SCHILLER PARK SCHOOL DISTRICT 81
ANNUAL FINANCIAL REPORT

June 30, 2017

SCHILLER PARK SCHOOL DISTRICT 81

ANNUAL FINANCIAL REPORT
June 30, 2017

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Schiller Park School District 81
Schiller Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schiller Park School District 81 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Historical Pension Information, Other Post-Employment Benefits (OPEB) – Schedule of Funding Progress and Budgetary Comparison Schedule as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 individual fund financial schedules and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other supplementary information as listed on the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
November 15, 2017

The discussion and analysis of Schiller Park School District 81's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position for the end of fiscal year 2017 was $24.4 million. In fiscal year 2016, net position at year end was $24.7 million, decreasing by only $0.3 million. The District continues to increase revenue sources and control expenses.
- General revenues in the form of property taxes, general state aid, and investment earnings accounted for $18.1 million or 67.3% of all revenues. Program specific revenues in the form of charges for services, fees, entitlements and competitive grants accounted for $8.8 million or 32.7% of total revenues of $26.9 million.
- The District had $27.2 million in expenses related to governmental activities.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with PMA Financial to obtain the best investment rates possible.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no

(Continued)

business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

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

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General (Educational and Operations and Maintenance) Fund, Transportation Fund, IMRF /Social Security Fund, Working Cash Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above except the Life Safety Fund. A budgetary comparison schedule has been provided for each fund that has adopted a budget to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

(Continued)

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its non-certified employees.

District-Wide Financial Analysis

The District's combined net position was slightly lower on June 30, 2017, than it was the year before, decreasing 1.2% to $24.4 million.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	2016	2017
Assets:		
Current and Other Assets	$31.4	$25.6
Capital Assets	31.4	39.9
Total Assets	62.8	65.5
Deferred Outflows:		
Pensions and Refunding	0.8	0.8
Liabilities:		
Current Liabilities	3.5	4.0
Long-Term Debt Outstanding	28.0	30.4
Total Liabilities	31.5	34.3
Deferred Inflows:		
Pensions and Taxes	7.4	7.5
Net Position:		
Net Investment in Capital Assets	10.4	17.1
Restricted	3.1	3.3
Unrestricted	11.2	4.0
Total Net Position:	$24.7	$24.4

(Continued)

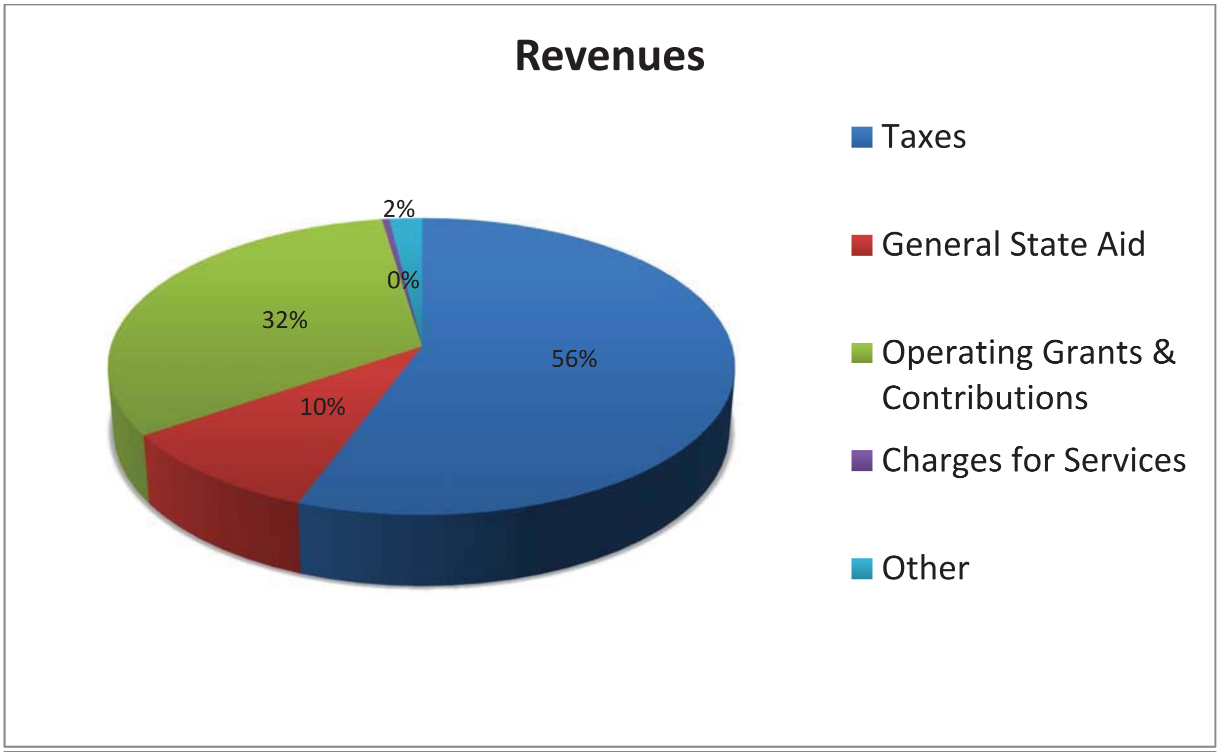
During fiscal year 2017, careful control over expenditures, and prudent decisions to pursue allowable revenue sources, have allowed the District to experience only a slight decrease in its overall Net Position of $0.3 million. Revenues of $26.9 million were slightly lower than expenditures of $27.2 million. While there are still many unknowns on how the State will fund public education, the District continues manage finances wisely while providing a quality education.

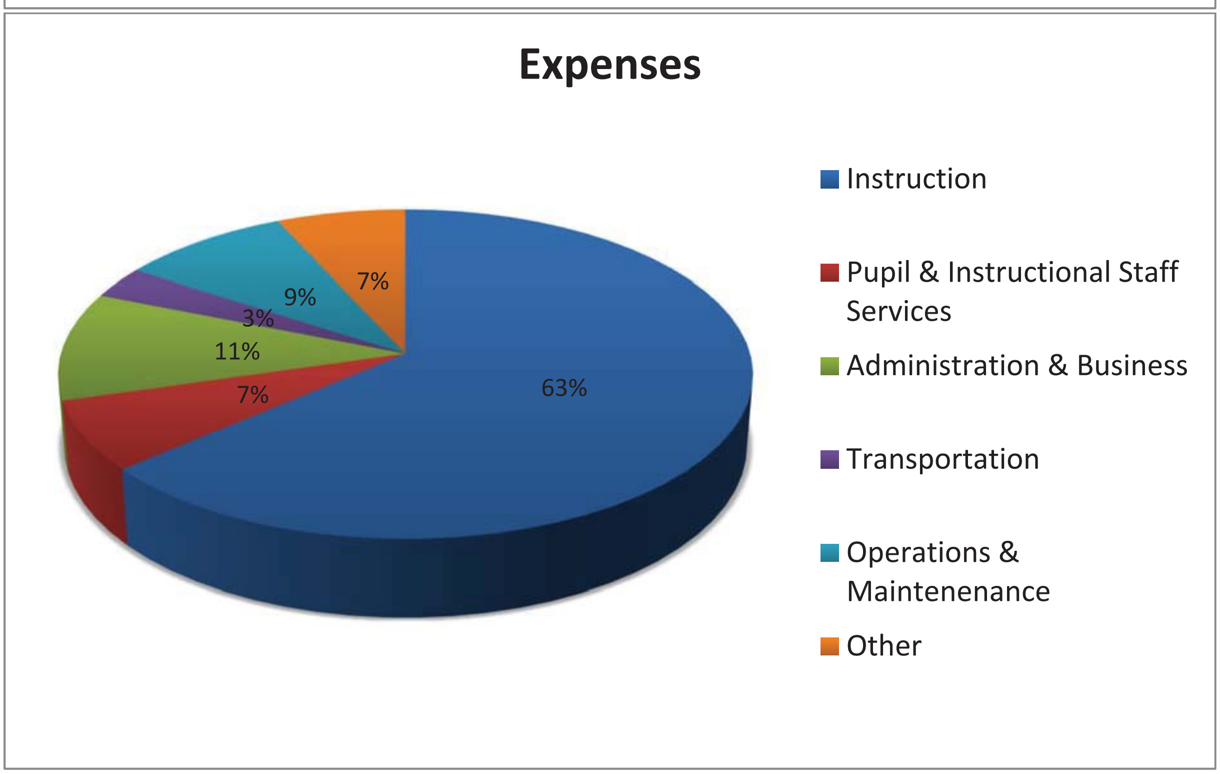
Table 2
Changes in Net Position
(in millions of dollars)

	2016	2017
Revenues:		
Program Revenues:		
Charges for Services	$0.1	$0.1
Operating Grants & Contributions	7.1	8.7
General Revenues:		
Taxes	15.3	15.0
General State Aid	2.3	2.6
Other	0.3	0.5
Total Revenues	25.1	26.9
Expenses:		
Instruction (includes State on behalf contributions to TRS)	13.7	17.3
Pupil & Instructional Staff Services	1.7	1.9
Administration & Business	2.7	3.0
Transportation	1.2	0.8
Operations & Maintenance	1.7	2.4
Other	2.1	1.8
Total Expenses	23.1	27.2
Increase (decrease) in Net Position	2.0	(0.3)
Net Position, Beginning of Year	22.7	24.7
Net Position, End of Year	$24.7	$24.4

Property taxes continue to account for the largest portion of the District's revenues, contributing 55.7% of the $26.9 in total revenues. The remainder of revenues came from state, federal grants, personal property replacement tax, and other sources. The total cost of all the District's programs was $27.2, mainly related to instructing and caring for the students and student transportation.

(Continued)


Revenues
Taxes
General State Aid
Operating Grants & Contributions
Charges for Services
Other
2%
0%
32%
10%
56%


Expenses
Instruction
Pupil & Instructional Staff Services
Administration & Business
Transportation
Operations & Maintenenance
Other
7%
9%
3%
11%
7%
63%

Financial Analysis of the District's Funds

The District's Governmental Funds decreased from $20.7 million to $14.8 million. Changes in individual major funds are explained below with the whole dollar effect of each fund's change.

- The net change in the General Fund balance, Educational Account and Operations and Maintenance Accounts, was a decrease of $2,386,756. The fund balance decreased from the prior year relating to capital projects being completed and authorized transfers of available resources to fund expenditures in the Capital Projects Fund. Fund balance at the end of year was $8,298,436.
- The net change in the Transportation Fund balance was $683,824. Overall the fund change was positive as state revenues came in a timelier manner and expenses were limited. Fund balance at year end was $2,380,346.
- The net change in the Municipal Retirement/Social Security Fund balance was a decrease of $60,195. Tax revenue decreased slightly in FY17 along with a slight increase in expenditures. Fund balance at year end was $405,484.
- The net change in the Debt Service Fund balance was an increase of $58,061. The District made all scheduled debt service payments with collected tax revenues. A portion of new bonds were issued in this fund as well. Fund balance at year end was $854,623.
- The net change in the Fire Prevention and Life Safety Fund balance was $0. There were no scheduled projects in 2017 that required expenditures from this fund. Fund balance at year end was $44,207.
- The net change in the Working Cash Fund balance was an increase of $123,140. The District received $3,348,619 in bonds proceeds and premium from the issuance of new debt and transferred $3,250,000 to the Capital Projects Fund. Fund balance at year end was $1,919,729.
- The net decrease in the Capital Projects Fund balance was $4,262,057. The District has continued work on the Kennedy construction project. Fund balance at year end was $936,433.

