

**Crete-Monee School**  
**District 201-U**  
Crete, Illinois

**Annual Financial Report**  
Year Ended June 30, 2019

**Crete-Monee School District 201-U**  
 ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2019

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education  
Crete-Monee School District 201-U  
Crete, Illinois

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crete-Monee School District 201-U, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Crete-Monee School District 201-U's basic financial statements, as listed in the table of contents.

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

Crete-Monee School District 201-U management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 auditors' 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.

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crete-Monee School District 201-U, as of June 30, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 77 through 80, the other postemployment benefits data on pages 81 through 83, budgetary comparison schedules and notes to the required supplementary information on pages 84 through 112 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Information***

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crete-Monee School District 201-U's basic financial statements. The other schedules listed in the table of contents in the supplementary financial information and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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***Other Information*** (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2019 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Crete-Monee School District 201-U, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated May 7, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crete-Monee School District 201-U's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund with comparative actual amounts for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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***Other Information*** (Continued)

The Other Supplemental Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020 on our consideration of Crete-Monee School District 201-U'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 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 Crete-Monee School District 201-U's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

*Miller, Cooper & Co., Ltd.*

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Certified Public Accountants

Deerfield, Illinois  
February 28, 2020

## **BASIC FINANCIAL STATEMENTS**



**Crete-Monee School District 201-U**  
STATEMENT OF NET DEFICIT - GOVERNMENTAL ACTIVITIES  
June 30, 2019

<b>ASSETS</b>	
Cash and investments	\$ 36,422,369
Receivables (net of allowance for uncollectibles):	
Property taxes	25,852,187
Replacement taxes	160,767
Intergovernmental	1,949,753
Prepaid items	34,955
Other current assets	9,395
Capital assets:	
Land	2,491,235
Depreciable buildings, property, and equipment, net	<u>78,581,738</u>
 Total assets	 <u>145,502,399</u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred loss on refunding of bonds	3,485,169
Deferred outflows related to pensions	6,473,818
Deferred outflows related to other postemployment benefits	<u>2,093,262</u>
 Total deferred outflows	 <u>12,052,249</u>
 <b>LIABILITIES</b>	
Accounts payable	1,038,110
Salaries and wages payable	4,513,411
Payroll deductions payable	2,348,435
Unearned revenue	535
Claims payable	348,860
Long-term liabilities:	
Due within one year	11,307,673
Due after one year	<u>123,648,484</u>
 Total liabilities	 <u>143,205,508</u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows related to pensions	6,024,616
Deferred inflows related to other postemployment benefits	5,173,615
Property taxes levied for a future period	<u>25,726,279</u>
 Total deferred inflows	 <u>36,924,510</u>
 <b>NET POSITION</b>	
Net investment in capital assets	31,304,006
Restricted for:	
Operations and maintenance	3,505,356
Debt service	4,333,471
Student transportation	10,193,798
Capital projects	1,869,767
Retirement benefits	1,577,610
Unrestricted (deficit)	<u>(75,359,378)</u>
 Total net deficit	 <u>\$ (22,575,370)</u>

The accompanying notes are an integral part of this statement.

## Crete-Monee School District 201-U

### STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Deficit
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 24,311,247	\$ 586,993	\$ 1,437,584	\$ (22,286,670)
Special programs	11,432,960	-	2,062,393	(9,370,567)
Other instructional programs	3,248,114	200	141,320	(3,106,594)
State retirement contributions	22,502,388	-	22,502,388	-
Support services:				
Pupils	4,146,761	-	19,888	(4,126,873)
Instructional staff	1,839,027	-	218,896	(1,620,131)
General administration	1,736,810	-	-	(1,736,810)
School administration	3,652,076	-	-	(3,652,076)
Business	4,275,015	459,532	1,801,096	(2,014,387)
Transportation	7,151,529	57,125	4,215,902	(2,878,502)
Operations and maintenance	6,153,969	750	-	(6,153,219)
Central	4,058,902	-	-	(4,058,902)
Other supporting services	130,067	-	-	(130,067)
Community services	678,146	-	-	(678,146)
Nonprogrammed charges, excluding special education	2,334,255	-	-	(2,334,255)
Interest and fees	4,811,329	-	-	(4,811,329)
Total governmental activities	<u>\$ 102,462,595</u>	<u>\$ 1,104,600</u>	<u>\$ 32,399,467</u>	<u>(68,958,528)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				29,145,702
Real estate taxes, levied for specific purposes				10,069,070
Real estate taxes, levied for debt service				11,813,994
Personal property replacement taxes				1,004,829
State aid-formula grants				16,511,350
Miscellaneous				1,142,787
Total general revenues				<u>69,687,732</u>
Change in net deficit				729,204
Net deficit, beginning of year				<u>(23,304,574)</u>
Net deficit, end of year				<u>\$ (22,575,370)</u>

The accompanying notes are an integral part of this statement.

## Crete-Monee School District 201-U

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>ASSETS</b>				
Cash and investments	\$ 15,708,014	\$ 3,654,182	\$ 9,271,478	\$ 1,614,246
Receivables (net of allowance for uncollectibles):				
Property taxes	14,901,940	2,127,108	1,818,187	1,093,714
Replacement taxes	160,767	-	-	-
Intergovernmental	901,859	-	1,047,894	-
Prepaid items	34,955	-	-	-
Other current assets	-	9,395	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 31,707,535</u>	<u>\$ 5,790,685</u>	<u>\$ 12,137,559</u>	<u>\$ 2,707,960</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 760,314	\$ 145,620	\$ 132,176	\$ -
Salaries and wages payable	4,511,153	1,960	298	-
Payroll deductions payable	2,305,726	-	747	41,962
Claims payable	326,650	21,001	1,209	-
Unearned revenue	535	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>7,904,378</u>	<u>168,581</u>	<u>134,430</u>	<u>41,962</u>
<b>DEFERRED INFLOWS</b>				
Property taxes levied for a future period	<u>14,829,363</u>	<u>2,116,748</u>	<u>1,809,331</u>	<u>1,088,388</u>
Total deferred inflows	<u>14,829,363</u>	<u>2,116,748</u>	<u>1,809,331</u>	<u>1,088,388</u>
<b>FUND BALANCES</b>				
Nonspendable	34,955	-	-	-
Restricted	-	3,505,356	10,193,798	1,577,610
Unassigned	<u>8,938,839</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>8,973,794</u>	<u>3,505,356</u>	<u>10,193,798</u>	<u>1,577,610</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 31,707,535</u>	<u>\$ 5,790,685</u>	<u>\$ 12,137,559</u>	<u>\$ 2,707,960</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 4,304,699	\$ 1,842,663	\$ 27,087	\$ 36,422,369
5,907,583	-	3,655	25,852,187
-	-	-	160,767
-	-	-	1,949,753
-	-	-	34,955
-	-	-	9,395
<u>\$ 10,212,282</u>	<u>\$ 1,842,663</u>	<u>\$ 30,742</u>	<u>\$ 64,429,426</u>
\$ -	\$ -	\$ -	\$ 1,038,110
-	-	-	4,513,411
-	-	-	2,348,435
-	-	-	348,860
-	-	-	535
-	-	-	8,249,351
<u>5,878,811</u>	<u>-</u>	<u>3,638</u>	<u>25,726,279</u>
<u>5,878,811</u>	<u>-</u>	<u>3,638</u>	<u>25,726,279</u>
-	-	-	34,955
4,333,471	1,842,663	27,104	21,480,002
-	-	-	8,938,839
<u>4,333,471</u>	<u>1,842,663</u>	<u>27,104</u>	<u>30,453,796</u>
<u>\$ 10,212,282</u>	<u>\$ 1,842,663</u>	<u>\$ 30,742</u>	<u>\$ 64,429,426</u>

**Crete-Monee School District 201-U**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET DEFICIT**  
June 30, 2019

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Amounts reported for governmental activities in the statement of net deficit are different because:

Total fund balances - governmental funds	\$	30,453,796
Net capital assets used in governmental activities and included in the statement of net deficit do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		
		81,072,973
Deferred outflows and inflows of resources related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds:		
IMRF pension	\$ 3,486,647	
TRS pension	(3,037,445)	
RHP OPEB	(410,034)	
THIS OPEB	<u>(2,670,319)</u>	(2,631,151)
Deferred loss on refunding of bonds, included in the statement of net deficit, is not available to pay for current period expenditures and, accordingly, is not included in the governmental funds balance sheet.		
		3,485,169
Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not included in the governmental funds balance sheet.		
		<u>(134,956,157)</u>
Net deficit of governmental activities	\$	<u><u>(22,575,370)</u></u>

The accompanying notes are an integral part of this statement.

**Crete-Monee School District 201-U**

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>Revenues</b>				
Property taxes	\$ 29,145,702	\$ 4,254,638	\$ 3,764,376	\$ 2,043,216
Replacement taxes	954,829	-	-	50,000
State aid	31,845,030	-	4,215,902	-
Federal aid	3,879,764	-	-	-
Investment income	255,294	67,943	190,683	58,488
Other	1,442,699	115,483	57,125	-
<b>Total revenues</b>	<u>67,523,318</u>	<u>4,438,064</u>	<u>8,228,086</u>	<u>2,151,704</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	22,572,162	-	-	598,522
Special programs	10,698,245	-	2,018	217,034
Other instructional programs	2,989,951	-	-	63,090
State retirement contributions	13,532,267	-	-	-
<b>Support services:</b>				
Pupils	3,765,851	7,553	-	111,391
Instructional staff	1,689,454	-	-	46,018
General administration	1,651,107	-	-	16,454
School administration	3,401,634	-	-	34,901
Business	3,141,149	-	-	209,851
Transportation	1,646	-	6,863,636	16,762
Operations and maintenance	595,052	4,858,997	-	384,971
Central	3,521,490	-	-	206,898
Other supporting services	4,343	-	-	289
Community services	611,267	-	-	20,486
Nonprogrammed charges	2,334,255	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	444,085	144,493	-	-
<b>Total expenditures</b>	<u>70,953,958</u>	<u>5,011,043</u>	<u>6,865,654</u>	<u>1,926,667</u>
Excess (deficiency) of revenues over expenditures	(3,430,640)	(572,979)	1,362,432	225,037
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(188,576)	-	-	-
Proceeds from capital lease	343,237	-	-	-
<b>Total other financing sources (uses)</b>	<u>154,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	(3,275,979)	(572,979)	1,362,432	225,037
Fund balance, beginning of year	12,249,773	4,078,335	8,831,366	1,352,573
Fund balance, end of year	<u>\$ 8,973,794</u>	<u>\$ 3,505,356</u>	<u>\$ 10,193,798</u>	<u>\$ 1,577,610</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 11,813,994	\$ -	\$ 6,840	\$ 51,028,766
-	-	-	1,004,829
-	-	-	36,060,932
-	-	-	3,879,764
43,624	11,937	540	628,509
-	<u>3,571</u>	-	<u>1,618,878</u>
<u>11,857,618</u>	<u>15,508</u>	<u>7,380</u>	<u>94,221,678</u>
-	-	-	23,170,684
-	-	-	10,917,297
-	-	-	3,053,041
-	-	-	13,532,267
-	-	-	3,884,795
-	-	-	1,735,472
-	-	-	1,667,561
-	-	-	3,436,535
-	596,508	-	3,947,508
-	-	-	6,882,044
-	-	-	5,839,020
-	-	-	3,728,388
-	-	-	4,632
-	-	-	631,753
-	-	-	2,334,255
10,974,661	-	-	10,974,661
1,206,590	-	-	1,206,590
-	-	-	<u>588,578</u>
<u>12,181,251</u>	<u>596,508</u>	<u>-</u>	<u>97,535,081</u>
(323,633)	(581,000)	7,380	(3,313,403)
188,576	-	-	188,576
-	-	-	(188,576)
-	-	-	<u>343,237</u>
<u>188,576</u>	<u>-</u>	<u>-</u>	<u>343,237</u>
(135,057)	(581,000)	7,380	(2,970,166)
<u>4,468,528</u>	<u>2,423,663</u>	<u>19,724</u>	<u>33,423,962</u>
<u>\$ 4,333,471</u>	<u>\$ 1,842,663</u>	<u>\$ 27,104</u>	<u>\$ 30,453,796</u>

## Crete-Monee School District 201-U

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (2,970,166)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period. (2,041,863)

Governmental funds report the loss of refundings when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. (224,849)

Changes in deferred outflows and inflows of resources related to pensions and OPEB are reported only in the statement of activities:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	4,278,220
TRS pension	1,012,076
RHP OPEB	(344,828)
THIS OPEB	(544,685)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the government funds. 572,965

Governmental funds report the effect of premiums when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences. 992,334

Change in net deficit - governmental activities \$ 729,204

The accompanying notes are an integral part of this statement.



