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ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT SCHOOL DISTRICT NO. 19
STATE OF ILLINOIS

ANNUAL FINANCIAL REPORT

JUNE 30, 2019

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UNIT SCHOOL DISTRICT NO. 19
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UNIT SCHOOL DISTRICT NO. 19
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Alden-Hebron Community Consolidated Unit School District No. 19
Hebron, Illinois

We have audited the accompanying basic financial statements of

Alden-Hebron Community Consolidated Unit School District No. 19

as of and for the year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 opinion.

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

As described in Note 1, the financial statements are prepared by Alden-Hebron Community Consolidated Unit School District No. 19 on the basis of financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles

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generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. Also as described in Note 1, Alden-Hebron Community Consolidated Unit School District No. 19 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Alden-Hebron Community Consolidated Unit School District No. 19 as of June 30, 2019, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Alden-Hebron Community Consolidated Unit School District No. 19 as of June 30, 2019, and the revenue it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019 on our consideration of Alden-Hebron Community Consolidated Unit School District No. 19’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alden-Hebron Community Consolidated Unit School District No. 19's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, the Board of Education, others within the District, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
September 24, 2019

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

To the Board of Education
Alden-Hebron Community Consolidated Unit School District No. 19
Hebron, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of

Alden-Hebron Community Consolidated Unit School District No. 19

as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Alden-Hebron Community Consolidated Unit School District No. 19's basic financial statements and have issued our report thereon dated September 24, 2019. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alden-Hebron Community Consolidated Unit School District No. 19's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alden-Hebron Community Consolidated Unit School District No. 19's internal control. Accordingly, we do not express an opinion on the effectiveness of Alden-Hebron Community Consolidated Unit School District No. 19's internal control.

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

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

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not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alden-Hebron Community Consolidated Unit School District No. 19's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Alden-Hebron Community Consolidated Unit School District No. 19 in a separate letter dated September 24, 2019.

Purpose of this Report

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
September 24, 2019

BASIC FINANCIAL STATEMENTS

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2019

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS
ASSETS						
Cash and Cash Equivalents	$ 3,323,323	$ 657,186	$ 138,403	$ 447,333	$ 72,353	$ 36,786
Other Receivables	31,265	-	-	2,537	4,844	-
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-
Amount to be Provided for Payment of Long-Term Debt	-	-	-	-	-	-
Total Assets	$ 3,354,588	$ 657,186	$ 138,403	$ 449,870	$ 77,197	$ 36,786
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Current Liabilities						
Payroll Deductions and Withholdings	$ -	$ 695	$ -	$ -	$ -	$ -
Due to Activity Fund Organizations	-	-	-	-	-	-
Total Current Liabilities	$ -	$ 695	$ -	$ -	$ -	$ -
Long -Term Liabilities						
Long-Term Debt Payable	$ -	$ -	$ -	$ -	$ -	$ -
Total Long-Term Liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ 695	$ -	$ -	$ -	$ -
FUND BALANCE						
Investment in General Fixed Assets	$ -	$ -	$ -	$ -	$ -	$ -
Fund Balance						
Unreserved						
Undesignated	3,354,588	656,491	138,403	449,870	77,197	36,786
Total Fund Balance	$ 3,354,588	$ 656,491	$ 138,403	$ 449,870	$ 77,197	$ 36,786
Total Liabilities and Fund Balance	$ 3,354,588	$ 657,186	$ 138,403	$ 449,870	$ 77,197	$ 36,786

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2019

	WORKING CASH	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS					
Cash and Cash Equivalents	$ 57,150	$ 24,794	$ -	$ -	$ 4,757,328
Other Receivables	-	-	-	-	38,646
Land	-	-	865,735	-	865,735
Building and Building Improvements	-	-	3,403,675	-	3,403,675
Capitalized Equipment	-	-	1,783,331	-	1,783,331
Amount Available in Debt Services Fund	-	-	-	138,403	138,403
Amount to be Provided for Payment of Long-Term Debt	-	-	-	360,320	360,320
Total Assets	$ 57,150	$ 24,794	$ 6,052,741	$ 498,723	$ 11,347,438
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Current Liabilities					
Payroll Deductions and Withholdings	$ -	$ -	$ -	$ -	$ 695
Due to Activity Fund Organizations	-	24,794	-	-	24,794
Total Current Liabilities	$ -	$ 24,794	$ -	$ -	$ 25,489
Long -Term Liabilities					
Long-Term Debt Payable	$ -	$ -	$ -	$ 498,723	$ 498,723
Total Long-Term Liabilities	$ -	$ -	$ -	$ 498,723	$ 498,723
Total Liabilities	$ -	$ 24,794	$ -	$ 498,723	$ 524,212
FUND BALANCE					
Investment in General Fixed Assets	$ -	$ -	$ 6,052,741	$ -	$ 6,052,741
Fund Balance					
Unreserved					
Undesignated	57,150	-	-	-	4,770,485
Total Fund Balance	$ 57,150	$ -	$ 6,052,741	$ -	$ 10,823,226
Total Liabilities and Fund Balance	$ 57,150	$ 24,794	$ 6,052,741	$ 498,723	$ 11,347,438

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED								
Local Sources	$ 3,811,025	$ 575,181	$ 37,943	$ 278,945	$ 178,788	$ 3,180	$ -	$ 4,885,062
State Sources	937,228	-	-	216,425	-	-	-	1,153,653
Federal Sources	335,205	-	-	-	-	-	-	335,205
On-Behalf Payments	1,782,168	-	-	-	-	-	-	1,782,168
	$ 6,865,626	$ 575,181	$ 37,943	$ 495,370	$ 178,788	$ 3,180	$ -	$ 8,156,088
EXPENDITURES DISBURSED								
Instruction	$ 3,006,771	$ -	$ -	$ -	$ 59,271	$ -	$ -	$ 3,066,042
Support Services	1,406,170	562,345	-	316,689	108,489	-	-	2,393,693
Community Services	215,636	-	-	-	4,065	-	-	219,701
Payments to Other Districts and Governmental Units	339,118	-	-	2,941	-	-	-	342,059
Debt Services	-	-	39,413	130,917	-	-	-	170,330
On-Behalf Payments	1,782,168	-	-	-	-	-	-	1,782,168
	$ 6,749,863	$ 562,345	$ 39,413	$ 450,547	$ 171,825	$ -	$ -	$ 7,973,993
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	$ 115,763	$ 12,836	$ (1,470)	$ 44,823	$ 6,963	$ 3,180	$ -	$ 182,095
OTHER FINANCING USES								
Payment to Escrow Agent for Bond Refunding	$ (14,697)	$ -	$ -	$ -	$ -	$ -	$ -	$ (14,697)
	$ (14,697)	$ -	$ -	$ -	$ -	$ -	$ -	$ (14,697)
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	$ 101,066	$ 12,836	$ (1,470)	$ 44,823	$ 6,963	$ 3,180	$ -	$ 167,398
FUND BALANCE - JULY 1, 2018	3,253,522	643,655	139,873	405,047	70,234	33,606	57,150	4,603,087
FUND BALANCE - JUNE 30, 2019	$ 3,354,588	$ 656,491	$ 138,403	$ 449,870	$ 77,197	$ 36,786	$ 57,150	$ 4,770,485

