These funds are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund or Fiduciary Funds) that is legally restricted to expenditures for specified purposes.

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

Capital Projects Fund and the Fire Prevention and Safety Fund – These funds are used to account for the proceeds of debt and related construction costs of a specific capital project or the financial resources to be used for the repairs of facilities that are found to be required in a life safety survey.

GOVERNMENTAL FUNDS

Governmental fund financial statements are prepared using the modified cash basis method of accounting as described in the "Illinois Program Accounting Manual for Local Education Agencies". Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The modified cash basis differs from generally accepted accounting principles because the District has not recognized balances, and the related effects on changes in net position, of accounts receivable from certain federal, state, and local funding sources, accounts payable to vendors and other accrued and deferred items. Additionally, allocations of costs, such as depreciation and amortization, are recognized in the governmental funds as capital outlay expenditures when incurred and debt issuance costs are fully expensed as incurred. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund.

FIDUCIARY FUNDS

The District currently has one agency fiduciary fund. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Agency 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, and/or other funds.

Activity Funds are custodial in nature, do not involve measurement of results of operations, and are treated as Agency Funds. The amounts due to the activity fund organizations are equal to assets.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from the District, should be included within its financial reporting entity. The criteria include, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationships. There are no component units within the District.

In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

D. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as disbursements in the governmental funds and are capitalized in the government-wide statements. The District's capitalization threshold for capital assets other than computers is \$5,000. All computers are capitalized unless they are used by students similar to textbooks in such case they are expensed. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

E. Invested Cash

Invested Cash is stated at cost or amortized cost, which approximates market and is invested in the state investment pool.

F. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs-other than quoted prices included within level 1- that are observable for an asset or liability, either directly or indirectly.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fair Value Hierarchy (Continued)

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

G. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

H. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources then toward unrestricted resources.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one type of item that qualifies for reporting in this category, property taxes levied during the current fiscal year but not to be received until the next fiscal year. These amounts are recognized as an inflow of resources in the period that the amounts become available.

NOTE 2. CASH, INVESTED CASH, AND INVESTMENTS – SEGMENTED TIME DISTRIBUTION

Cash and Invested Cash as of June 30, 2018 consist of the following:

Deposits with Financial Institutions	\$ 4,146,930
Investments in State Investment Pool	<u>7,159,936</u>
Total Cash and Investment Cash	<u>\$ 11,306,866</u>
Investments	<u>\$ 90,195</u>



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

The District is allowed to invest in securities as authorized in the School Code of Illinois, Chapter 30, Section 235/6, Chapter 105 Section 5/34A-202 and Section 5/8-7. The District shall ensure that the loss of capital, whether from credit or market risk, is avoided, the District's anticipated cash flows are met, and the highest rate of return on investments is sought. The District should avoid any investment transaction which in appearance or fact might impair public confidence. The District should consider investments with local financial institutions. As of June 30, 2018 the District's invested cash is with the Illinois Liquid Asset Fund MAX and LIQ accounts which are money market accounts whose fair value approximates cost. The District's investments, as of June 30, 2018, are held in a tax escrow account at UMB Bank in United States Treasury Bills and are reported at fair value.

a) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Remaining Maturity

	<u>Total</u>	<u>12 months or less</u>
Investments at UMB	\$ 90,195	\$ 90,195
State Investment Pool	7,159,936	7,159,936
Total Investments and Invested Cash	<u>\$ 7,250,131</u>	<u>\$ 7,250,131</u>

b) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm). The investments held at UMB are United States Treasury Bills that are guaranteed by the United States Government.

c) Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2018, 36.2 percent of the District's deposits and investments were held at Liberty Bank, 62.8 percent was held at Illinois School District Liquid Asset Fund Plus (ISDLAF+), and 1.0 percent was held at UMB Bank.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

d) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

At June 30, 2018, all deposit accounts held with a financial institution were covered either through federal depository insurance or by collateral held by the depository institutions in the District's name.

Also at year end, none of the district's deposits held in ISDLAF+ were subject to custodial credit risk due to them being part of an insured pool. The Illinois School District Liquid Asset Fund is an external investment pool that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, and it is controlled by the Illinois State Treasurer.

e) Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significantly unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments by Fair Value Level:				
U.S. Treasury Bills	<u>\$ 90,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,195</u>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities, including U.S. Government Securities. Investments classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Investments classified in Level 3 of the fair value hierarchy, are valued using unobservable inputs.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. PROPERTY TAXES**

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 levy was passed by the Board on December 20, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments on July 5, September 5, October 5, and December 5. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2016 and prior tax levies.

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

<u>LEVY</u>	<u>MAXIMUM 2016 LEVY</u>		<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>WITHOUT</u>	<u>WITH</u>	<u>2016</u>	<u>2015</u>
	<u>REFERENDUM</u>	<u>REFERENDUM</u>	<u>LEVY</u>	<u>LEVY</u>
Educational	2.1500	4.0000	2.1500	2.1500
Operations & Maintenance	0.5250	0.7500	0.5250	0.5250
Bond and Interest	N/A	AS NEEDED	1.0807	1.1179
Transportation	0.200	AS NEEDED	0.2000	0.2000
Municipal Retirement	AS NEEDED	N/A	0.1319	0.1347
Social Security	AS NEEDED	N/A	0.1319	0.1347
Liability Insurance	AS NEEDED	N/A	0.4165	0.4104
Fire Prevention & Safety	0.050	0.100	0.0500	0.0500
Special Education	0.040	0.800	0.0400	0.0400
Working Cash	0.050	N/A	0.0500	0.0500
Leased Facilities	0.050	0.100	0.0500	0.0500
Total			<u>4.8260</u>	<u>4.8627</u>

Various property owners have appealed their property tax assessments. Any assessment reduction could result in lost revenue, with the possibility of refund liabilities and/or interest payments associated with any such reduction. The financial statements do not include accrual or provisions for loss contingencies that may result from these assessments.

**NOTE 4. FUND BALANCE REPORTING**

According to Government Accounting Standards Statement No. 54, 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. Following are definitions and details of how these balances are reported.

**A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

B. Restricted Fund Balance

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

1. Special Education

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

2. Leasing Levy

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Debt Service Fund. At June 30, 2018, expenditures disbursed for those specific purposes have exceeded revenues received from this restricted tax levy in the Debt Service Fund, resulting in no restricted fund balance.

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2018, expenditures disbursed from federal grants exceeded the revenues received for those specific purposes in the Educational Fund, resulting in no restricted fund balance. The Child Nutrition Cluster Program requires the District to restrict any food service profit to be used only to operate and improve its food service resulting in a cumulative restricted fund balance of \$2,401,194.

4. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2018, revenue received exceeded expenditures disbursed from state, resulting in a restricted fund balance of \$109,107 in the Educational Fund.

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2018, there is restricted fund balance of \$23,741.

6. Tort

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. At June 30, 2018, revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted fund balance of \$371,792.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

C. Committed Fund Balance

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

The School Board commits fund balance by making motions or passing resolutions to adopt policy or 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.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2018, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2018 amounted to \$4,576,997 in the Educational Fund.

The Transportation Fund has committed fund balance of \$176,142. This was due to the School Board passing a resolution abating \$5,250,000 of the Working Cash Fund due to the negative fund balance of the Transportation. This abatement was committed to be spent on Transportation Fund expenses.

The School Board committed lease purchase proceeds towards technological equipment in the current year in the amount of \$169,516. This is committed in the Educational Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the District's Board itself or by the Superintendent or the Director of Finance when the School Board has delegated the authority to assign amounts to be used for specific purposes. Interest is assigned in the restricted funds as well as the transportation fees in the Transportation Fund.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund showed unassigned fund balances in all funds besides Working Cash of \$(5,185,057) as of June 30, 2018. Negative fund balances in funds other than the General Fund are also shown as unassigned. The Debt Service Fund has a negative unassigned fund balance of \$(162,560) at June 30, 2018.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
General	\$ 0	\$ 2,882,093	\$ 4,746,513	\$ 10,586	\$ 452,053
Municipal Retirement/ Social Security	0	627,459	0	12,395	0
Transportation	0	0	176,142	42,472	0
Capital Projects	0	0	0	0	0
Fire Prevention & Safety	0	1,107,373	0	17,970	0
Debt Service	0	0	0	0	(162,560)
Totals	\$ 0	\$ 4,616,925	\$ 4,922,655	\$ 83,423	\$ 289,493

F. Expenditures of Fund Balance

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

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 2,204,599			\$ 2,204,599
Construction in Progress	403,643	\$ 41,915	\$ 403,643	41,915
Subtotal	\$ 2,608,242	\$ 41,915	\$ 403,643	\$ 2,246,514
Other Capital Assets:				
Buildings and Improvements	\$ 143,562,156	\$ 3,727,944		\$ 147,290,100
Equipment Other Than Transportation/Food Services	9,587,046	501,955	\$ 379,445	9,709,556
Improvements	9,977,611	270,423		10,248,034
Transportation Equipment	460,792	14,257		475,049
Food Services Equipment	108,116			108,116
Subtotal	\$ 163,695,721	\$ 4,514,579	\$ 379,445	\$ 167,830,855
Accumulated Depreciation:				
Buildings and Improvements	\$ 68,772,744	\$ 4,171,039		\$ 72,943,783
Equipment Other Than Transportation/Food Services	7,816,542	563,476	\$ 374,239	8,005,779
Improvements	2,854,800	490,575		3,345,375
Transportation Equipment	434,346	12,371		446,717
Food Services Equipment	22,238	10,811		33,049
Subtotal	\$ 79,900,670	\$ 5,248,272	\$ 374,239	\$ 84,774,703
Net Other Capital Assets	\$ 83,795,051			\$ 83,056,152
Net Capital Assets	\$ 86,403,293			\$ 85,302,666

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 5. CAPITAL ASSETS (CONTINUED)

Fully depreciated equipment over 10 years old were removed, in addition to any equipment no longer in use that is not yet fully depreciated.

During the year, the District purchased laptop computers for students totaling \$94,567. These computers were considered to be instructional materials as they were replacements for classroom textbooks, and thus, were not capitalized by the District as of June 30, 2018.

NOTE 6. PENSION PLANS

(a) Teachers' Retirement System of the State of Illinois

**General Information about the Pension Plan**

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

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

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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

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

***On behalf contributions to TRS.*** The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$21,508,924 in pension contributions from the state of Illinois.

***2.2 formula contributions.*** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018 were \$174,644, and are deferred because they were paid after the June 30, 2017 measurement date.