**Crete-Monee School District 201-U**  
Fiduciary Funds  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2019

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	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ 288,037
LIABILITIES	
Due to student groups	\$ 288,037

The accompanying notes are an integral part of this statement.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crete-Monee School District 201-U (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Will County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds maintained are consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service fund), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net deficit and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by property taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Account may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation.

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service, capital projects, or fiduciary funds) that are legally restricted to expenditures for specified purposes.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds are as follows:

*Operations and Maintenance Fund* - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

*Transportation Fund* - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

*Municipal Retirement/Social Security Fund* - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenue to finance contributions is derived primarily from local property taxes and corporate personal property replacement taxes.

c. Debt Service Fund

*Debt Service Fund* - accounts for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

*Capital Projects Fund* - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, impact fees, or transfers from other funds.

*Fire Prevention and Safety Fund* - accounts for State-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

*Student Activity Funds (Agency Fund)* - includes Student Activity Funds. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity Funds account for assets held by the District 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. They account for activities such as student yearbook and student clubs and council.

4. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if they are vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest, on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Property taxes, personal property replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

5. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net deficit and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2019, the District has deferred outflows of resources related to pensions, other postemployment benefits, and loss on the refunding of bonds. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2019, the District reported deferred inflows related to property taxes levied for a future period, pension liabilities, and other postemployment benefits.

6. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Fund Balance (Continued)

- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds as well as debt service and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* -refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2019.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Assistant Superintendent for Business Services/CSBO may assign amounts for a specific purpose. The District had no assigned fund balances at June 30, 2019.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The nonspendable fund balance in the General Fund consists of \$34,955 for prepaid items. The restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

7. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Corporate Personal Property Replacement Taxes

Corporate personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

9. Prepaid Items

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

10. Capital Assets

Capital assets, which include land, buildings and improvements, site improvements, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual or group cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	20
Buildings and improvements	15 - 50
Equipment	5 - 15

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net deficit. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.



**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from actual proceeds, are reported as debt service expenditures.

12. Accumulated Unpaid Vacation and Sick Pay

Administrators, support staff and maintenance employees who work a twelve-month year are entitled to compensation for vacation time. Annual compensation ranges between 10 and 25 days, depending on the employee's position and years of service with the District. An employee may carry up to 10 days of unused vacation time, and balances in excess of 10 days will permanently expire if not used on or before June 30th.

Certified employees receive specified sick days depending on their years of service with the District, in accordance with the agreement between the District's Board of Education and the Crete-Monee Education Association. Unused sick days accumulate to the maximum permitted to be exchanged for service credit by TRS (currently 340 days). Upon retirement, a certified employee may apply up to 340 days of unused sick time toward service credit for TRS. Unused sick leave days not used for TRS creditable service are paid at the current daily substitute rate of \$94 per day.

Educational support personnel receive a specified number of sick days per year depending on years of service with the District. Unused sick days accumulate to a maximum of 230 and are paid at a rate of \$50 per day.

Due to the nature of the policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick time.

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension and the Teachers' Health Insurance Security fund (see the budgetary reconciliation in the notes to the required supplementary information). The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

15. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

16. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as the resources are needed.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. **Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Deficit**

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net deficit - governmental activities as reported in the government-wide statement of net deficit. One element of that reconciliation explains that "Long-term liabilities included in the statement of net deficit are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (25,985,000)
Capital appreciation bonds	(60,458,685)
Unamortized premium	(6,219,456)
School technology loan	(47,315)
Capital lease	(261,805)
Compensated absences	(137,172)
Early retirement incentives	(650,509)
IMRF net pension liability	(5,345,312)
TRS net pension liability	(3,108,768)
RHP other postemployment benefit liability	(986,703)
THIS other postemployment benefit liability	<u>(31,755,432)</u>
Net adjustment to reduce fund-balance total governmental funds to arrive at net deficit - governmental activities	 \$ <u><u>(134,956,157)</u></u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance - total governmental funds and changes in net deficit - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$	490,669
Depreciation expense		<u>(2,532,532)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net deficit of governmental activities	\$	<u><u>(2,041,863)</u></u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds." The details of this difference are as follows:

Principal repayments		
Capital appreciation bonds	\$	10,800,000
School technology loan		93,229
Accretion of capital appreciation bonds		(4,372,224)
Capital lease		(261,805)
Compensated absences, net		5,470
Early retirement incentives, net		(184,017)
IMRF pension expense, net		(4,981,349)
TRS pension expense, net		144,733
RHP other postemployment benefit liability, net		534,925
THIS other postemployment benefit liability, net		<u>(1,205,997)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net deficit of governmental activities.	\$	<u><u>572,965</u></u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2019, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 36,422,369	\$ 288,037	\$ 36,710,406

For disclosure purposes, this amount is classified into the following components:

	<u>Total</u>
Deposits with financial institutions*	\$ 35,524,517
Illinois Funds	241,452
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	<u>944,437</u>
	<u>\$ 36,710,406</u>

\* Includes accounts held in demand, savings accounts, and money market savings accounts, which are valued at cost.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs.

Investments measured at net asset value (NAV):

			<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ISDLAF+	\$	944,437	N/A	Daily	1 day
Illinois Funds	\$	241,452	N/A	Daily	1 day

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs).

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2019, the bank balances of the District's deposits with financial institutions totaled \$36,358,614, all of which was fully insured or collateralized.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE D - PROPERTY TAXES RECEIVABLE

The District's property tax is levied each calendar year on all taxable real property located in the District's jurisdiction.

The School Board must adopt the tax levy and file a certified copy of the levy with the County Clerk's Office on or before the last Tuesday in December of each year. The District adopted its 2018 levy on December 18, 2018. Property taxes attach retroactively as an enforceable lien as of January 1 of the levy year and are payable in two installments in June and September of the current calendar year. The District receives significant distributions approximately one month after the collection dates. Taxes recorded in these financial statements are from the 2018 and prior tax levies. For all funds, the District recognizes no more than approximately one-half of the levy in the current fiscal year as revenue with the remaining portion to be recognized in the following fiscal year. Accordingly, the remaining portion is reflected as deferred inflows of resources-property taxes levied for a future period. This methodology conforms to the measurable and available criteria for revenue recognition.

An allowance of 1% for the estimated uncollectible taxes has been provided based on prior year collection experiences. Due to property tax collection through 60 days being sufficient to meet the availability criteria, the District was able to recognize approximately one-half of the levy as revenue in the current fiscal year on the fund financial statements.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The Property Tax Extension Limitation Law (PTELL) imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5 percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.



**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital assets, not being depreciated				
Land	\$ 2,491,235	\$ -	\$ -	\$ 2,491,235
Total capital assets not being depreciated	<u>2,491,235</u>	<u>-</u>	<u>-</u>	<u>2,491,235</u>
Capital assets, being depreciated				
Site improvements	4,197,318	-	-	4,197,318
Buildings and improvements	111,883,131	-	-	111,883,131
Equipment	<u>3,274,556</u>	<u>490,669</u>	<u>-</u>	<u>3,765,225</u>
Total capital assets being depreciated	<u>119,355,005</u>	<u>490,669</u>	<u>-</u>	<u>119,845,674</u>
Less accumulated depreciation for:				
Site improvements	3,043,027	135,973	-	3,179,000
Buildings and improvements	33,004,745	2,180,695	-	35,185,440
Equipment	<u>2,683,632</u>	<u>215,864</u>	<u>-</u>	<u>2,899,496</u>
Total accumulated depreciation	<u>38,731,404</u>	<u>2,532,532</u>	<u>-</u>	<u>41,263,936</u>
Total capital assets being depreciated, net	<u>80,623,601</u>	<u>(2,041,863)</u>	<u>-</u>	<u>78,581,738</u>
Governmental activities capital assets, net	<u>\$ 83,114,836</u>	<u>\$ (2,041,863)</u>	<u>\$ -</u>	<u>\$ 81,072,973</u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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NOTE E - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Instruction:	
Regular programs	\$ 710,117
Pre-K programs	5,120
Special programs	396,188
Remedial programs	45,974
Other instructional programs	167,399
Support services:	
Pupils	180,350
Instructional staff	75,764
General administration	65,501
School administration	177,241
Business	148,591
Transportation	250,531
Central	171,489
Other support services	125,435
Community services	4,255
Operations and maintenance	<u>8,577</u>
	<u>\$ 2,532,532</u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE F - LONG-TERM LIABILITIES**

The following is the long-term liability activity for the District for the year ended June 30, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions /</u> <u>Accretion</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
General obligation bonds:				
School refunding bond - 2016B	\$ 11,580,000	\$ -	\$ -	\$ 11,580,000
Limited school bond - 2016C	14,405,000	-	-	14,405,000
Capital appreciation bonds:				
Capital appreciation bond - 2004	45,620,841	3,323,116	9,980,000	38,963,957
Capital appreciation bond - 2005	9,120,057	455,404	-	9,575,461
Capital appreciation bond - 2006	12,145,563	593,704	820,000	11,919,267
Unamortized premium	7,211,790	-	992,334	6,219,456
<b>Total bonds payable</b>	<u>100,083,251</u>	<u>4,372,224</u>	<u>11,792,334</u>	<u>92,663,141</u>
School technology loan	140,544	-	93,229	47,315
Capital lease	-	343,237	81,432	261,805
Compensated absences	142,642	404,850	410,320	137,172
Early retirement incentives	466,492	368,070	184,053	650,509
IMRF net pension liability	363,963	6,781,547	1,800,198	5,345,312
TRS net pension liability	3,253,501	1,090,619	1,235,352	3,108,768
RHP other postemployment benefit liability	1,521,628	133,853	668,778	986,703
THIS other postemployment benefit liability	<u>30,549,435</u>	<u>2,304,962</u>	<u>1,098,965</u>	<u>31,755,432</u>
<b>Total long-term liabilities - governmental activities</b>	<u>\$ 136,521,456</u>	<u>\$ 15,799,362</u>	<u>\$ 17,364,661</u>	<u>\$ 134,956,157</u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE F - LONG-TERM LIABILITIES** (Continued)

	Due Within One Year
Early retirement incentives	\$ 234,529
Capital appreciation bonds	10,805,000
ISBE technology loan	47,315
Capital lease	83,657
Compensated absences	137,172
	\$ 11,307,673

1. General Obligation Bonds

The summary of activity in general obligation and capital appreciation bonds for the year ended June 30, 2019 is as follows:

	Bonds Payable July 1, 2018	Debt Accretion	Debt Retired	Bonds Payable June 30, 2019
School Refunding Bond, Series 2016B, interest at 5.00%	\$ 11,580,000	\$ -	\$ -	\$ 11,580,000
Limited Tax School Bonds, Series 2016C, interest at 4.00% to 5.00%	14,405,000	-	-	14,405,000
Capital Appreciation School Bond, Series 2004, interest at 8.00%	45,620,841	3,323,116	9,980,000	38,963,957
Capital Appreciation School Bond, Series 2005, interest at 4.90% to 4.95%	9,120,057	455,404	-	9,575,461
Capital Appreciation School Bond, Series 2006, interest at 4.80% to 5.25%	12,145,563	593,704	820,000	11,919,267
Total	\$ 92,871,461	\$ 4,372,224	\$ 10,800,000	\$ 86,443,685

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE F - LONG-TERM LIABILITIES** (Continued)

1. **General Obligation Bonds** (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
School Refunding Bonds - 2016B	5.00%	\$ 11,580,000	\$ 11,580,000
Limited Tax School Bonds - 2016C	4.00%-5.00%	14,405,000	14,405,000
Capital Appreciation School Bonds - 2004	8.00%	46,945,000	38,963,957
Capital Appreciation School Bonds - 2005	4.90%-4.95%	12,925,000	9,575,461
Capital Appreciation School Bonds - 2006	4.80%-5.25%	14,715,000	11,919,267
		<u>\$ 100,570,000</u>	<u>\$ 86,443,685</u>

At June 30, 2019, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 10,805,000	\$ 1,192,200	\$ 11,997,200
2021	10,805,000	1,192,200	11,997,200
2022	10,805,000	1,192,200	11,997,200
2023	10,805,000	1,192,200	11,997,200
2024	10,805,000	1,192,200	11,997,200
2025 - 2029	35,840,000	4,621,500	40,461,500
2030 - 2034	7,345,000	1,576,400	8,921,400
2035 - 2036	3,360,000	202,800	3,562,800
Total	<u>\$ 100,570,000</u>	<u>\$ 12,361,700</u>	<u>\$ 112,931,700</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,333,471 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2019, the statutory debt limit for the District was \$85,383,177, of which \$31,263,720 is fully available.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE F - LONG-TERM LIABILITIES (Continued)

2. School Technology Loan

The District entered into a loan agreement with the Illinois State Board of Education in the amount of \$279,250 to be used towards the purchase of technology equipment, in accordance with the terms of the agreement. Principal and interest payments are due bi-annually from June 1, 2017 through December 1, 2019, at a rate of 2.00%.