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED								
Local Sources								
Ad Valorem Taxes Levied								
Designated Purpose Levies	$ 3,136,063	$ 548,463	$ 37,943	$ 275,869	$ 92,925	$ -	$ -	$ 4,091,263
Special Education Purpose Levy	272,341	-	-	-	-	-	-	272,341
FICA/Medicare Only Purposes Levy	-	-	-	-	73,363	-	-	73,363
Payments in Lieu of Taxes								
Corporate Personal Property Replacement Taxes	99,312	-	-	-	12,500	-	-	111,812
Tuition								
Regular Tuition from Pupils or Parents (In State)	42,079	-	-	-	-	-	-	42,079
Interest on Investments	40,470	-	-	2	-	-	-	40,472
Food Service								
Sales to Pupils - Lunch	20,118	-	-	-	-	-	-	20,118
Sales to Pupils - Breakfast	4,109	-	-	-	-	-	-	4,109
Sales to Pupils - Ala Carte	52,053	-	-	-	-	-	-	52,053
Sales to Pupils - Other	566	-	-	-	-	-	-	566
Sales to Adults	325	-	-	-	-	-	-	325
District/School Activity Income								
Admissions - Athletic	16,060	-	-	-	-	-	-	16,060
Fees	12,445	-	-	-	-	-	-	12,445
Book Store Sales	78	-	-	-	-	-	-	78
Other District/School Activity Revenue	12,802	-	-	-	-	-	-	12,802
Textbooks								
Rentals - Regular Textbook	33,936	-	-	-	-	-	-	33,936
Rentals - Summer School Textbook	4,020	-	-	-	-	-	-	4,020
Rentals - Adult/Continuing Education Textbook	1,240	-	-	-	-	-	-	1,240
Other	50	-	-	-	-	-	-	50
Rentals	-	30	-	-	-	-	-	30
Impact Fees From Municipal or County Governments	-	-	-	-	-	3,180	-	3,180
Refund of Prior Years' Expenditures	3,003	5,901	-	-	-	-	-	8,904
Drivers' Education Fees	5,710	-	-	-	-	-	-	5,710
Proceeds from Vendors' Contracts	10,051	-	-	-	-	-	-	10,051
Other Local Fees	41,194	-	-	3,074	-	-	-	44,268
Other Local Revenues	3,000	20,787	-	-	-	-	-	23,787
Total Local Sources	$ 3,811,025	$ 575,181	$ 37,943	$ 278,945	$ 178,788	$ 3,180	$ -	$ 4,885,062

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR-TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	WORKING CASH	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)								
State Sources								
Unrestricted Grants-In-Aid								
General State Aid - Sec. 18-8	$ 567,449	$ -	$ -	$ -	$ -	$ -	$ -	$ 567,449
Restricted Grants-In-Aid								
Special Education								
Private Facility Tuition	55,339	-	-	-	-	-	-	55,339
State Free Lunch and Breakfast	1,541	-	-	-	-	-	-	1,541
Driver Education	3,671	-	-	-	-	-	-	3,671
Transportation								
Regular/Vocational	-	-	-	49,832	-	-	-	49,832
Special Education	-	-	-	166,593	-	-	-	166,593
Early Childhood - Block Grant	308,553	-	-	-	-	-	-	308,553
Other Restricted Revenue from State Sources	675	-	-	-	-	-	-	675
Total State Sources	$ 937,228	$ -	$ -	$ 216,425	$ -	$ -	$ -	$ 1,153,653
Federal Sources								
Federal Government through the State								
Title V								
Rural and Low Income Schools	$ 17,300	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,300
Food Service								
National School Lunch Program	71,359	-	-	-	-	-	-	71,359
School Breakfast Program	21,489	-	-	-	-	-	-	21,489
Title I								
Low Income	89,302	-	-	-	-	-	-	89,302
Title IV								
Safe and Drug Free Schools - Formula	10,000	-	-	-	-	-	-	10,000
Federal - Special Education								
Preschool - Flow Through	2,945	-	-	-	-	-	-	2,945
IDEA - Flow Through/Low Incidence	84,062	-	-	-	-	-	-	84,062
CTE								
Perkins - Title IIIE Tech Prep	6,156	-	-	-	-	-	-	6,156
Title III- English Language Acquisition	2,800	-	-	-	-	-	-	2,800
Title II - Teacher Quality	15,848	-	-	-	-	-	-	15,848
Medicaid Matching Funds - Administrative Outreach	1,769	-	-	-	-	-	-	1,769
Medicaid Matching Funds - Fee-For-Service Program	12,175	-	-	-	-	-	-	12,175
Total Federal Sources	$ 335,205	$ -	$ -	$ -	$ -	$ -	$ -	$ 335,205
Total Direct Revenue	$ 5,083,458	$ 575,181	$ 37,943	$ 495,370	$ 178,788	$ 3,180	$ -	$ 6,373,920

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	$ 1,428,385	$ 1,456,589
Employee Benefits	308,395	353,519
Purchased Services	82,017	76,675
Supplies and Materials	79,230	107,687
Other Objects	1,500	1,500
	$ 1,899,527	$ 1,995,970
Special Education Programs		
Salaries	$ 360,549	$ 409,339
Employee Benefits	109,440	89,599
Purchased Services	6,500	5,057
Supplies and Materials	5,700	2,944
	$ 482,189	$ 506,939
CTE Programs		
Salaries	$ 84,332	$ 84,332
Employee Benefits	16,870	17,334
Purchased Services	1,055	955
Supplies and Materials	1,910	1,082
Capital Outlay	3,026	4,949
	$ 107,193	$ 108,652
Interscholastic Programs		
Salaries	$ 118,630	$ 113,837
Employee Benefits	11,410	11,230
Purchased Services	24,900	24,932
Supplies and Materials	10,000	9,963
Other Objects	8,500	8,458
	$ 173,440	$ 168,420
Driver's Education Programs		
Salaries	$ 8,000	$ 7,884
Employee Benefits	750	1,914
Supplies and Materials	500	-
	$ 9,250	$ 9,798
Private Tuition - Other Objects		
Special Education Programs K-12	$ 175,000	$ 216,992
	$ 175,000	$ 216,992
Total Instruction	$ 2,883,808	$ 3,006,771
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	$ 100,650	$ 101,161
Employee Benefits	880	15,578
	$ 101,530	$ 116,739
Guidance Services		
Salaries	$ 68,380	$ 69,730
Employee Benefits	9,730	8,476
Purchased Services	2,500	1,420
	$ 80,610	$ 79,626