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

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 and special trust funds. For the year ended June 30, 2018, salaries totaling \$1,809,786 were paid from federal and special trust funds that required employer contributions of \$182,788. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

***Employer retirement cost contributions.*** Under GASB Statement No.68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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 \$1,643 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 13,967,520
State's proportionate share of the net pension liability associated with the employer	<u>218,552,848</u>
<b>Total</b>	<b><u>\$ 232,520,368</u></b>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0183 percent, which was a decrease of 0.0035 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District disclosed pension expense of \$21,508,924 and revenue of \$21,508,924 for support provided by the state. At June 30, 2018, the District disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 151,703	\$ 6,447
Net difference between projected and actual earnings on pension plan investments	9,582	
Changes of assumptions	932,232	401,362
Changes in proportion and differences between employer contributions and proportionate share of contributions	354,111	3,610,807
Employer contributions subsequent to the measurement date	<u>357,432</u>	
<b>Total</b>	<b><u>\$ 1,805,060</u></b>	<b><u>\$ 4,018,616</u></b>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

\$357,432 disclosed as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be disclosed as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts disclosed as deferred outflows of resources and deferred inflows of resources related to pensions will be disclosed in pension expense as follows in these reporting years:

Year ending June 30,	
2019	\$ (1,398,786)
2020	(428,587)
2021	(111,547)
2022	(554,915)
2023	(77,153)

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

Inflation	2.50 percent
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
<b>Total</b>	<b>100%</b>	

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	\$ 17,160,922	\$ 13,967,520	\$ 11,351,857

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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

(b) 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 plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

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

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

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

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

Active Employees	318
Inactive employees or beneficiaries currently receiving benefits	394
Inactive employees entitled to but not yet receiving benefits	<u>277</u>
Total	<u>989</u>



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Target Allocation	Projected Returns/Risk
		Ten Year Geometric
Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash Equivalents	1.00%	2.25%
Total	100.00%	

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

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

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

**Changes in District's Net Pension Liability.** Changes in the District's net pension liability for the year ended December 31, 2017, were as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2016	\$ 54,988,715	\$ 51,892,237	\$ 3,096,478
Changes for the year:			
Service Cost	713,114		713,114
Interest	4,008,726		4,008,726
Difference between expected and actual experience	331,983		331,983
Changes in assumptions	(1,840,998)		(1,840,998)
Contributions-employees		333,561	(333,561)
Contributions- employer		653,312	(653,312)
Net investment income		9,641,414	(9,641,414)
Benefit payments including refunds of employee contributions	(3,791,172)	(3,791,172)	0
Other (Net Transfer)		(1,471,176)	1,471,176
Net Changes	(578,347)	5,365,939	(5,944,286)
Balance, December 31, 2017	\$ 54,410,368	\$ 57,258,176	\$ (2,847,808)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability calculated using the discount rate of 7.50 percent, as well as, what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 2,478,737
Current discount rate	7.50%	(2,847,808)
1% increase	8.50%	(7,364,640)

**Plan Fiduciary Net Position.** Detailed information about the Plan's fiduciary net position is available in the separately issued report.

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources.** For the year ended June 30, 2018, the District disclosed pension expense of \$1,635,276. At June 30, 2018, the District disclosed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6. PENSION PLANS (CONTINUED)

(b) Illinois Municipal Retirement Fund (Continued)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 250,338	
Changes of assumptions	87	\$ 1,238,599
Net difference between projected and actual earnings on Plan investments	1,714,698	472,862
Total Deferred Amounts to be realized in pension expense in future periods	1,965,123	5,966,461
Pension Contributions made subsequent to the Measurement Date	548,981	
Total Deferred Amounts Related to Pensions	\$ 2,514,104	\$ 5,966,461

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

Year ending December 31,

2018	\$ (230,712)
2019	(912,302)
2020	(1,127,376)
2021	(1,181,967)
2022	0
Thereafter	0
Total	\$ (3,452,357)

(c) Aggregate Pension Reporting

The District disclosed pension income of \$250,157 for TRS and pension expense \$1,635,276 for IMRF, for an aggregate net pension expense of \$1,385,119 for all retirement fund commitments for the year ending June 30, 2018.

(d) 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 \$664,391, the total required contribution for the current fiscal year.



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

(a) Teacher Health Insurance Security Fund

**General Information about the Postemployment Benefit Plan Other than Pensions**

**Plan description.** The District participates in the Teachers' Health Insurance Security (THIS) Fund which accounts for the Teacher Retirement Insurance Program of Illinois (TRIP or Plan). TRIP is 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. TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. TRIP is administered in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) which established the eligibility and benefit provisions of the plan.

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, defines special funding situations as circumstances in which a non-employer entity is legally responsible for providing financial support for OPEB of the employees of another entity by making contributions directly to an OPEB plan that is administered through a trust that meets the criteria and with (1) the amount of contributions or benefit payments for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the OPEB plan or (2) the non-employer entity is the only entity with a legal obligation to provide financial support directly to an OPEB plan that is used to provide OPEB to employees of another entity. The State of Illinois is considered a non-employer contributing entity.

**Benefits provided.** The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

A summary of the post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

(a) Teacher Health Insurance Security Fund (Continued)

**Contributions.** The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.12% of salary and for every employer of a teacher to contribute an amount equal to .84% of each teacher's salary for the year ended June 30, 2017. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriate, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under ILCS 376/6.6(a) in that fiscal year. As such, the State of Illinois made on behalf contributions to the THIS fund of \$330,600 for the year ended June 30, 2017. Additionally, the State of Illinois made on behalf contributions to the THIS fund of \$355,311 for the year ended June 30, 2018.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2017, the District realized a liability for its proportionate share of the total OPEB liability of \$30,608,965. In determining the proportionate share of the total OPEB liability and corresponding employer OPEB amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to the Plan, excluding those to separately finance specific liabilities of an individual employer, are determined. The Plan has determined that the actual contributions made to the Plan during fiscal year 2017 are appropriate as the basis because they are representative of future contributions.

At June 30, 2017, the District's proportion was 0.117956%, which was an increase of 0.000052% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District realized its proportionate share of OPEB expense of \$2,277,063 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$1,872. At June 30, 2017, the District realized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 17,337
Net difference between projected and actual earnings on pension plan investments		337
Changes of assumptions		3,644,401
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 12,188	
Employer contributions subsequent to the measurement date	264,977	
Total	<u>\$ 277,165</u>	<u>\$ 3,662,075</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

(a) Teacher Health Insurance Security Fund (Continued)

\$264,977 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in following years.

The total OPEB liability for TRIP for fiscal year 2017 is set forth in the following table:

Total OPEB liability (beginning) - July 1, 2016	\$ 27,335,802,858
Total OPEB expense	1,928,853,706
Employer Contributions	(210,466,000)
Change in Liability Experience Outflows/(Inflows)	
Recognized in Current Liabilities	(14,697,939)
Change in Assumption Changes Experience	
Outflows/(Inflows) Recognized in Current Liabilities	(3,089,638,640)
Change in Investment Experience	
Outflows/(Inflows) Recognized in Current Liabilities	(285,600)
Total OPEB liability (ending) - July 1, 2017	<u>\$ 25,949,568,385</u>
District's proportionate share of the Total OPEB liability	<u>0.117956%</u>
District's Total OPEB liability (ending) - June 30, 2017	<u><u>\$ 30,608,965</u></u>

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation measured as of June 30, 2017. These actuarial assumptions are defined in the financial statements of the Department of Central Management Services. A copy may be obtained by writing to address previously indicated above.

(b) Other Postemployment Benefits

Plan description - The District has not established a policy providing for a payment of a portion of the health care insurance premiums for retired IMRF employees. Retired IMRF employees, however, may be eligible for health insurance continuation under COBRA (federal legislation) or under Public Act 86-44 (Illinois legislation), or both.

Neither of these laws require the District to pay any portion of the cost of retiree's health insurance. The District does not have any retirees receiving any other postemployment benefits, as they are required to pay 100 percent of the other contributions for coverage.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2018.

	<u>Bonds</u>	<u>Lease Purchase</u> <u>Agreements</u>	<u>Total</u>
Balance, July 1, 2017	\$ 53,604,748	\$ 1,506,228	\$ 55,110,976
Retired	11,297,049	610,684	11,907,733
Issued	<u>18,745,000</u>	<u>284,999</u>	<u>19,029,999</u>
Balance, June 30, 2018	<u>\$ 61,052,699</u>	<u>\$ 1,180,543</u>	<u>\$ 62,233,242</u>

Bonds Payable

Bonds payable at June 30, 2018 are comprised of the following individual issues:

- a) \$31,740,676 2002 General Obligation Bonds due in annual installments varying from \$90,000 to \$3,700,000 through December 2022. Interest payments at rates varying from 1.75% to 5% began in June 2003. The first principal payment began in December 2004. In December 2017, part of this bond was refunded leaving five principal payments to be made from December 2018 through December 2022 with interest only payments also to be made during those years varying from 5.25% to 5.60%.

The bonds were sold at a premium of \$1,108,033 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$862,445.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 633,157	\$ 816,843	\$ 1,450,000
2020	1,068,436	1,551,564	2,620,000
2021	1,489,562	2,415,438	3,905,000
2022	1,721,411	3,128,589	4,850,000
2023	<u>1,657,700</u>	<u>3,342,300</u>	<u>5,000,000</u>
	<u>\$ 6,570,266</u>	<u>\$ 11,254,734</u>	<u>\$ 17,825,000</u>

- b) \$8,295,434 2005 G.O. Health/Life Safety Bonds due in annual installments varying from \$65,000 to \$2,226,917 through November 2024. Interest payments at rates varying from 2.625% to 5.020% began in November 2006. The first principal payment began in November 2006. The bonds were sold at a discount of \$34,459 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2018 was \$23,574. In February 2016, part of this bond was refunded leaving only 2 principal payments to be made in 2024 and 2025 with interest payment also only in those years with rates varying from 4.970% to 5.020%.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,248,517	\$ 3,331,483	\$ 5,580,000
2025	<u>2,226,916</u>	<u>3,633,083</u>	<u>5,859,999</u>
	<u>\$ 4,475,433</u>	<u>\$ 6,964,566</u>	<u>\$ 11,439,999</u>

- c) \$1,715,000 2006 G.O. Health/Life Safety Bonds due in annual installments varying from \$35,000 to \$400,000 through December 2018. Interest payments at rates varying from 3.82% to 4.37% began in December 2006. The first principal payment began in December 2007.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 400,000	\$ 8,740	\$ 408,740
	<u>\$ 400,000</u>	<u>\$ 8,740</u>	<u>\$ 408,740</u>

- d) \$9,225,000 2007 General Obligation Bonds due in annual installments varying from \$330,000 to \$680,000 through December 2026. Interest payments at a rate of 4.00% began in June 2008. The first principal payment began in December 2008. In February 2016, most of this bond was refunded through legal defeasance since this bond was not callable until December 2017. The total bond payable amount as of June 30, 2017 was \$5,710,000. \$5,235,000 was legally defeased. The District paid the remaining principal and interest in fiscal year 2018 leaving a \$0 balance at June 30, 2018.

The bonds were sold at a premium of \$27,721 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$27,721.

- e) \$7,685,000 2011 General Obligation Qualified Zone Academy Bonds (QZAB) due in annual installments varying from \$1,450,000 to \$6,235,000 through December 2026. Interest payments at a rate of 5.50% began in July 2011 and will increase to 5.625% in December 2025. The first principal payment will be due December 1, 2025.