General Fund Budgetary Highlights

In total, the Educational Account revenues were above the budgeted amount by $652,177. Local source revenues were under the budgeted amount by $129,918. State source revenues were above the budgeted amount by $627,990 and federal source revenues were above the budgets amount by $154,105. The timeliness of State and Federal revenues contributed the most to having actual revenues above what we budgeted for.

In total, the Educational Account expenditures were over budget by $474,727, the largest contributor to this being the increase in staff needed, especially in the area of Special Education.

Capital Assets and Debt Administration

Capital assets

By the end of 2017, the District had compiled a total investment of $56.9 million ($39.9 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was $1.8 million. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

(Continued)

Table 3

Capital Assets (net of depreciation)
(in millions of dollars)

	2016	2017
Land and Construction in Progress	$ 3.1	$ 1.0
Land Improvements	0.5	0.6
Buildings	26.0	36.3
Equipment	1.8	2.0
Total	$ 31.4	$ 39.9

Long-term debt

The District issued new bonds in fiscal year 2017 totaling $3,500,000. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

Table 4
Outstanding Long-term Debt
(in million of dollars)

	2016	2017
General Obligation Bonds	$ 26.5	$ 28.7
Total	$ 26.5	$ 28.7

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

- The administrative team will continue to evaluate educational as well as operational expenditures in order to make recommendations for decreasing expenditures that will not negatively impact the instructional programs that are currently in place. The team will continue to research other revenue sources to fund programmatic changes that would enhance the existing educational programs.
- The financial position of the State of Illinois will be monitored to determine the financial impact on District 81 funding. The District is monitoring the continued delay and proration of State funding, as well as, the potential shift in pension costs from the State to the local school districts.
- The District Financial Profile Score for FY 2016 was 3.70 or Recognition. This has remained consistent since FY 2012.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Kimberly Boryszewski
Schiller Park School District 81
9760 Soreng Avenue

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Cash and investments	$ 12,310,661
Cash and investments - restricted	3,570,897
Receivables:	
Interest receivable	1,166
Property tax receivable	7,467,737
Replacement taxes	103,148
Intergovernmental receivable	2,132,395
Capital assets not being depreciated	1,050,095
Capital assets being depreciated, net	38,839,642
Total assets	65,475,741
Deferred Outflows	
Pensions	755,652
Loss on refunding	17,719
Total deferred outflows	773,371
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Cash overdraft liability	127,288
Accounts payable	937,088
Salaries and payroll deductions payable	951,668
Insurance claims payable	100,249
Interest payable	217,291
Long-term obligations, due within one year:	
Bonds payable	1,520,000
Leases payable	147,205
Long-term obligations, due in more than one year:	
Bonds payable	28,212,333
Leases payable	459,261
Net pension liabilities	1,614,073
Other post-employement benefits obligation	96,495
Total liabilities	34,382,951
Deferred Inflows	
Pensions	157,868
Property tax revenue	7,397,092
Total deferred inflows	7,554,960
Net Position	
Net investment in capital assets	17,050,056
Restricted for:	
Transportation	861,436
IMRF	259,947
Social security	145,537
Debt service	854,623
Fire prevention	44,207
Insurance	1,043,042
Unrestricted	4,052,353
Total net position	$ 24,311,201

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Activities
Year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating grants, contributions, and related interest income	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Instruction				
Regular programs	$ 8,791,507	$ -	$ 1,186,347	$ (7,605,160)
Special programs	2,094,271	-	775,018	(1,319,253)
Other programs	608,127	-	-	(608,127)
State on-behalf contributions to TRS	5,828,195	-	5,828,195	-
Support services				
Pupils	1,011,232	-	-	(1,011,232)
Instructional staff	865,624	-	-	(865,624)
General administration	657,629	-	-	(657,629)
School administration	899,217	-	-	(899,217)
Business	1,132,374	116,769	400,152	(615,453)
Central	220,088	-	-	(220,088)
Transportation	832,119	895	471,191	(360,033)
Operations and maintenance	2,437,547	-	-	(2,437,547)
Community services	253,207	-	-	(253,207)
Payments to other governmental units	365,757	-	-	(365,757)
Interest and fees debt	1,228,027	-	-	(1,228,027)
Total governmental activities	$ 27,224,921	$ 117,664	$ 8,660,903	(18,446,354)

General revenues:	
Taxes:	
Property taxes	14,321,547
Personal property replacement taxes	635,903
General state aid	2,632,771
Gain on sale of capital assets	144,766
Investment earnings	92,084
Other general revenues	277,363
Total general revenues	18,104,434
Change in net position	(341,920)
Net position, beginning of the year	24,653,121
Net position, end of the year	$ 24,311,201

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Governmental Funds - Balance Sheet
June 30, 2017

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention Fund	Total
Assets								
Cash and investments	$ 8,383,705	$ 2,256,680	$ 433,809	$ 587,256	$ 605,004	$ -	$ 44,207	$ 12,310,661
Cash and investments - restricted	-	-	-	1,332,124	237,967	2,000,806	-	3,570,897
Receivables:								
Interest receivable	766	86	33	262	16	3	-	1,166
Property tax receivable	5,631,755	378,643	218,108	9,178	1,230,053	-	-	7,467,737
Replacement taxes receivable	103,148	-	-	-	-	-	-	103,148
Intergovernmental receivable	1,478,394	654,001	-	-	-	-	-	2,132,395
Total assets	$ 15,597,768	$ 3,289,410	$ 651,950	$ 1,928,820	$ 2,073,040	$ 2,000,809	$ 44,207	$ 25,586,004
Liabilities, deferred inflows and fund balance								
Liabilities								
Cash overdraft	$ -	$ -	$ -	$ -	$ -	$ 127,288	$ -	$ 127,288
Accounts payable	-	-	-	-	-	937,088	-	937,088
Salaries and payroll deductions payable	921,247	-	30,421	-	-	-	-	951,668
Insurance claims payable	100,249	-	-	-	-	-	-	100,249
Total liabilities	1,021,496	-	30,421	-	-	1,064,376	-	2,116,293
Deferred Inflows								
Property taxes	5,578,478	375,061	216,045	9,091	1,218,417	-	-	7,397,092
Unavailable grant revenue	699,358	534,003	-	-	-	-	-	1,233,361
Total deferred inflows	6,277,836	909,064	216,045	9,091	1,218,417	-	-	8,630,453
Fund balance								
Restricted								
Transportation	-	861,436	-	-	-	-	-	861,436
IMRF	-	-	259,947	-	-	-	-	259,947
Social security	-	-	145,537	-	-	-	-	145,537
Debt service	-	-	-	-	854,623	-	-	854,623
Capital projects	-	-	-	-	-	936,433	-	936,433
Fire prevention	-	-	-	-	-	-	44,207	44,207
Insurance	1,043,042	-	-	-	-	-	-	1,043,042
Stabilization	-	-	-	1,919,729	-	-	-	1,919,729
Assigned								
Operations and maintenance	1,160,329	-	-	-	-	-	-	1,160,329
Transportation	-	1,518,910	-	-	-	-	-	1,518,910
Unassigned	6,095,065	-	-	-	-	-	-	6,095,065
Total fund balance	8,298,436	2,380,346	405,484	1,919,729	854,623	936,433	44,207	14,839,258
Total liabilities, deferred inflows and fund balance	$ 15,597,768	$ 3,289,410	$ 651,950	$ 1,928,820	$ 2,073,040	$ 2,000,809	$ 44,207	$ 25,586,004

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Reconciliation of the Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2017

Total fund balances - governmental funds		$ 14,839,258
Amounts reported for governmental activities in the statement of net position are different because:		
Certain grants receivable are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		1,233,361
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	$ 56,879,395	
Accumulated depreciation	(16,989,658)	
Net capital assets		39,889,737
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(217,291)
Certain items related to pension measurements are deferred and recognized in future periods.		
Deferred outflows of resources	755,652	
Deferred inflows of resource	(157,868)	
		597,784
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Bonds payable	(28,680,000)	
Bond premiums	(1,052,333)	
Loss on bond refunding	17,719	
Leases payable	(606,466)	
Net pension liabilities	(1,614,073)	
Other post-employment benefits obligation	(96,495)	
Total Long-term liabilities		(32,031,648)
Net position of governmental activities		$ 24,311,201

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2017

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total
Revenues								
Local sources								
Property taxes	$ 10,799,053	$ 738,120	$ 425,289	$ 18,266	$ 2,340,819	$ -	$ -	$ 14,321,547
Replacement taxes	525,304	31,111	79,488	-	-	-	-	635,903
Interest	77,609	-	-	6,255	-	8,220	-	92,084
Other local sources	460,300	6,308	-	-	-	-	-	466,608
State sources	3,919,751	471,191	-	-	-	-	-	4,390,942
Federal sources	1,331,381	-	-	-	-	-	-	1,331,381
On-behalf payments received from state	3,077,727	-	-	-	-	-	-	3,077,727
Total revenues	20,191,125	1,246,730	504,777	24,521	2,340,819	8,220	-	24,316,192
Expenditures								
Current:								
Instruction								
Regular programs	6,581,981	-	113,621	-	-	-	-	6,695,602
Special ed programs	2,365,454	-	98,006	-	-	-	-	2,463,460
Other instructional programs	595,522	-	12,605	-	-	-	-	608,127
State retirement contributions	3,077,727	-	-	-	-	-	-	3,077,727
Support services								
Pupils	970,925	-	40,332	-	-	-	-	1,011,257
Instructional staff	664,921	-	27,422	-	-	-	-	692,343
General administration	611,578	-	13,028	-	-	-	-	624,606
School administration	841,577	-	43,097	-	-	-	-	884,674
Business	1,330,679	-	71,568	-	-	1,316,799	-	2,719,046
Central	175,486	-	-	-	-	-	-	175,486
Transportation	-	708,132	37,629	-	-	-	-	745,761
Operations and maintenance	1,472,903	-	84,383	-	-	-	-	1,557,286
Community services	229,734	-	23,281	-	-	-	-	253,015
Nonprogrammed charges	365,757	-	-	-	-	-	-	365,757
Debt service:								
Principal	79,886	78,683	-	-	1,405,000	-	-	1,563,569
Interest and fees	7,284	1,091	-	-	1,165,725	-	-	1,174,100
Capital outlay	561,587	502,100	-	-	-	8,848,358	-	9,912,045
Total expenditures	19,933,001	1,290,006	564,972	-	2,570,725	10,165,157	-	34,523,861
Excess of revenues over expenditures	258,124	(43,276)	(60,195)	24,521	(229,906)	(10,156,937)	-	(10,207,669)
Other financing sources								
Bond proceeds	-	-	-	3,212,033	287,967	-	-	3,500,000
Premium on bonds issued	-	-	-	136,586	-	-	-	136,586
Capital lease proceeds	-	502,100	-	-	-	-	-	502,100
Capital asset sale proceeds	-	225,000	-	-	-	-	-	225,000
Transfers in	-	-	-	-	-	5,894,880	-	5,894,880
Transfers out	(2,644,880)	-	-	(3,250,000)	-	-	-	(5,894,880)
Total other financing sources	(2,644,880)	727,100	-	98,619	287,967	5,894,880	-	4,363,686
Net change in fund balances	(2,386,756)	683,824	(60,195)	123,140	58,061	(4,262,057)	-	(5,843,983)
Fund balances at beginning of year	10,685,192	1,696,522	465,679	1,796,589	796,562	5,198,490	44,207	20,683,241
Fund balances at end of year	$ 8,298,436	$ 2,380,346	$ 405,484	$ 1,919,729	$ 854,623	$ 936,433	$ 44,207	$ 14,839,258