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Health Services		
Salaries	$ 45,951	$ 46,324
Employee Benefits	8,055	8,031
Purchased Services	100	-
Supplies and Materials	1,000	859
Capital Outlay	-	2,453
	$ 55,106	$ 57,667
Psychological Services		
Salaries	$ 30,000	$ 36,953
Employee Benefits	800	554
Purchased Services	200	-
Supplies and Materials	750	-
	$ 31,750	$ 37,507
Speech Pathology and Audiology Services		
Purchased Services	$ 50,000	$ 42,169
Supplies and Materials	250	-
	$ 50,250	$ 42,169
Total Support Services - Pupils	$ 319,246	$ 333,708
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	$ 20,739	$ 20,550
Purchased Services	26,400	12,876
Supplies and Materials	8,500	1,698
	$ 55,639	$ 35,124
Educational Media Services		
Salaries	$ 106,459	$ 107,539
Employee Benefits	6,255	12,173
Purchased Services	54,600	67,573
Supplies and Materials	43,100	35,214
Capital Outlay	-	604
	$ 210,414	$ 223,103
Assessment and Testing		
Purchased Services	$ 6,425	$ 6,548
Supplies and Materials	3,950	1,553
	$ 10,375	$ 8,101
Total Support Services - Instructional Staff	$ 276,428	$ 266,328
General Administration		
Board of Education Services		
Salaries	$ 6,200	$ 8,262
Employee Benefits	6,445	2,482
Purchased Services	69,800	66,073
Supplies and Materials	2,750	3,640
Other Objects	3,650	4,549
	$ 88,845	$ 85,006

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Executive Administration Services		
Salaries	$ 144,439	$ 149,256
Employee Benefits	51,490	48,890
Purchased Services	3,000	3,590
Supplies and Materials	10,100	9,016
Other Objects	2,000	2,273
	$ 211,029	$ 213,025
Total Support Services - General Administration	$ 299,874	$ 298,031
School Administration		
Office of the Principal Services		
Salaries	$ 264,360	$ 255,009
Employee Benefits	49,540	52,323
Purchased Services	3,250	3,600
Supplies and Materials	5,000	4,783
Other Objects	3,200	1,633
	$ 325,350	$ 317,348
Total Support Services - School Administration	$ 325,350	$ 317,348
Business		
Fiscal Services		
Salaries	$ 35,570	$ 35,461
Employee Benefits	9,410	9,541
Purchased Services	10,300	7,782
Supplies and Materials	1,700	721
	$ 56,980	$ 53,505
Food Services		
Salaries	$ 50,295	$ 49,083
Employee Benefits	6,230	6,933
Purchased Services	1,400	1,945
Supplies and Materials	76,500	79,289
	$ 134,425	$ 137,250
Total Support Services - Business	$ 191,405	$ 190,755
Other Support Services		
Supplies and Materials	$ 100	$ -
Total Other Support Services	$ 100	$ -
Total Support Services	$ 1,412,403	$ 1,406,170

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Community Services		
Salaries	$ 200,000	$ 159,367
Employee Benefits	18,000	41,303
Purchased Services	11,550	7,082
Supplies and Materials	3,450	5,792
Capital Outlay	-	2,092
Total Community Services	$ 233,000	$ 215,636
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	$ 18,024	$ 14,928
	$ 18,024	$ 14,928
Total Payments to Other Districts and Governmental Units (In-State)	$ 18,024	$ 14,928
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	$ 207,000	$ 218,720
Payment for CTE Programs	101,014	105,470
Total Payments to Other Districts Governmental Units-Tuition (In-State)	$ 308,014	$ 324,190
Total Payments to Other Districts and Governmental Units	$ 326,038	$ 339,118
Total Direct Expenditures	$ 4,855,249	$ 4,967,695

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Business		
Operation and Maintenance of Plant Services		
Salaries	$ 161,000	$ 158,783
Employee Benefits	44,200	45,825
Purchased Services	169,500	206,937
Supplies and Materials	129,500	130,013
Capital Outlay	10,000	20,787
	$ 514,200	$ 562,345
Total Support Services - Business	$ 514,200	$ 562,345
Total Support Services	$ 514,200	$ 562,345
Provision for Contingencies	$ 15,000	$ -
Total Direct Expenditures	$ 529,200	$ 562,345

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	$ 20,100	$ 19,413
Total Debt Services - Interest	$ 20,100	$ 19,413
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	$ 20,000	$ 20,000
Total Debt Services - Payment of Principal on Long-Term Debt	$ 20,000	$ 20,000
Total Debt Services	$ 40,100	$ 39,413
Total Direct Expenditures	$ 40,100	$ 39,413

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	$ 189,355	$ 176,324
Employee Benefits	19,910	19,298
Purchased Services	64,800	67,051
Supplies and Materials	37,000	31,516
Capital Outlay	25,000	22,500
	$ 336,065	$ 316,689
Total Support Services - Business	$ 336,065	$ 316,689
Total Support Services	$ 336,065	$ 316,689
Debt Services		
Interest		
Interest on Long-Term Debt		
Other Objects	$ 6,195	$ 9,303
Payments of Principal on Long-Term Debt		
Other Objects	93,705	121,614
Total Debt Services	$ 99,900	$ 130,917
Total Direct Expenditures	$ 435,965	$ 450,547

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	$ 23,945	$ 24,678
Special Education Programs		
Employee Benefits	24,775	19,898
CTE Programs		
Employee Benefits	1,425	1,304
Interscholastic Programs		
Employee Benefits	14,230	13,269
Driver's Education Programs		
Employee Benefits	100	122
Total Instruction	$ 64,475	$ 59,271
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	$ 710	$ 1,333
Guidance Services		
Employee Benefits	820	833
Health Services		
Employee Benefits	8,645	7,712
Psychological Services		
Employee Benefits	500	536
Total Supports Services - Pupils	$ 10,675	$ 10,414
Instructional Staff		
Educational Media Services		
Employee Benefits	$ 10,690	$ 9,323
Total Support Services - Instructional Staff	$ 10,690	$ 9,323
General Administration		
Board of Education Services		
Employee Benefits	$ 1,550	$ 1,377
Executive Administration Services		
Employee Benefits	8,780	7,361
Total Support Services - General Administration	$ 10,330	$ 8,738
School Administration		
Office of the Principal Services		
Employee Benefits	$ 17,510	$ 15,921
Total Support Services - School Administration	$ 17,510	$ 15,921