The bonds were sold at a discount of \$65,322 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2018 was \$29,500.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.60%. This reduction rate will be applied until September 30, 2018 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2019	\$ 0	\$ 430,469	\$ 430,469	\$ 388,093
2020	0	430,469	430,469	388,093
2021	0	430,469	430,469	388,093
2022	0	430,469	430,469	388,093
2023	0	430,469	430,469	388,093
2024	0	430,469	430,469	388,093
2025	0	430,469	430,469	388,093
2026	1,450,000	390,594	1,840,594	351,480
2027	6,235,000	175,359	6,410,359	157,434
	<u>\$ 7,685,000</u>	<u>\$ 3,579,236</u>	<u>\$ 11,264,236</u>	<u>\$ 3,225,565</u>

- f) \$2,130,000 General Obligation Bonds, Series 2012A due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.00% began in June 2013. The bonds were sold at a premium of \$16,273 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$7,106.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 0	\$ 63,900	\$ 63,900
2020	0	63,900	63,900
2021	0	63,900	63,900
2022	0	63,900	63,900
2023	0	63,900	63,900
2024	0	63,900	63,900
2025	0	63,900	63,900
2026	2,130,000	31,950	2,161,950
	<u>\$ 2,130,000</u>	<u>\$ 479,250</u>	<u>\$ 2,609,250</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- g) \$2,185,000 General Obligation Qualified Zone Academy Bonds, Series 2012B due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.85% began in June 2013. The bonds were sold at a discount of \$18,573 and are being accreted over the life of the bonds. Accumulated accretion as of June 30, 2018 was \$8,127.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.60%. This reduction rate will be applied until September 30, 2018 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2019	\$ 0	\$ 84,123	\$ 84,123	\$ 84,123
2020	0	84,123	84,123	84,123
2021	0	84,123	84,123	84,123
2022	0	84,123	84,123	84,123
2023	0	84,123	84,123	84,123
2024	0	84,123	84,123	84,123
2025	0	84,123	84,123	84,123
2026	2,185,000	42,061	2,227,061	42,061
	<u>\$ 2,185,000</u>	<u>\$ 630,922</u>	<u>\$ 2,815,922</u>	<u>\$ 630,922</u>

- h) \$2,071,000 Debt Certificates, Series 2014 due in annual installments varying from \$119,000 to \$181,000 through December 2028. Interest payments at a rate of 3.24% began in December 2014. The first principal payment was due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 131,000	\$ 53,023	\$ 184,023
2020	135,000	48,713	183,713
2021	140,000	44,258	184,258
2022	144,000	39,658	183,658
2023	149,000	34,911	183,911
2024	154,000	30,002	184,002
2025	159,000	24,932	183,932
2026	164,000	19,699	183,699
2027	170,000	14,288	184,288
2028	175,000	8,699	183,699
2029	181,000	2,932	183,932
	<u>\$ 1,702,000</u>	<u>\$ 321,115</u>	<u>\$ 2,023,115</u>

- i) \$11,000,000 General Obligation Bonds, Series 2014 due in annual installments varying from \$2,025,000 to \$2,395,000 through December 2019. Interest payments at rates varying from 0.80% to 2.50% began in June 2015. The first principal payment was due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,025,000	\$ 80,631	\$ 2,105,631
2020	2,395,000	29,938	2,424,938
	<u>\$ 4,420,000</u>	<u>\$ 110,569</u>	<u>\$ 4,530,569</u>

- j) \$4,375,000 General Obligation Qualified Zone Academy Bonds, Series 2015 due in annual installments varying from \$5,000 to \$3,120,000 starting in December 2017 through December 2027. Interest payments at a rate of 2.40% begin in June 2016.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 6.60%. This reduction rate will be applied until September 30, 2018 at which time the rate is subject to change.



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2019	\$ 85,000	\$ 101,940	\$ 186,940	\$ 101,940
2020	90,000	99,840	189,840	99,840
2021	355,000	94,500	449,500	94,500
2022	260,000	87,120	347,120	87,120
2023	155,000	82,140	237,140	82,140
2024	115,000	78,900	193,900	78,900
2025	5,000	77,460	82,460	77,460
2026	100,000	76,200	176,200	76,200
2027	5,000	74,940	79,940	74,940
2028	3,120,000	37,440	3,157,440	37,440
	<u>\$ 4,290,000</u>	<u>\$ 810,480</u>	<u>\$ 5,100,480</u>	<u>\$ 810,480</u>

- k) \$8,700,000 Working Cash Bonds, Series 2016A due in annual installments (skipping payments in FY 2019 and 2020) varying from \$1,105,000 to \$3,815,000 through December 2020. Interest payments at rates varying from 1.050% to 2.300% began in December 2016. The first principal payment was due December 1, 2016. Prepaid Bond Insurance associated with this bond sale was \$15,488 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$7,608.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 0	\$ 25,415	\$ 25,415
2020	0	25,415	25,415
2021	1,105,000	12,708	1,117,708
	<u>\$ 1,105,000</u>	<u>\$ 63,538</u>	<u>\$ 1,168,538</u>

- l) \$7,345,000 Refunding Bonds, Series 2016B due in annual installments varying from \$845,000 to \$2,015,000 through December 2024. Interest payments at a rate of 4.00% began in June 2016. The first principal payment will be due December 1, 2020. The bonds were sold at a premium of \$772,631 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$206,035. Prepaid Bond Insurance associated with this bond sale was \$16,133 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$4,302.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 0	\$ 293,800	\$ 293,800
2020	0	293,800	293,800
2021	845,000	276,900	1,121,900
2022	1,975,000	220,500	2,195,500
2023	2,015,000	140,700	2,155,700
2024	1,545,000	69,500	1,614,500
2025	965,000	19,300	984,300
	<u>\$ 7,345,000</u>	<u>\$ 1,314,500</u>	<u>\$ 8,659,500</u>

- m) \$3,325,000 Health Life Safety General Obligation Bonds, Series 2017 due in annual installments varying from \$225,000 to \$2,580,000 through March 2028. Interest payments at a rate of 5.00% began in September 2017. The first principal payment will be due March 1, 2026. The bonds were sold at a premium of \$385,312 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$33,638. Prepaid Bond Insurance associated with this bond sale was \$104,715 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$9,142.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 0	\$ 166,250	\$ 166,250
2020	0	166,250	166,250
2021	0	166,250	166,250
2022	0	166,250	166,250
2023	0	166,250	166,250
2024	0	166,250	166,250
2025	0	166,250	166,250
2026	520,000	166,250	686,250
2027	225,000	140,250	365,250
2028	2,580,000	129,000	2,709,000
	<u>\$ 3,325,000</u>	<u>\$ 1,599,250</u>	<u>\$ 4,924,250</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

- n) \$10,000,000 Working Cash Bonds, Series 2017A due in annual installments varying from \$3,215,000 to \$3,435,000 through March 2021. Interest payments vary at rates of 2.40% to 2.90% with the first interest payment to begin in March 2019. The first principal payment will be due March 1, 2019. Prepaid Bond Insurance associated with this bond sale was \$63,671 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$11,428.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,215,000	\$ 323,823	\$ 3,538,823
2020	3,350,000	188,390	3,538,390
2021	3,435,000	99,615	3,534,615
	<u>\$ 10,000,000</u>	<u>\$ 611,828</u>	<u>\$ 10,611,828</u>

- o) \$5,420,000 General Obligation Refunding Bonds, Series 2017B due in annual installments varying from \$225,000 to \$2,070,000 through March 2029. Interest payments vary at rates of 3.50% to 4.00% with the first interest payment to begin in September 2019. The first principal payment will be due March 1, 2025. The bonds were sold at a premium of \$239,369 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$12,412. Prepaid Bond Insurance associated with this bond sale was \$44,915 and is also being amortized over the life of the bonds. Accumulated amortization as of June 30, 2018 was \$2,329.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2018 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 0	\$ 251,754	\$ 251,754
2020	0	206,450	206,450
2021	0	206,450	206,450
2022	0	206,450	206,450
2023	0	206,450	206,450
2024	0	206,450	206,450
2025	225,000	206,450	431,450
2026	735,000	197,450	932,450
2027	765,000	168,050	933,050
2028	1,625,000	137,450	1,762,450
2029	2,070,000	72,450	2,142,450
	<u>\$ 5,420,000</u>	<u>\$ 2,065,854</u>	<u>\$ 7,485,854</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8. DEBT SERVICE REQUIREMENTS (CONTINUED)

The annual requirements to amortize all bonded debt outstanding as of June 30, 2018 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 6,489,157	\$ 2,700,713	\$ 9,189,870
2020	7,038,436	3,188,852	10,227,288
2021	7,369,562	3,894,611	11,264,173
2022	4,100,411	4,427,060	8,527,471
2023	3,976,700	4,551,242	8,527,942
2024	4,062,517	4,461,077	8,523,594
2025	3,580,916	4,705,967	8,286,883
2026	7,284,000	924,204	8,208,204
2027	7,400,000	572,887	7,972,887
2028	7,500,000	312,589	7,812,589
2029	2,251,000	75,382	2,326,382
	<u>\$ 61,052,699</u>	<u>\$ 29,814,584</u>	<u>\$ 90,867,283</u>

Other Debt Payable

Lease purchase agreements were entered into for equipment acquisitions, textbooks, and instructional materials. These agreements range from 144 months to 60 months and have interest rates from 4.48% to 1.85%.

The annual requirements to retire these agreements at June 30, 2018 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 465,967	\$ 24,352	\$ 490,319
2020	255,355	15,419	270,774
2021	208,385	9,672	218,057
2022	189,841	4,708	194,549
2023	60,995	1,146	62,141
	<u>\$ 1,180,543</u>	<u>\$ 55,297</u>	<u>\$ 1,235,840</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9. SHORT-TERM DEBT

The District entered into a line of credit agreement for up to \$5,000,000 on March 1, 2017 that ended on March 1, 2018 and was not renewed. On June 28, 2017, due to late State payments, the District drew \$3,450,000 on this line of credit. The District deposited \$2,100,000 into the general fund and \$1,350,000 into the transportation fund in fiscal year 2017. Per Board resolution, this line of credit was to be repaid within 60 days of receiving property tax money which was stated to be August 28, 2017. The debt was paid off earlier on August 18, 2017. The interest rate was 3.75% and interest paid in the year ended June 30, 2018 was \$18,077.

NOTE 10. CURRENT YEAR DEFEASED DEBT

On December 12, 2017, the District issued \$5,420,000 in General Obligation Refunding School Bonds, Series 2017B with interest rates varying between 3.50% to 4.00% to advance refund \$2,378,454 of the outstanding General Obligation School Bonds, Series 2002 with interest rates varying between 1.75% and 5.00%.

The escrow fund proceeds of \$5,523,118 from the District were used to purchase U.S. obligations – State and Local Government Series, which are non callable, nonrepayable direct obligations of the United States of America, and those securities were deposited in an irrevocable trust with an escrow agent to provide future debt service payments on the Series 2002 bond. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the District's financial statements. As this was just a partial defeasance, the remaining outstanding principal of the series 2002 bonds is \$6,570,266 at June 30, 2018.

The District refunded the Series 2002 bond to reduce its total debt service payments over the next 11 years by \$1,810,854 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$262,803.

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

During the year ended June 30, 2018, the District had the following interfund receivable and payable transactions:

	<u>Balance</u> <u>July 1,</u> <u>2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2018</u>
Due from Transportation to General Fund	\$ 3,850,000	\$ 600,000	\$ 3,850,000	\$ 600,000
	<u>\$ 3,850,000</u>	<u>\$ 600,000</u>	<u>\$ 3,850,000</u>	<u>\$ 600,000</u>

Interfund loans are for operating purposes and will be repaid when property taxes or state funding is received in the next fiscal year.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 12. COMMON BANK ACCOUNT

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

Occasionally certain of the funds participating in the common bank account will incur overdrafts in the account. The overdrafts result from expenditures which have been approved by the School Board.