At June 30, 2019, the District's future cash flow requirements for retirement of the ISBE technology loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 47,315	\$ 473	\$ 47,788

3. Early Retirement Incentives

The District implemented an early retirement incentive plan in which an employee can notify the District of his/her intent to retire at the end of four upcoming school years. The employee shall receive a 6% increase in salary for each year up to retirement. This increase is paid to the employee over the course of the next four fiscal school years. As of June 30, 2019, the liability amounted to \$650,509.

4. Capital Lease

The District leases copier equipment with a gross asset cost of \$343,237 under a capital lease which expires in June 2022. The lease requires annual payments of \$93,000, including interest at 4.175%. The obligation is to be repaid from the Debt Service Fund, with funding provided by transfers from the Educational Fund. At June 30, 2019, the District's future cash flow requirement for retirement of the lease payable principal and interest are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 83,657	\$ 9,343	\$ 93,000
2021	87,218	5,782	93,000
2022	90,930	2,070	93,000
	\$ 261,805	\$ 17,195	\$ 279,000

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES

1. 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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

**General Information about the Pension Plan (Continued)**

TRS issues a publicly available financial report that can be obtained at [www.trsil.org/financial/cafrs/fy2018](http://www.trsil.org/financial/cafrs/fy2018); 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.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

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

**General Information about the Pension Plan** (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

*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, 2018, 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 employer. For the year ended June 30, 2019, 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 expenses of \$20,000,796 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$13,153,654 in the General Fund based on the current financial resources measurement basis.

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, 2019, were \$177,093, and are deferred because they were paid after the June 30, 2018 measurement date.



**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

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

**General Information about the Pension Plan** (Continued)

*Contributions* (Continued)

Federal and Special Trust Fund Contributions

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

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher. As the District has a sizable amount of employees paid from federal and special trusts this change in allocation methodology due to a change in the Pension law at July 1, 2017, significantly lowered the District's proportionate share of the net pension liability.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$185,152 were paid from federal and special trust funds that required employer contributions of \$18,238.

Early 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 granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent, and \$0 for sick leave days granted in excess of the normal annual allotment.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

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

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,108,768
State's proportionate share of the net pension liability associated with the District	<u>212,963,635</u>
Total	<u><u>\$ 216,072,403</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0039884206 percent, which was a decrease of 0.0002701923 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on-behalf contributions - revenue and expense/expenditure	\$ 20,000,796	\$ 13,153,654
District TRS pension expense (benefit)	<u>(986,636)</u>	<u>177,093</u>
Total TRS expense/expenditure	<u><u>\$ 19,014,160</u></u>	<u><u>\$ 13,330,747</u></u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

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

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

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,480	\$ 678
Change of assumptions	136,349	88,109
Net difference between projected and actual earnings on pension plan investments	-	9,519
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>272,395</u>	<u>3,587,456</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>471,224</u>	<u>3,685,762</u>
District contributions subsequent to the measurement date	<u>177,093</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 648,317</u></u>	<u><u>\$ 3,685,762</u></u>

The District reported \$177,093 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

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

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

Year ending June 30,	Net Deferred Inflows of Resources
2020	\$ 926,054
2021	963,327
2022	1,119,520
2023	190,864
2024	14,773
	\$ 3,214,538

Actuarial Assumptions

The total pension liability in the June 30, 2018 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

In the June 30, 2018 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2017 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	15.0 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S. bonds high yield	4.2	4.40
International debt developed	2.2	1.30
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 rate. 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.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

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

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

Discount Rate (Continued)

Based on those assumptions, TRS's fiduciary net position at June 30, 2018 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.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
District's proportionate share of the net pension liability	\$ 3,812,610	\$ 3,108,768	\$ 2,541,963

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 is available in the separately issued TRS *Comprehensive Annual Financial Report* .

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

**Plan Description**

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. 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. That report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Employees Covered by Benefit Terms**

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	397
Inactive plan members entitled to but not yet receiving benefits	430
Active plan members	295
Total	1,122

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 8.95%. For the fiscal year ended June 30, 2019 the District contributed \$784,654 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.



**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

Mortality

For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return

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

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

**Actuarial Assumptions** (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Equities	37%	(6.08%)
	International Equities	18%	(14.16%)
	Fixed Income	28%	(0.28%)
	Real Estate	9%	8.36%
	Alternative Investments	7%	4.75% - 12.40%
	Cash Equivalents	1%	2.50%
	Total	<u>100%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.25% 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:

- a. 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
- b. 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 pension plan investments is 7.25%, the municipal bond rate is 3.71% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

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

**Changes in Net Pension Liability**

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 36,470,267	\$ 36,106,304	\$ 363,963
Changes for the year:			
Service cost	914,290	-	914,290
Interest on the total pension liability	2,694,572	-	2,694,572
Difference between expected and actual experience of the total pension liability	10,551	-	10,551
Changes of assumptions	1,065,706	-	1,065,706
Contributions - employer	-	831,926	(831,926)
Contributions - employees	-	411,157	(411,157)
Net investment income	-	(2,096,428)	2,096,428
Benefit payments, including refunds of employee contributions	(1,999,566)	(1,999,566)	-
Other (net transfer)	-	557,115	(557,115)
Net changes	<u>2,685,553</u>	<u>(2,295,796)</u>	<u>4,981,349</u>
Balances at December 31, 2018	<u>\$ 39,155,820</u>	<u>\$ 33,810,508</u>	<u>\$ 5,345,312</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ <u>10,171,636</u>	\$ <u>5,345,312</u>	\$ <u>1,362,832</u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2019 the District recognized pension expense of \$1,503,556. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 456,787	\$ -
Change of assumptions	651,260	279,085
Net difference between projected and actual earnings on pension plan investments	<u>4,343,860</u>	<u>2,059,769</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>5,451,907</u>	<u>2,338,854</u>
Pension contributions made subsequent to the measurement date	<u>373,594</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 5,825,501</u></u>	<u><u>\$ 2,338,854</u></u>

The District reported \$373,594 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows of Resources
2020	\$ 1,332,336
2021	548,536
2022	272,796
2023	959,385
2024	-
Thereafter	-
Total	\$ 3,113,053

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 177,093	\$ 373,594	\$ 550,687
Experience	62,480	456,787	519,267
Assumptions	136,349	651,260	787,609
Proportionate share	272,395	-	272,395
Investments	-	4,343,860	4,343,860
	\$ 648,317	\$ 5,825,501	\$ 6,473,818

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE G - PENSION LIABILITIES** (Continued)

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

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Net pension liability	\$ 3,108,768	\$ 5,345,312	\$ 8,454,080
Pension expense	\$ 19,014,160	\$ 1,503,556	\$ 20,517,716
Deferred inflows of resources:			
Experience	\$ 678	\$ -	\$ 678
Assumptions	88,109	279,085	367,194
Proportionate share	3,587,456	-	3,587,456
Investments	9,519	2,059,769	2,069,288
	\$ 3,685,762	\$ 2,338,854	\$ 6,024,616

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

**NOTE H - OTHER POSTEMPLOYMENT BENEFITS**

1. Teachers' Health Insurance Security (THIS)

**General Information about the Other Postemployment Plan**

*Plan Description*

The District participates in the Teacher Health Insurance Security Fund (THIS), 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.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

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

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

*Benefits Provided*

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

*Contributions*

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2019. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2019, the District recognized revenue and expenses of \$2,501,592 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$378,613 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**General Information about the Other Postemployment Plan** (Continued)

*Contributions* (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the District paid \$280,907 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 measurement date.

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

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 31,755,432
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>42,640,697</u>
Total	<u><u>\$ 74,396,129</u></u>

\* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the THIS Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.



**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.120533 percent, which was an increase of 0.002807 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contributions - OPEB revenue and expense/expenditure	\$ 2,501,592	\$ 378,613
District OPEB pension expense	2,013,953	280,907
Total OPEB expense/expenditure	\$ 4,515,545	\$ 659,520

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 113,939
Change of assumptions	-	4,624,124
Net difference between projected and actual earnings on OPEB plan investments	-	975
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,802,692</u>	<u>14,880</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,802,692</u>	<u>4,753,918</u>
District contributions subsequent to the measurement date	<u>280,907</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 2,083,599</u></u>	<u><u>\$ 4,753,918</u></u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

The District reported \$280,907 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2020	\$ 512,626
2021	512,626
2022	512,626
2023	512,540
2024	512,361
Thereafter	388,447
Total	\$ 2,951,226

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Actuarial Assumptions (Continued)

Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Trend Rate	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Discount Rate

The State, the District and active members contribute 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million as of June 30, 2018.

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to benefit payables, the market value of assets at June 30, 2018, is a negative \$9.23 million. Given the benefit payable, negative asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.62 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

**Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

	<u>1% Decrease</u> (2.62%)	<u>Current</u> <u>Discount Rate</u> (3.62%)	<u>1% Increase</u> (4.62%)
District's proportionate share of the net OPEB liability	\$ <u>38,182,275</u>	\$ <u>31,755,432</u>	\$ <u>26,681,985</u>

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

The following table shows the District's net OPEB liability as of June 30, 2018, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	<u>1% Decrease*</u>	<u>Current</u> <u>Healthcare</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase **</u>
District's proportionate share of the net OPEB liability	\$ <u>25,748,512</u>	\$ <u>31,755,432</u>	\$ <u>39,848,194</u>

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

**Plan Description**

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

**Benefits Provided**

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement until age 65, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board. Retirees may also access dental and life insurance benefits on a "direct pay" basis.

TRS employees are only eligible who are retired as of June 30, 2014 or who have submitted their notice to retire by August 31, 2013. IMRF Tier I (date of hire is prior to January 1, 2011) participants are eligible upon attaining age 55 with at least 8 years of service. IMRF Tier II (date of hire is on or after January 1, 2011) participants are eligible to retire upon attaining age 62 with 10 years of service.

**Employees Covered by Benefit Terms**

As of June 30, 2019 the following employees were covered by the benefit terms:

Actives fully eligible to retire	190
Actives not yet fully eligible to retire	-
Retirees	17
Total	207

**Contributions**

Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to 100 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2019, the District contributed \$186,048 toward the cost of the postemployment benefits for retirees, which was 2.07% of covered payroll.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

**Total OPEB Liability**

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2018 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2018
Measurement date	June 30, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation	2.50%
Discount rate	3.87%
Projected salary increases	3.85%
Healthcare inflation rate	7.50% initial 4.50% ultimate
Mortality rates	RP-2014 Combined Healthy mortality table backed off to 2006 and projected generationally with Scale MP-2018.
Election at retirement	40% of active employees will continue coverage upon retirement. It is assumed that active employees will elect the same coverage upon retirement as they have when they are active.
Marital status	40% of participants will be married and elect to cover a spouse upon retirement. Husbands are assumed to be three years older than wives.

**Discount Rate**

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.87% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.