The Notes to Financial Statements are an integral part of this statement.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Fiscal Services		
Employee Benefits	$ 6,570	$ 5,938
Operation and Maintenance of Plant Services		
Employee Benefits	27,735	25,836
Pupil Transportation Services		
Employee Benefits	31,140	24,224
Food Services		
Employee Benefits	10,060	8,095
Total Support Services - Business	$ 75,505	$ 64,093
Total Support Services	$ 124,710	$ 108,489
Community Services		
Employee Benefits	$ 3,130	$ 4,065
Total Community Services	$ 3,130	$ 4,065
Total Direct Expenditures	$ 192,315	$ 171,825

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Alden-Hebron Community Consolidated Unit School District No. 19's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. *Principles Used to Determine Scope of Entity*

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

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. *Basis of Presentation – Fund Accounting*

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

<u>Educational Fund</u> - The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

<u>Operations and Maintenance Fund</u> – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes.

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for debt payments. Operations of this fund are generally financed by a special tax levied for these purposes.

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security, if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and contributions and donations from private sources.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Agency Fund – The Agency Fund is used to account for Student Activity Funds and Convenience Accounts, which are assets held by the District as an agent for the students and teachers. This fund is custodial in nature and does not involve the measurement of the results of operations. The amounts due to the Activity Fund organizations are equal to the assets.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

Measurement Focus

The financial statements of all funds, except the Agency Fund and two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group, rather than in the funds.

Long-term liabilities expected to be financed from funds are accounted for in the General Long-Term Debt Account Group, not in the funds. The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. *Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 18, 2018.

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

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally adopted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year.

5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.

6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action. At June 30, 2019, no District fund had a cash overdraft.

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds and capitalized at cost, if over $500, in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment).

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

J. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2018 tax levy was passed by the board on November 20, 2018. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name. The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2019, the District had the following investments and maturities:

		Investment Maturities (in Years)			
Investment	Fair Value	Less Than 1	1-5	5-10	More Than 10
State Investment Pools	$ 1,613,963	$ 1,613,963	$ -	$ -	$ -

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered but do have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2019, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Land	$ 865,735	$ -	$ -	$ 865,735
Building and Building Improvements	3,383,742	19,933	-	3,403,675
Capitalized Equipment	1,763,207	33,452	13,328	1,783,331
	$ 6,012,684	$ 53,385	$ 13,328	$ 6,052,741

NOTE 4 - CHANGES IN GENERAL LONG-TERM DEBT

Changes in general long-term debt are summarized as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Lease Purchase Agreements	$ 225,337	$ -	$ 121,614	$ 103,723
General Obligation School Bond, Series 2010	415,000	-	20,000	395,000
	$ 640,337	$ -	$ 141,614	$ 498,723

The General Obligation School Bond is paid out of the Debt Service Fund and all lease purchase agreements are paid out of the Transportation Fund.

Long-term debt payable consisted of the following at June 30, 2019:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Lease Purchase Agreements	Variable	2.65% - 3.1%	$ 471,852	$ 103,723
General Obligation School Bond, Series 2010	9/28/2030	3.25%-4.75%	520,000	395,000

At June 30, 2019 the annual debt service requirements to service all long-term debt are:

Year Ending June 30	Principal	Interest	Total
2020	$ 78,592	$ 21,825	$ 100,417
2021	70,131	19,167	89,298
2022	25,000	16,625	41,625
2023	25,000	15,438	40,438
2024	30,000	14,250	44,250
2025	30,000	12,825	42,825
2026	35,000	11,400	46,400
2027	35,000	9,737	44,737
2028	40,000	8,075	48,075
2029	40,000	6,175	46,175
2030	45,000	4,275	49,275
2031	45,000	1,407	46,407
	$ 498,723	$ 141,199	$ 639,922

NOTE 5 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2019.

NOTE 6 - DEFICIT FUND BALANCE

No District fund had a deficit balance at June 30, 2019.

NOTE 7 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2018 ($2,481,589) and 2017 ($1,955,378) tax levies. A summary of the past three years' assessed valuations, rates, and extensions follows:

Tax Year	2018		2017		2016	
Assessed Valuation	$81,609,631		$81,327,861		$78,182,754	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Purpose						
Educational	3.90964	$ 3,190,644	3.8177	$ 3,104,839	3.9266	$ 3,069,924
Special Education	0.33952	277,082	0.3315	269,630	0.3443	269,199
Operations and Maintenance	0.68376	558,010	0.6677	543,003	0.6867	536,897
Debt Service	0.04674	38,140	0.0469	38,140	0.0488	38,140
Transportation	0.34392	280,671	0.3358	273,123	0.3540	276,736
Municipal Retirement	0.11502	93,871	0.1141	92,833	0.1215	95,000
Social Security	0.09081	74,109	0.0901	73,289	0.0000	-
	5.5294	$ 4,512,527	5.4038	$ 4,394,858	5.4819	$ 4,285,896

NOTE 8 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2019, the following funds had expenditures which exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Educational	$ 4,855,249	$ 4,967,695	$ 112,446
Operations and Maintenance	529,200	562,345	33,145
Transportation	435,965	450,547	14,582

NOTE 9 - OPERATING LEASES, AS LESSEE

The District leases copiers under operating leases. Total lease expense for fiscal year 2019 was $26,833. Annual requirements to cover outstanding lease agreements at June 30, 2019 are:

Year Ending June 30	Amount
2020	$ 26,833
2021	21,290
2022	13,530
2023	1,128
	$ 62,781

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at 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 ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten 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% 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 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 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 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 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% 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% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS - The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 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 expenditures of $1,752,159 in pension contributions from the State of Illinois.

2.2 Formula Contributions - Employers contribute 0.58% 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 $16,564 and are deferred because they were paid after the June 30, 2018 measurement date.