NOTE 13. COMPENSATED ABSENCES

The District's employee sick and personal leave policies provide for granting sick and personal leave with pay. At June 30, 2018, the District's employees had accumulated an unrecorded liability of approximately \$12,661,206 that is attributable to services already rendered. This amount is in excess of a normal year's accumulations because they include accumulated benefits carried over from prior years.

NOTE 14. COMMITMENTS AND CONTINGENCIES

The District has entered into construction contracts with various contractors for a window project and asbestos removal at the Alton Middle School, but no payments were made before year end. As of June 30, 2018, the District has \$577,260 remaining to be paid on these various contracts. Additionally, the District has entered into a lease purchase for technology equipment, but no purchases were made before year end. As of June 30, 2018, the District has \$284,999 in unspent lease purchase proceeds.

NOTE 15. TAX ABATEMENTS

The District adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures*. The new disclosure is presented below:

The District is located in Madison County which has the power to negotiate property tax abatement agreements that could affect the District. As of June 30, 2018, the District is affected by one such property tax abatement. Madison County entered into an agreement with Quality Pontiac Inc. in Alton, Illinois to abate the company's 2016 property tax assessment by \$155,550 which equates to \$7,507 in abated property tax dollars. Therefore, the District had total abated 2016 levy property tax dollars of \$7,507 for the year ended June 30, 2018.

NOTE 16. DEFINITION OF ACTIVITY FUNDS

The term "Activity Funds" as it is used in this report includes Student Activity Funds, Convenience Accounts, and Trust and Agency Funds.

- a) Student Activity Funds are those which are owned, operated and managed generally by the student body under the guidance and direction of adults or a staff member for educational, recreational or cultural purposes. Although the Board of Education has the ultimate responsibility for Student Activity Funds, they are not local education agency funds.
- b) Convenience accounts are those normally maintained by a local education agency as a convenience for its faculty, staff, parent-teacher associations, etc. Although the Board of Education has the ultimate responsibility for convenience account monies, they are not local education agency funds.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 16. DEFINITION OF ACTIVITY FUNDS (CONTINUED)

- c) Trust and Agency Funds are local education agency funds. It is permissible for a school district to choose to handle certain regular district funds through its Activity Fund accounting system as Trust and Agency Funds on a temporary basis.

NOTE 17. ACTIVITY FUND TREASURERS

Activity Fund accounting records are maintained in the business offices of the various schools. In each school, the principal has been designated as Activity Fund Treasurer and has been charged with depositing all activity fund monies into a designated depository and with maintaining accounts to show each fund's share of the total cash.

NOTE 18. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

Legal Debt Margin – The District's legal debt limit as set by state statute is limited to 13.8 percent of total assessed value. As of June 30, 2018, the legal debt limit approximates \$95,524,355 and the District's debt is under the debt limit by \$33,291,113.

NOTE 19. RISK MANAGEMENT

The District is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the District and the State statute relating to judgment, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District.

The District is exposed to risks of loss from items typically applicable to all school districts. These include liability, worker's injury, student injury, property damage and others too numerous to mention. The District has purchased insurance through a public entity risk pool, Mississippi Valley Intergovernmental Cooperative, to protect against such loss. The District believes that they are reasonably covered for all possible risks of loss. Any liabilities for unpaid claims would revert back to the members of the pool. As of June 30, 2018, the liability pool and the health pool had a positive fund balance. During the year ended June 30, 2018, there were no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 20. THE SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education is utilizing a system to evaluate a school district's financial status. The financial assessment system is made up of five components which are individually scored and weighted in order to arrive at a composite score. The components consist of the following: Fund Balance to Revenue Ratio, Expenditures to Revenue Ratio, Days Cash on Hand, Percent of Short-Term Borrowing Ability Remaining, and Percent of Long-Term Debt Margin Remaining. Based on the composite score, the school district is assigned to a category of financial strength. The category assignments are based on the following composite score ranges:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 20. THE SCHOOL DISTRICT FINANCIAL PROFILE (CONTINUED)

<u>Composite Score</u>	<u>Category</u>
3.54-4.00	Financial Recognition
3.08-3.53	Financial Review
2.62-3.07	Financial Early Warning
1.00-2.61	Financial Watch

The District's preliminary composite score is 3.25 as of June 30, 2018 and would be assigned to the category of Financial Review. This means that the Illinois State Board of Education will be giving the District a limited review, but they will be monitored for potential downward trends. Illinois State Board of Education will be assessing the next year's budget for negative trends.

NOTE 21. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds. The following fund had a deficit fund balances for the year ended June 30, 2018:

Debt Service Fund	\$ 162,560
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NOTE 22. INTERFUND TRANSFERS

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. Transfers are also used to transfer interest income to the general fund for operational expenses as allowed by Illinois statute. Also, in the year ended June 30, 2018, the District abated the General Fund (Working Cash Fund) to the Transportation Fund for \$5,250,000 and to the Debt Service Fund for \$525,000. This was done to fund operations as these funds used to have large interfund payables and this abatement helped pay those back to the General Fund.

NOTE 23. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued. From this evaluation, no events were identified that met the criteria to be classified as a subsequent event.



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Calendar year ending December 31,	LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)							
	2017	2016	2015	2014	2012	2011	2010	2009
<b>Total Pension Liability</b>								
Service Cost	\$ 713,114	\$ 750,031	\$ 712,437	\$ 762,288				
Interest on the Total Pension Liability	4,008,726	3,931,535	3,798,957	3,580,855				
Benefit Changes	0	0	0	0				
Difference between Expected and Actual Experience	331,983	85,805	813,783	(401,957)				
Assumption Changes	(1,840,998)	(53,241)	53,178	2,287,641				
Benefit Payments and Refunds	(3,791,172)	(3,681,702)	(3,437,229)	(3,154,523)				
<b>Net Change in Total Pension Liability</b>	<b>\$ (578,347)</b>	<b>1,032,428</b>	<b>1,941,126</b>	<b>3,074,304</b>				
<b>Total Pension Liability - Beginning</b>	<b>54,988,715</b>	<b>53,956,287</b>	<b>52,015,161</b>	<b>48,940,857</b>				
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 54,410,368</b>	<b>\$ 54,988,715</b>	<b>\$ 53,956,287</b>	<b>\$ 52,015,161</b>				
<b>Plan Fiduciary Net Position</b>								
Employer Contributions	\$ 653,312	\$ 1,122,417	\$ 1,087,659	\$ 1,119,045				
Employee Contributions	333,561	299,472	309,039	293,768				
Pension Plan Net Investment Income	9,641,414	3,428,179	249,595	2,976,268				
Benefit Payments and Refunds	(3,791,172)	(3,681,702)	(3,437,229)	(3,154,523)				
Other (Net Transfers)	(1,471,176)	491,300	1,084,314	42,503				
<b>Net Change in Plan Fiduciary Net Position</b>	<b>5,365,939</b>	<b>1,659,666</b>	<b>(706,622)</b>	<b>1,277,061</b>				
<b>Plan Fiduciary Net Position - Beginning</b>	<b>51,892,237</b>	<b>50,232,571</b>	<b>50,939,193</b>	<b>49,662,132</b>				
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 57,258,176</b>	<b>\$ 51,892,237</b>	<b>\$ 50,232,571</b>	<b>\$ 50,939,193</b>				
<b>Net Pension Liability/(Asset) -Ending (a)-(b)</b>	<b>(2,847,808)</b>	<b>3,096,478</b>	<b>3,723,716</b>	<b>1,075,968</b>				
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.23%	94.37%	93.10%	97.93%				
Covered Valuation Payroll	\$ 6,548,804	\$ 6,517,408	\$ 6,748,274	\$ 6,396,941				
Net Pension Liability as a Percentage of Covered Valuation Payroll	-43.49%	47.51%	55.18%	16.82%				

**Notes to Schedule:**

This schedule is presented to illustrate the requirements 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS  
(schedule to be built prospectively from 2014)

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2014	\$ 1,096,436	\$ 1,119,045	\$ (22,609)	\$ 6,396,941	17.49%
2015	1,072,976	1,087,659	(14,683)	6,748,274	16.12%
2016	1,068,203	1,122,417	(54,214)	6,517,408	17.22%
2017	642,438	653,312	(10,874)	6,548,804	9.98%

**Notes to Schedule:**

This schedule is presented to illustrate the requirements 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE SCHEDULE OF CONTRIBUTIONS  
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS  
USED IN THE CALCULATION OF THE 2017 CONTRIBUTION RATE\*  
ILLINOIS MUNICIPAL RETIREMENT FUND

**Valuation Date:**

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

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

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projections 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 general projections 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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	<u>FY 17*</u>	<u>FY 16*</u>	<u>FY 15*</u>	<u>FY 14*</u>
District's proportion of the net pension liability	0.0182825386%	0.0217734262%	0.02089794%	2.34032200%
District's proportionate share of the net pension liability	\$ 13,967,520	\$ 17,187,082	\$ 13,690,256	\$ 14,242,796
State's proportionate share of the net pension liability associated with the District	218,552,848	239,649,793	201,253,254	194,193,595
<b>Total</b>	<u><u>\$ 232,520,368</u></u>	<u><u>\$ 256,836,875</u></u>	<u><u>\$ 214,943,510</u></u>	<u><u>\$ 208,436,391</u></u>
District's covered-employee payroll	\$ 29,517,890	\$ 30,207,605	\$ 31,066,145	\$ 31,490,520
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	47.32%	56.90%	44.07%	45.23%
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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

	<u>FY 17</u>	<u>FY 16</u>	<u>FY 15</u>	<u>FY 14</u>
Statutorily-required contribution	\$ 357,432	\$ 752,266	\$ 843,366	\$ 732,119
Contributions in relation to the statutorily-required contribution	356,785	751,808	842,095	732,262
Contribution deficiency (excess)	<u>\$ 647</u>	<u>\$ 458</u>	<u>\$ 1,271</u>	<u>\$ (143)</u>
District's covered-employee payroll	\$ 30,111,062	\$ 29,517,890	\$ 30,207,605	\$ 31,066,145
Contributions as a percentage of covered-employee payroll	1.18%	2.55%	2.79%	2.36%

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE SCHEDULE OF THE DISTRICT'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. CHANGES OF ASSUMPTIONS