**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

2. **Retiree Health Plan (RHP) (Continued)**

**Changes in the Total OPEB Liability**

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 1,521,628	\$ -	\$ 1,521,628
Changes for the year:			
Service cost	73,940	-	73,940
Interest on the total OPEB liability	47,029	-	47,029
Difference between expected and actual experience of the total OPEB liability	(482,730)	-	(482,730)
Changes of assumptions	12,884	-	12,884
Contributions - employer	-	186,048	(186,048)
Benefit payments, including the implicit rate subsidy	(186,048)	(186,048)	-
Net changes	<u>(534,925)</u>	<u>-</u>	<u>(534,925)</u>
Balances at June 30, 2019	<u>\$ 986,703</u>	<u>\$ -</u>	<u>\$ 986,703</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.87%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (2.87%)	Current Discount Rate (3.87%)	1% Higher (4.87%)
Total OPEB liability	\$ <u>1,046,506</u>	\$ <u>986,703</u>	\$ <u>931,192</u>

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the plan's total OPEB liability, calculated using a Healthcare Trend Rate range of 4.50%-7.50%, as well as what the plan's total OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower <u>(3.50%-6.50%)</u>	Current Healthcare Rate <u>(4.50%-7.50%)</u>	1% Higher <u>(5.50%-8.50%)</u>
Total OPEB liability	\$ <u>911,946</u>	\$ <u>986,703</u>	\$ <u>1,074,875</u>

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

For the year ended June 30, 2019 the District recognized OPEB income of \$4,049. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ 362,047
Change of assumptions	<u>9,663</u>	<u>57,650</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	<u>\$ 9,663</u>	<u>\$ 419,697</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

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NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (Continued)

Year Ended June 30,	Net Deferred Inflows of Resources
2020	\$ 125,018
2021	125,018
2022	125,016
2023	7,556
2024	7,556
Thereafter	19,870
Total	\$ 410,034

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2019:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 280,907	\$ -	\$ 280,907
Assumptions	-	9,663	9,663
Proportionate share	<u>1,802,692</u>	<u>-</u>	<u>1,802,692</u>
	<u>\$ 2,083,599</u>	<u>\$ 9,663</u>	<u>\$ 2,093,262</u>
 OPEB liability	 <u>\$ 31,755,432</u>	 <u>\$ 986,703</u>	 <u>\$ 32,742,135</u>
 OPEB expense (income)	 <u>\$ 4,515,545</u>	 <u>\$ (4,049)</u>	 <u>\$ 4,511,496</u>
 Deferred inflows of resources:			
Assumptions	\$ 4,624,124	\$ 57,650	\$ 4,681,774
Experience	113,939	362,047	475,986
Proportionate share	14,880	-	14,880
Investments	<u>975</u>	<u>-</u>	<u>975</u>
	<u>\$ 4,753,918</u>	<u>\$ 419,697</u>	<u>\$ 5,173,615</u>

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Collective Liability Insurance Cooperative (CLIC) for general liability, property and worker's compensation coverage. CLIC is an organization of school cooperatives and districts in Illinois which has formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The CLIC agreement provides coverage of up to \$1,000,000 per individual and \$3,000,000 in aggregate for general liability, property and worker's compensation. In the past three years, the District has not made any supplemental payments to CLIC.

Each member of CLIC appoints one representative to the Board of Directors. The District does not exercise any control over the activities of the pool beyond its representation on the Board of Directors.

A complete set of financial statements for CLIC can be obtained from its Treasurer at 634 Kenilworth Street Grayslake, Illinois 60030.

**Crete-Monee School District 201-U**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE I - RISK MANAGEMENT (Continued)**

The District is self-insured for health and dental coverage for eligible employees and dependents. Plan participants are full-time employees who have completed the enrollment form and authorized the necessary employee contributions, if any. Participation begins the first day of the month following date of employment. Coverage can be continued during an approved leave of absence or as a retiree. The District utilizes a third-party administrator to process the plan claims.

For the two years ended June 30, 2019 and 2018, changes in the liability for unpaid claims are summarized as follows:

	2019	2018
Health and dental claims payable, July 1	\$ 508,508	\$ 429,938
Current year claims and changes in estimate	4,293,250	4,146,646
Claims paid	(4,452,898)	(4,068,076)
Health and dental claims payable, June 30	\$ 348,860	\$ 508,508

**NOTE J - INTERFUND TRANSFERS**

The District transferred \$95,576 from the General (Educational Account) Fund to the Debt Service Fund for payment of principal and interest on the school technology loan.

The District transferred \$93,000 from the General (Educational Account) Fund to the Debt Service Fund for payment of principal and interest on the capital lease.

**NOTE K - JOINT AGREEMENT**

The District is a member of the Special Education Co-op of South Cook County (SPEED) Joint Agreement No. 802, along with other area school districts. The District's pupils benefit from programs administered under this joint agreement, and the District benefits from jointly administered grants and programming. The District does not have an equity interest in this joint agreement. The joint agreement is separately audited and is not included in these financial statements. Financial information may be obtained directly from SPEED at 1125 Division Street, Chicago Heights, Illinois 60411.

The District pays tuition to the joint agreement to cover the operating costs of the services. The District believes that because it does not control the selection of the significant governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationship exercised by the joint agreement governing board, this is not included as a component unit of the District.

**Crete-Monee School District 201-U**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

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NOTE L - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits. With regard to these matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 28, 2020, the date that these financial statements were available to be issued. No events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**Crete-Monee School District 201-U**  
**MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MOST RECENT CALENDAR YEARS**  
**Illinois Municipal Retirement Fund**  
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 914,290	\$ 823,636	\$ 859,957	\$ 910,765	\$ 985,205
Interest on the total pension liability	2,694,572	2,535,439	2,420,795	2,380,144	2,191,480
Difference between expected and actual experience of the total pension liability	10,551	1,929,041	208,253	(859,480)	(171,361)
Assumption changes	1,065,706	(1,195,471)	(39,331)	37,711	1,317,703
Benefit payments and refunds	(1,999,566)	(2,032,837)	(1,859,205)	(1,858,047)	(1,682,511)
Net change in total pension liability	2,685,553	2,059,808	1,590,469	611,093	2,640,516
Total pension liability, beginning	36,470,267	34,410,459	32,819,990	32,208,897	29,568,381
Total pension liability, ending	<u>\$ 39,155,820</u>	<u>\$ 36,470,267</u>	<u>\$ 34,410,459</u>	<u>\$ 32,819,990</u>	<u>\$ 32,208,897</u>
Plan fiduciary net position					
Contributions, employer	\$ 831,926	\$ 791,940	\$ 702,041	\$ 771,694	\$ 840,780
Contributions, employee	411,157	406,582	335,840	371,435	372,613
Net investment income	(2,096,428)	5,769,722	2,083,457	155,825	1,815,754
Benefit payments, including refunds of employee contributions	(1,999,566)	(2,032,837)	(1,859,205)	(1,858,047)	(1,682,511)
Other (net transfer)	557,115	(806,471)	172,473	(420,524)	174,730
Net change in plan fiduciary net position	(2,295,796)	4,128,936	1,434,606	(979,617)	1,521,366
Plan fiduciary net position, beginning	36,106,304	31,977,368	30,542,762	31,522,379	30,001,013
Plan fiduciary net position, ending	<u>\$ 33,810,508</u>	<u>\$ 36,106,304</u>	<u>\$ 31,977,368</u>	<u>\$ 30,542,762</u>	<u>\$ 31,522,379</u>
Net pension liability	<u>\$ 5,345,312</u>	<u>\$ 363,963</u>	<u>\$ 2,433,091</u>	<u>\$ 2,277,228</u>	<u>\$ 686,518</u>
Plan fiduciary net position as a percentage of the total pension liability	86.35	99.00 %	92.93 %	93.06 %	97.87 %
Covered valuation payroll	\$ 9,114,999	\$ 9,011,633	\$ 7,460,578	\$ 7,843,653	\$ 8,122,849
Net pension liability as a percentage of covered valuation payroll	58.64 %	4.04 %	32.61 %	29.03 %	8.45 %

Note 1: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Note 2: Actuarial valuations are as of December 31, which is six months prior to the end of the fiscal year.



**Crete-Monee School District 201-U**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
 Illinois Municipal Retirement Fund  
Five Most Recent Fiscal Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 815,792	* \$ 831,926	\$ (16,134)	\$ 9,114,999	9.13 %
2018	785,814	791,940	(6,126)	9,011,633	8.79
2017	702,040	702,041	(1)	7,460,578	9.41
2016	771,815	771,694	121	7,843,653	9.84
2015	793,397	840,780	(47,383)	7,878,822	10.67

\* Estimated based on contribution rate of 8.95% and covered valuation payroll of \$9,114,999.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

**Crete-Monee School District 201-U**  
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
Teachers' Retirement System of the State of Illinois  
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0039884206 %	0.0042586129 %	0.0122566959 %	0.0114682738 %	0.0110000000 %
District's proportionate share of the net pension liability	\$ 3,108,768	\$ 3,253,501	\$ 9,674,951	\$ 7,512,875	\$ 6,712,534
State's proportionate share of the net pension liability associated with the District	<u>212,963,635</u>	<u>200,335,464</u>	<u>207,538,257</u>	<u>173,889,137</u>	<u>163,781,819</u>
Total	<u>\$ 216,072,403</u>	<u>\$ 203,588,965</u>	<u>\$ 217,213,208</u>	<u>\$ 181,402,012</u>	<u>\$ 170,494,353</u>
District's covered-employee payroll	\$ 28,616,496	\$ 27,080,259	\$ 26,124,556	\$ 26,857,638	\$ 26,612,539
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.86%	12.01%	37.03%	27.97%	25.22%
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.30%	36.40%	41.50%	43.00%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

**Crete-Monee School District 201-U**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Retirement System of the State of Illinois**  
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 165,976	\$ 170,676	\$ 474,539	\$ 401,848	\$ 401,851
Contributions in relation to the contractually required contribution	<u>165,715</u>	<u>175,453</u>	<u>474,666</u>	<u>401,848</u>	<u>401,851</u>
Contribution deficiency	<u>\$ 261</u>	<u>\$ (4,777)</u>	<u>\$ (127)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 30,533,342	\$ 28,616,496	\$ 27,080,259	\$ 26,124,556	\$ 26,857,638
Contributions as a percentage of covered-employee payroll	0.54%	0.61%	1.75%	1.54%	1.50%

Note: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

**Crete-Monee School District 201-U**  
**MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER**  
**POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS**  
**Retiree Health Plan**  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 73,940	\$ 80,239
Interest on the total OPEB liability	47,029	42,167
Difference between expected and actual experience of the total OPEB liability	(482,730)	-
Changes of assumptions	12,884	(72,762)
Benefit payments, including the implicit rate subsidy	(186,048)	(168,000)
Net change in total OPEB liability	(534,925)	(118,356)
Total OPEB liability, beginning	1,521,628	1,639,984
Total OPEB liability, ending	<u>\$ 986,703</u>	<u>\$ 1,521,628</u>
District's Total OPEB liability	<u>\$ 986,703</u>	<u>\$ 1,521,628</u>
Covered valuation payroll	\$ 8,993,611	\$ N/A
Total OPEB liability as a percentage of covered valuation payroll	10.97 %	N/A %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

N/A Information not available

**Crete-Monee School District 201-U**  
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY  
Teachers' Health Insurance Security Fund  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.120533 %	0.117726 %
District's proportionate share of the net OPEB liability	\$ 31,755,432	\$ 30,549,435
State's proportionate share of the net OPEB liability associated with the District	<u>42,640,697</u>	<u>40,118,999</u>
Total	<u>\$ 74,396,129</u>	<u>\$ 70,668,434</u>
District's covered-employee payroll	\$ 28,616,946	\$ 27,080,259
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	110.97%	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

Note 1: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018; therefore, 10 years of information is not available.

**Crete-Monee School District 201-U**  
**MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teachers' Health Insurance Security Fund**  
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 251,825	\$ 227,474
Contributions in relation to the contractually required contribution	<u>251,445</u>	<u>227,492</u>
Contribution excess (deficiency)	<u>\$ (380)</u>	<u>\$ 18</u>
District's covered-employee payroll	\$ 30,533,342	\$ 28,616,496
Contributions as a percentage of covered-employee payroll	0.82%	0.79%

Note: Actuarial valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$24,984,956	\$24,756,570	\$ (228,386)	\$23,431,080
Special education levy	4,367,271	4,389,132	21,861	4,212,794
Mobile home privilege tax	-	-	-	36,748
Corporate personal property replacement taxes	911,800	954,829	43,029	852,974
Regular tuition from pupils or parents	2,500	-	(2,500)	-
Summer school tuition from pupils or parents	5,000	200	(4,800)	3,952
Interest on investments	113,000	255,294	142,294	148,696
Sales to pupils - lunch	509,300	452,082	(57,218)	474,562
Sales to adults	15,000	-	(15,000)	-
Other food service	25,000	7,450	(17,550)	16,690
Admissions - athletic	33,000	38,734	5,734	17,175
Admissions - other	10,000	11	(9,989)	-
Fees	149,706	197,750	48,044	43,196
Other district/school activity revenue	-	72,229	72,229	784
Rentals - regular textbook	330,000	270,944	(59,056)	310,149
Rentals - other	-	890	890	3,185
Sales - other	5,000	6,435	1,435	8,414
Contributions and donations from private sources	-	14,958	14,958	-
Refund of prior years' expenditures	460,000	152,575	(307,425)	689,283
Drivers' education fees	20,000	16,150	(3,850)	21,475
Other	3,000	212,291	209,291	9,490
Total local sources	<u>31,944,533</u>	<u>31,798,524</u>	<u>(146,009)</u>	<u>30,280,647</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
State sources				
Evidenced Based Funding	\$15,613,236	\$16,511,350	\$ 898,114	\$15,597,626
Special Education - Private Facility Tuition	450,000	430,420	(19,580)	543,788
Special Education - Orphanage - Individual	260,000	736,162	476,162	734,359
Special Education - Orphanage - Summer Individual	-	28,311	28,311	17,746
Improvement (CTEI)	32,302	45,996	13,694	48,137
CTE - Student Organizations	3,000	-	(3,000)	-
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	-	-	-	18,364
State Free Lunch and Breakfast	20,000	31,630	11,630	21,462
Driver Education	22,000	54,129	32,129	55,758
Early Childhood - Block Grant	452,277	467,252	14,975	400,477
Other state sources	<u>3,100</u>	<u>7,513</u>	<u>4,413</u>	<u>3,013</u>
Total state sources	<u>16,855,915</u>	<u>18,312,763</u>	<u>1,456,848</u>	<u>17,440,730</u>
Federal sources				
National School Lunch Program	1,400,000	1,375,117	(24,883)	1,487,305
Special Breakfast Program	400,000	394,349	(5,651)	434,363
NSLP Equipment Assistance	-	-	-	9,405
Title I - Low Income	1,156,050	884,457	(271,593)	1,207,577
Title I - Other	-	31,746	31,746	-
Title IVA - Student Support and Academic Enrichment	179,949	19,888	(160,061)	-
Federal - Special Education - Pre-School Flow Through	48,658	36,766	(11,892)	42,508