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

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

For the year ended June 30, 2019, the District pension contribution was 9.85% of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling $0 were paid from federal and special trust funds that required District contributions of $0. These contributions are deferred because they were paid after the June 30, 2018 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6% 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%, $74 for salary increases in excess of 3 percent and $0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the District 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 follows below:

District's proportionate share of the net pension liability	$ 272,342
State's proportionate share of the net pension liability associated with the District	18,656,565
Total Net Pension Liability	$ 18,928,907

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 employer'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 0.0003494%, which was a decrease of 0.0000459% its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $1,752,159 and revenue of $1,752,159 for support provided by the State. At June 30, 2019, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ 5,474	$ (59)	$ 5,415
Net difference between projected and actual earnings on pension plan investments	-	(834)	(834)
Changes of assumptions	11,945	(7,719)	4,226
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,257	(124,963)	(55,706)
Employer contributions subsequent to the measurement date	16,564	-	16,564
	$ 103,240	$ (133,575)	$ (30,335)

$16,564 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2020. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of pension expense in future years as follows:

Year Ending June 30	Amount
2020	$ (30,739)
2021	(15,416)
2022	5,397
2023	(3,489)
2024	(2,652)
	$ (46,899)

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%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	15.0%	6.70%
U.S. equities small/mid cap	2.0%	7.90%
International equities developed	13.6%	7.00%
Emerging market equities	3.4%	9.40%
U.S. bonds core	8.0%	2.20%
U.S. bonds high yield	4.2%	4.40%
International debt developed	2.2%	1.30%
Emerging international debt	2.6%	4.50%
Real estate	16.0%	5.40%
Commodities (real return)	4.0%	1.80%
Hedge funds (absolute return)	14.0%	3.90%
Private Equity	15.0%	10.20%
Total	100.0%	

Discount Rate

At June 30, 2018, the discount rate used to measure total pension liability was 7.00%, 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.

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 to 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%, 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%) or 1-percentage-point-higher (8.00%) than the current rate.

	1% Lower 6.00%	Current Discount Rate 7.00%	1% Higher 8.00%
Employer's proportionate share of the net pension liability	$ 334,002	$ 272,342	$ 222,687

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.*

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired ***before*** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% 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 ten 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 ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	42
Inactive plan members entitled to but not yet receiving benefits	40
Active plan members	29
Total	111

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute 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 10.47%. For the fiscal year ended June 30, 2019, the District contributed $75,002 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 components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2018, and a measurement date as of December 31, 2018, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	$ 4,136,300
IMRF Fiduciary Net Position	3,418,279
District's Net Pension Liability	718,021
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	82.64%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Supplemental Financial Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.

For non-disabled retirees, 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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-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 as of December 31, 2018:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	7.15%
International Equities	18.0%	7.25%
Fixed Income	28.0%	3.75%
Real Estate	9.0%	6.25%
Alternatives	7.0%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash	1.0%	2.50%
	100.0%	

Single Discount Rate

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

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

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Pension (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2017	$ 3,826,594	$ 3,638,199	$ 188,395
Changes for the year:			
Service Cost	$ 73,505	$ -	$ 73,505
Interest on the Total Pension Liability	282,000	-	282,000
Differences Between Expected and Actual Experience of the Total Pension Liability	50,971	-	50,971
Changes of Assumptions	109,910	-	109,910
Contributions - Employer	-	78,225	(78,225)
Contributions - Employee	-	33,621	(33,621)
Net Investment Income	-	(201,917)	201,917
Benefit Payments, including Refunds of Employee Contributions	(206,680)	(206,680)	-
Other (Net Transfer)	-	76,831	(76,831)
Net Changes	$ 309,706	$ (219,920)	$ 529,626
Balances at December 31, 2018	$ 4,136,300	$ 3,418,279	$ 718,021

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 (Asset)	$ 1,226,314	$ 718,021	$ 313,442

Pension Expense (Income), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the District's pension expense/(income) is $91,406. At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ 62,609	$ -	$ 62,609
Changes of assumptions	64,287	(23,593)	40,694
Net difference between projected and actual earnings on pension plan investments	427,636	(186,677)	240,959
Total deferred amounts to be recognized in pension expense in future periods	$ 554,532	$ (210,270)	$ 344,262
Pension contributions made subsequent to the measurement date	37,663	-	37,663
Total deferred amounts related to pensions	$ 592,195	$ (210,270)	$ 381,925

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2019	154,326
2020	62,519
2021	32,594
2022	94,823
2023	-
Thereafter	-
	$ 344,262

C. *Social Security*

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

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

General Information About the OPEB Plan

Plan Description

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

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 State of Illinois offers comprehensive health plan options, all of which include prescription drug and behavioral health coverage. The State of Illinois offers TCHP, HMO, and OAP plans.

- Teachers' Choice Health Plan (TCHP) benefit recipients can choose any physician or hospital for medical services; however, benefit recipients receive enhanced benefits, resulting in lower out-of-pocket costs, when receiving services from a TCHP in-network provider. TCHP has a nationwide network and includes CVS/Caremark for prescription drug benefits and Magellan Behavioral Health for behavioral health services.

- Health Maintenance Organizations (HMO) benefit recipients are required to stay within the health plan provider network. No out-of-network services are available. Benefit recipients will need to select a primary care physician (PCP) from a network of participating providers. The PCP will direct all healthcare services and make referrals to specialists and hospitalization.
- Open Access Plan (OAP) benefit recipients will have three tiers of providers from which to choose to obtain services. The benefit level is determined by the tier in which the healthcare provider is contracted.
  - Tier I offers a managed care network which provides enhanced benefits and operates like an HMO.
  - Tier II offers an expanded network of providers and is a hybrid plan operating like an HMO and PPO.
  - Tier III covers all providers which are not in the managed care networks of Tiers I or II (i.e., out-of-network providers). Using Tier III can offer benefit recipients flexibility in selecting healthcare providers but involves higher out-of-pocket costs. Furthermore, benefit recipients who use out-of-network providers will be responsible for any amount that is over and above the charges allowed by the plan for services (i.e., allowable charges), which could result in substantial out-of-pocket costs. Benefit recipients enrolled in an OAP can mix and match providers and tiers.

Contributions

For the fiscal year ended June 30, 2019, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the TRS, who are not employees of a department, make contributions to the plan at a rate of 1.25% of salary and for every employer of a teacher to contribute an amount equal to .92% of each teacher's salary. For the fiscal year ended June 30, 2018, the employee contribution was 1.18% of salary and the employer contribution was .88% of each teacher's salary. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THIS), an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. 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 THIS.

The State of Illinois makes employer benefit contributions on behalf of the District. 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 OPEB liability associated with the District, and the District recognized revenue and expenditures of $30,009 in benefit contributions from the State of Illinois.