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL FUND			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 26,884,522	\$ 27,100,049	\$ 27,544,629	\$ 444,580
State Sources	21,161,064	24,549,045	24,406,200	(142,845)
Federal Sources	9,558,984	9,242,114	8,351,251	(890,863)
Earnings on Invested Cash	14,150	103,786	106,911	3,125
Total Revenues Received	<u>\$ 57,618,720</u>	<u>\$ 60,994,994</u>	<u>\$ 60,408,991</u>	<u>\$ (586,003)</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 35,129,582	\$ 36,079,582	\$ 38,301,202	\$ (2,221,620)
Supporting Services	20,419,981	20,583,200	18,391,664	2,191,536
Community Services	887,562	887,562	858,006	29,556
Nonprogrammed Charges	130,330	130,330	49,388	80,942
Debt Services	10	10	11,033	(11,023)
Provision for Contingencies	3,050	3,050		3,050
Total Expenditures Disbursed	<u>\$ 56,570,515</u>	<u>\$ 57,683,734</u>	<u>\$ 57,611,293</u>	<u>\$ 72,441</u>
EXCESS (DEFICIENCY) OF				
REVENUES RECEIVED (UNDER)				
EXPENDITURES DISBURSED	<u>\$ 1,048,205</u>	<u>\$ 3,311,260</u>	<u>\$ 2,797,698</u>	<u>\$ (513,562)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ (343,587)	\$ (6,406,363)	\$ (6,584,212)	\$ (177,849)
Lease Purchase Agreement Proceeds			284,999	284,999
Bond Proceeds	10,000,000	10,000,000	9,772,161	(227,839)
Receipts for State "On-Behalf" Payments			21,864,235	21,864,235
Disbursements for State "On-Behalf"			(21,864,235)	(21,864,235)
Total Other Financing Sources	<u>\$ 9,656,413</u>	<u>\$ 3,593,637</u>	<u>\$ 3,472,948</u>	<u>\$ (120,689)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 10,704,618</u>	<u>\$ 6,904,897</u>	<u>\$ 6,270,646</u>	<u>\$ (634,251)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,820,599</u>	
FUND BALANCE, END OF YEAR			<u>\$ 8,091,245</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,910,322	\$ 1,847,700	\$ 1,884,168	\$ 36,468
State Sources	44,400	44,400	41,643	(2,757)
Federal Sources	246,655	246,657	187,587	(59,070)
Earnings on Invested Cash	500	9,170	10,925	1,755
Total Revenues Received	<u>\$ 2,201,877</u>	<u>\$ 2,147,927</u>	<u>\$ 2,124,323</u>	<u>\$ (23,604)</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 925,800	\$ 925,800	\$ 863,383	\$ 62,417
Supporting Services	832,640	832,640	725,688	106,952
Community Services	15,100	15,100	14,534	566
Total Expenditures Disbursed	<u>\$ 1,773,540</u>	<u>\$ 1,773,540</u>	<u>\$ 1,603,605</u>	<u>\$ 169,935</u>
NET CHANGE IN FUND BALANCES	<u>\$ 428,337</u>	<u>\$ 374,387</u>	\$ 520,718	<u>\$ 146,331</u>
FUND BALANCE, BEGINNING OF YEAR			<u>119,136</u>	
FUND BALANCE, END OF YEAR			<u>\$ 639,854</u>	



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>TRANSPORTATION FUND</u>			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,432,753	\$ 1,363,250	\$ 1,374,087	\$ 10,837
State Sources	3,037,181	4,041,132	4,050,480	9,348
Federal Sources	60,800	60,800	66,036	5,236
Charges for Services		45,000	39,771	(5,229)
Earnings on Invested Cash	550	2,150	2,700	550
Total Revenues Received	<u>\$ 4,531,284</u>	<u>\$ 5,512,332</u>	<u>\$ 5,533,074</u>	<u>\$ 20,742</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 5,471,179	\$ 5,935,517	\$ 5,900,105	\$ 35,412
Debt Services		7,050	7,050	
Total Expenditures Disbursed	<u>\$ 5,471,179</u>	<u>\$ 5,942,567</u>	<u>\$ 5,907,155</u>	<u>\$ 35,412</u>
EXCESS (DEFICIENCY) OF				
REVENUES RECEIVED (UNDER)				
EXPENDITURES DISBURSED	<u>\$ (939,895)</u>	<u>\$ (430,235)</u>	<u>\$ (374,081)</u>	<u>\$ 56,154</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net		\$ 5,250,000	\$ 5,250,000	
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 5,250,000</u>	<u>\$ 5,250,000</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCES	<u>\$ (939,895)</u>	<u>\$ 4,819,765</u>	<u>\$ 4,875,919</u>	<u>\$ 56,154</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(4,657,305)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ 218,614</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CAPITAL PROJECTS FUND</u>			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Earnings on Invested Cash	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues Received	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures Disbursed	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
FUND BALANCE, BEGINNING OF YEAR			<u>0</u>	
FUND BALANCE, END OF YEAR			<u>\$ 0</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

<u>FIRE PREVENTION AND SAFETY FUND</u>				
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 346,913	\$ 340,850	\$ 343,538	\$ 2,688
Earnings on Invested Cash	2,500	9,800	10,500	700
Total Revenues Received	<u>\$ 349,413</u>	<u>\$ 350,650</u>	<u>\$ 354,038</u>	<u>\$ 3,388</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 3,484,000	\$ 3,570,000	\$ 3,554,086	\$ 15,914
Total Expenditures Disbursed	<u>\$ 3,484,000</u>	<u>\$ 3,570,000</u>	<u>\$ 3,554,086</u>	<u>\$ 15,914</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ (3,134,587)</u>	<u>\$ (3,219,350)</u>	<u>\$ (3,200,048)</u>	<u>\$ (12,526)</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	\$ 3,325,000	\$ 3,325,000	\$ 3,118,226	\$ 206,774
Premium on Bonds Sold			385,312	(385,312)
Total Other Financing Sources	<u>\$ 3,325,000</u>	<u>\$ 3,325,000</u>	<u>\$ 3,503,538</u>	<u>\$ (178,538)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (3,134,587)</u>	<u>\$ (3,219,350)</u>	<u>\$ 303,490</u>	<u>\$ (12,526)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>821,853</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,125,343</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>DEBT SERVICE FUND</u>			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u>
REVENUES RECEIVED:				
Local Sources	\$ 7,847,354	\$ 7,269,320	\$ 7,454,068	\$ 184,748
Federal Sources	440,000	440,000	441,049	1,049
Earnings on Invested Cash	3,700	25,000	27,284	2,284
Unrealized Gain on Investment			546	546
Total Revenues Received	<u>\$ 8,291,054</u>	<u>\$ 7,734,320</u>	<u>\$ 7,922,947</u>	<u>\$ 188,627</u>
EXPENDITURES DISBURSED:				
Debt Services	<u>\$ 13,396,656</u>	<u>\$ 13,076,767</u>	<u>\$ 19,182,597</u>	<u>\$ (6,105,830)</u>
Total Expenditures Disbursed	<u>\$ 13,396,656</u>	<u>\$ 13,076,767</u>	<u>\$ 19,182,597</u>	<u>\$ (6,105,830)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ (5,105,602)</u>	<u>\$ (5,342,447)</u>	<u>\$ (11,259,650)</u>	<u>\$ (5,917,203)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ 343,587	\$ 1,156,363	\$ 1,334,212	\$ 177,849
Bond Proceeds		105,872	5,855,631	5,749,759
Premium on Bonds Sold	385,312		242,163	242,163
Total Other Financing Sources	<u>\$ 728,899</u>	<u>\$ 1,262,235</u>	<u>\$ 7,432,006</u>	<u>\$ 6,169,771</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,376,703)</u>	<u>\$ (4,080,212)</u>	<u>\$ (3,827,644)</u>	<u>\$ 252,568</u>
FUND BALANCE, BEGINNING OF YEAR			<u>3,665,084</u>	
FUND BALANCE, END OF YEAR			<u>\$ (162,560)</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
NOTES TO THE BUDGETARY AND ACTUAL SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to May 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. This budget is prepared on the cash basis of accounting. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education. The Board may amend the budget by the same procedure used in the initial adoption.
5. Budgeted amounts are as originally adopted on September 19, 2017, and as amended by the Board of Education on June 25, 2018.

NOTE 2. EXPENDITURES OVER BUDGET

The following fund had expenditures over budget for the year ended June 30, 2018:

Debt Service	\$ 6,105,830
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ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES  
MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>EDUCATIONAL</u> <u>FUND</u>	<u>OPERATIONS AND</u> <u>MAINTENANCE</u> <u>FUND</u>	<u>WORKING</u> <u>CASH</u> <u>FUND</u>	<u>TORT</u> <u>FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>					
Cash and Invested Cash	\$ 1,388,808	\$ 890,159	\$ 5,651,707	\$ 534,858	\$ 8,465,532
Loans to Other Funds		5,200,000			5,200,000
TOTAL ASSETS	<u>\$ 1,388,808</u>	<u>\$ 6,090,159</u>	<u>\$ 5,651,707</u>	<u>\$ 534,858</u>	<u>\$ 13,665,532</u>
<u>LIABILITIES</u>					
Loans from Other Funds	\$ 4,600,000				\$ 4,600,000
Total Liabilities	<u>\$ 4,600,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,600,000</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property Taxes	\$ 639,345	\$ 167,865	\$ 14,597	\$ 152,480	\$ 974,287
<u>FUND BALANCES</u>					
Restricted	\$ 2,510,301			\$ 371,792	\$ 2,882,093
Committed	4,746,513				4,746,513
Assigned				10,586	10,586
Unassigned	(11,107,351)	\$ 5,922,294	\$ 5,637,110		452,053
Total Fund Balances (Deficit)	<u>\$ (3,850,537)</u>	<u>\$ 5,922,294</u>	<u>\$ 5,637,110</u>	<u>\$ 382,378</u>	<u>\$ 8,091,245</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,388,808</u>	<u>\$ 6,090,159</u>	<u>\$ 5,651,707</u>	<u>\$ 534,858</u>	<u>\$ 13,665,532</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>EDUCATIONAL</u> <u>FUND</u>	<u>OPERATIONS AND</u> <u>MAINTENANCE</u> <u>FUND</u>	<u>WORKING</u> <u>CASH</u> <u>FUND</u>	<u>TORT</u> <u>FUND</u>	<u>TOTALS</u>
REVENUES RECEIVED:					
Local Sources	\$ 20,331,780	\$ 3,985,775	\$ 343,538	\$ 2,883,536	\$ 27,544,629
State Sources	24,406,200				24,406,200
Federal Sources	8,351,251				8,351,251
Earnings on Invested Cash	63,500	11,416	25,498	6,497	106,911
Total Revenues Received	<u>\$ 53,152,731</u>	<u>\$ 3,997,191</u>	<u>\$ 369,036</u>	<u>\$ 2,890,033</u>	<u>\$ 60,408,991</u>
EXPENDITURES DISBURSED:					
Instruction	\$ 38,301,202				\$ 38,301,202
Supporting Services	13,136,750	\$ 2,551,315		\$ 2,703,599	18,391,664
Community Services	858,006				858,006
Nonprogrammed Charges	49,388				49,388
Debt Service	11,033				11,033
Total Expenditures Disbursed	<u>\$ 52,356,379</u>	<u>\$ 2,551,315</u>	<u>\$ 0</u>	<u>\$ 2,703,599</u>	<u>\$ 57,611,293</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 796,352</u>	<u>\$ 1,445,876</u>	<u>\$ 369,036</u>	<u>\$ 186,434</u>	<u>\$ 2,797,698</u>
OTHER FINANCING SOURCES (USES):					
Permanent Transfers, Net	\$ 7,872,451	\$ (806,165)	\$ (13,650,498)		\$ (6,584,212)
Lease Purchase Agreement Proceeds	284,999				284,999
Bond Proceeds			9,772,161		9,772,161
Receipts for State "On-Behalf" Payments	21,864,235				21,864,235
Disbursements for State "On-Behalf"	(21,864,235)				(21,864,235)
Total Other Financing Sources (Uses)	<u>\$ 8,157,450</u>	<u>\$ (806,165)</u>	<u>\$ (3,878,337)</u>	<u>\$ 0</u>	<u>\$ 3,472,948</u>
NET CHANGE IN FUND BALANCES	<u>\$ 8,953,802</u>	<u>\$ 639,711</u>	<u>\$ (3,509,301)</u>	<u>\$ 186,434</u>	<u>\$ 6,270,646</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(12,804,339)</u>	<u>5,282,583</u>	<u>9,146,411</u>	<u>195,944</u>	<u>1,820,599</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u><u>\$ (3,850,537)</u></u>	<u><u>\$ 5,922,294</u></u>	<u><u>\$ 5,637,110</u></u>	<u><u>\$ 382,378</u></u>	<u><u>\$ 8,091,245</u></u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2018