(Continued)



**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Federal sources (Continued)				
Federal - Special Education - I.D.E.A. - Flow Through	\$ 1,267,331	\$ 546,369	\$ (720,962)	\$ 811,164
Federal - Special Education - I.D.E.A. - Room and Board	80,000	49,115	(30,885)	28,716
CTE - Perkins - Title III Technical Prep	58,859	78,294	19,435	26,700
Title III - Language Inst. Program - Limited Eng (LIPLEP)	11,908	17,030	5,122	11,000
Title II - Teacher Quality	66,735	211,383	144,648	97,149
Medicaid Matching Funds - Administrative Outreach	120,000	30,035	(89,965)	172,030
Medicaid Matching Funds - Fee-For-Service-Program	<u>230,000</u>	<u>205,215</u>	<u>(24,785)</u>	<u>332,648</u>
Total federal sources	<u>5,019,490</u>	<u>3,879,764</u>	<u>(1,139,726)</u>	<u>4,660,565</u>
Total revenues	<u>53,819,938</u>	<u>53,991,051</u>	<u>171,113</u>	<u>52,381,942</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$18,546,865	\$18,379,494	\$ 167,371	\$15,639,539
Employee benefits	6,669,808	2,601,819	4,067,989	1,836,213
Purchased services	255,490	274,990	(19,500)	53,466
Supplies and materials	1,181,066	1,255,074	(74,008)	734,213
Capital outlay	34,358	67,049	(32,691)	43,455
Other objects	57,065	6,986	50,079	4,414
Non-capitalized equipment	108,757	53,799	54,958	13,160
Termination benefits	-	-	-	12,079
Total	<u>26,853,409</u>	<u>22,639,211</u>	<u>4,214,198</u>	<u>18,336,539</u>
Pre-K programs				
Salaries	-	-	-	102,466
Employee benefits	-	-	-	15,775
Purchased services	-	30	(30)	67
Supplies and materials	-	-	-	904
Total	<u>-</u>	<u>30</u>	<u>(30)</u>	<u>119,212</u>
Special education programs				
Salaries	5,411,773	5,179,975	231,798	6,481,433
Employee benefits	218,238	1,563,700	(1,345,462)	2,087,160
Purchased services	168,938	770,960	(602,022)	584,787
Supplies and materials	71,788	44,452	27,336	36,028
Other objects	-	-	-	45,843
Non-capitalized equipment	6,875	23,582	(16,707)	14,841
Total	<u>5,877,612</u>	<u>7,582,669</u>	<u>(1,705,057)</u>	<u>9,250,092</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Special education programs pre-K				
Salaries	\$ 1,258,785	\$ 1,160,565	\$ 98,220	\$ 459,843
Employee benefits	47,205	226,273	(179,068)	89,035
Purchased services	32,382	42,739	(10,357)	41,468
Supplies and materials	30,466	46,370	(15,904)	30,808
Non-capitalized equipment	650	609	41	71
Total	<u>1,369,488</u>	<u>1,476,556</u>	<u>(107,068)</u>	<u>621,225</u>
Remedial and Supplemental programs K-12				
Salaries	-	-	-	94,750
Employee benefits	-	-	-	22,529
Purchased services	-	145,677	(145,677)	148,580
Supplies and materials	-	192,561	(192,561)	683,673
Non-capitalized equipment	-	-	-	68,306
Total	<u>-</u>	<u>338,238</u>	<u>(338,238)</u>	<u>1,017,838</u>
CTE programs				
Salaries	-	13,666	(13,666)	14,262
Total	<u>-</u>	<u>13,666</u>	<u>(13,666)</u>	<u>14,262</u>
Interscholastic programs				
Salaries	1,284,725	1,780,909	(496,184)	1,217,562
Employee benefits	50,631	28,458	22,173	15,165
Purchased services	710,550	319,416	391,134	139,303
Supplies and materials	322,575	264,979	57,596	107,889
Capital outlay	95,700	10,724	84,976	20,260
Other objects	93,650	46,583	47,067	37,763
Non-capitalized equipment	62,930	17,668	45,262	-
Termination benefits	-	-	-	1,571
Total	<u>2,620,761</u>	<u>2,468,737</u>	<u>152,024</u>	<u>1,539,513</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Summer school programs				
Salaries	\$ 87,285	\$ 121,462	\$ (34,177)	\$ 72,722
Employee benefits	6,983	7,176	(193)	1,383
Supplies and materials	<u>16,700</u>	<u>2,807</u>	<u>13,893</u>	<u>215</u>
Total	<u>110,968</u>	<u>131,445</u>	<u>(20,477)</u>	<u>74,320</u>
Drivers education programs				
Salaries	22,000	60,847	(38,847)	126,618
Employee benefits	788	198	590	7,282
Purchased services	-	823	(823)	2,412
Supplies and materials	-	-	-	2,850
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,053</u>
Total	<u>22,788</u>	<u>61,868</u>	<u>(39,080)</u>	<u>155,215</u>
Bilingual programs				
Salaries	266,576	169,347	97,229	-
Employee benefits	15,047	22,411	(7,364)	-
Purchased services	2,500	1,778	722	1,260
Supplies and materials	<u>26,851</u>	<u>18,709</u>	<u>8,142</u>	<u>2,557</u>
Total	<u>310,974</u>	<u>212,245</u>	<u>98,729</u>	<u>3,817</u>
Truant's alternative and optional programs				
Salaries	-	49,598	(49,598)	307,553
Employee benefits	<u>-</u>	<u>1,321</u>	<u>(1,321)</u>	<u>62,880</u>
Total	<u>-</u>	<u>50,919</u>	<u>(50,919)</u>	<u>370,433</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Special education programs K-12 - private tuition	\$ 2,437,700	\$ 1,300,782	\$ 1,136,918	\$ 2,447,359
Total instruction	<u>39,603,700</u>	<u>36,338,131</u>	<u>3,265,569</u>	<u>33,949,825</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	698,899	707,332	(8,433)	716,700
Employee benefits	25,021	75,219	(50,198)	99,797
Purchased services	-	32	(32)	-
Supplies and materials	<u>296,339</u>	<u>8,871</u>	<u>287,468</u>	<u>26,645</u>
Total	<u>1,020,259</u>	<u>791,454</u>	<u>228,805</u>	<u>843,142</u>
Guidance services				
Salaries	577,534	588,303	(10,769)	545,674
Employee benefits	12,565	87,967	(75,402)	85,298
Purchased services	29,566	1,520	28,046	2,926
Supplies and materials	<u>13,100</u>	<u>5,558</u>	<u>7,542</u>	<u>11,465</u>
Total	<u>632,765</u>	<u>683,348</u>	<u>(50,583)</u>	<u>645,363</u>
Health services				
Salaries	405,047	405,867	(820)	407,918
Employee benefits	7,215	76,205	(68,990)	76,979
Purchased services	-	169	(169)	2,538
Supplies and materials	31,500	10,589	20,911	4,043
Non-capitalized equipment	<u>7,500</u>	<u>3,512</u>	<u>3,988</u>	<u>38,844</u>
Total	<u>451,262</u>	<u>496,342</u>	<u>(45,080)</u>	<u>530,322</u>

(Continued)

## Crete-Monee School District 201-U

General Fund - Budgetary Basis

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Psychological services				
Salaries	\$ 520,541	\$ 604,038	\$ (83,497)	\$ 552,677
Employee benefits	18,635	47,808	(29,173)	33,060
Purchased services	-	1,696	(1,696)	1,113
Supplies and materials	<u>30,000</u>	<u>17,817</u>	<u>12,183</u>	<u>20,500</u>
Total	<u>569,176</u>	<u>671,359</u>	<u>(102,183)</u>	<u>607,350</u>
Speech pathology and audiology services				
Salaries	972,992	980,217	(7,225)	925,333
Employee benefits	34,833	98,828	(63,995)	95,944
Purchased services	<u>-</u>	<u>340</u>	<u>(340)</u>	<u>178</u>
Total	<u>1,007,825</u>	<u>1,079,385</u>	<u>(71,560)</u>	<u>1,021,455</u>
Other support services - pupils				
Salaries	-	43,963	(43,963)	122,631
Employee benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,178</u>
Total	<u>-</u>	<u>43,963</u>	<u>(43,963)</u>	<u>130,809</u>
Total pupils	<u>3,681,287</u>	<u>3,765,851</u>	<u>(84,564)</u>	<u>3,778,441</u>
Instructional staff				
Improvement of instruction services				
Salaries	512,880	528,105	(15,225)	536,529
Employee benefits	25,811	68,445	(42,634)	72,814
Purchased services	376,062	416,198	(40,136)	291,050
Supplies and materials	32,105	51,402	(19,297)	21,204
Other objects	<u>1,833</u>	<u>2,475</u>	<u>(642)</u>	<u>2,741</u>
Total	<u>948,691</u>	<u>1,066,625</u>	<u>(117,934)</u>	<u>924,338</u>

(Continued)

# Crete-Monee School District 201-U

General Fund - Budgetary Basis

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Educational media services				
Salaries	\$ 191,720	\$ 193,188	\$ (1,468)	\$ 166,571
Employee benefits	489,419	208,079	281,340	36,656
Purchased services	3,000	7,421	(4,421)	14,090
Supplies and materials	20,700	3,702	16,998	8,711
Non-capitalized equipment	-	2,882	(2,882)	-
Total	<u>704,839</u>	<u>415,272</u>	<u>289,567</u>	<u>226,028</u>
Assessment and testing				
Purchased services	171,794	188,078	(16,284)	116,748
Supplies and materials	<u>14,387</u>	<u>19,479</u>	<u>(5,092)</u>	<u>44,930</u>
Total	<u>186,181</u>	<u>207,557</u>	<u>(21,376)</u>	<u>161,678</u>
Total instructional staff	<u>1,839,711</u>	<u>1,689,454</u>	<u>150,257</u>	<u>1,312,044</u>
General administration				
Board of education services				
Employee benefits	-	31,226	(31,226)	10,087
Purchased services	968,264	1,030,496	(62,232)	412,094
Supplies and materials	23,500	28,622	(5,122)	23,077
Other objects	21,000	247	20,753	19,941
Non-capitalized equipment	-	6,831	(6,831)	-
Total	<u>1,012,764</u>	<u>1,097,422</u>	<u>(84,658)</u>	<u>465,199</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Executive administration services				
Salaries	\$ 275,964	\$ 291,858	\$ (15,894)	\$ 422,769
Employee benefits	25,076	44,710	(19,634)	59,684
Purchased services	41,200	7,657	33,543	4,873
Supplies and materials	29,500	8,219	21,281	4,025
Other objects	18,000	13,335	4,665	(4,506)
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total	<u>394,740</u>	<u>365,779</u>	<u>28,961</u>	<u>486,845</u>
Tort immunity services				
Employee benefits	-	100,945	(100,945)	141,971
Purchased services	<u>-</u>	<u>86,961</u>	<u>(86,961)</u>	<u>688,155</u>
Total	<u>-</u>	<u>187,906</u>	<u>(187,906)</u>	<u>830,126</u>
Total general administration	<u>1,407,504</u>	<u>1,651,107</u>	<u>(243,603)</u>	<u>1,782,170</u>
School administration				
Office of the principal services				
Salaries	2,819,876	2,801,328	18,548	2,283,482
Employee benefits	-	570,276	(570,276)	596,206
Purchased services	21,000	13,169	7,831	4,180
Supplies and materials	-	245	(245)	32,975
Other objects	2,500	510	1,990	4,206
Termination benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>821</u>
Total	<u>2,843,376</u>	<u>3,385,528</u>	<u>(542,152)</u>	<u>2,921,870</u>