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

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 benefit 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	$ 2,822,316
State's proportionate share of the net OPEB liability associated with the District	3,789,919
Total	$ 6,612,235

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 contributions of all participating THIS employers and the State during that period. At June 30, 2018, the District's proportion was 0.010713%, which was an increase of 0.000127% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District had benefit expense of $182,559 and on-behalf revenue/expense of $30,009 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	$ -	$ (10,127)	$ (10,127)
Net difference between projected and actual earnings on OPEB plan investments	-	(87)	(87)
Changes of assumptions	-	(410,977)	(410,977)
Changes in proportion and differences between employee contributions and proportionate share of contributions	175,326	(1,338)	173,988
Employer contributions subsequent to the measurement date	26,273	-	26,273
	$ 201,599	$ (422,529)	$ (220,930)

$26,273 of deferred outflows of resources related to OPEB results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to OPEB will be part of the OPEB expense in future years as follows:

Year Ending June 30	
2020	$ (162,024)
2021	(81,257)
2022	28,447
2023	(18,390)
2024	(13,979)
	$ (247,203)

Actuarial Assumptions

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

Inflation	2.75%
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.
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Costs	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.

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

The actuarial assumptions that were used in the June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2015.

The long-term expected rate of return on OPEB 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 OPEB 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	1.30%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.65% as of June 30, 2017, and 3.62% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily required rates.

Based on those assumptions, THIS's fiduciary net position at June 30, 2018 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. 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 THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2018, the discount rate used to measure the total OPEB liability was 3.62%.

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%, 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%) or 1 percentage-point higher (4.62%) than the current rate.

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Employer's proportionate share of the net OPEB liability	$ 7,950,593	$ 6,612,235	$ 5,555,922

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher. 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 4.5% in 2028 for Medicare coverage.

	1% Decrease 7.00% (a)	Healthcare Cost Valuation Rate	1% Increase 9.00% (b)
Employer's proportionate share of the net OPEB liability	$ 5,361,547	$ 6,612,235	$ 8,297,488

(a) 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 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

(b) 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 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

B. *Post-Employment Benefit Commitments – Retiree Insurance Plan*

Plan Overview

In addition to the Teacher Health Insurance Security Fund, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Full-Time Employees - IMRF

Pre-65 Coverage:

IMRF employees may continue District health insurance in retirement, however they are responsible for paying the full cost of the medical premium. Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage.

Post-65 Coverage:

IMRF employees may continue District helath insurance in retirement past Medicare eligibility, however they are responsible for paying the full cost of the medical premium. Eligible Spouse/Dependent coverage may continue should the Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent is responsible for the full cost of coverage.

Full-Time Employees - TRS

Pre-65/Post-65 Coverage:

TRS employees are not permitted to remain on District insurance in retirement and must seek outside coverage such as that offered through the THIS (Teacher Health Insurance Security) Fund. The District will pay for the TRIP Managed Care single health insurance premium for TRS retirees who meet the following criteria:

-TRS employee retires at age 55-59 with 35 years of service to the District or retires at age 60+ with 20 years of service to the District.

-TRS employee signs a non-rescindable agreement to retire by June 30th of the year prior to retirement.

The District does not pay for any portion of the TRIP premium in retirement nor provide a reimbursement/stipend for insurance costs for TRS retirees not meeting the above criteria. Once Medicare eligible, the District does not pay for any portion of the TRIP premium in retirement nor provide a reimbursement/stipend for insurance costs.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits as listed below:

Full-Time Employees - IMRF

Tier I IMRF Full-Time Employees:

-Age 55 with at least 8 years of service (Reduced Pension)

-Age 55 with at least 30 years of service (Reduced Pension)

-Age 55 with at least 35 years of service (Full Pension)

-Age 60 with at least 8 years of service (Full Pension)

Tier II IMRF Full-Time Employees:

-Age 62 with at least 10 years of service (Reduced Pension)

-Age 62 with at least 30 years of service (Reduced Pension)

-Age 62 with at least 35 years of service (Full Pension)

-Age 67 with at least 10 years of service (Full Pension)

Full-Time Employees - TRS

Tier I TRS Full-Time Employees:

-Age 55 with at least 20 years of service (Reduced Pension)

-Age 55 with at least 35 years of service (Full Pension)

-Age 60 with at least 10 years of service (Full Pension

-Age 62 with at least 5 years of service (Full Pension)

Tier II TRS Full-Time Employees:

-Age 62 with at least 10 years of service (Reduced Pension)

Membership in the plan consisted of the following at June 1, 2018, the date of the latest actuarial valuation:

Active Employees	67
Inactive Employees Entitled to but not yet Receiving Benefits	0
Inactive Employees Currently Receiving Benefits	0
Total	67

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2019, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	beginning of year - 3.87% end of year - 3.50%
Salary Rate Increase	2.25%
Expected long-term investment rate of return	N/A
Health Care Trend	

Period	PPO		H.S.A		TRS Insurance	
	Pre-65	Post-65	Pre-65	Post-65	Pre-65	Post-65
FY17-FY18	7.70%	7.70%	7.80%	7.80%	5.00%	5.00%
FY18-FY19	7.40%	7.40%	7.49%	7.49%	5.00%	5.00%
FY19-FY20	7.10%	7.10%	7.18%	7.18%	5.00%	5.00%
FY20-FY21	6.80%	6.80%	6.87%	6.87%	5.00%	5.00%
FY21-FY22	6.50%	6.50%	6.56%	6.56%	5.00%	5.00%
FY22-FY23	6.20%	6.20%	6.24%	6.24%	5.00%	5.00%
FY23-FY24	5.90%	5.90%	5.93%	5.93%	5.00%	5.00%
FY24-FY25	8.60%	5.60%	5.62%	5.62%	5.00%	5.00%
FY25-FY26	5.30%	5.30%	5.31%	5.31%	5.00%	5.00%
FY26-FY27	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Ultimate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Retiree Contribution Trend	Same as Health Care Trend
Mortality	IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. TRS Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using RP-2016 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.
Disability Rates	IMRF 2017 for IMRF Employees. TRS 2017 for TRS Employees.
Average Retirement Age	IMRF Tier 1: Age 60 IMRF Tier 2: Age 62 TRS Tier 1: Age 60 TRS Tier 2: Age 62
Termination/Turnover Rates	IMRF 2017 for IMRF Employees. TRS 2017 for TRS Employees.
Starting Per Capita Costs	

IMRF: Annual Adjusted Premiums	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO- MPPJ2G	$ 19,725	$ 31,618	$ 14,054	$ 22,527
PPO-MPP72326	19,221	28,954	13,694	20,629
PPO-MPP93C2	16,499	26,808	11,755	19,100
H.S.A	14,829	24,098	10,565	17,170

TRS: Annual Adjusted Premiums	Under Age 65		Age 65 & Over	
	Retiree	Spouse	Retiree	Spouse
PPO- MPPJ2G	$ 19,677	$ 31,540	$ 14,709	$ 23,576
PPO-MPP72326	19,174	28,883	14,332	21,590
PPO-MPP93C2	16,458	26,743	12,303	19,990
H.S.A	14,793	24,039	11,057	17,969

Election at Retirement	IMRF	30%
	IMRF- Currently Waiving	10%
	TRS - District Insurance	N/A
	TRS - District Stipend	100%

Marital Status: 50% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

Retiree Lapse Rate	IMRF	100%	Retirees receiving medical coverage are expected to lapse all
	TRS	N/A	coverages at age 65 at these rates.