TAX RATES													
LEVY YEAR	ASSESSED VALUATIONS	EDUCA- TIONAL	OPERATIONS AND MAIN- TENANCE	BOND AND INTEREST	TRANSPOR- TATION	MUNICIPAL RETIRE- MENT	WORKING CASH	LIABILITY INSURANCE	SOCIAL SECURITY	SPECIAL EDUCA- TION	FIRE PRE- VENTION AND SAFETY	FACILITIES LEASING	TOTAL
2008	740,022,053	2.1500	.5250	.5866	.2000	.0625	.0500	.2616	.0735	.0400	.0500	.0500	4.0492
2009	755,657,858	2.1500	.5250	.5943	.2000	.0926	.0500	.2595	.0550	.0400	.0500	.0500	4.0664
2010	742,239,079	2.1500	.5250	.6250	.2000	.1010	.0500	.2883	.0494	.0400	.0500	.0500	4.1287
2011	732,483,600	2.1500	.5250	.6606	.2000	.0568	.0500	.2921	.0956	.0400	.0500	.0500	4.1701
2012	713,376,343	2.1500	.5250	.7101	.2000	.1402	.0500	.3210	.0351	.0400	.0500	.0500	4.2714
2013	687,923,831	2.1500	.5250	.7671	.2000	.1309	.0500	.3328	.0727	.0400	.0500	.0500	4.3685
2014	681,777,386	2.1500	.5250	1.1532	.2000	.1196	.0500	.3359	.1196	.0400	.0500	.0500	4.7933
2015	679,767,716	2.1500	.5250	1.1179	.2000	.1347	.0500	.4104	.1347	.0400	.0500	.0500	4.8627
2016	693,894,205	2.1500	.5250	1.0807	.2000	.1319	.0500	.4165	.1319	.0400	.0500	.0500	4.8260
2017	692,205,473	2.1500	.5250	1.2334	.2000	.1005	.0500	.5223	.1640	.0400	.0500	.0500	5.0852
TAX EXTENSIONS													
2008		15,903,670	3,883,454	4,339,113	1,479,411	462,316	369,853	1,935,070	543,683	295,882	369,853	369,853	29,952,158
2009		16,239,839	3,965,543	4,488,994	1,510,682	699,446	377,671	1,960,110	415,438	302,137	377,671	377,670	30,715,201
2010		15,957,004	3,896,477	4,638,664	1,484,372	749,608	371,093	2,139,723	366,640	296,874	371,093	371,093	30,642,641
2011		15,748,397	3,845,539	4,839,051	1,464,967	416,050	366,242	2,139,585	700,254	292,993	366,242	366,242	30,545,562
2012		15,337,591	3,745,226	5,065,685	1,426,753	1,000,153	356,688	2,289,938	250,395	285,351	356,688	356,688	30,471,156
2013		14,790,362	3,611,600	5,278,547	1,375,848	900,011	343,962	2,289,411	500,052	275,170	343,962	343,962	30,052,887
2014		14,658,214	3,579,331	7,862,256	1,363,555	815,405	340,889	2,290,090	815,405	272,711	340,889	340,889	32,679,634
2015		14,614,954	3,568,768	7,599,096	1,359,530	915,644	339,883	2,789,757	915,644	271,906	339,883	339,883	33,054,948
2016		14,910,819	3,641,014	7,494,941	1,387,053	914,761	346,763	2,888,538	914,761	277,411	346,763	346,763	33,469,587
2017		14,874,171	3,632,065	8,532,931	1,383,644	695,281	345,911	3,613,386	1,134,588	276,729	345,911	345,911	35,180,528



ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>TAX COLLECTIONS</u>		
	<u>TOTAL</u> <u>EXTENSIONS</u>	<u>TOTAL</u> <u>COLLECTIONS*</u>	<u>PERCENT</u> <u>COLLECTED</u>
2008	\$ 29,952,158	\$ 29,679,707	99.09
2009	30,715,201	30,400,418	98.98
2010	30,642,641	30,343,353	99.02
2011	30,545,562	30,291,120	99.17
2012	30,471,156	30,168,229	99.01
2013	30,052,887	29,836,038	99.28
2014	32,679,634	32,386,798	99.10
2015	33,054,948	32,768,539	99.13
2016	33,469,587	33,142,864	99.02
2017	35,180,528	1,484,565	4.22

\*Does not include Mobile Home Privilege Tax.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
STUDENT ACTIVITY FUNDS - ALL FUNDS  
SUMMARY SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
Alton High School Activity Funds	\$ 310,370	\$ 716,623	\$ 700,346	\$ 326,647
Alton Middle School Activity Funds	112,835	238,709	238,144	113,400
Elementary and Special Schools				
Activity Funds	108,441	296,007	247,322	157,126
Superintendent's Pacesetter Award	67,296		380	66,916
Chapter I Activity Fund	350		235	115
Administrative Convenience Funds	361	243	152	452
J.B. Johnson Scholarship Fund	3,248		28	3,220
Overath Scholarship Fund	42,506			42,506
Linda Bruns Memorial Scholarship	21,236		731	20,505
Francie McLaughlin Scholarship	2,164	1		2,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 668,807	\$ 1,251,583	\$ 1,187,338	\$ 733,052
	<hr/>	<hr/>	<hr/>	<hr/>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
A-Steppers	\$ 444	\$ 3,994	\$ 4,113	\$ 325
AHS Candy	4,208	3,557	3,244	4,521
AHS Business	97			97
AHS Administrative Fund	402	423	450	375
Academy Promo	153	1		154
Advance Placement Test Fees	4,777	7,796	9,374	3,199
Agenda Book Fee	2,316	13		2,329
Alton High Pepsi Fund	3,591	17,650	13,370	7,871
Animation Club	96			96
Architectural Drafting	91	1		92
Art Club	2,173	1,696	669	3,200
Athletic Program Fund	2,871	38,137	33,669	7,339
Band Fund	1,152	8,437	8,985	604
Bank Handling Charge	2,077	1,004	2,030	1,051
Baseball Fund	21,064	47,427	57,504	10,987
Biology Club	2,403	8,608	9,374	1,637
Bounds Scholarship	4,265	73	160	4,178
Boys Tennis	5	6,256	5,739	522
Boys Tip-Off Classic	1,438	25,487	23,019	3,906
Boys Soccer	2,708	12,355	9,543	5,520
Boys Track	51	1,463	1,457	57
BT 816	46	1,042	290	798
Business Ownership	78	183	75	186
Cheerleaders Club	2,843	32,646	33,865	1,624
Chemistry Club	3,011	209	732	2,488
Chess Club	57	10		67
Chorus Fund	1,727	7,963	8,237	1,453
Coaches Fundraiser	163	1	37	127
Commercial Art	5,899	9,367	9,539	5,727
Conservatory of Music	2,418	14,941	15,829	1,530
Cross Country	3,032	4,543	3,118	4,457
Counseling Office Candy (COC)	5,385	2,275	1,590	6,070
Curvey Math	150	1		151
Diversity Awareness	332	2		334
Ecology/Science	149	511	400	260
English Department	6,522	48	50	6,520
YELL	49	95		144
Interest Fund	61	1,786	1,847	0
RB Spirit Scholarship	13,565	75		13,640
Without Divide	422	2	105	319
Ping Pong Club	24			24

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
Faculty Flower Fund	\$ 90	\$ 1		\$ 91
Fellowship - Christian Athletes	457	\$ 1,674	521	1,610
FFA	358	9,194	\$ 7,878	1,674
FHA/FCCLA	1,464	13,577	11,887	3,154
Football Soda	3,340	10,861	13,085	1,116
French Club	2,350	5,515	7,226	639
German Club	2,415	3,433	3,180	2,668
German Club (Special)	1,942	2,628	1,032	3,538
Girls Soccer	5,104	5,772	8,361	2,515
Girls Softball Club	4,345	2,423	3,898	2,870
Girls Tennis	1,508	6,645	7,729	424
Girls Tip-Off Classic	1,302	7,268	4,875	3,695
Girls Track Fund	457	4,698	5,006	149
Golf (Boy's)	1,010	6,413	6,064	1,359
Golf (Girl's)	2,320	6,215	7,412	1,123
Gospel Choir	444	466	667	243
Gym Pepsi Fund	935	5,757	4,768	1,924
HOSA	19			19
IEA Score	369	1	350	20
IL 981 ROTC	1,895	30,924	27,816	5,003
Industrial Arts	656	4,599	5,001	254
FBLA (Interact)	44	1,666	1,666	44
JB Johnson Activity Fund	315	2,684	2,788	211
L&L Grant	14	3,452	2,733	733
Library	1,881	3,213	2,065	3,029
Lifesavers	812	13,952	13,745	1,019
Linda Bruns Scholarship	1,552	8	500	1,060
Jan Polk Memorial Scholarship	80	4,929	3,718	1,291
Math Scholarship	452	1,085	868	669
Math Team	2,567	3,134	2,117	3,584
Memorial Fund	751	305	250	806
Minority Excellence	1,760	9	325	1,444
Musical Equipment	506	3		509
National Honor Society	1,208	4,527	5,325	410
NEA Foundation	1,950	3,057	4,884	123
Ned Nilsson Scholarship Fund	11,196	131	1,500	9,827
Orchestra Fund	400	2,535	2,205	730
PBIS	1,209	129	295	1,043
Bowling/Billiards	6,370	7,031	1,959	11,442
Pepsi Rebate	4,851	19,555	18,300	6,106
P.E. Candy/Soda	76	1		77
P.E. Uniforms	2,449	7,400	8,239	1,610

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON HIGH SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
Photography Club	\$ 624	\$ 4,241	\$ 4,249	\$ 616
Pom-Pom Girls	2,418	3,840	5,559	699
Pottery Club/Art	314	1,656	1,878	92
Pre-Work Program	32			32
PRISM	568	3		571
Principal's Activity Fund	1,070	4,030	3,050	2,050
Culinary Arts	554	2,994	1,238	2,310
Redbird Bowling	1,107	4,871	4,283	1,695
Redbird Broadcasting	216	956	853	319
Redbird Mission	1,904	11		1,915
Redbird Nest	10,555	14,153	11,288	13,420
Redbird Store	29,311	53,987	57,273	26,025
Redbird Word	156	2,426	2,124	458
Robotics	5,938	3,765	5,781	3,922
River Watchers Science Club	780	2,788	2,297	1,271
Scholar Bowl	773	522	562	733
Science Department	1,017	5	155	867
Scott's Welding	693	141	692	142
Social Studies Club	4,116	264	113	4,267
Spanish Club	268	1,403	1,273	398
Spanish Video Fund	290	1	118	173
Special Ed Scholarship	144	1		145
Stage Productions	5,526	9,832	9,301	6,057
Miscellaneous - 618 Boys	321	847	557	611
Student Council	17,294	70,854	61,389	26,759
Student Fund	11,399	16,475	18,190	9,684
Success Scholarship	14			14
Summer Scholarship	481	3		484
Tattler	11,384	23,787	15,409	19,762
Thespians	639	7,320	7,911	48
VCR/English	1,043	6		1,049
Vocational Welding	1,626	9		1,635
Volleyball	13,941	12,538	20,106	6,373
Wellness	413	2		415
Wrestling	254	854	852	256
W.Y.S.E. (Physics)	6,054	5,089	5,113	6,030
Young Adult Class	220	1	80	141
Petty Cash	1,375			1,375
Total	<u>\$ 310,370</u>	<u>\$ 716,623</u>	<u>\$ 700,346</u>	<u>\$ 326,647</u>