(Continued)



**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Other support services - school administration</b>				
Salaries	\$ -	\$ 10,255	\$ (10,255)	\$ 975,580
Employee benefits	-	746	(746)	271,224
Purchased services	-	-	-	300
Supplies and materials	-	4,955	(4,955)	4,855
Other objects	-	150	(150)	-
<b>Total</b>	<u>-</u>	<u>16,106</u>	<u>(16,106)</u>	<u>1,251,959</u>
<b>Total school administration</b>	<u>2,843,376</u>	<u>3,401,634</u>	<u>(558,258)</u>	<u>4,173,829</u>
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	567,406	592,521	(25,115)	210,941
Employee benefits	25,928	40,927	(14,999)	46,656
Purchased services	258,200	151,548	106,652	56,480
Supplies and materials	137,000	189,309	(52,309)	43,726
Capital outlay	-	343,237	(343,237)	-
Other objects	2,000	2,399	(399)	370
Non-capitalized equipment	98,600	21,167	77,433	296,836
<b>Total</b>	<u>1,089,134</u>	<u>1,341,108</u>	<u>(251,974)</u>	<u>655,009</u>
<b>Fiscal services</b>				
Salaries	-	5,290	(5,290)	356,891
Employee benefits	-	-	-	39,231
Purchased services	-	23,855	(23,855)	12,739
Supplies and materials	-	60,470	(60,470)	11,098
Termination benefits	-	4,084	(4,084)	2,653
<b>Total</b>	<u>-</u>	<u>93,699</u>	<u>(93,699)</u>	<u>422,612</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Operation and maintenance of plant services				
Salaries	\$ 316,805	\$ 464,671	\$ (147,866)	\$ 454,017
Employee benefits	4,594	112,801	(108,207)	120,654
Purchased services	178,500	10,019	168,481	129,880
Supplies and materials	5,000	7,561	(2,561)	114
Non-capitalized equipment	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total	<u>510,899</u>	<u>595,052</u>	<u>(84,153)</u>	<u>704,665</u>
Pupil transportation services				
Purchased services	-	1,646	(1,646)	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,053</u>
Total	<u>-</u>	<u>1,646</u>	<u>(1,646)</u>	<u>62,053</u>
Food services				
Salaries	763,001	875,861	(112,860)	783,586
Employee benefits	11,011	209,339	(198,328)	161,667
Purchased services	9,500	9,134	366	6,817
Supplies and materials	1,445,000	938,695	506,305	1,003,597
Capital outlay	9,000	23,075	(14,075)	-
Other objects	14,000	3,417	10,583	3,533
Non-capitalized equipment	<u>13,000</u>	<u>13,133</u>	<u>(133)</u>	<u>30,735</u>
Total	<u>2,264,512</u>	<u>2,072,654</u>	<u>191,858</u>	<u>1,989,935</u>
Total business	<u>3,864,545</u>	<u>4,104,159</u>	<u>(239,614)</u>	<u>3,834,274</u>

(Continued)

## Crete-Monee School District 201-U

General Fund - Budgetary Basis

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Central				
Planning, research, development and evaluation services				
Salaries	\$ -	\$ -	\$ -	\$ 125,637
Employee benefits	-	-	-	20,875
Total	-	-	-	146,512
Information services				
Salaries	108,420	191,243	(82,823)	279,819
Employee benefits	13,337	18,838	(5,501)	41,714
Purchased services	43,500	57,879	(14,379)	42,327
Supplies and materials	60,750	19,984	40,766	23,291
Other objects	600	-	600	790
Non-capitalized equipment	-	11,595	(11,595)	-
Total	226,607	299,539	(72,932)	387,941
Staff services				
Salaries	507,560	471,631	35,929	450,916
Employee benefits	23,478	66,731	(43,253)	71,989
Purchased services	67,950	306,210	(238,260)	117,631
Supplies and materials	86,900	59,203	27,697	92,459
Other objects	2,500	4,175	(1,675)	3,846
Non-capitalized equipment	-	975	(975)	-
Termination benefits	-	-	-	1,813
Total	688,388	908,925	(220,537)	738,654

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Data processing services				
Salaries	\$ 848,100	\$ 781,846	\$ 66,254	\$ 645,901
Employee benefits	-	110,779	(110,779)	103,882
Purchased services	1,052,696	859,698	192,998	1,477,224
Supplies and materials	423,750	450,020	(26,270)	476,423
Capital outlay	-	-	-	10,747
Other objects	1,300	300	1,000	556
Non-capitalized equipment	70,180	110,383	(40,203)	1,155,489
Termination benefits	-	-	-	6,740
	<u>2,396,026</u>	<u>2,313,026</u>	<u>83,000</u>	<u>3,876,962</u>
Total				
	<u>3,311,021</u>	<u>3,521,490</u>	<u>(210,469)</u>	<u>5,150,069</u>
Other supporting services				
Salaries	-	1,738	(1,738)	18,334
Supplies and materials	-	2,605	(2,605)	331
	<u>-</u>	<u>4,343</u>	<u>(4,343)</u>	<u>18,665</u>
Total				
	<u>16,947,444</u>	<u>18,138,038</u>	<u>(1,190,594)</u>	<u>20,049,492</u>
Community services				
Salaries	348,163	218,422	129,741	34,607
Employee benefits	44,832	28,741	16,091	628
Purchased services	148,100	288,532	(140,432)	263,488
Supplies and materials	175,765	73,158	102,607	51,681
Other objects	1,250	1,684	(434)	1,081
Non-capitalized equipment	2,500	730	1,770	1,770
	<u>720,610</u>	<u>611,267</u>	<u>109,343</u>	<u>353,255</u>
Total				

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Payments to other districts and government units				
Payments for regular programs				
Purchased services	\$ -	\$ 7,893	\$ (7,893)	\$ -
Total	<u>-</u>	<u>7,893</u>	<u>(7,893)</u>	<u>-</u>
Payments for special education programs - tuition				
Other objects	400,000	1,927,980	(1,527,980)	787,560
Payments for CTE programs - tuition				
Other objects	-	155,250	(155,250)	157,500
Payments for community college programs - tuition				
Other objects	<u>-</u>	<u>243,132</u>	<u>(243,132)</u>	<u>235,916</u>
Total payments to other districts and other government units	<u>400,000</u>	<u>2,334,255</u>	<u>(1,934,255)</u>	<u>1,180,976</u>
Debt service				
Other interest on long term debt				
Interest	<u>4,184</u>	<u>-</u>	<u>4,184</u>	<u>39</u>
Total debt service	<u>4,184</u>	<u>-</u>	<u>4,184</u>	<u>39</u>
Total expenditures	<u>57,675,938</u>	<u>57,421,691</u>	<u>254,247</u>	<u>55,533,587</u>
Deficiency of revenues over expenditures	<u>\$ (3,856,000)</u>	<u>(3,430,640)</u>	<u>\$ 425,360</u>	<u>\$ (3,151,645)</u>

(Continued)

**Crete-Monee School District 201-U**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Other financing sources (uses)				
Capital lease proceeds	\$ -	\$ 343,237	\$ 343,237	\$ -
Transfer to Debt Service Fund for principal on capital leases	-	(81,432)	(81,432)	-
Transfer to Debt Service Fund for interest on capital leases	-	(11,568)	(11,568)	-
Transfer to Debt Service Fund for principal on ISBE loans	<u>-</u>	<u>(95,576)</u>	<u>(95,576)</u>	<u>(95,576)</u>
Total other financing sources (uses)	<u>-</u>	<u>154,661</u>	<u>154,661</u>	<u>(95,576)</u>
Net change to fund balance	<u>\$ (3,856,000)</u>	(3,275,979)	<u>\$ 580,021</u>	(3,247,221)
Fund balance, beginning of year		<u>12,249,773</u>		<u>15,496,994</u>
Fund balance, end of year		<u>\$ 8,973,794</u>		<u>\$12,249,773</u>

(Concluded)

**Crete-Monee School District 201-U**  
Operations and Maintenance Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 4,387,521	\$ 4,254,638	\$ (132,883)	\$ 4,222,290
Mobile home privilege tax	-	-	-	5,804
Interest on investments	20,000	67,943	47,943	20,689
Rentals	13,000	750	(12,250)	24,670
Other	5,000	114,733	109,733	33,721
Total local sources	<u>4,425,521</u>	<u>4,438,064</u>	<u>12,543</u>	<u>4,307,174</u>
Total revenues	<u>4,425,521</u>	<u>4,438,064</u>	<u>12,543</u>	<u>4,307,174</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Pupils</b>				
Salaries	-	-	-	54,582
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,582</u>
<b>Business</b>				
<b>Operation and maintenance of plant services</b>				
Salaries	1,959,026	1,965,580	(6,554)	1,662,301
Employee benefits	28,354	399,001	(370,647)	373,015
Purchased services	1,074,870	1,015,278	59,592	882,789
Supplies and materials	1,712,500	1,474,632	237,868	1,149,873

(Continued)

**Crete-Monee School District 201-U**  
Operations and Maintenance Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Operation and maintenance of plant services (continued)				
Capital outlay	\$ 99,720	\$ 144,493	\$ (44,773)	\$ 150,313
Other objects	1,515	2,002	(487)	2,117
Non-capitalized equipment	42,320	9,781	32,539	25,575
Termination benefits	<u>5,000</u>	<u>276</u>	<u>4,724</u>	<u>1,667</u>
Total	<u>4,923,305</u>	<u>5,011,043</u>	<u>(87,738)</u>	<u>4,247,650</u>
Total business	<u>4,923,305</u>	<u>5,011,043</u>	<u>(87,738)</u>	<u>4,247,650</u>
Total expenditures	<u>4,923,305</u>	<u>5,011,043</u>	<u>(87,738)</u>	<u>4,302,232</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (497,784)</u>	<u>(572,979)</u>	<u>\$ (75,195)</u>	<u>4,942</u>
Fund balance, beginning of year		<u>4,078,335</u>		<u>4,073,393</u>
Fund balance, end of year		<u>\$ 3,505,356</u>		<u>\$ 4,078,335</u>

(Concluded)



**Crete-Monee School District 201-U**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 4,017,675	\$ 3,764,376	\$ (253,299)	\$ 4,007,220
Mobile home privilege tax	-	-	-	5,710
Regular transportation fees from pupils or parents	-	-	-	271
Regular transportation fees from other districts	25,000	57,125	32,125	7,971
Regular transportation fees curricular activities	101,800	-	(101,800)	-
Interest on investments	<u>10,000</u>	<u>190,683</u>	<u>180,683</u>	<u>81,232</u>
Total local sources	<u>4,154,475</u>	<u>4,012,184</u>	<u>(142,291)</u>	<u>4,102,404</u>
<b>State sources</b>				
Transportation - Regular/Vocational	1,800,000	2,642,964	842,964	1,867,072
Transportation - Special Education	<u>1,900,000</u>	<u>1,572,938</u>	<u>(327,062)</u>	<u>1,989,975</u>
Total state sources	<u>3,700,000</u>	<u>4,215,902</u>	<u>515,902</u>	<u>3,857,047</u>
Total revenues	<u>7,854,475</u>	<u>8,228,086</u>	<u>373,611</u>	<u>7,959,451</u>

(Continued)

**Crete-Monee School District 201-U**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Expenditures				
Business				
Pupil transportation services				
Salaries	\$ 174,502	\$ 189,987	\$ (15,485)	\$ 333,807
Employee benefits	25,426	22,722	2,704	25,252
Purchased services	5,349,299	6,649,339	(1,300,040)	5,861,391
Supplies and materials	<u>18,000</u>	<u>3,606</u>	<u>14,394</u>	<u>-</u>
Total expenditures	<u>5,567,227</u>	<u>6,865,654</u>	<u>(1,298,427)</u>	<u>6,220,450</u>
Excess of revenues over expenditures	<u>\$ 2,287,248</u>	<u>1,362,432</u>	<u>\$ (924,816)</u>	<u>1,739,001</u>
Fund balance, beginning of year		<u>8,831,366</u>		<u>7,092,365</u>
Fund balance, end of year		<u>\$10,193,798</u>		<u>\$ 8,831,366</u>

(Concluded)