The actuarial assumptions used in the July 1, 2017 valuation were based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

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 3.50% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 27, 2019.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2018	$ 314,176	$ -	$ 314,176
Changes for the year:			
Service Cost	$ 13,638	$ -	$ 13,638
Interest on Total OPEB Liability	11,950	-	11,950
Assumption Changes	10,214	-	10,214
Contributions - Employer	-	10,787	(10,787)
Benefit Payments	(10,787)	(10,787)	-
Net Changes	$ 25,015	$ -	$ 25,015
Balances at June 30, 2019	$ 339,191	$ -	$ 339,191

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

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

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
$ 369,699	$ 339,191	$ 312,680

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

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

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Healthcare Cost Valuation Rate	1% Increase
$ 301,643	$ 339,191	$ 383,238

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

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $26,193. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ -	$ -
Changes of Assumptions	9,609	-	9,609
Total	$ 9,609	$ -	$ 9,609

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (16.91 years, active) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending June 30	Net Inflows of Resources
2020	$ 605
2021	605
2022	605
2023	605
2024	605
Thereafter	6,584
	$ 9,609

NOTE 12 - INTERFUND TRANSFERS

There were no interfund transfers during the year ended June 30, 2019.

NOTE 13 - JOINT VENTURES

A. *Special Education District of McHenry County (SEDOM)*

The District and sixteen other districts within McHenry County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of SEDOM at June 30, 2018 (most recent information available) is as follows:

Assets	$	10,152,007
Liabilities	$	25,085
Fund Equity		10,126,922
	$	10,152,007
Revenues Received	$	10,067,859
Expenditures Disbursed		10,387,391
Other Financing Sources/(Uses)		-
Net Increase/(Decrease) in Fund Balance	$	(319,532)

Complete financial statements for SEDOM can be obtained from the Administrative Offices at 1200 Claussen Drive, Woodstock, Illinois 60098.

B. *Lake County Area Vocational System (LCAVS)*

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of LCAVS at June 30, 2018 (most recent information available) is as follows:

Assets	$	31,604,706
Liabilities	$	5,131
Fund Equity		31,599,575
	$	31,604,706
Revenues Received	$	11,699,423
Expenditures Disbursed		10,385,594
Net Increase/(Decrease) in Fund Balance	$	1,313,829

Complete financial statements for LCAVS can be obtained from the Administrative Offices at 19525 W. Washington Street, Grayslake, Illinois 60030.

C. *McHenry County Cooperative for Employment Education*

The District and eight other districts within McHenry County have entered into a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the Board of Control.

A summary of financial condition (cash basis) of McHenry County Cooperative for Employment Education at June 30, 2018 (most recent information available) is as follows:

Assets	$	319,054
Liabilities	$	-
Fund Equity		319,054
	$	319,054
Revenues Received	$	1,295,270
Expenditures Disbursed		1,216,517
Net Increase/(Decrease) in Fund Balance	$	78,753

Complete financial statements for McHenry County Cooperative for Employment Education can be obtained from the Administrative Offices at 2200 North Seminary Ave., Suite 207, Woodstock, Illinois 60098.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended June 30, 2019, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience, adjustments in premiums are recorded when paid or received. During the year ended June 30, 2019, there were no significant adjustments in premiums based on actual experience.

NOTE 15 - CONTINGENCIES

The District is not aware of any litigation which might have a material adverse effect on the District's financial position.

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2018 EAV	$	81,609,631
Rate		13.8%
Debt Margin	$	11,262,129
Current Debt		498,723
Remaining Debt Margin	$	10,763,406

SUPPLEMENTAL FINANCIAL INFORMATION

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY					
Service Cost	$ 73,505	$ 76,597	$ 84,417	$ 79,349	$ 80,494
Interest on the Total Pension Liability	282,000	267,121	271,250	257,726	229,104
Differences Between Expected and Actual Experience	50,971	157,426	(247,847)	(12,083)	62,806
Changes in Assumptions	109,910	(113,251)	(12,943)	4,429	155,623
Benefit Payments, Including Refunds of Member Contributions	(206,680)	(169,224)	(151,869)	(140,740)	(132,519)
Net Change in Total Pension Liability	$ 309,706	$ 218,669	$ (56,992)	$ 188,681	$ 395,508
Total Pension Liability - Beginning	3,826,594	3,607,925	3,664,917	3,476,236	3,080,728
Total Pension Liability - Ending	$ 4,136,300	$ 3,826,594	$ 3,607,925	$ 3,664,917	$ 3,476,236
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	$ 78,225	$ 86,600	$ 89,565	$ 103,807	$ 81,802
Contributions - Member	33,621	34,396	32,115	34,521	66,636
Net Investment Income	(201,917)	546,370	214,518	15,377	175,729
Benefit Payments, Including Refunds of Member Contributions	(206,680)	(169,224)	(151,869)	(140,740)	(132,519)
Other (Net Transfers)	76,831	(41,258)	(104,102)	11,569	12,059
Net Change in Plan Fiduciary Net Position	$ (219,920)	$ 456,884	$ 80,227	$ 24,534	$ 203,707
Plan Net Position - Beginning	3,638,199	3,181,315	3,101,088	3,076,554	2,872,847
Plan Net Position - Ending	$ 3,418,279	$ 3,638,199	$ 3,181,315	$ 3,101,088	$ 3,076,554
District's Net Pension Liability	$ 718,021	$ 188,395	$ 426,610	$ 563,829	$ 399,682
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.64%	95.08%	88.18%	84.62%	88.50%
Covered-Valuation Payroll	$ 747,136	$ 764,341	$ 713,667	$ 767,144	$ 654,951
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	96.10%	24.65%	59.78%	73.50%	61.02%

* This information presented is based on the actuarial valuation performed as of the December 31 year-end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially Determined Contribution	$ 78,225	$ 86,600	$ 89,565	$ 93,975	$ 81,804
Contributions in Relation to Actuarially Determined Contribution	78,225	86,600	89,565	103,807	81,802
Contribution Deficiency/(Excess)	$ -	$ -	$ -	$ (9,832)	$ 2
Covered-Valuation Payroll	$ 758,581	$ 765,394	$ 713,667	$ 767,144	$ 654,951
Contributions as a Percentage of Covered-Valuation Payroll	10.31%	11.31%	12.55%	13.53%	12.49%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2018 Contribution Rate *

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.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 25-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0003494%	0.0003953%	0.0002398%	0.0005172%	0.0006872%
Employer's proportionate share of the Net Pension Liability	$ 272,342	$ 301,969	$ 189,257	$ 338,837	$ 418,228
State's proportionate share of the Net Pension Liability associated with the employer	18,656,565	18,753,452	12,707,055	20,233,002	26,081,101
Total	$ 18,928,907	$ 19,055,421	$ 12,896,312	$ 20,571,839	$ 26,499,329
Employer's Covered-Employee Payroll	$ 2,514,409	$ 2,514,409	$ 2,428,000	$ 2,262,913	$ 2,005,425
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	10.83%	12.01%	7.79%	14.97%	20.85%
Plan Fiduciary Net Position as a percentage of the Total Pension Liabilit	40.00%	39.30%	36.40%	41.50%	43.00%

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

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Changes of Assumptions:

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit.