Cash Balance Consists of:

Checking Account	\$ 316,033
Certificates of Deposit	9,239
Petty Cash	1,375
Total	<u>\$ 326,647</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ALTON MIDDLE SCHOOL ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
Athletic Fund	\$ 16,970	\$ 44,528	\$ 34,519	\$ 26,979
Alton Education Foundation Grant	2		2	0
Band Festival	232	108	308	32
Baseball	696		696	0
Track Account	0	1,404		1,404
Black History Month	374	245	362	257
Boxtops	1,803	74	1,874	3
Cheerleader Fund	4,291	25,812	26,502	3,601
Chorus Fund	5,520	6,561	9,850	2,231
Eagles Nest House Account	5,443	11,581	11,406	5,618
Employee Soda Fund	5,746	10,697	10,989	5,454
Fields Summit Account	7,780	6,033	5,631	8,182
GEMS Grant	165	1,670	1,835	0
Honors	2,244		77	2,167
Illinois House Account	1,113	6,007	5,638	1,482
Library Club	2,512	5,176	4,772	2,916
Lighthouse Account	6,798	15,914	15,801	6,911
Mississippi House Account	2,852	3,822	5,433	1,241
National Junior Honor Society	6,485	8,737	7,994	7,228
Orchestra	402	3,349	3,611	140
PBIS Universal	125	990	980	135
Piasa House Account	7,370	9,264	10,949	5,685
Peer Leadership	474			474
Principals Activity	767		767	0
School Store	572	146	226	492
Student Council	107	2,105	1,487	725
Student of the Month	175	225	225	175
Theatre	8,020	22,368	28,667	1,721
Unified Arts	5,792	1,535	1,931	5,396
Walmart Grant	1,234	320	972	582
Yearbook	3,683	4,693	5,760	2,616
Home Grown	1,465	764	517	1,712
Recycle Green Team	204		204	0
Ceramic Tile Murals	73	195	259	9
Artist Are Inventors	46	1,438	1,484	0
Track	372		372	0
Target Field Trip Grant	137	849	986	0
AEF Grant - Miller	119	607	722	4
AEF Grant - A. Jacks	0	326	326	0
Girls on the Rise	1,179	64	330	913
PTG	8,800	25,500	20,306	13,994
Junior Redbird Word	78			78
Bio Swale Grant	0	2,400	2,388	12
Gentlemen's Club	0	132	70	62
Science Olympiad	0	2,187	2,142	45
Recycle Green Team	0	204		204
AMS Baseball- B. Huff	0	9,678	8,336	1,342
Mannie Jackson Grant	615	1,000	438	1,177
Total	\$ 112,835	\$ 238,709	\$ 238,144	\$ 113,400

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11  
ELEMENTARY AND SPECIAL SCHOOLS ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2018</u>
East Elementary	\$ 2,932	\$ 14,699	\$ 13,759	\$ 3,872
Eunice Smith	12,399	48,264	45,312	15,351
Gilson Brown	41,605	76,025	75,736	41,894
J.B. Johnson - Early Activity	19,538	2,080	2,803	18,815
James Center	2,652	1,985	1,870	2,767
Lewis and Clark	5,950	107,508	65,126	48,332
Lovejoy	2,453	7,909	8,166	2,196
Motivational Achievement - MAC	2,028	1,735	971	2,792
North Elementary	4,542	27,361	21,797	10,106
West Elementary	14,342	8,441	11,782	11,001
Total	<u>\$ 108,441</u>	<u>\$ 296,007</u>	<u>\$ 247,322</u>	<u>\$ 157,126</u>

SCHEDULE "13"

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

BONDED DEBT DATA

JUNE 30, 2018

<u>DESCRIPTION</u>	<u>INTEREST RATES</u>	<u>INTEREST DATES</u>	<u>AMOUNT ORIGINALLY ISSUED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>	<u>AMOUNT ISSUED THIS FISCAL YEAR</u>	<u>AMOUNT PAID OR RETIRED THIS FISCAL YEAR</u>	<u>AMOUNT OUTSTANDING AT JUNE 30, 2018</u>		<u>TOTAL</u>
							<u>PAYABLE IN NEXT FISCAL YEAR</u>	<u>PAYABLE IN SUBSEQUENT FISCAL YEARS</u>	
2002 G.O. Bonds	1.75%-5.00%	6/1 & 12/1	\$ 31,740,676	\$ 10,955,315		\$ 4,385,049	\$ 633,157	\$ 5,937,109	\$ 6,570,266
2005 G.O. Bonds	2.625%-5.02%	5/1 & 11/1	8,295,434	4,475,433				4,475,433	4,475,433
2006 G.O. Bonds	3.82%-4.37%	6/1 & 12/1	1,715,000	700,000		300,000	400,000	0	400,000
2007 G.O. Bonds	4.00%	6/1 & 12/1	9,225,000	475,000		475,000		0	0
2011 G.O. QZAB Bonds	5.50%-5.625%	6/1 & 12/1	7,685,000	7,685,000				7,685,000	7,685,000
2012A G.O. Bonds	3.00%	6/1 & 12/1	2,130,000	2,130,000				2,130,000	2,130,000
2012B G.O. QZAB Bonds	3.85%	6/1 & 12/1	2,185,000	2,185,000				2,185,000	2,185,000
2014 G.O. Bonds	3.24%	6/1 & 12/1	2,071,000	1,829,000		127,000	131,000	1,571,000	1,702,000
2014 G.O. Working Cash Bonds	0.80%-2.50%	6/1 & 12/1	11,000,000	6,530,000		2,110,000	2,025,000	2,395,000	4,420,000
2015 G.O. QZAB Bonds	2.40%	6/1 & 12/1	4,375,000	4,375,000		85,000	85,000	4,205,000	4,290,000
2016A G.O. Bonds	1.05%-2.30%	6/1 & 12/1	8,700,000	4,920,000		3,815,000		1,105,000	1,105,000
2016B G.O. Bonds	4.00%	6/1 & 12/1	7,345,000	7,345,000				7,345,000	7,345,000
2017 G.O. HLS Bonds	5.00%	3/1 & 9/1	3,325,000		\$ 3,325,000			3,325,000	3,325,000
2017A G.O. Working Cash Bonds	2.40%-2.90%	3/1 & 9/1	10,000,000		10,000,000		3,215,000	6,785,000	10,000,000
2017B G.O. Refunding Bonds	3.50%-4.00%	3/1 & 9/1	5,420,000		5,420,000			5,420,000	5,420,000
<b>Totals</b>			<b>\$ 115,212,110</b>	<b>\$ 53,604,748</b>	<b>\$ 18,745,000</b>	<b>\$ 11,297,049</b>	<b>\$ 6,489,157</b>	<b>\$ 54,563,542</b>	<b>\$ 61,052,699</b>

LEGAL DEBT MARGIN

Assessed Valuation

\$ 692,205,473

Debt Limit, 13.8% of

\$ 95,524,355

Assessed Value

61,052,699

Less, Bonded Indebtedness

1,180,543

Less, Lease Purchase Agreements

\$ 33,291,113

Legal Debt Margin



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

DISTRICT/JOINT AGREEMENT NAME <b>ALTON COMMUNITY UNIT SCHOOL DIST</b>	RCDT NUMBER <b>41-057-0110-26</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>60.004556</b>	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM <b>SCHEFFEL BOYLE 322 STATE STREET ALTON</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>1854 E. BROADWAY ALTON</b>		E-MAIL ADDRESS: <b>steve.pembrook@scheffelboyle.com</b>	
<b>62002</b>		NAME OF AUDIT SUPERVISOR <b>STEVEN C. PEMBROOK</b>	
		CPA FIRM TELEPHONE NUMBER <b>618-465-4288</b>	FAX NUMBER <b>618-462-3818</b>

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

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

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

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

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



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND  
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON

October 4, 2018

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

To the Board of Education  
Alton Community Unit School District No. 11  
Alton, Illinois

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

We have audited the Alton Community Unit School District No. 11's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. Alton Community Unit School District No. 11's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Alton Community Unit School District No. 11's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alton Community Unit School District No. 11'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 Alton Community Unit School District No. 11's compliance.



## Opinion on Each Major Federal Program

In our opinion, Alton Community Unit School District No. 11 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

The management of Alton Community Unit School District No. 11 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 Alton Community Unit School District No. 11's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Alton Community Unit School District No. 11'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.

  
Alton, Illinois

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits)- or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION IMPACT AID	84.041	18-4001-00		6,024			6,024			0 6,024	N/A
TITLE 1 - LOW INCOME	84.010	17-4300-00	1,444,786	709,540	1,624,345		529,981			2,154,326	2,533,084
TITLE 1 - LOW INCOME	84.010	18-4300-00		1,589,914			1,874,649		279,713	2,154,362	2,540,608
SUBTOTAL TITLE 1 - LOW INCOME			1,444,786	2,299,454	1,624,345		2,404,630		279,713	4,308,688	5,073,692
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	17-4305-00	6,246	2,330	8,576		0			8,576	13,156
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	18-4305-00		8,974			11,144		506	11,650	12,407
SUBTOTAL TITLE 1 - LOW INCOME - NEGL PRIV			6,246	11,304	8,576		11,144		506	20,226	25,563
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	17-4421-12	165,441	92,564	258,005		0			258,005	258,005
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	18-4421-12		0			227,859		25,758	253,617	258,005
SUBTOTAL TITLE IV - 21ST CENT COMM LEARN			165,441	92,564	258,005		227,859		25,758	511,622	516,010
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH	84.173	17-4600-00	44,342	26,514	66,239		5,022			511,622	81,572
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH	84.173	18-4600-00		41,893			56,943			56,943	81,572
SUBTOTAL FEDERAL SP.ED. - PRESCHOOL FLOW THROUGH			44,342	68,407	66,239		61,965			128,204	163,144
FEDERAL SP. ED. - IDEA FLOW THROUGH	84.027	17-4620-00	1,156,388	517,277	1,580,548		93,117			1,673,665	2,203,156
FEDERAL SP. ED. - IDEA FLOW THROUGH	84.027	18-4620-00		974,906			1,366,108			1,366,108	2,106,757
SUBTOTAL FEDERAL SP.ED. - IDEA FLOW THROUGH			1,156,388	1,492,183	1,580,548		1,459,225			3,039,773	4,309,913
SUBTOTAL IDEA CLUSTER			1,200,730	1,560,590	1,646,787		1,521,190			3,167,977	4,473,057

• (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.

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.

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.