**Crete-Monee School District 201-U**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,953,450	\$ 1,021,608	\$ (931,842)	\$ 940,697
Social security/Medicare only levy	-	1,021,608	1,021,608	940,696
Mobile home privilege tax	-	-	-	1,294
Corporate personal property replacement taxes	-	50,000	50,000	50,000
Interest on investments	5,000	58,488	53,488	19,914
<b>Total local sources</b>	<u>1,958,450</u>	<u>2,151,704</u>	<u>193,254</u>	<u>1,952,601</u>
<b>Total revenues</b>	<u>1,958,450</u>	<u>2,151,704</u>	<u>193,254</u>	<u>1,952,601</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	30,600	598,522	(567,922)	240,448
Pre-K programs	-	-	-	1,419
Special education programs	161,516	145,196	16,320	402,959
Special education programs pre-K	53,183	71,838	(18,655)	27,567
Remedial and supplemental programs K-12	-	-	-	1,384
Vocational educational programs	-	2,203	(2,203)	1,188
Interscholastic programs	-	51,922	(51,922)	42,200
Summer school programs	421	4,948	(4,527)	4,150
Drivers education programs	-	876	(876)	1,713
Bilingual programs	-	2,456	(2,456)	-
Truant's alternative and optional programs	-	685	(685)	13,496
<b>Total instruction</b>	<u>245,720</u>	<u>878,646</u>	<u>(632,926)</u>	<u>736,524</u>

(Continued)

**Crete-Monee School District 201-U**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ -	\$ 10,840	\$ (10,840)	\$ 18,906
Guidance services	58,261	15,893	42,368	16,682
Health services	61,972	59,224	2,748	66,111
Psychological services	-	6,880	(6,880)	6,170
Speech pathology and audiology services	-	13,708	(13,708)	12,829
Other support services -pupils	-	4,846	(4,846)	15,870
Total pupils	<u>120,233</u>	<u>111,391</u>	<u>8,842</u>	<u>136,568</u>
Instructional staff				
Improvement of instruction services	26,637	33,827	(7,190)	34,000
Educational media services	<u>150,776</u>	<u>12,191</u>	<u>138,585</u>	<u>19,007</u>
Total instructional staff	<u>177,413</u>	<u>46,018</u>	<u>131,395</u>	<u>53,007</u>
General administration				
Executive administration services	<u>12,388</u>	<u>16,454</u>	<u>(4,066)</u>	<u>18,175</u>
Total general administration	<u>12,388</u>	<u>16,454</u>	<u>(4,066)</u>	<u>18,175</u>
School administration				
Office of the principal services	-	34,542	(34,542)	134,318
Other support services - school administration	<u>-</u>	<u>359</u>	<u>(359)</u>	<u>14,019</u>
Total school administration	<u>-</u>	<u>34,901</u>	<u>(34,901)</u>	<u>148,337</u>

(Continued)

**Crete-Monee School District 201-U**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Business</b>				
Direction of business support services	\$ 61,859	\$ 70,284	\$ (8,425)	\$ 11,297
Fiscal services	-	1,528	(1,528)	58,582
Operation and maintenance of plant services	347,651	384,971	(37,320)	345,253
Pupil transportation services	-	16,762	(16,762)	17,280
Food services	<u>116,188</u>	<u>138,039</u>	<u>(21,851)</u>	<u>128,888</u>
Total business	<u>525,698</u>	<u>611,584</u>	<u>(85,886)</u>	<u>561,300</u>
<b>Central</b>				
Planning, research, development and evaluation services	-	-	-	1,818
Information services	-	27,959	(27,959)	42,756
Staff services	47,959	53,246	(5,287)	50,002
Data processing services	<u>-</u>	<u>125,693</u>	<u>(125,693)</u>	<u>106,010</u>
Total central	<u>47,959</u>	<u>206,898</u>	<u>(158,939)</u>	<u>200,586</u>
Other support services	<u>-</u>	<u>289</u>	<u>(289)</u>	<u>2,971</u>
Total support services	<u>883,691</u>	<u>1,027,535</u>	<u>(143,844)</u>	<u>1,120,944</u>
Community services	<u>24,082</u>	<u>20,486</u>	<u>3,596</u>	<u>834</u>
Total expenditures	<u>1,153,493</u>	<u>1,926,667</u>	<u>(773,174)</u>	<u>1,858,302</u>
Excess of revenues over expenditures	<u>\$ 804,957</u>	<u>225,037</u>	<u>\$ (579,920)</u>	<u>94,299</u>
Fund balance, beginning of year		<u>1,352,573</u>		<u>1,258,274</u>
Fund balance, end of year		<u>\$ 1,577,610</u>		<u>\$ 1,352,573</u>

(Concluded)

**Crete-Monee School District 201-U**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education, on August 21, 2018.

2. EXPENDITURES IN EXCESS OF BUDGET

The following funds had expenditures in excess of budget at June 30, 2019:

<u>Funds</u>	<u>Variance</u>
Operations and Maintenance	\$ 87,738
Debt Service	60,174
Transportation	1,298,427
Municipal Retirement / Social Security	773,174
Capital Projects	496,508

**Crete-Monee School District 201-U**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

3. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds (GAAP Basis) includes "on-behalf" payments received and made from the amounts contributed by the State of Illinois for the employer's share of the Teacher's Retirement System pension and Teachers' Health Insurance Security fund. The District does not budget for these amounts. The difference between the budget and the GAAP basis are as follows:

		<u>Revenues</u>		<u>Expenditures</u>
General fund - budgetary basis	\$	53,991,051	\$	57,421,691
To adjust for on-behalf payments received		13,532,267		-
To adjust for on-behalf payments made		-		13,532,267
		<u>                    </u>		<u>                    </u>
General fund - GAAP basis	\$	<u>67,523,318</u>	\$	<u>70,953,958</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 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 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE\*

**Valuation Date:**

Notes

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





**Crete-Monee School District 201-U**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

**5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE\* (Continued)**

**Change in Assumptions:**

For the 2018 measurement year, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

**6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE**

**Valuation Date:**

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

**Crete-Monee School District 201-U**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)**

Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

**Change in Assumptions:**

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

**7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE**

**Valuation Date:**

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

**Methods and Assumptions Used to Determine the 2019 Contribution Rate:**

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level dollar amortization for differences between expected and actual experience with regard to economic or demographic factors and for changes in assumptions, the amounts will be amortized over a closed period equal to the average of the expected remaining service lives of all participants (including inactive) determined at the beginning of the measurement period. The differences between projected and actual earnings on OPEB plan investments will be recognized over a closed five-year period.

**Crete-Monee School District 201-U**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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**7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION** (Continued)

**Methods and Assumptions Used to Determine the 2019 Contribution Rate:** (Continued)

Municipal Bond Index	3.87%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	2.50%
Salary Increases	3.85%
Retirement Rates	It is assumed that 40% of active employees will continue coverage upon retirement.
Election at Retirement	It is assumed that active employees will elect the same coverage upon retirement as they have when they are active.
Mortality	RP-2014 Combined Healthy mortality table backed off to 2006 and projected generationally with Scale MP-2018
Healthcare Cost Trend Rates	7.5, Initial 4.50, Ultimate

**Change in Assumptions:**

The discount rate was updated from 3.13% as of June 30, 2017 to 3.87% as of June 30, 2018, the medical trend rate table was reset in fiscal 2019, the impact of the ACA Excise Tax was measured and updated, the mortality table projection scale was updated from MP-2017 to MP-2018, the plan election was updated to assume the actual plan election upon retirement, and retirement rates were updated to 100% at age 65.

**SUPPLEMENTARY FINANCIAL INFORMATION**

# Crete-Monee School District 201-U

General Fund

## COMBINING BALANCE SHEET

June 30, 2019

	Educational Account	Working Cash Account	Total
<b>ASSETS</b>			
Cash and investments	\$ 14,227,256	\$ 1,480,758	\$ 15,708,014
Receivables (net of allowance for uncollectibles):			
Property taxes	14,760,275	141,665	14,901,940
Replacement taxes	160,767	-	160,767
Intergovernmental	901,859	-	901,859
Prepaid items	<u>34,955</u>	<u>-</u>	<u>34,955</u>
Total assets	<u>\$ 30,085,112</u>	<u>\$ 1,622,423</u>	<u>\$ 31,707,535</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 760,314	\$ -	\$ 760,314
Salaries and wages payable	4,511,153	-	4,511,153
Payroll deductions payable	2,305,726	-	2,305,726
Claims payable	326,650	-	326,650
Unearned revenue	<u>535</u>	<u>-</u>	<u>535</u>
Total liabilities	<u>7,904,378</u>	<u>-</u>	<u>7,904,378</u>
<b>DEFERRED INFLOWS</b>			
Property taxes levied for a future period	<u>14,688,388</u>	<u>140,975</u>	<u>14,829,363</u>
Total deferred inflows	<u>14,688,388</u>	<u>140,975</u>	<u>14,829,363</u>
<b>FUND BALANCES</b>			
Nonspendable	34,955	-	34,955
Unassigned	<u>7,457,391</u>	<u>1,481,448</u>	<u>8,938,839</u>
Total fund balance	<u>7,492,346</u>	<u>1,481,448</u>	<u>8,973,794</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 30,085,112</u>	<u>\$ 1,622,423</u>	<u>\$ 31,707,535</u>

# Crete-Monee School District 201-U

## General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2019

	Educational Account	Working Cash Account	Total
Revenues			
Property taxes	\$ 28,919,962	\$ 225,740	\$ 29,145,702
Replacement taxes	954,829	-	954,829
State aid	31,845,030	-	31,845,030
Federal aid	3,879,764	-	3,879,764
Investment income	225,592	29,702	255,294
Other	1,442,699	-	1,442,699
Total revenues	<u>67,267,876</u>	<u>255,442</u>	<u>67,523,318</u>
Expenditures			
Current:			
Instruction:			
Regular programs	22,572,162	-	22,572,162
Special programs	10,698,245	-	10,698,245
Other instructional programs	2,989,951	-	2,989,951
State retirement contributions	13,532,267	-	13,532,267
Support services:			
Pupils	3,765,851	-	3,765,851
Instructional staff	1,689,454	-	1,689,454
General administration	1,651,107	-	1,651,107
School administration	3,401,634	-	3,401,634
Business	3,141,149	-	3,141,149
Transportation	1,646	-	1,646
Operations and maintenance	595,052	-	595,052
Central	3,521,490	-	3,521,490
Other supporting services	4,343	-	4,343
Community services	611,267	-	611,267
Nonprogrammed charges	2,334,255	-	2,334,255
Interest and other	-	-	-
Capital outlay	444,085	-	444,085
Total expenditures	<u>70,953,958</u>	<u>-</u>	<u>70,953,958</u>
Excess (deficiency) of revenues over expenditures	<u>(3,686,082)</u>	<u>255,442</u>	<u>(3,430,640)</u>

(Continued)

# Crete-Monee School District 201-U

## General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2019

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	Educational Account	Working Cash Account	Total
Other financing sources (uses)			
Transfer to Debt Service Fund for principal and interest on capital lease	\$ (93,000)	\$ -	\$ (93,000)
Transfer to Debt Service Fund for principal and interest on school technology loan	(95,576)	-	(95,576)
Proceeds from capital lease	<u>343,237</u>	<u>-</u>	<u>343,237</u>
Total other financing sources (uses)	<u>154,661</u>	<u>-</u>	<u>154,661</u>
Net change in fund balance	(3,531,421)	255,442	(3,275,979)
Fund balance, beginning of year	<u>11,023,767</u>	<u>1,226,006</u>	<u>12,249,773</u>
Fund balance, end of year	<u>\$ 7,492,346</u>	<u>\$ 1,481,448</u>	<u>\$ 8,973,794</u>

(Concluded)

## Crete-Monee School District 201-U

### Debt Service Fund

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 11,992,450	\$ 11,813,994	\$ (178,456)	\$ 11,660,935
Mobile home privilege tax	-	-	-	15,942
Interest on investments	<u>5,000</u>	<u>43,624</u>	<u>38,624</u>	<u>44,956</u>
Total local sources	<u>11,997,450</u>	<u>11,857,618</u>	<u>(139,832)</u>	<u>11,721,833</u>
Total revenues	<u>11,997,450</u>	<u>11,857,618</u>	<u>(139,832)</u>	<u>11,721,833</u>
Expenditures				
Debt service				
Bonds and other - interest	<u>128,877</u>	<u>1,206,115</u>	<u>(1,077,238)</u>	<u>1,200,978</u>
Total debt service - interest	<u>128,877</u>	<u>1,206,115</u>	<u>(1,077,238)</u>	<u>1,200,978</u>
Principal payments on long-term debt	<u>11,992,200</u>	<u>10,974,661</u>	<u>1,017,539</u>	<u>10,491,392</u>
Other debt service				
Purchased services	<u>-</u>	<u>475</u>	<u>(475)</u>	<u>725</u>
Total	<u>-</u>	<u>475</u>	<u>(475)</u>	<u>725</u>
Total debt service	<u>12,121,077</u>	<u>12,181,251</u>	<u>(60,174)</u>	<u>11,693,095</u>
Total expenditures	<u>12,121,077</u>	<u>12,181,251</u>	<u>(60,174)</u>	<u>11,693,095</u>
Excess (deficiency) of revenues over expenditures	<u>(123,627)</u>	<u>(323,633)</u>	<u>(200,006)</u>	<u>28,738</u>