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities
Year Ended June 30, 2017

Net change in total fund balances		$ (5,843,983)
Amounts reported for governmental activities in the statement of activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2016 to 2017 consists of:		
Transportation Grants	$ (61,043)	
Special Education Grants	(264,642)	
Other grants	(2,740)	
		(328,425)
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay resulting in assets	10,405,611	
Depreciation expense	(1,825,365)	
Capital outlay in excess of depreciation		8,580,246
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balances by the cost of the capital assets sold.		
Proceeds on sale of capital assets	(225,000)	
Gain on sale of capital assets	144,766	
		(80,234)
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds Issued	(3,500,000)	
Premium on bonds issued	(136,586)	
Bond principal retirements	1,405,000	
Amortization of premiums & discounts	125,518	
Capital appreciation bond accretion	(55,399)	
Capital lease proceeds	(502,100)	
Lease payments	158,569	
		(2,504,998)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in other post-employement benefits obligation expense	(6,585)	
Change in pension liability and deferred items	(33,895)	
Increase in interest payable on bonds	(124,046)	
Total		(164,526)
Change in net position of governmental activities		$ (341,920)

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

	Agency Funds
	Student Activity Funds
ASSETS	
Cash	$ 57,942
Total assets	$ 57,942
LIABILITIES	
Due to activity fund organizations	$ 57,942
Total liabilities	$ 57,942

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schiller Park School District 81 (the "District") operates as a public school system governed by a seven member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the significant accounting policies of the District.

Reporting Entity: Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements Nos. 14, 39 and 61 have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body, or (2) if the organization is fiscally dependent on the primary government and there is a potential for the organization either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for the organization. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

Basis of Presentation

Government-Wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities," that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities."

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

Governmental Funds Financial Statements: Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, deferred inflows, deferred outflows, reserves, fund balance, revenues, and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fiduciary funds are excluded from the government-wide financial statements.

Measurement Focus and Basis of Accounting: The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both “measurable and available.” “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmeasured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund – the General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District’s general fund consists of two accounts: the Educational Account, which records direct costs of instruction and administration and the Operating and Maintenance Account, which reports all costs of maintaining, improving, or operating school buildings and property.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds.

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

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

Working Cash Fund - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General (Educational) Fund and the Special Revenue Fund’s Operation and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General (Educational) Fund or it may be partially abated to the General (Educational) Fund, Special Revenue Funds, Debt Service Fund or the Fire Prevention and Life Safety Fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Project Fund - accounts for construction projects and renovations financed through serial bond issues and other restricted resources.

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

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Agency Funds - include Student Activity Funds, Convenience Accounts, and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

In accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Assets, Deferred Inflows of Resources, Liabilities, Deferred Outflows of Resources and Net Position or Fund Balance:

Deposits and Investments - State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value using the market approach. Money markets and cash equivalents are reported at cost or amortized cost. Changes in fair value of investments are included as investment income.

Receivables and Payables - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue/Deferred Inflows: Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds may also defer revenue recognition in connection with resources that have been received, but not yet earned.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are recognized as an inflow of resources in the period that the amounts become available. The District also defers differences between expected and actual experience and changes in proportionate share, which are amortized over the average expected remaining service lives of employees who are provided with benefits through the pension plan. Loss on pension investments are deferred and amortized over five years.

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District has two items which arises only under the accrual basis of accounting that qualifies for reporting in this category. The first item is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also reports deferred outflows of resources for pension-related reporting due to the related outflows of pension related resources not being considered incurred, which is reported in the statement of net position.

Property Tax Revenues: The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2016 levy resolution was approved during the December 14, 2016 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance District property becoming eligible for taxation.

The property tax revenue recorded in the financial statements represents approximately half of the 2015 and half of the 2016 levies. The 2016 property tax levy is recognized as a receivable in fiscal 2017, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2016 levy is to be used to finance operations in fiscal 2017. The District has determined that the second installment of the 2016 levy is to be used to finance operations in fiscal 2017 and has deferred the corresponding receivable.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Personal Property Replacement Taxes: Personal property replacement taxes are first allocated to the Municipal Retirement Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Capital Assets: Capital assets, which include land, land improvements, buildings, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $1,000 and an estimated useful life of 5 years or more. Such assets are recorded at cost at the date of acquisition if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings	20 - 75
Equipment	5 - 40

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

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

Net Position Classifications: Equity is classified as net position and displayed in three components:

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

- *Restricted net position* - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- *Unrestricted net position* - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eliminations and Reclassifications: In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and deferred outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

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

For the purposes of financial reporting in the TRS plan, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

NOTE 2 - FUND BALANCES

The components of fund balance include the following line items:

a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must remain intact. As of June 30, 2017, the District does not have any nonspendable fund balance.
b. Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Education is the highest level of decision making. As of June 30, 2017, the District does not have any commitments of fund balance.
d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Education designated for that purpose. The intended use is established by an official designated for that purpose.

(Continued)

NOTE 2 - FUND BALANCES (Continued)

e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Any negative fund balance in other funds would also be classified into this category.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the District will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent before assigned fund balance and consider assigned fund balance to be spent before unassigned fund balance.

During fiscal year 2013, the Board passed a resolution authorizing the Working Cash fund to be presented as a stabilization arrangement. Per the policy passed by the Board, the stabilization arrangement can include additions from property tax levy receipts, proceeds from working cash bonds and interest income on investments held in the Working Cash fund. Additions from property tax levy receipts and from proceeds from bonds are approved by the Board. Any interest earned and retained would be classified as assigned as it is not required to stay in the fund but can be transferred out provided it is properly allocated for other purposes. The Working Cash fund may be used under the following circumstances:

- Cash resources to fund regularly scheduled bi-weekly payroll not available due to:
  - Shortfalls of receipt of property taxes in which a tax anticipation warrant was not obtained
  - Shortfall of receipts from general state aid that is normally funded bi-monthly but is overdue by 30 days
- Cash resources to fund vendor payments that would force the District to pay a penalty of alter the cost of goods or services by more than 20% or the vendor payment is 120 days overdue.
- The Board of Education passes a resolution indicating the need of the District to make a loan from the Working Cash fund, the amount to be borrowed from the Working Cash Fund and the timeframe to repay the Working Cash Fund
- Capital projects as committed by the Board
- Abolishment, abatement or partial abatement of the Fund pursuant to Section 20-8 of the School Code of Illinois.

As of June 30, 2017, the Working Cash fund had a balance of $1,919,729.

The District has no minimum fund balance policy.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash: The carrying amount of cash was $919,249 at June 30, 2017, while the bank balances were $919,249. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S. Government or purchased through a commercial insurance company except for $669,249, which was uncollateralized.

Certificates of Deposits: Certificates of deposits amounted to $8,653,216 at June 30, 2017. Certificates of deposits were collateralized with securities of the U.S. government in an amount equal to 100% of the funds on deposit or purchased through a commercial insurance company. All investment collateral is held in safekeeping in the District's name by financial institutions acting as the District's agent.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments: The investments that the District may purchase are limited by Illinois Law and the District's investment policy to the following: (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, (2) interest bearing savings accounts, interest bearing certificates of deposits or interest bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, (3) certificates of deposit with federally insured institutions that are collateralized or insured at levels acceptable, (4) collateralized repurchased agreements, (5) commercial paper meeting certain requirements, and (6) Illinois School District Liquid Asset fund.

The following schedule reports the values and maturities, using the segmented time distribution method, for the District investments at June 30, 2017:

	Reported Value	Investment Maturities Less Than One Year
Investment Type		
Illinois School District Liquid Asset Fund Plus	$ 6,239,747	$ 6,239,747
Total	$ 6,239,747	$ 6,239,747

Interest Rate Risk - The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Credit Risk - State statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorizes investments in any type of security permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act. As of June 30, 2017, all of the District's other investments had "A-l +" ratings with their applicable rating agency.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the Illinois Institutional Investors Fund (IIIT) are not-for-profit investment trusts formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are valued at share price, which is the price for which the investment could be sold.

Fair Value Measurement and Application – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have any investments subject to fair value measurement as of June 30, 2017.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - The District's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return. At June 30, 2017, 100% of the District's other investments consisted of Illinois School District Liquid Asset Fund Plus.

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

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

Restricted Cash and Investments:

As of June 30, 2017, the District reported restricted cash and investments of $3,570,897. The use of the funds is restricted by bond covenants and is primarily for the use of the construction of the new middle school.