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 outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION (CONTINUED)										0	
TITLE II - TEACHER QUALITY	84.367	17-4932-00	330,650	97,748	368,692		59,706			428,398	448,390
TITLE II - TEACHER QUALITY	84.367	18-4932-00		197,584			234,087		40,516	274,603	353,818
SUBTOTAL TITLE II - TEACHER QUALITY			330,650	295,332	368,692		293,793		40,516	703,001	802,208
										0	
SCHOOL CLIMATE TRANSFORMATION GRANT	84.184G	S184G140133-17	262,186	28,940	291,126		0			291,126	N/A
SCHOOL CLIMATE TRANSFORMATION GRANT	84.184G	S184G140133-18		172,451			210,606			210,606	N/A
SUBTOTAL SCHOOL CLIMATE TRANSFORMATION GRANT			262,186	201,391	291,126		210,606			501,732	
										0	
TOTAL US DEPT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF ED			3,410,039	4,466,659	4,197,531		4,675,246		346,493	9,219,270	10,890,530
										0	
US DEPARTMENT OF HEALTH AND HUMAN SERVICES- PASS THROUGH IL DEPT. OF HEALTHCARE & FAMILY SERVICES										0	
ADMINISTRATIVE OUTREACH	93.778	18-4991-00		160,504			160,504			160,504	N/A
TOTAL US DEPT OF HEALTH AND HUMAN SERVICES- PASS THROUGH IL DEPT. OF HEALTHCARE & FAMILY SERVICES				160,504			160,504			160,504	
JS DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED											
SCHOOL LUNCH COMMODITIES (NON-CASH) (M)	10.555			275,874			275,874				N/A
										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.

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.

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.

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 outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor  Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project #  (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/16-6/30/17 (C)	Year 7/1/17-6/30/18 (D)	Year 7/1/16-6/30/17 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients	Year 7/1/17-6/30/18 (F)	Year 7/1/17-6/30/18 Pass through to Subrecipients			
US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED (CONTINUED)										0	
NATIONAL SCHOOL LUNCH PROGRAM (M)	10.555	17-4210-00	2,031,157	456,290	2,031,157		456,290			2,487,447	N/A
NATIONAL SCHOOL LUNCH PROGRAM (M)	10.555	18-4210-00		2,005,278			2,005,278			2,005,278	N/A
SUBTOTAL NATIONAL SCHOOL LUNCH PROGRAM (M)			2,031,157	2,461,568	2,031,157		2,461,568			4,492,725	
										0	
SCHOOL BREAKFAST PROGRAM (M)	10.553	17-4220-00	604,780	144,933	604,780		144,933			749,713	N/A
SCHOOL BREAKFAST PROGRAM (M)	10.553	18-4220-00		663,908			663,908			663,908	N/A
SUBTOTAL SCHOOL BREAKFAST PROGRAM (M)			604,780	808,841	604,780		808,841			1,413,621	
										0	
SPECIAL MILK PROGRAM (M)	10.556	17-4215-00	5,195	0	5,195		0			5,195	N/A
SPECIAL MILK PROGRAM (M)	10.556	18-4215-00		0			0			0	N/A
SUBTOTAL SPECIAL MILK PROGRAM (M)			5,195	0	5,195		0			5,195	
										0	
SUMMER SCHOOL FOOD SERVICE (M)	10.559	17-4225-00	0	35,806	0		35,806			35,806	N/A
SUMMER SCHOOL FOOD SERVICE (M)	10.559	18-4225-00		922			922			922	N/A
SUBTOTAL SUMMER SCHOOL FOOD SERVICE (M)			0	36,728	0		36,728			36,728	
SUBTOTAL CHILD NUTRITION CLUSTER			2,641,132	3,583,011	2,641,132		3,583,011			6,224,143	
TOTAL US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED			2,641,132	3,583,011	2,641,132		3,583,011			6,224,143	
US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MADISON COUNTY CAREER & TEC											
CARL PERKINS GRANT III	84.048	18-4770-00		79,771			79,771			79,771	N/A
TOTAL US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MAD COUNTY CAREER & TECH				79,771			79,771			79,771	
TOTALS			6,051,171	8,289,945	6,838,663		8,498,532		346,493		10,890,530

• (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.

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.

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.

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 outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2018**

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

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Alton Community Unit School District #11 and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

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

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

ACUSD's restricted indirect cost rate is 1.57% and the unrestricted is 11.49%.

**Note 3: Subrecipients**

Of the federal expenditures presented in the schedule, Alton Community Unit School District #11 provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
N/A - NO FEDERAL AWARDS WERE PROVIDED TO SUBRECIPIENTS FOR THE		
YEAR ENDED JUNE 30, 2018		

**Note 4: Non-Cash Assistance**

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

NON-CASH COMMODITIES (CFDA 10.555)\*\*:

	<u>\$275,874</u>	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	<u>\$0</u>	Total Non-Cash <span style="border: 1px solid black; padding: 2px;"><b>\$275,874</b></span>

**Note 5: Other Information**

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

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

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

<sup>5</sup> This note is included to meet the Uniform Guidance requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule. (§200.510 (b)(6))

See Notes to Financial Statements of Expenditures of Federal Awards 83 - te whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs. §200.510 (b)(6)

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

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

**FINANCIAL STATEMENTS**

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

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

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

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

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

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

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

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

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>	AMOUNT OF FEDERAL PROGRAM
10.555, 10.553, 10.556, 10.559	CHILD NUTRITION CLUSTER	3,583,011
	Total Amount Tested as Major	\$3,583,011

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

\$8,498,532

% tested as Major

42.16%

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

       YES   X   NO

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

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

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

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



**ALTON COMMUNITY UNIT SCHOOL DISTRICT.#11**  
**41-057-0110-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup>

2018- 001

2. THIS FINDING IS:

☐

New

☒

Repeat from Prior Year?

Year originally reported?

2007

3. Criteria or specific requirement

The District is required to have the staff with sufficient training or expertise to complete the financial statements on the modified cash basis and all the required disclosures.

4. Condition

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

5. Context<sup>12</sup>

No questioned costs

6. Effect

Inaccurate or incomplete financial statements could be issued to the public or other third parties.

7. Cause

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

8. Recommendation

The District should consider the costs and benefits of hiring staff with expertise or train existing accounting staff to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting and all required disclosures.

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

The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.

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

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

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

**ALTON COMMUNITY UNIT SCHOOL DISTRICT #11**  
**41-057-0110-26**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2018**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup>

2018- 002

2. THIS FINDING IS:

☐

New

☒

Repeat from Prior Year?

Year originally reported?

2015

3. Criteria or specific requirement

The District is required to spend within its legal budgetary authority.

4. Condition

As of 6/30/2018, it was noted that the District had overexpended its approved budget in the Debt Service Fund by \$6,105,830.

5. Context<sup>12</sup>

Out of the six funds of the District, one had expenditures over budget but this was due to journal entries at year end that were not accounted for in the budget to move principal payments on leases and debt certificates.

6. Effect

The District was not in spending compliance by overexpending its budget for the year.

7. Cause

The District made these journal entries after the final budget had been completed.

8. Recommendation

The District should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

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

The causes are listed above and the District will make sure that all expenses are more accurately addressed in future budgets. The timing of some items also impacted the budget as well a bond that was refunded.

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT #11  
41-057-0110-26  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup>2018- N/A

2. THIS FINDING IS:

☐

New

☐

Repeat from Prior year?

Year originally reported? \_\_\_\_\_

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

4. Project No.: \_\_\_\_\_

5. CFDA No.: \_\_\_\_\_

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

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

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

9. Condition<sup>15</sup> \_\_\_\_\_10. Questioned Costs<sup>16</sup> \_\_\_\_\_11. Context<sup>17</sup> \_\_\_\_\_

12. Effect \_\_\_\_\_

13. Cause \_\_\_\_\_

14. Recommendation \_\_\_\_\_

15. Management's response<sup>18</sup> \_\_\_\_\_

For ISBE Review

Date: \_\_\_\_\_

Resolution Criteria Code Number \_\_\_\_\_

Initials: \_\_\_\_\_

Disposition of Questioned Costs Code Letter \_\_\_\_\_

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

## ALTON COMMUNITY UNIT SCHOOL DISTRICT #11

41-057-0110-26

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>

Year Ending June 30, 2018

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
2017-001	The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.	The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.
2017-002	As of 6/30/2017, it was noted that the District had overexpended its approved budget in the Debt Service Fund by \$506,464.	In the current year, this was still only a finding in the Debt Service Fund.
2017-003	As of 6/30/2017, it was noted that the District did not deposit enough CPPRT monies into the Municipal Retirement / Social Security Fund to first satisfy the lien imposed pursuant to State Statute 30 ILCS 115/12.	In the current year, the District allotted the proportionate amount of CPPRT monies to the Municipal / Social Security fund.
2017-004	The District did not submit accurate periodic expenditure reports.	The District is checking these reports more carefully.
2017-005	The District did not maintain adequate documentation to substantiate the amount of grant funds actually expended in each of the eligible attendance areas.	The District is checking that they are allocating Title I funds in each of the eligible attendance areas in proportion to the low income pupils in each attendance center and maintaining adequate documentation to substantiate the amounts expended in each of the eligible attendance centers.

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

<sup>19</sup> Explanation of this schedule - §200.511 (b)<sup>20</sup> Current Status should include one of the following:

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

# Alton Community Unit School District #11

## Board of Education

Edmond J. Gray  
President

David P. Lauschke  
Vice President

Vivian Monckton  
Secretary

Rosetta Brown  
David Fritz  
David Goins  
Barry Macias  
Board Members

## Administrative Staff

Mark Cappel  
Superintendent of  
Schools

Kristie Baumgartner  
Assistant Superintendent  
for Educational Services

Mary Schell  
Director of Financial  
Services

Wendy Adams  
Director of Human  
Resources

David McClintock  
Director of Buildings  
and Grounds

Cathy Elliott  
Director of Special  
Education

Elaine Kane  
Coordinator of  
Instructional Services &  
Special Programs

Dan Brynildsen  
Director of Data and  
Technology Services

1854 East Broadway  
Ph: (618) 474-2600

P.O. Box 9028  
Fax: (618) 433-7830

Alton, Illinois  
62002-9028

October 4, 2018

## CORRECTIVE ACTION PLAN

Illinois State Board of Education

Alton Community Unit School District No. 11 respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Scheffel Boyle  
322 State St.  
Alton, IL 62002

Audit Period: For the Year Ended June 30, 2018

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2018 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## FINDINGS - FINANCIAL STATEMENT AUDIT

### Significant Deficiency

2018-001

Condition: The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

Recommendation: The District should consider the costs and benefits of hiring staff with expertise or train existing accounting staff to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting and all required disclosures.

Management Response: The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.

### Compliance and Other Matters

2018-002

Condition: As of 6/30/2018, it was noted that the District had overexpended its approved budget in the Debt Service Fund by \$6,105,830.

Recommendation: The District should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

Management Response: The causes are listed above and the District will make sure that all expenses are more accurately addressed in future budgets. The timing of some items also impacted the budget.

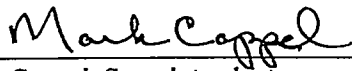
**FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Other Matters Required to be Reported in Accordance With Section 200.516(a)**

None

If the Illinois State Board of Education has any questions regarding this plan, contact Mark Cappel at 618-474-2600.

Sincerely yours,

  
\_\_\_\_\_  
Mark Cappel, Superintendent