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

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

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Statutorily-required contribution	$ 14,584	$ 14,082	$ 13,700	$ 13,125	$ 24,520
Contributions in relation to the statutorily - required contribution	14,517	16,284	9,285	18,124	24,520
Contribution deficiency/(excess)	$ 67	$ (2,202)	$ 4,415	$ (4,999)	$ -
Employer's Covered-Employee Payroll	$ 2,855,793	$ 2,428,000	$ 2,428,000	$ 2,262,913	$ 2,005,425
Contributions as a percentage of Covered-Employee Payroll	0.51%	0.67%	0.38%	0.80%	1.22%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.0107130%	0.0105860%
Employer's proportionate share of the Net OPEB Liability	$ 2,822,316	$ 2,747,034
State's proportionate share of the Net OPEB Liability associated with the employer	3,789,919	3,482,304
Total	$ 6,612,235	$ 6,229,338
Employer's Covered Payroll	$ 2,514,409	$ 2,428,000
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	112.25%	113.14%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	-0.07%	-0.17%

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

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Changes of Assumptions:

For the 2018 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2019

	6/30/2019 *	6/30/2018 *
Statutorily-Required Contribution	$ 22,127	$ 20,395
Contributions in relation to the Statutorily-Required Contribution	22,348	25,932
Contribution deficiency/(excess)	$ (221)	$ (5,537)
Employer's Covered Payroll	$ 2,855,793	$ 2,514,409
Contributions as a percentage of Covered Payroll	0.78%	1.03%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2019

	6/30/2019	6/30/2018
TOTAL OPEB LIABILITY		
Service Cost	$ 13,638	$ 13,130
Interest	11,950	11,403
Benefit Payments	(10,787)	(10,032)
Changes in Assumptions	10,214	-
Net Change in Total OPEB Liability	$ 25,015	$ 14,501
Total OPEB Liability - Beginning	314,176	299,675
Total OPEB Liability - Ending	$ 339,191	$ 314,176
OPEB PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 10,787	$ -
Benefit Payments	(10,787)	-
Net Change in OPEB Plan Net Position	$ -	$ -
OPEB Plan Net Position - Beginning	-	-
OPEB Net Position - Ending	$ -	$ -
District's Net OPEB Plan Liability	$ 339,191	$ 314,176
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered-Employee Payroll	$ 3,553,160	$ 3,048,544
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	9.55%	10.31%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2019

	6/30/2019	6/30/2018
Actuarially-Determined Contribution	N/A	N/A
Contributions in Relation to Actuarially-Determined Contribution	-	-
Contribution Deficiency/(Excess)	N/A	N/A
Covered-Employee Payroll	$ 3,553,160	$ 3,048,544
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
AT JUNE 30, 2019

	BALANCE JULY 1, 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2019
A S S E T S				
Cash and Cash Equivalents	$ 26,100	$ 42,050	$ 43,356	$ 24,794
	$ 26,100	$ 42,050	$ 43,356	$ 24,794
L I A B I L I T I E S				
Amount Due to Activity				
Elementary School	$ 2,838	$ 2,808	$ 2,832	$ 2,814
Middle School/High School	23,262	39,242	40,524	21,980
	$ 26,100	$ 42,050	$ 43,356	$ 24,794

See Accompanying Independent Auditor's Report

ALDEN-HEBRON COMMUNITY CONSOLIDATED UNIT
SCHOOL DISTRICT NO. 19
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
AT JUNE 30, 2019

OPERATING EXPENSE PER PUPIL

EXPENDITURES:		
Education	$	4,967,695
Operations & Maintenance		562,345
Debt Service		39,413
Transportation		450,547
Illinois Municipal Retirement/Social Security Fund		171,825
Total Expenditures	$	**6,191,825**
LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:		
Special Education Programs K-12 - Private Tuition	$	216,992
Community Services		213,544
Total Payments to Other District & Govt Units		339,118
Capital Outlay		10,098
Capital Outlay		20,787
Debt Service - Payments of Principal on Long-Term Debt		19,394
Total Payments to Other Dist. & Govt Units		2,941
Debt Service - Payments of Principal on Long-Term Debt		121,614
Capital Outlay		22,500
Community Services		4,065
Total Deductions	$	**971,053**
Total Operating Expenses (Regular K-12)		5,220,772
9 Mo ADA (See the General State Aid Claim for 2015-2016 (ISBE 54-33, L12)		342.60
Estimated OEPP	$	**15,238.68**

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:		
Total Food Service	$	77,171
Total District/School Activity Income		41,385
Rentals - Regular Textbooks		33,936
Other		50
Rentals		30
Other Local Fees		41,194
Total Special Education		55,339
State Free Lunch & Breakfast		1,541
Driver Education		3,671
Total Transportation		216,425
Other Restricted Revenue from State Sources		675
Total Title V		17,300
Total Food Service		92,848
Total Title I		89,302
Total Title IV		10,000
Fed - Spec Education - IDEA - Flow Through/Low Incidence		84,062
Total CTE - Perkins		6,156
Title III - Language Inst Program - Limited Eng. (LIPLEP)		2,800
Title II - Teacher Quality		15,848
Medicaid Matching Funds - Administrative Outreach		1,769
Medicaid Matching Funds - Fee-for-Service Program		12,175
Special Education Contributions from EBF Funds		154,297
English Learning (Bilingual) Contributions from EBF Funds		15,706
Total Allowance for PCTC Computation	$	**973,680**
Net Operating Expense for PCTC Computation		4,247,092
Total Depreciation Allowance (from page 27, Col I)		139,570
Total Allowance for PCTC Computation		4,386,662
9 Mo ADA		342.60
Total Estimated PCTC	$	**12,804.03**

Unaudited