Reconciliation – Financial statements to footnote disclosure:

Financial Statements:	
Statement of Net Position:	
Cash and Investments	$ 12,310,661
Cash and Investments – Restricted	3,570,897
Cash Overdraft Liability	127,288
Statement of Fiduciary Assets and Liabilities – Cash	57,942
Total	$ 15,812,212
Footnote disclosure above:	
Cash – book value of District deposits	$ 919,249
Certificates of deposits	8,653,216
Investments	6,239,747
Total	$ 15,812,212

(Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2017 was as follows:

	Beginning July 1, 2016	Additions	Deletions	Ending June 30, 2017
Capital Assets not being depreciated:				
Land	$ 269,458	$ -	$ -	$ 269,458
Construction in progress	2,813,031	9,678,866	11,711,260	780,637
Total capital assets not being depreciated	3,082,489	9,678,866	11,711,260	1,050,095
Capital assets being depreciated:				
Land improvements	1,020,194	110,223	-	1,130,417
Buildings	38,937,164	11,685,709	-	50,622,873
Equipment	3,732,761	642,073	298,824	4,076,010
Total capital assets being depreciated	43,690,119	12,438,005	298,824	55,829,300
Less accumulated depreciation for:				
Land improvements	480,321	54,726	-	535,047
Buildings	12,985,633	1,380,036	-	14,365,669
Equipment	1,916,929	390,603	218,590	2,088,942
Total accumulated depreciation	15,382,883	1,825,365	218,590	16,989,658
Net capital assets being depreciated	28,307,236	10,612,640	80,234	38,839,642
Net governmental activities capital assets	$ 31,389,725	$ 20,291,506	$ 11,791,494	$ 39,889,737

Depreciation expense was recognized in the operating activities of the District as follows:

Governmental Activities	Depreciation
Regular programs	$ 1,414,732
Special programs	36,986
Other instructional programs	34,610
Pupils	80
Instruction staff	166,696
General administration	33,023
School administration	14,543
Site & construction	83,154
Business	17,184
Transportation	3,204
Operations and maintenance	20,961
Community service	192
Total depreciation expense – governmental activities	$ 1,825,365

(Continued)

NOTE 5 - LONG-TERM LIABILITIES

Changes in General Long-Term Liabilities: The following is the long-term liability activity for the District for the year ended June 30, 2017:

	Beginning Balance July 1, 2016	Additions	Deletions	Ending Balance June 30, 2017	Due Within One Year
Long-term liabilities - governmental activities:					
Capital appreciation bonds	$ 567,535	$ -	$ 306,202	$ 261,333	$ 261,333
Accretion on capital appreciation bonds	542,066	55,399	303,798	293,667	293,667
School bonds	25,420,000	3,500,000	795,000	28,125,000	965,000
Unamoritized premium	1,042,531	136,586	126,784	1,052,333	-
Total bonds payable	27,572,132	3,691,985	1,531,784	29,732,333	1,520,000
Other Liabilities					
Capital leases payable	262,935	502,100	158,569	606,466	147,205
Net pension liability - IMRF	759,687	-	29,513	730,174	-
Net pension liability - TRS	810,227	73,672	-	883,899	-
OPEB obligation	89,910	6,585	-	96,495	-
Total Other Liabilities	1,922,759	582,357	188,082	2,317,034	147,205
Total long-term liabilities - governmental activities	$ 29,494,891	$ 4,274,342	$ 1,719,866	$ 32,049,367	$ 1,667,205

Capital leases: The District has entered into various lease agreements as lessee for financing the acquisition of equipment. These assets have an acquisition cost of $956,282, accumulated depreciation of $217,442 and a net book value of $738,840. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

Fiscal Year Ending June 30	Capital Leases with scheduled interest payments Principal	Interest	Total
2018	$ 147,205	$ 19,739	$ 166,944
2019	98,702	15,140	113,842
2020	96,763	11,401	108,164
2021	60,217	8,573	68,790
2022	203,579	6,616	210,195
Total	$ 606,466	$ 61,469	$ 667,935

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(Continued)

NOTE 5 - LONG-TERM LIABILITIES (Continued)

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

Purpose	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Capital Appreciation Boonds, Series 2002B	12/01/17	3.7 - 5.1 %	$ 4,785,000	$ 555,000
School Building Bonds, Series 2008	12/01/27	3.0 - 5.0 %	20,000,000	15,225,000
Limited School Bonds, Series 2016A	12/01/30	4.0%	7,025,000	7,025,000
Limited Refunding School Bonds, Series 2016B	12/01/21	3.0 - 4.0 %	2,505,000	2,375,000
Limited School Bonds, Series 2017	12/01/36	4.0%	3,500,000	3,500,000
Total				$ 28,680,000

The District's Debt Service Fund is used to pay the principal and interest on the bonds listed above.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental activities:

Fiscal Year	Principal	Interest	Total
2018	$ 1,226,333	$ 1,520,829	$ 2,747,162
2019	1,280,000	1,187,012	2,467,012
2020	1,255,000	1,139,412	2,394,412
2021	1,225,000	1,086,262	2,311,262
2022	1,800,000	1,017,506	2,817,506
2023-2027	12,505,000	3,465,875	15,970,875
2028-2032	6,675,000	1,018,875	7,693,875
2033-2036	2,420,000	246,600	2,666,600
	28,386,333	10,682,371	39,068,704
Accumulated Accreted Interest	293,667	(293,667)	-
Total	$ 28,680,000	$ 10,388,704	$ 39,068,704

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was $23,043,748, providing a debt margin of $0. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2017, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

NOTE 6 – INTERFUNDS AND TRANSFERS

As of June 30, 2017, there were no outstanding interfund loans. During the year ended June 30, 2017, the District made transfers into the Operations and Maintenance Account from the Working Cash Fund and the Educational Account for $3,250,000 and $1,750,000. The District transferred this $5,000,000 plus an additional $894,880 for a total of $5,894,880 from the Operations and Maintenance Account to the Capital Projects Fund. The purpose of these transfers was to abate the working cash fund to provide money for capital projects.

(Continued)

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omission, injuries to employees, and natural disasters. During the fiscal year ended June 30, 2017, the District continued its risk management policies by purchasing commercial insurance to cover itself against these risks. The amount of coverage has neither decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years.

The District is self-insured for medical coverage that is provided to District personnel, a third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed $60,000 per employee or $1,000,000 in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2017, total unpaid claims totaled $100,249. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2017 and 2016, changes in the liability reported in the General (Educational) Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Payments	End of Year
Fiscal Year 2017	$ 58,664	$ 1,626,645	$ 1,585,060	$ 100,249
Fiscal Year 2016	$ 89,942	$ 1,400,127	$ 1,431,405	$ 58,664

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description: This is a single employer plan with no separate report issued. Noncertified and classified staff members who retire from the District shall be eligible to remain in the District comprehensive hospitalization, surgical, major medical and dental plans at no expense to the employee until Medicare eligible, if he or she is at least 62 years of age at the time of retirement and has been employed by the District for a minimum of twenty years. Membership in the plan as of June 30, 2016, the most recent information available, consisted of the following:

	June 30, 2016
Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	14
Active nonvested plan members	139
Total	153

Funding Policy: Funding is provided by the District on a pay-as-you-go basis with no contribution from the retiree. The District's contribution on behalf of the employees to the insurance provider was $6,045 for 2017.

(Continued)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligations: The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	June 30, 2017
Annual required contribution	$ 14,033
Interest on net OPEB obligation	3,596
Adjustment to annual required contribution	(4,999)
Annual OPEB cost	12,630
Employer Contributions Made	(6,045)
Increase (decrease) in net OPEB obligation	6,585
Net OPEB obligation beginning of year	89,910
Net OPEB obligation end of year	$ 96,495

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	$ 19,192	30.93%	$ 79,964
6/30/2016	12,786	22.21%	89,910
6/30/2017	12,630	47.86%	96,495

The annual required contribution (ARC) is made up of the following components:

	June 30, 2017
Normal cost	$ 7,274
Interest on normal cost	291
Amortization	6,468
Annual required contribution	$ 14,033

Funding Status and the Funding Progress: As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was $111,845 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $111,845.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(Continued)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation, the most recent available, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return, projected salary increases of 4.00% and an annual healthcare cost trend rate of 5.50% initially, reduced by decrements to an ultimate rate of 5.00% in 2026. The UAAL is being amortized using the level dollar method. The remaining amortization period at June 30, 2016 was thirty years. It is assumed that 10% of active IMRF employees and 0% of active TRS employees will elect retiree coverage continuation at retirement.

NOTE 9 - RETIREMENT SYSTEMS

The retirement plans of the District include the Illinois Municipal Retirement Fund (IMRF) and the Teachers' Retirement System of the State of Illinois (TRS). IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. Each retirement system is discussed below.

Illinois Municipal Retirement System:

IMRF 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 an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section. 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 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	54
Inactive Plan Members entitled to but not yet receiving benefits	236
Active Plan Members	89
Total	379

Contributions**:** As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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 2016 was 9.00%. For the fiscal year ended June 30, 2017, the District contributed $235,740 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions**:** The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Benefits are projected for a 100-year period, with the expected rate of return of 7.50%, the municipal bond rate was 3.78% and the resulting single discount rate was 7.50%. The fund is projected to run out of assets by year 2116.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

- 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.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation. There were no benefit changes during the year.

Expected Return on Pension Plan Investments: 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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.77%
International Equity	17%	3.54%
Fixed Income	27%	4.85%
Real Estate	8%	8.97%
Alternative Investments	9%	N/A
Cash Equivalents	1%	N/A
Total	100%	

Single Discount Rate: A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and 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).

NOTE 9 - RETIREMENT SYSTEMS (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index at December 31, 2016 to arrive at the discount rates used to determine the total pension liability.

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	$ 8,599,275	$ 7,839,588	$ 759,687
Changes for the year:			
Service Cost	291,295	-	291,295
Interest on the Total Pension Liability	640,238	-	640,238
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	57,840	-	57,840
Changes of Assumptions	(11,165)	-	(11,165)
Contributions - Employer	-	245,559	(245,559)
Contributions - Employees	-	124,257	(124,257)
Net Investment Income	-	534,008	(534,008)
Benefit Payments, including Refunds of Employee Contributions	(394,049)	(394,049)	-
Other (Net Transfer)	-	103,897	(103,897)
Net Changes	584,159	613,672	(29,513)
Balances at December 31, 2016	$ 9,183,434	$ 8,453,260	$ 730,174

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Rate 7.50%	1% Higher 8.50%
Net Pension Liability	$ 1,943,880	$ 730,174	$ (258,007)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2017, the District recognized pension expense of $269,074. At June 30, 2017, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	$ 33,781	$ 12,564
Changes of assumptions	1,817	6,521
Net difference between projected and actual earnings on pension plan investments	417,623	-
Total Deferred Amounts to be recognized in pension expense in future periods	453,221	19,085
Pension Contributions made subsequent to the Measurement Date	118,051	-
Total Deferred Amounts Related to Pensions	$ 571,272	$ 19,085

In 2017, there was $118,051 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year Ending June 30		
2018	$	150,977
2019		150,154
2020		121,616
2021		11,389
Total	$	434,136

Teacher Health Insurance Security Fund

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

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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

On behalf contributions to the THIS Fund: The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were $86,915 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund: The District also makes contributions to the THIS Fund. The District's THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid $151,881 to the THIS Fund, which was 100 percent of the required contribution.

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

Teachers' Retirement System of the State of Illinois

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

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

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

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

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $2,990,812 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were $45,011, and are deferred because they were paid after the June 30, 2016 measurement date.