(Continued)



**Crete-Monee School District 201-U**  
Debt Service Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Transfer to pay for principal on capital leases	\$ -	\$ 81,432	\$ 81,432	\$ -
Transfer to pay for interest on capital leases	-	11,568	11,568	-
Transfer from General Fund for principal and interest on school technology loan	<u>-</u>	<u>95,576</u>	<u>95,576</u>	<u>95,576</u>
Total other financing sources	<u>-</u>	<u>188,576</u>	<u>188,576</u>	<u>95,576</u>
Net change in fund balance	<u>\$ (123,627)</u>	(135,057)	<u>\$ (11,430)</u>	124,314
Fund balance, beginning of year		<u>4,468,528</u>		<u>4,344,214</u>
Fund balance, end of year		<u>\$ 4,333,471</u>		<u>\$ 4,468,528</u>

(Concluded)

**Crete-Monee School District 201-U**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
Interest on investments	\$ 1,000	\$ 11,937	\$ 10,937	\$ 4,045
Impact fees from municipal or county governments	<u>-</u>	<u>3,571</u>	<u>3,571</u>	<u>22,964</u>
Total local sources	<u>1,000</u>	<u>15,508</u>	<u>14,508</u>	<u>27,009</u>
Total revenues	<u>1,000</u>	<u>15,508</u>	<u>14,508</u>	<u>27,009</u>
<b>Expenditures</b>				
<b>Support services</b>				
Facilities acquisition and construction services				
Purchased services	100,000	596,508	(496,508)	233,026
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,945</u>
Total	<u>100,000</u>	<u>596,508</u>	<u>(496,508)</u>	<u>419,971</u>
Total expenditures	<u>100,000</u>	<u>596,508</u>	<u>(496,508)</u>	<u>419,971</u>
Deficiency of revenues over expenditures	<u>\$ (99,000)</u>	<u>(581,000)</u>	<u>\$ (482,000)</u>	<u>(392,962)</u>
Fund balance, beginning of year		<u>2,423,663</u>		<u>2,816,625</u>
Fund balance, end of year		<u>\$ 1,842,663</u>		<u>\$ 2,423,663</u>

**Crete-Monee School District 201-U**  
 Fire Prevention and Safety Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 6,551	\$ 6,840	\$ 289	\$ 4,573
Mobile home privilege tax	-	-	-	1,683
Interest on investments	<u>100</u>	<u>540</u>	<u>440</u>	<u>259</u>
Total local sources	<u>6,651</u>	<u>7,380</u>	<u>729</u>	<u>6,515</u>
Total revenues	<u>6,651</u>	<u>7,380</u>	<u>729</u>	<u>6,515</u>
Excess of revenues over expenditures	<u>\$ 6,651</u>	<u>7,380</u>	<u>\$ 729</u>	<u>6,515</u>
Fund balance, beginning of year		<u>19,724</u>		<u>13,209</u>
Fund balance, end of year		<u>\$ 27,104</u>		<u>\$ 19,724</u>

**Crete-Monee School District 201-U**  
**GENERAL LONG-TERM DEBT**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
Year Ended June 30, 2019

	Maturity as follows			Total
	for the Year Ended June 30	Principal	Interest	
Series 2016B				
General Obligation Bonds	2020	\$ -	\$ 579,000	\$ 579,000
Issued on June 29, 2016	2021	-	579,000	579,000
	2022	-	579,000	579,000
Principal payable annually on	2023	-	579,000	579,000
January 1 starting in 2026	2024	-	579,000	579,000
	2025	-	579,000	579,000
Interest payable bi-annually on	2026	1,050,000	579,000	1,629,000
January 1 and July 1	2027	9,530,000	526,500	10,056,500
	2028	1,000,000	50,000	1,050,000
Total		<u>\$ 11,580,000</u>	<u>\$ 4,629,500</u>	<u>\$ 16,209,500</u>
Series 2016C				
General Obligation Bonds	2020	\$ -	\$ 613,200	\$ 613,200
Issued on June 29, 2016	2021	-	613,200	613,200
	2022	-	613,200	613,200
Principal payable annually on	2023	-	613,200	613,200
January 1 starting in 2027	2024	-	613,200	613,200
	2025	-	613,200	613,200
Interest payable bi-annually on	2026	-	613,200	613,200
January 1 and July 1	2029	1,295,000	492,950	1,787,950
	2030	1,355,000	428,200	1,783,200
	2031	1,410,000	374,000	1,784,000
	2032	1,470,000	317,600	1,787,600
	2033	1,525,000	258,800	1,783,800
	2034	1,585,000	197,800	1,782,800
	2035	1,650,000	134,400	1,784,400
	2036	1,710,000	68,400	1,778,400
Total		<u>\$ 14,405,000</u>	<u>\$ 7,732,200</u>	<u>\$ 22,137,200</u>

(Continued)

**Crete-Monee School District 201-U**  
**GENERAL LONG-TERM DEBT**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
Year Ended June 30, 2019

	Maturity as follows for the Year Ended June 30	Principal	Interest	Total
Series 2004				
General Obligation Capital	2020	\$ 2,968,861	\$ 6,916,139	\$ 9,885,000
Issue of June 30, 2004	2021	2,657,398	6,912,602	9,570,000
Principal payable Oct 1	2022	2,388,873	6,916,127	9,305,000
Interest payable at maturity	2023	2,179,057	7,000,943	9,180,000
	2024	1,976,236	7,028,764	9,005,000
		<u>12,170,425</u>	<u>34,774,575</u>	<u>46,945,000</u>
Accumulated accreted interest		26,793,532	(26,793,532)	-
Total		<u>\$ 38,963,957</u>	<u>\$ 7,981,043</u>	<u>\$ 46,945,000</u>
Series 2005				
Capital Appreciation Bond				
Issue of December 29, 2005				
Principal payable annually on				
October 1	2025	\$ 1,769,577	\$ 2,635,423	\$ 4,405,000
Interest payable at maturity	2026	3,229,506	5,290,494	8,520,000
		<u>4,999,083</u>	<u>7,925,917</u>	<u>12,925,000</u>
Accumulated accreted interest		4,576,378	(4,576,378)	-
Total		<u>\$ 9,575,461</u>	<u>\$ 3,349,539</u>	<u>\$ 12,925,000</u>
Series 2006				
Capital Appreciation Bond	2020	\$ 487,306	\$ 432,694	\$ 920,000
Issued on June 8, 2006	2021	623,848	611,152	1,235,000
Principal payable annually on	2022	722,610	777,390	1,500,000
October 1	2023	746,558	878,442	1,625,000
Interest payable at maturity	2024	775,368	1,024,632	1,800,000
	2025	2,466,752	3,933,248	6,400,000
	2026	482,897	752,103	1,235,000
		<u>6,305,339</u>	<u>8,409,661</u>	<u>14,715,000</u>
Accumulated accreted interest		5,613,928	(5,613,928)	-
Total		<u>\$ 11,919,267</u>	<u>\$ 2,795,733</u>	<u>\$ 14,715,000</u>
Total General Obligation Bonds Payable		<u>\$ 86,443,685</u>	<u>\$ 26,488,015</u>	<u>\$ 112,931,700</u>

(Concluded)

**OTHER SUPPLEMENTAL INFORMATION (UNAUDITED)**

**Crete-Monee School District 201-U**  
**PROPERTY TAX RATES - LEVIES AND COLLECTIONS\***  
**LAST FIVE TAX LEVY YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed valuations	\$ <u>618,718,672</u>	\$ <u>586,382,720</u>	\$ <u>562,971,694</u>	\$ <u>543,959,046</u>	\$ <u>549,007,057</u>
Rates extended					
Educational	4.8449	4.8998	4.7479	4.8000	4.8000
Operations and maintenance	0.6982	0.7367	0.7500	0.7500	0.7500
Transportation	0.5968	0.6746	0.7380	0.8545	0.7552
Municipal retirement/social security	0.3590	0.3280	0.3340	0.3458	0.3280
Working cash	0.0465	0.0288	0.0500	0.0500	0.0500
Debt service	1.9391	2.0452	2.0600	1.8247	2.1346
Fire prevention and safety	<u>0.0012</u>	<u>0.0011</u>	<u>0.0011</u>	<u>0.0012</u>	<u>0.0010</u>
Total rates extended	<u>8.4857</u>	<u>8.7142</u>	<u>8.6810</u>	<u>8.6262</u>	<u>8.8188</u>
Levies extended					
Educational	\$ 29,976,300	\$ 28,731,581	\$ 26,729,333	\$ 26,110,034	26,352,338
Operations and maintenance	4,319,894	4,319,881	4,222,288	4,079,693	4,117,553
Transportation	3,692,513	3,955,738	4,154,731	4,648,130	4,146,101
Municipal retirement/social security	2,221,200	1,923,335	1,880,325	1,881,010	1,800,744
Working cash	287,704	168,878	281,486	271,980	274,504
Debt service	11,997,574	11,992,699	11,597,217	9,925,621	11,719,105
Fire prevention and safety	<u>7,425</u>	<u>6,450</u>	<u>6,193</u>	<u>6,527</u>	<u>5,490</u>
Total levies extended	<u>\$ 52,502,610</u>	<u>\$ 51,098,563</u>	<u>\$ 48,871,573</u>	<u>\$ 46,922,995</u>	<u>\$ 48,415,835</u>
Collections on levies extended					
Total collections	<u>\$ 26,125,397</u>	<u>\$ 50,326,745</u>	<u>\$ 48,306,792</u>	<u>\$ 46,493,496</u>	<u>\$ 47,534,502</u>
Percentage of extensions collected					
Total % of extensions collected	<u>49.76%</u>	<u>98.49%</u>	<u>98.84%</u>	<u>99.08%</u>	<u>98.18%</u>

\*Tax Rates are expressed in dollars per \$100 of assessed valuation.

Source of information: Will County - Tax Rate Calculation Reports and Annual Financial Reports

**Crete-Monee School District 201-U**  
**OPERATING COSTS AND TUITION CHARGE**  
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>OPERATING COST PER PUPIL</b>		
Average Daily Attendance (ADA):	<u>4,079.40</u>	<u>4,351.46</u>
Operating costs:		
Educational	\$ 57,421,691	\$ 55,533,587
Operations and maintenance	5,011,043	4,302,232
Debt service	12,181,251	11,693,095
Transportation	6,865,654	6,220,450
Municipal retirement/social security	<u>1,926,667</u>	<u>1,858,302</u>
Subtotal	<u>83,406,306</u>	<u>79,607,666</u>
Less revenues/expenditures of nonregular programs:		
Tuition	1,362,547	2,447,359
Transportation	57,125	7,971
Pre-K	71,868	120,631
Special education	1,475,947	648,721
Summer school	136,393	78,470
Capital outlay	588,578	302,881
Debt principal retired	10,974,661	10,491,392
Community services	631,023	352,319
Payments to other government units	2,334,255	1,180,976
Non-capitalized equipment	<u>276,647</u>	<u>1,645,627</u>
Subtotal	<u>17,909,044</u>	<u>17,276,347</u>
Operating costs	<u>\$ 65,497,262</u>	<u>\$ 62,331,319</u>
Operating costs per pupil - based on ADA	<u>\$ 16,056</u>	<u>\$ 14,324</u>
<b>TUITION CHARGE</b>		
Operating costs	\$ 65,497,262	\$ 62,331,319
Less - revenues from specific programs, such as special education or lunch programs	<u>12,579,146</u>	<u>12,885,009</u>
Net operating costs	52,918,116	49,446,310
Depreciation allowance	<u>2,560,197</u>	<u>2,642,041</u>
Allowance tuition costs	<u>\$ 55,478,313</u>	<u>\$ 52,088,351</u>
Tuition charge per pupil - based on ADA	<u>\$ 13,600</u>	<u>\$ 11,970</u>