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling $0 were paid from federal and special trust funds that required employer contributions of $0. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer retirement cost contributions**:** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid $0 to TRS for employer ERO contributions that occurred before July 1, 2016.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent and $0 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2017, 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 employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 883,899
State's proportionate share of the net pension liability associated with the District	59,346,569
Total	$ 60,229,468

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0011197661 percent, which was a decrease of 0.0001170314 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of $45,597 and revenue of $5,828,195 for support provided by the state. At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9 - RETIREMENT SYSTEMS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,536	$ 599
Net difference between projected and actual earnings and pension plan investments	24,972	-
Changes of assumptions	75,914	-
Changes in proportion and differences between District contributions and proportionate share of contributions	31,947	138,184
District contributions subsequent to the measurement date	45,011	-
	$ 184,380	$ 138,783

$45,011 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2018	$ (16,662)
2019	(16,662)
2020	22,484
2021	10,797
2022	629
Total	$ 586

Actuarial assumptions: The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment rate of return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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	14.4	%	6.94	%
U.S. equities small/mid cap	3.6		8.09	
International equities develop	14.4		7.46	
Emerging markets equities	3.6		10.15	
U.S. bonds core	10.7		2.44	
International debt developed	5.3		1.70	
Real estate	15.0		5.44	
Commodities (real return)	11.0		4.28	
Hedge funds (absolute returr	8.0		4.16	
Private equity	14.0		10.63	
Total	100.0	%		

Discount Rate: At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS’s fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.83 percent) or 1 percentage point higher (7.83 percent) than the current rate.

NOTE 9 - RETIREMENT SYSTEMS (Continued)

1% Decrease 5.83%	Current Single Discount Rate Assumption 6.83%	1% Increase 7.83%
$ 1,081,044	$ 883,899	$ 722,884

TRS Fiduciary Net Position: Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS Comprehensive Annual Financial Report.

Below is a summary of the various pension items:

	IMRF	TRS	Total
Deferred Outflows of Resources:			
Employer Contributions	$ 118,051	$ 45,011	$ 163,062
Experience	33,781	6,536	40,317
Assumptions	1,817	75,914	77,731
Investments	417,623	24,972	442,595
Proportionate Share	-	31,947	31,947
	$ 571,272	$ 184,380	$ 755,652
Net Pension Liability	$ 730,174	$ 883,899	$ 1,614,073
Deferred Inflows of Resources:			
Experience	$ (12,564)	$ (599)	$ (13,163)
Assumptions	(6,521)	-	(6,521)
Proportionate Share	-	(138,184)	(138,184)
	$ (19,085)	$ (138,783)	$ (157,868)
Pension Expense	$ 269,074	$ 45,597	$ 314,671

NOTE 10 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. As of June 30, 2017, the District is not aware of any audit reimbursement requests. Management believes such disallowances, if any, would be immaterial.

NOTE 11 – TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

(Continued)

NOTE 11 – TAX ABATEMENTS (Continued)

The District is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities within the District area have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the District and the other impacted taxing districts than would have been generated if the development had not occurred. The District's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending June 30, 2017, the District's share of the abatement granted to the Class 6b properties was approximately $1,003,000.

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the District's fiscal year ended June 30, 2018. This statement will have an effect on the District and the OPEB liability will be added to the Statement of Net Position.

In March 2016, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. This Statement provides accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement is effective for the District's fiscal year ended June 30, 2018. This statement will have no effect on the District.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement is effective for the District's fiscal year ended June 30, 2019. This statement will have no effect on the District.

(Continued)

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the District's fiscal year ended June 30, 2020. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for the District's fiscal year ended June 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the District's fiscal year ended June 30, 2018. This statement will have no effect on the District.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the District's fiscal year ended June 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Prior Three Fiscal Years

	2017	2016	2015
Total Pension Liability			
Service Cost	$ 291,295	$ 244,108	$ 271,693
Interest on the Total Pension Liability	640,238	605,093	555,965
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	57,840	(73,733)	(208,524)
Changes of Assumptions	(11,165)	10,674	330,464
Benefit Payments, Including Refunds of Employee Contributions	(394,049)	(265,436)	(296,099)
Net Change in Total Pension Liability	584,159	520,706	653,499
Total Pension Liability - Beginning	8,599,275	8,078,569	7,425,070
Total Pension Liability - Ending	$ 9,183,434	$ 8,599,275	$ 8,078,569
Plan Fiduciary Net Position			
Contributions - Employer	$ 245,559	$ 220,236	$ 203,020
Contributions - Employees	124,257	107,758	101,397
Net Investment Income	534,008	39,972	461,259
Benefit Payments, Including Refunds of Employee Contributions	(394,049)	(265,436)	(296,099)
Other (Net Transfer)	103,897	(226,046)	(63,940)
Net Change in Plan Fiduciary Net Position	613,672	(123,516)	405,637
Plan Fiduciary Net Position - Beginning	7,839,588	7,963,104	7,557,467
Plan Fiduciary Net Position - Ending	$ 8,453,260	$ 7,839,588	$ 7,963,104
Net Pension Liability - Ending	$ 730,174	$ 759,687	$ 115,465
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.05%	91.17%	98.57%
Covered Valuation Payroll	$ 2,728,443	$ 2,370,674	$ 2,253,269
Net Pension Liability as a Percentage of Covered Valuation Payroll	26.76%	32.05%	5.12%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Required Supplementary Information
Illinois Municipal Retirement Fund
Schedule of Employer Contributions
For the Prior Ten Fiscal Years

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2017	$ 235,740	$ 235,740	$ -	$ 2,714,131	8.69%
6/30/2016	239,947	239,947	-	2,643,965	9.08%
6/30/2015	203,020	203,020	-	2,253,269	9.01%
6/30/2014	225,912	225,912	-	2,279,638	9.91%
6/30/2013	234,793	234,793	-	2,310,955	10.16%
6/30/2012	243,590	243,590	-	2,423,779	10.05%
6/30/2011	229,334	229,334	-	2,291,048	10.01%
6/30/2010	184,515	184,515	-	2,135,589	8.64%
6/30/2009	188,820	188,820	-	2,056,861	9.18%
6/30/2008	188,687	188,687	-	1,955,305	9.65%

Notes to Schedule:
Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

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

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	27-year closed period until remaining period reaches 15 years (then 15 year rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:
Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Teacher's Retirement System
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Prior Three Fiscal Years

	2017	2016	2015
District's Proportion of the Net Pension Liability	0.00111977%	0.00123680%	0.00115266%
District's Proportionate Share of the Net Pension Liability	$ 883,899	$ 810,227	$ 701,486
State's Proportionate Share of the Net Pension Liability associated with the District	59,346,569	45,654,966	43,745,393
Total	$ 60,230,468	$ 46,465,193	$ 44,446,879
District's employee payroll	$ 7,472,473	$ 7,405,166	N/A
District's proportionate share of the net pension liability as a percentage of its employee payroll	11.83%	10.94%	N/A
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

Notes to Schedule:

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

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

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Teacher's Retirement System
Schedule of Employer Contributions
For the Prior Three Fiscal Years

	2017	2016	2015
Contractually required contribution	$ 45,011	$ 43,340	$ 43,329
Contributions in relation to the contractually required contribution	45,011	43,340	43,329
Contribution Deficiency (Excess)	$ -	$ -	$ -
District employee payroll	$ 7,472,473	$ 7,405,166	$ 7,405,166
Contributions as a Percentage of Employee Payroll	0.60%	0.59%	0.59%

Notes to Schedule:
1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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

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

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

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Other Post Employment Benefits (OPEB)
Schedule of Funding Progress
June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/17	NA	NA	NA	NA	NA	NA
06/30/16	$ -	$ 111,845	$ 111,845	0%	$ 8,210,121	1%
06/30/15	NA	NA	NA	NA	NA	NA
06/30/14	-	143,196	143,196	0%	NA	NA
06/30/13	NA	NA	NA	NA	NA	NA
06/30/12	-	147,493	147,493	0%	NA	NA

NA - Information not available.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 11,260,400	$ 11,075,000	$ 10,799,053	$ (275,947)
Replacement taxes	422,125	389,000	525,304	136,304
Interest	30,000	65,000	77,609	12,609
Other local sources	298,000	313,000	460,300	147,300
State sources	3,487,711	3,291,761	3,919,751	627,990
Federal sources	1,383,555	1,232,276	1,331,381	99,105
Total revenues	16,881,791	16,366,037	17,113,398	747,361
Expenditures				
Current:				
Instruction				
Regular programs	6,199,415	6,427,000	6,581,981	(154,981)
Special ed programs	2,343,065	2,191,000	2,365,454	(174,454)
Other instructional programs	606,500	558,000	595,522	(37,522)
Support services				
Pupils	938,750	947,750	970,925	(23,175)
Instructional staff	471,715	641,500	664,921	(23,421)
General administration	511,000	465,000	611,578	(146,578)
School administration	855,525	793,000	841,577	(48,577)
Business	993,850	1,121,450	1,330,679	(209,229)
Central	-	205,000	175,486	29,514
Operations and maintenance	1,210,000	1,607,000	1,472,903	134,097
Community services	222,416	230,739	229,734	1,005
Payments to other governmental units	326,500	355,500	365,757	(10,257)
Debt service:				
Principal	-	-	79,886	(79,886)
Interest and fees	-	-	7,284	(7,284)
Capital outlay	605,000	706,000	561,587	144,413
Total expenditures	15,283,736	16,248,939	16,855,274	(606,335)
Excess (deficiency) of revenues over (under) expenditures	1,598,055	117,098	258,124	141,026
Other financing sources (uses)				
Capital asset sale proceeds	38,000	38,000	-	(38,000)
Transfers out	(4,000,000)	(2,644,880)	(2,644,880)	-
Total other financing sources (uses)	(3,962,000)	(2,606,880)	(2,644,880)	(38,000)
Net change in fund balance	$ (2,363,945)	$ (2,489,782)	(2,386,756)	$ 103,026
Fund balance at beginning of year			10,685,192	
Fund balance at end of year			$ 8,298,436	

See accompanying note to budgetary comparison schedule

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2017

	Transportation Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 775,000	$ 775,000	$ 738,120	$ (36,880)
Replacement taxes	25,000	25,000	31,111	6,111
Interest	2,500	2,500	-	(2,500)
Other local sources	7,500	17,500	6,308	(11,192)
State sources	380,000	240,135	471,191	231,056
Total revenues	1,190,000	1,060,135	1,246,730	186,595
Expenditures				
Current:				
Support services				
Transportation	808,650	808,650	1,210,232	(401,582)
Debt service:				
Principal	-	-	78,683	(78,683)
Interest	-	-	1,091	(1,091)
Total expenditures	808,650	808,650	1,290,006	(481,356)
Excess (deficiency) of revenues over (under) expenditures	381,350	251,485	(43,276)	(294,761)
Other financing sources				
Capital lease proceeds	-	-	502,100	502,100
Capital asset sale proceeds	-	156,000	225,000	69,000
Total other financing sources	-	156,000	727,100	571,100
Net change in fund balance	$ 381,350	$ 407,485	683,824	$ 276,339
Fund balance at beginning of year			1,696,522	
Fund balance at end of year			$ 2,380,346	

See accompanying note to budgetary comparison schedule

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2017

	IMRF/Social Security Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 446,038	$ 446,038	$ 425,289	$ (20,749)
Replacement taxes	63,875	63,875	79,488	15,613
Interest	1,000	1,000	-	(1,000)
Total revenues	510,913	510,913	504,777	(6,136)
Expenditures				
Current:				
Instruction				
Regular programs	93,700	93,700	113,621	(19,921)
Special ed programs	114,750	114,750	98,006	16,744
Other instructional programs	18,750	12,750	12,605	145
Support services				
Pupils	42,800	42,800	40,332	2,468
Instructional staff	25,000	25,000	27,422	(2,422)
General administration	15,000	15,000	13,028	1,972
School administration	39,000	39,000	43,097	(4,097)
Business	63,000	57,500	71,568	(14,068)
Transportation	43,000	40,000	37,629	5,371
Operations and maintenance	75,000	50,000	84,383	(9,383)
Community services	20,000	20,000	23,281	(3,281)
Total expenditures	550,000	510,500	564,972	(54,472)
Net change in fund balance	$ (39,087)	$ 413	(60,195)	$ (60,608)
Fund balance at beginning of year			465,679	
Fund balance at end of year			$ 405,484	

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2017

	Working Cash Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 19,000	$ 19,000	$ 18,266	$ (734)
Interest	25	25	6,255	6,230
Total revenues	19,025	19,025	24,521	5,496
Excess (deficiency) of revenues over (under) expenditures	19,025	19,025	24,521	5,496
Other financing sources (uses)				
Bond proceeds	2,000,000	3,325,000	3,212,033	(112,967)
Premium on bonds issued	-	-	136,586	136,586
Transfer out	(2,000,000)	(3,250,000)	(3,250,000)	-
Total other financing sources (uses)	-	75,000	98,619	23,619
Net change in fund balance	$ 19,025	$ 94,025	123,140	$ 29,115
Fund balance at beginning of year			1,796,589	
Fund balance at end of year			$ 1,919,729	

See accompanying note to budgetary comparison schedule

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data: Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.

4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.

5. Formal budgetary integration is employed as a management control device during the year for all governmental funds. All governmental funds, except for the capital projects fund, had Board approved budgets.

6. All budget appropriations lapse at the end of the fiscal year.

Budget Reconciliations: The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	Revenues	Expenditures
General Fund – Budgetary Basis	$ 17,113,398	$ 16,855,274
To adjust for on-behalf payments received	3,077,727	-
To adjust for on-behalf payments made	-	3,077,727
General Fund GAAP Basis	$ 20,191,125	$ 19,933,001

The following funds and accounts reported expenditures that exceeded budget:

General Fund - Education Account	$ 474,727
General Fund – Operations & Maintenance Account	131,608
Transportation Fund	481,356
IMRF/Social Security Fund	54,472
Debt Service Fund	44,347

SCHILLER PARK SCHOOL DISTRICT 81
General Fund
Balance Sheet - by Account
June 30, 2017

	Educational Account	Operations and Maintenance Account	Total
Assets			
Cash and investments	$ 7,230,673	$ 1,153,032	$ 8,383,705
Receivables:			
Interest receivable	636	130	766
Property tax receivable	4,874,135	757,620	5,631,755
Replacement taxes receivable	103,148	-	103,148
Intergovernmental receivable	1,478,394	-	1,478,394
Total assets	$ 13,686,986	$ 1,910,782	$ 15,597,768
Liabilities, deferred inflows and fund balance			
Liabilities			
Salaries and deductions payable	$ 921,247	$ -	$ 921,247
Insurance claims payable	100,249	-	100,249
Total liabilities	1,021,496	-	1,021,496
Deferred inflows			
Property taxes	4,828,025	750,453	5,578,478
Unavailable grant revenue	699,358	-	699,358
Total deferred inflows	5,527,383	750,453	6,277,836
Fund balance			
Restricted			
Insurance	1,043,042	-	1,043,042
Assigned			
Operations and maintenance	-	1,160,329	1,160,329
Unassigned	6,095,065	-	6,095,065
Total fund balance	7,138,107	1,160,329	8,298,436
Total liabilities and fund balance	$ 13,686,986	$ 1,910,782	$ 15,597,768

SCHILLER PARK SCHOOL DISTRICT 81

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - by Account
Year Ended June 30, 2017

	Educational Account	Operations and Maintenance Account	Total
Revenues			
Local sources			
Property taxes	$ 9,351,751	$ 1,447,302	$ 10,799,053
Replacement taxes	124,443	400,861	525,304
Interest	77,609	-	77,609
Other local sources	368,279	92,021	460,300
State sources	3,919,751	-	3,919,751
Federal sources	1,331,381	-	1,331,381
On-behalf payments received from state	3,077,727	-	3,077,727
Total revenues	18,250,941	1,940,184	20,191,125
Expenditures			
Current:			
Instruction			
Regular programs	6,581,981	-	6,581,981
Special ed programs	2,365,454	-	2,365,454
Other instructional programs	595,522	-	595,522
State retirement contributions	3,077,727	-	3,077,727
Support services			
Pupils	970,925	-	970,925
Instructional staff	664,921	-	664,921
General administration	611,578	-	611,578
School administration	841,577	-	841,577
Business	1,043,622	287,057	1,330,679
Central	175,486	-	175,486
Operations and maintenance	250	1,472,653	1,472,903
Community services	229,734	-	229,734
Nonprogrammed charges	365,757	-	365,757
Debt service:			
Principal	79,886	-	79,886
Interest and fees	7,284	-	7,284
Capital outlay	382,689	178,898	561,587
Total expenditures	17,994,393	1,938,608	19,933,001
Excess (deficiency) of revenues over (under) expenditures	256,548	1,576	258,124
Other financing sources (uses)			
Transfers in	-	5,894,880	5,894,880
Transfers out	(2,644,880)	(5,894,880)	(8,539,760)
Total other financing sources (uses)	(2,644,880)	-	(2,644,880)
Net change in fund balances	(2,388,332)	1,576	(2,386,756)
Fund balances at beginning of year	9,526,439	1,158,753	10,685,192
Fund balances at end of year	$ 7,138,107	$ 1,160,329	$ 8,298,436

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 9,500,000	$ 9,300,000	$ 9,058,017	$ (241,983)
Special education levy	270,400	285,000	293,734	8,734
Replacement taxes	100,000	100,000	124,443	24,443
Interest	20,000	55,000	77,609	22,609
Sales to pupils - lunch	90,000	90,000	87,938	(2,062)
Sales to pupils - breakfast	14,000	14,000	8,830	(5,170)
Sales to pupils - ala carte	18,000	18,000	17,578	(422)
Sales to adults	2,500	2,500	2,423	(77)
Student fees	127,500	127,500	133,651	6,151
Miscellaneous	45,000	60,000	117,859	57,859
Total local sources	10,187,400	10,052,000	9,922,082	(129,918)
State sources				
General state aid	2,370,000	2,630,000	2,632,771	2,771
Special education - private facility tuition	-	55,000	190,159	135,159
Special education - extraordinary	150,000	106,567	215,818	109,251
Special education - personnel	225,000	136,487	278,858	142,371
Bilingual education - downstate - TPI	196,695	58,600	56,587	(2,013)
State free lunch & breakfast	-	-	2,046	2,046
Early childhood - block grant	531,016	266,912	469,646	202,734
Medicaid matching funds - fee for service	15,000	38,195	47,794	9,599
Other state grants	-	-	26,072	26,072
Total state sources	3,487,711	3,291,761	3,919,751	627,990
Federal sources				
National school lunch program	320,000	250,000	381,825	131,825
School breakfast program	80,000	75,000	79,370	4,370
Title I - low income	333,592	370,000	367,464	(2,536)
Special education - IDEA - flow through/low incidence	369,258	341,653	329,140	(12,513)
Special education - IDEA - Preschool flow through/low incidence	6,457	6,316	5,255	(1,061)
Special education - IDEA - room and board	-	-	20,430	20,430
Medicaid matching funds - administrative outreach	130,000	80,000	55,684	(24,316)
Title III - english language acquisition	41,335	15,285	46,329	31,044
Title II - teacher quality	47,913	39,022	45,884	6,862
Total federal sources	1,328,555	1,177,276	1,331,381	154,105
Total revenues	15,003,666	14,521,037	15,173,214	652,177
Expenditures				
Current:				
Instruction				
Regular programs				
Salaries	4,497,134	4,610,000	4,734,338	(124,338)
Employee benefits	1,137,281	1,252,000	1,361,092	(109,092)
Purchased services	350,000	350,000	303,823	46,177
Supplies and materials	215,000	215,000	182,728	32,272
Capital outlay	300,000	410,000	303,149	106,851
Total regular programs	6,499,415	6,837,000	6,885,130	(48,130)
Pre-k programs				

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Salaries	$ 285,000	$ 290,000	$ 304,651	$ (14,651)
Employee benefits	67,000	120,000	88,191	31,809
Purchased services	6,000	2,500	2,517	(17)
Supplies and materials	5,000	7,500	34,973	(27,473)
Capital outlay	-	18,000	17,932	68
Total pre-k programs	363,000	438,000	448,264	(10,264)
Special education programs				
Salaries	1,212,000	1,175,000	1,230,770	(55,770)
Employee benefits	370,715	250,000	345,526	(95,526)
Purchased services	5,000	15,000	40,494	(25,494)
Supplies and materials	75,000	70,000	59,984	10,016
Other	250,000	251,000	250,450	550
Total special education programs	1,912,715	1,761,000	1,927,224	(166,224)
Educationally deprived/remedial programs				
Salaries	46,350	-	-	-
Employee benefits	21,000	-	-	-
Supplies and materials	-	10,000	7,898	2,102
Total educationally deprived/remedial programs	67,350	10,000	7,898	2,102
Interscholastic programs				
Salaries	123,000	128,000	131,988	(3,988)
Employee benefits	5,000	5,000	4,473	527
Purchased services	15,000	15,000	24,418	(9,418)
Supplies and materials	9,500	15,000	16,073	(1,073)
Total interscholastic programs	152,500	163,000	176,952	(13,952)
Bilingual programs				
Salaries	348,000	315,000	329,863	(14,863)
Employee benefits	106,000	80,000	87,978	(7,978)
Purchased services	-	-	729	(729)
Total bilingual programs	454,000	395,000	418,570	(23,570)
Total instruction	9,448,980	9,604,000	9,864,038	(260,038)
Support services				
Pupils				
Attendance and social work services				
Salaries	105,000	115,000	111,205	3,795
Employee benefits	50,000	33,000	28,463	4,537
Purchased services	-	-	234	(234)
Supplies and materials	250	250	185	65
Total attendance and social work services	155,250	148,250	140,087	8,163
Health services				
Salaries	190,000	215,000	200,245	14,755
Employee benefits	70,000	36,000	28,626	7,374
Purchased services	89,000	115,000	177,556	(62,556)
Supplies and materials	1,900	5,000	4,665	335
Capital outlay	-	2,500	2,282	218
Total health services	350,900	373,500	413,374	(39,874)
Psychological services				

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Salaries	$ 171,000	$ 185,000	$ 181,648	$ 3,352
Employee benefits	50,000	45,000	44,386	614
Purchased services	4,100	10,000	10,575	(575)
Supplies and materials	1,500	1,000	108	892
Total psychological services	226,600	241,000	236,717	4,283
Speech pathology and audiology services				
Salaries	130,000	140,000	139,119	881
Employee benefits	47,000	40,000	39,275	725
Purchased services	29,000	7,500	4,635	2,865
Total speech pathology and audiology services	206,000	187,500	183,029	4,471
Total pupils	938,750	950,250	973,207	(22,957)
Instructional staff				
Improvement of instruction services				
Salaries	185,000	195,000	184,468	10,532
Employee benefits	60,000	90,000	122,772	(32,772)
Purchased services	109,000	109,000	123,990	(14,990)
Supplies and materials	100	250	833	(583)
Other	2,000	-	-	-
Total improvement of instruction services	356,100	394,250	432,063	(37,813)
Educational media services				
Salaries	55,000	150,000	-	150,000
Employee benefits	20,000	40,000	183,125	(143,125)
Purchased services	2,000	4,000	3,723	277
Supplies and materials	6,000	6,000	4,827	1,173
Total educational media services	83,000	200,000	191,675	8,325
Assessment and testing				
Purchased services	30,000	45,000	40,527	4,473
Supplies and materials	2,615	2,250	656	1,594
Total assessment and testing	32,615	47,250	41,183	6,067
Total instructional staff	471,715	641,500	664,921	(23,421)
General Administration				
Board of education services				
Purchased services	127,500	110,000	136,991	(26,991)
Supplies and materials	25,000	20,000	11,836	8,164
Other objects	-	-	6,303	(6,303)
Total board of education services	152,500	130,000	155,130	(25,130)
Executive administration services				
Salaries	215,000	215,000	216,761	(1,761)
Employee benefits	60,000	53,000	49,492	3,508
Purchased services	61,500	45,000	60,121	(15,121)
Supplies and materials	22,000	20,000	27,773	(7,773)
Other	-	2,000	2,385	(385)
Total executive administration services	358,500	335,000	356,532	(21,532)
Special area administrative services				
Purchased services	$ -	$ -	$ 99,916	$ (99,916)
Total special area adminstrative services	-	-	99,916	(99,916)

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Total general administration	511,000	465,000	611,578	(146,578)
School Administration				
Office of the principal services				
Salaries	648,500	648,500	657,410	(8,910)
Employee benefits	120,000	120,000	165,562	(45,562)
Purchased services	75,000	5,000	1,095	3,905
Supplies and materials	11,525	15,000	15,002	(2)
Capital outlay	-	500	-	500
Other	500	4,500	2,508	1,992
Total school administration	855,525	793,500	841,577	(48,077)
Business				
Direction of business support services				
Salaries	124,800	110,000	93,720	16,280
Employee benefits	35,000	20,000	13,454	6,546
Purchased services	250	250	-	250
Other objects	1,000	1,000	1,276	(276)
Total direction of business support services	161,050	131,250	108,450	22,800
Fiscal services				
Salaries	132,300	130,000	129,305	695
Employee benefits	48,000	35,000	27,158	7,842
Purchased services	40,000	70,000	77,062	(7,062)
Supplies and materials	1,500	1,500	685	815
Total fiscal services	221,800	236,500	234,210	2,290
Operation and maintenance of plant services				
Purchased services	-	127,200	250	126,950
Total operation and maintenance of plant services	-	127,200	250	126,950
Food services				
Salaries	180,000	190,000	198,674	(8,674)
Employee benefits	99,000	99,000	90,468	8,532
Purchased services	2,000	2,500	53,989	(51,489)
Supplies and materials	330,000	330,000	357,640	(27,640)
Other objects	-	5,000	191	4,809
Capital outlay	5,000	-	-	-
Total food services	616,000	626,500	700,962	(74,462)
Total business	998,850	1,121,450	1,043,872	77,578
Central				
Data processing services				
Purchased services	-	125,000	119,751	5,249
Supplies and materials	-	80,000	55,535	24,465
Capital outlay	50,000	75,000	59,326	15,674
Total data processing services	50,000	280,000	234,612	45,388
Other support services				
Supplies and materials	$ -	$ -	$ 200	$ (200)
Total other support services	-	-	200	(200)
Total central	50,000	280,000	234,812	45,188

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Total support services	3,825,840	4,251,700	4,369,967	(118,267)
Community services				
Salaries	137,416	137,416	151,453	(14,037)
Benefits	40,000	40,000	29,311	10,689
Purchased services	35,000	42,582	37,746	4,836
Supplies and materials	10,000	10,741	11,224	(483)
Total community services	222,416	230,739	229,734	1,005
Payments to other districts and governmental units				
Payments for special education programs	323,000	352,000	365,757	(13,757)
Total payments for special education programs	323,000	352,000	365,757	(13,757)
Other payments to in-state governmental units				
Purchased services	3,500	3,500	-	3,500
Total other payments to in-state governmental units	3,500	3,500	-	3,500
Total payments to other districts and governmental units	326,500	355,500	365,757	(10,257)
Debt service				
Principal	-	-	79,886	(79,886)
Interest and fees	-	-	7,284	(7,284)
Total debt service	-	-	87,170	(87,170)
Total expenditures	13,823,736	14,441,939	14,916,666	(474,727)
Excess (deficiency) of revenues over (under) expenditures	1,179,930	79,098	256,548	177,450
Other financing sources (uses)				
Capital asset sale proceeds	38,000	38,000	-	(38,000)
Transfers out	(3,000,000)	(1,750,000)	(2,644,880)	(894,880)
Total other financing sources (uses)	(2,962,000)	(1,712,000)	(2,644,880)	(932,880)
Net change in fund balance	$ (1,782,070)	$ (1,632,902)	(2,388,332)	$ (755,430)
Fund balance at beginning of year			9,526,439	
Fund balance at end of year			$ 7,138,107	

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Operations and Maintenance Account
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 1,490,000	$ 1,490,000	$ 1,447,302	$ (42,698)
Replacement taxes	322,125	289,000	400,861	111,861
Interest	10,000	10,000	-	(10,000)
Local fees	-	-	68,896	68,896
Other miscellaneous	1,000	1,000	23,125	22,125
Total local sources	1,823,125	1,790,000	1,940,184	150,184
Federal sources				
Other federal sources	55,000	55,000	-	(55,000)
Total federal sources	55,000	55,000	-	(55,000)
Total revenues	1,878,125	1,845,000	1,940,184	95,184
Expenditures				
Current:				
Facilities construction and acquisition				
Purchased services	500,000	250,000	287,057	(37,057)
Capital outlay	125,000	150,000	138,842	11,158
Total facilities construction and acquisition	625,000	400,000	425,899	(25,899)
Operations and maintenance of plant services				
Salaries	468,000	525,000	514,490	10,510
Employee benefits	122,000	122,000	128,101	(6,101)
Purchased services	-	400,000	498,329	(98,329)
Supplies and materials	120,000	310,000	331,663	(21,663)
Capital outlay	125,000	50,000	40,056	9,944
Other	-	-	70	(70)
Total operations and maintenance of plant services	835,000	1,407,000	1,512,709	(105,709)
Total expenditures	1,460,000	1,807,000	1,938,608	(131,608)
Excess (deficiency) of revenues over (under) expenditures	418,125	38,000	1,576	(36,424)
Other financing sources (uses)				
Transfers in	2,000,000	3,250,000	5,894,880	2,644,880
Transfers out	(3,000,000)	(4,144,880)	(5,894,880)	(1,750,000)
Total other financing sources (uses)	(1,000,000)	(894,880)	-	894,880
Net change in fund balance	$ (581,875)	$ (856,880)	1,576	$ 858,456
Fund balance at beginning of year			1,158,753	
Fund balance at end of year			$ 1,160,329	

SCHILLER PARK SCHOOL DISTRICT 81

Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 775,000	$ 775,000	$ 738,120	$ (36,880)
Replacement taxes	25,000	25,000	31,111	6,111
Interest	2,500	2,500	-	(2,500)
Local fees	7,500	17,500	6,308	(11,192)
Total local sources	810,000	820,000	775,539	(44,461)
State sources				
Transportation - regular/vocational	80,000	91,929	167,515	75,586
Transportation - special education	300,000	148,206	303,676	155,470
Total state sources	380,000	240,135	471,191	231,056
Total revenues	1,190,000	1,060,135	1,246,730	186,595
Expenditures				
Current:				
Support services				
Pupil transportation services				
Salaries	349,650	349,650	308,863	40,787
Employee benefits	104,000	104,000	87,169	16,831
Purchased services	325,000	325,000	284,718	40,282
Supplies and materials	30,000	30,000	27,382	2,618
Capital outlay	-	-	502,100	(502,100)
Total pupil transportation services	808,650	808,650	1,210,232	(401,582)
Debt service:				
Principal	-	-	78,683	(78,683)
Interest	-	-	1,091	(1,091)
Total expenditures	808,650	808,650	1,290,006	(481,356)
Excess (deficiency) of revenues over (under) expenditures	381,350	251,485	(43,276)	(294,761)
Other financing sources				
Capital lease proceeds	-	-	502,100	502,100
Capital asset sale proceeds	-	156,000	225,000	69,000
Total other financing sources	-	156,000	727,100	571,100
Net change in fund balance	$ 381,350	$ 407,485	683,824	$ 276,339
Fund balance at beginning of year			1,696,522	
Fund balance at end of year			$ 2,380,346	

SCHILLER PARK SCHOOL DISTRICT 81

IMRF/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 446,038	$ 446,038	$ 198,515	$ (247,523)
Social security/medicare levy	-	-	226,774	226,774
Replacement taxes	63,875	63,875	79,488	15,613
Interest	1,000	1,000	-	(1,000)
Total revenues	510,913	510,913	504,777	(6,136)
Expenditures				
Current:				
Instruction				
Regular programs	93,700	93,700	113,621	(19,921)
Pre-k programs	22,650	22,650	10,453	12,197
Special ed programs	80,000	80,000	79,498	502
Remedial and supplemental programs	12,100	12,100	8,055	4,045
Interscholastic programs	2,750	2,750	2,484	266
Bilingual programs	16,000	10,000	10,121	(121)
Total instruction	227,200	221,200	224,232	(3,032)
Support services				
Pupils				
Attendance and social work services	3,300	3,300	1,772	1,528
Health services	35,000	35,000	32,662	2,338
Psychologial services	3,000	3,000	2,895	105
Speech pathology and audiology services	1,500	1,500	3,003	(1,503)
Total pupils	42,800	42,800	40,332	2,468
Instructional staff				
Improvement of instruction services	1,000	1,000	18,237	(17,237)
Educational media services	8,000	8,000	9,185	(1,185)
Assessment & testing	16,000	16,000	-	16,000
Total instructional staff	25,000	25,000	27,422	(2,422)
General administration				
Executive administration services	15,000	15,000	13,028	1,972
Total general administration	15,000	15,000	13,028	1,972
School administration				
Office of the principal services	39,000	39,000	43,097	(4,097)
Business				
Direction of business support services	16,000	16,000	18,045	(2,045)
Fiscal services	17,000	17,000	21,286	(4,286)
Operations and maintenance of plant services	75,000	50,000	84,383	(34,383)
Pupil transportation services	43,000	40,000	37,629	2,371
Food services	30,000	24,500	32,237	(7,737)
Total business	181,000	147,500	193,580	(46,080)
Total support services	302,800	269,300	317,459	(48,159)
Community services	20,000	20,000	23,281	(3,281)

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

IMRF/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from final budget over (under)
Total expenditures	$ 550,000	$ 510,500	$ 564,972	$ (54,472)
Net change in fund balance	$ (39,087)	$ 413	(60,195)	$ (60,608)
Fund balance at beginning of year			465,679	
Fund balance at end of year			$ 405,484	

SCHILLER PARK SCHOOL DISTRICT 81

Working Cash Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 19,000	$ 19,000	$ 18,266	$ (734)
Interest	25	25	6,255	6,230
Total revenues	19,025	19,025	24,521	5,496
Excess (deficiency) of revenues over (under) expenditures	19,025	19,025	24,521	5,496
Other financing sources (uses)				
Bond proceeds	2,000,000	3,325,000	3,212,033	(112,967)
Premium on bonds issued	-	-	136,586	136,586
Transfer out	(2,000,000)	(3,250,000)	(3,250,000)	-
Total other financing sources (uses)	-	75,000	98,619	23,619
Net change in fund balance	$ 19,025	$ 94,025	123,140	$ 29,115
Fund balance at beginning of year			1,796,589	
Fund balance at end of year			$ 1,919,729	

SCHILLER PARK SCHOOL DISTRCT 81

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 2,386,500	$ 2,524,000	$ 2,340,819	$ (183,181)
Interest	2,400	2,400	-	(2,400)
Total local sources	2,388,900	2,526,400	2,340,819	(185,581)
Total revenues	2,388,900	2,526,400	2,340,819	(185,581)
Expenditures				
Debt service:				
Interest and fees	1,415,676	1,415,676	1,165,725	249,951
Principal	1,110,702	1,110,702	1,405,000	(294,298)
Total expenditures	2,526,378	2,526,378	2,570,725	(44,347)
Excess (deficiency) of revenues over (under) expenditures	(137,478)	22	(229,906)	(229,928)
Other financing sources (uses)				
Bond proceeds	-	252,265	287,967	35,702
Total other financing sources (uses)	-	252,265	287,967	35,702
Net change in fund balance	$ (137,478)	$ 252,287	58,061	$ (194,226)
Fund balance at beginning of year			796,562	
Fund balance at end of year			$ 854,623	

SCHILLER PARK SCHOOL DISTRCT 81

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Interest	$ 5,000	$ 8,000	$ 8,220	$ 220
Total local sources	5,000	8,000	8,220	220
Total revenues	5,000	8,000	8,220	220
Expenditures				
Current:				
Support services				
Facilities acquisition & construction services				
Purchased services	500,000	500,000	1,316,799	(816,799)
Capital outlay	11,600,000	11,300,000	8,848,358	2,451,642
Total expenditures	12,100,000	11,800,000	10,165,157	1,634,843
Excess (deficiency) of revenues over (under) expenditures	(12,095,000)	(11,792,000)	(10,156,937)	(1,634,623)
Other financing sources				
Transfer in	6,000,000	5,894,880	5,894,880	-
Total other financing sources	6,000,000	5,894,880	5,894,880	-
Net change in fund balance	$ (6,095,000)	$ (5,897,120)	(4,262,057)	$ (1,634,623)
Fund balance at beginning of year			5,198,490	
Fund balance at end of year			$ 936,433	

SCHILLER PARK SCHOOL DISTRICT 81

Fire Prevention and Life Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2017

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
General levy	$ 1	$ 1	$ -	$ (1)
Total revenues	1	1	-	(1)
Expenditures	-	-	-	-
Net change in fund balance	$ 1	$ 1	-	$ (1)
Fund balance at beginning of year			44,207	
Fund balance at end of year			$ 44,207	

SCHILLER PARK SCHOOL DISTRICT 81

Agency Funds - Student Activity Funds
Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2017

	July 1, 2016 Balance	Additions	Deletions	June 30, 2017 Balance
Assets				
Cash	$ 91,684	$ 285,562	$ 319,304	$ 57,942
Total assets	$ 91,684	$ 285,562	$ 319,304	$ 57,942
Liabilities				
Due to activity fund organizations	$ 91,684	$ 285,562	$ 319,304	$ 57,942
Total liabilities	$ 91,684	$ 285,562	$ 319,304	$ 57,942

SCHILLER PARK SCHOOL DISTRICT 81

Five Year Summary of Assessed Valuations (Unaudited)
Tax Rates and Extensions
June 30, 2017

Tax levy year	2016	2015	2014	2013	2012
Assessed valuation	$ 333,967,365	$ 292,868,466	$ 302,810,026	$ 305,353,403	$ 347,926,441
Tax rates:					
Educational	$ 2.8191	$ 3.2019	$ 3.0538	$ 2.9512	$ 2.6014
Special education	0.1017	0.0910	0.0896	0.1036	0.0845
Operations and maintenance	0.4540	0.5071	0.4919	0.4777	0.3749
Bond and interest	0.7371	0.8149	0.9570	0.9490	0.7931
Transportation	0.2269	0.2643	0.2577	0.2509	0.2098
Municipal retirement	0.0610	0.0711	0.0706	0.0688	0.0503
Social security	0.0697	0.0812	0.0807	0.0786	0.0575
Working cash	0.0055	0.0065	0.0064	0.0250	0.0170
Total	$ 4.4750	$ 5.0380	$ 5.0077	$ 4.9048	$ 4.1885
Tax extension:					
Educational	$ 9,414,873	$ 9,377,355	$ 9,247,117	$ 9,011,532	$ 9,051,088
Special education	339,644	266,510	271,220	316,383	294,022
Operations and maintenance	1,516,211	1,485,135	1,489,464	1,458,589	1,304,348
Bond and interest	2,461,683	2,386,569	2,898,030	2,898,016	2,759,482
Transportation	757,771	774,051	780,217	766,100	730,000
Municipal retirement	203,720	208,229	213,870	210,000	175,000
Social security	232,775	237,809	244,422	240,000	200,000
Working cash	18,368	19,036	19,489	76,383	59,022
Total	$ 14,945,045	$ 14,754,694	$ 15,163,829	$ 14,977,003	$ 14,572,962

SCHILLER PARK SCHOOL DISTRICT 81

Operating Cost and Tuition Charge (Unaudited)
June 30, 2017

Operating cost per pupil:	
Average daily attendance (ADA):	1,368
Operating costs:	
Educational	$ 14,916,666
Operations and maintenance	1,938,608
Transportation	1,290,006
Bond and interest	2,570,725
Municipal retirement/social security	564,972
Total	21,280,977
Less revenues/expenditures of nonregular programs:	
Summer school	-
Pre-K programs	448,683
Capital outlay	1,063,687
Non-capitalized equipment	2,576
Debt principal retired	1,483,683
Regular transportation fees from other districts	895
Special education transportation fees from other districts	-
Community services	253,015
Payments to other governmental units	365,757
Total	3,618,296
Operating costs:	$ 17,662,681
Operating cost per pupil - based on ADA	$ 12,911
Tuition charge:	
Operating costs:	$ 17,662,681
Less revenues from specific programs, such as special education or lunch programs	2,865,071
Net operating costs	14,797,610
Depreciation allowance	1,766,269
Allowable tuition costs	$ 16,563,879
Tuition charge per pupil - based on ADA	$ 12,108

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2017

Capital Appreciation Limited Bonds, Series 2002B

Paying agent:	Bank of New York
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.7 - 5.1%

Year Ended June 30,	Principal	Interest	Total
2018	$ 261,333	$ 293,667	$ 555,000
	261,333	293,667	555,000
Accumulated Accreted Interest	293,667	(293,667)	-
Total	$ 555,000	$ -	$ 555,000

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2017

School Building Bonds, Series 2008

Paying agent:	Wells Fargo Bank
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.0 - 5.0%

Year Ended June 30,	Principal	Interest	Total
2018	$ 635,000	$ 725,612	$ 1,360,612
2019	660,000	699,712	1,359,712
2020	685,000	672,812	1,357,812
2021	710,000	641,362	1,351,362
2022	1,255,000	593,806	1,848,806
2023	1,660,000	522,500	2,182,500
2024	1,740,000	437,500	2,177,500
2025	1,830,000	348,250	2,178,250
2026	1,920,000	254,500	2,174,500
2027	2,015,000	156,125	2,171,125
2028	2,115,000	52,875	2,167,875
Total	$ 15,225,000	$ 5,105,054	$ 20,330,054

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2017

Limited School Bonds, Series 2016A

Paying agent:	Amalgamated Bank of Chicago
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	4.0%

Year Ended June 30,	Principal	Interest	Total
2018	$ -	$ 281,000	$ 281,000
2019	-	281,000	281,000
2020	-	281,000	281,000
2021	-	281,000	281,000
2022	205,000	276,900	481,900
2023	585,000	261,100	846,100
2024	625,000	236,900	861,900
2025	665,000	211,100	876,100
2026	710,000	183,600	893,600
2027	755,000	154,300	909,300
2028	800,000	123,200	923,200
2029	850,000	90,200	940,200
2030	900,000	55,200	955,200
2031	930,000	18,600	948,600
Total	$ 7,025,000	$ 2,735,100	$ 9,760,100

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2017

Limited Refunding School Bonds, Series 2016B

Paying agent:	Amalgamated Bank of Chicago
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.0 - 4.0%

Year Ended June 30,	Principal	Interest	Total
2018	$ 330,000	$ 80,550	$ 410,550
2019	620,000	66,300	686,300
2020	570,000	45,600	615,600
2021	515,000	23,900	538,900
2022	340,000	6,800	346,800
Total	$ 2,375,000	$ 223,150	$ 2,598,150

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2017

Limited School Bonds, Series 2017

Paying agent:	Amalgamated Bank of Chicago
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	4.0%

Year Ended June 30,	Principal	Interest	Total
2018	$ -	$ 140,000	$ 140,000
2019	-	140,000	140,000
2020	-	140,000	140,000
2021	-	140,000	140,000
2022	-	140,000	140,000
2023	-	140,000	140,000
2024	-	140,000	140,000
2025	-	140,000	140,000
2026	-	140,000	140,000
2027	-	140,000	140,000
2028	-	140,000	140,000
2029	-	140,000	140,000
2030	-	140,000	140,000
2031	530,000	140,000	670,000
2032	550,000	118,800	668,800
2033	570,000	96,800	666,800
2034	595,000	74,000	669,000
2035	615,000	50,200	665,200
2036	640,000	25,600	665,600
Total	$ 3,500,000	$ 2,325,400	$ 5,825,400