SCHILLER PARK SCHOOL DISTRICT 81
ANNUAL FINANCIAL REPORT

June 30, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2018, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, in June 2015 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." Statement 75 is effective for the District's fiscal year ending June 30, 2018. This Statement replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Statement 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identified the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about defined benefit OPEB also are addressed. As a result, net position was restated as of July 1, 2017 by $(8,725,687), for the cumulative effect of the application of this pronouncement. Our opinion is not modified with respect to this matter.

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 Information 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 December 7, 2018 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 LLP

Crowe LLP

Oak Brook, Illinois
December 7, 2018

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, 2018. 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 2018 was $14.7 million. In fiscal year 2017, net position at year end was $24.3 million, decreasing by $9.6 million, of which $8.7 million was part of the GASB 75 change in Accounting Principle to recognize OPEB's long-term obligations/liabilities. 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 $18.4 million or 66.2% of all revenues. Program specific revenues in the form of charges for services, fees, entitlements and competitive grants accounted for $9.4 million or 33.8% of total revenues of $27.8 million.
- The District had $28.7 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.
- Due to large Capital Project invoices being paid out in July and August of FY 19 for services rendered over the summer, the financial report shows a negative fund balance on an Accrual basis in that Fund, but the District maintains reconciliations of all Funds on a Cash basis and has maintained positive fund balances in all Funds every month.

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.

(Continued)

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 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 lower on June 30, 2018, than it was the year before, decreasing to $14.7 million, stemming from a change in accounting principle (GASB 75) which now puts OPEB liability on the statement of net position.

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

	2017	2018
Assets:		
Current and Other Assets	$ 25.6	$ 22.0
Capital Assets	39.9	41.5
Total Assets	65.5	63.5
Deferred Outflows of Resources:		
Pensions, Refunding, and OPEB	0.8	0.9
Liabilities:		
Current Liabilities	4.0	3.4
Long-Term Debt Outstanding	30.4	37.0
Total Liabilities	34.4	40.4
Deferred Inflows of Resources:		
Pensions, Taxes, and OPEB	7.5	9.3
Net Position:		
Net Investment in Capital Assets	17.1	13.0
Restricted	3.3	2.5
Unrestricted	4.0	(0.8)
Total Net Position:	$ 24.4	$ 14.7

(Continued)

During fiscal year 2018, 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 $0.9 million, excluding the change in accounting principles. This slight decrease stemmed from an increase in expenses, excluding on-behalf state contributions. The biggest changes were depreciation expense increasing from $1.8 million in FY17 to $2.0 million in 2018 and OPEB expense of $144 thousand now being recorded from GASB 75 implementation. The District continues to manage finances wisely while providing a quality education.

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

	2017	2018
Revenues:		
Program Revenues:		
Charges for Services	$ 0.1	$ 0.1
Operating Grants & Contributions	8.7	9.3
General Revenues:		
Taxes	15.0	14.8
General State Aid	2.6	3.4
Other	0.5	0.3
Total Revenues	26.9	27.8
Expenses:		
Instruction (includes State on behalf contributions to TRS)	17.3	18.9
Pupil & Instructional Staff Services	1.9	2.1
Administration & Business	3.0	3.0
Transportation	0.8	0.9
Operations & Maintenance	2.4	2.1
Other	1.8	1.7
Total Expenses	27.2	28.7
Increase (decrease) in Net Position	(0.3)	(0.9)
Net Position, Beginning of Year	24.7	24.3
Change in Accounting Principle	-	(8.7)
Net Position, End of Year	$ 24.4	$ 14.7

Property taxes continue to account for the largest portion of the District's revenues, contributing 53.2% of the $27.8 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 $28.7, mainly related to instructing and caring for the students and student transportation.

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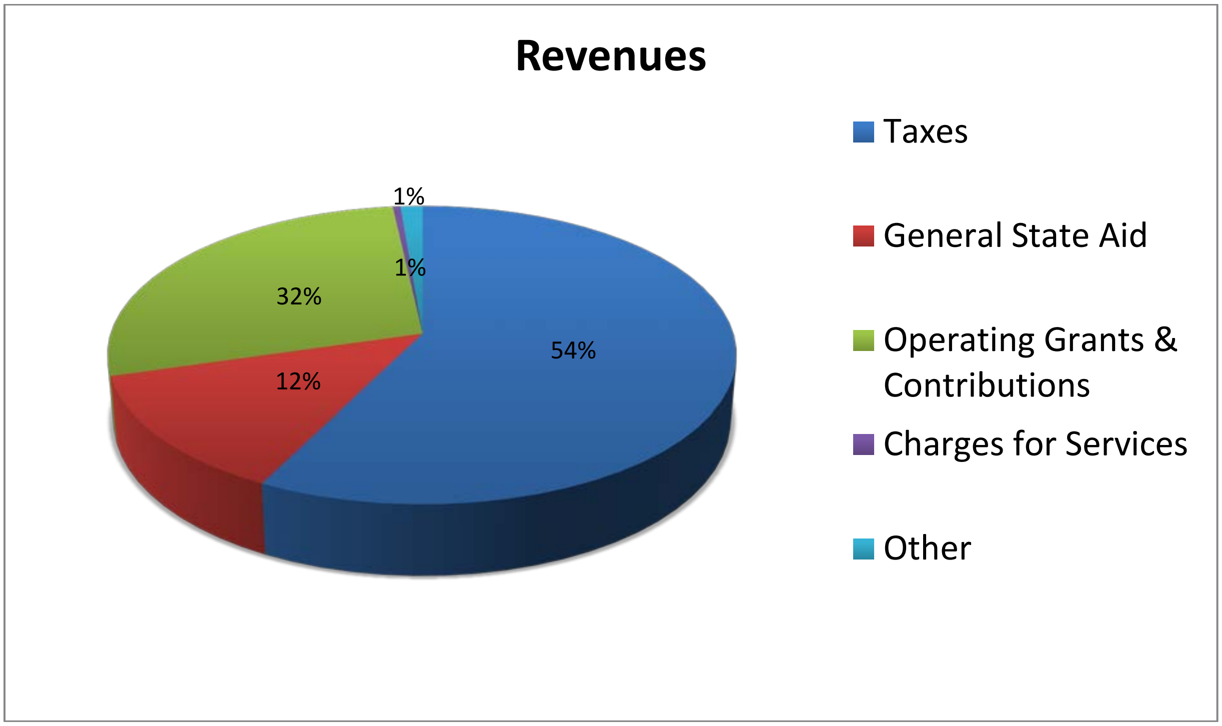
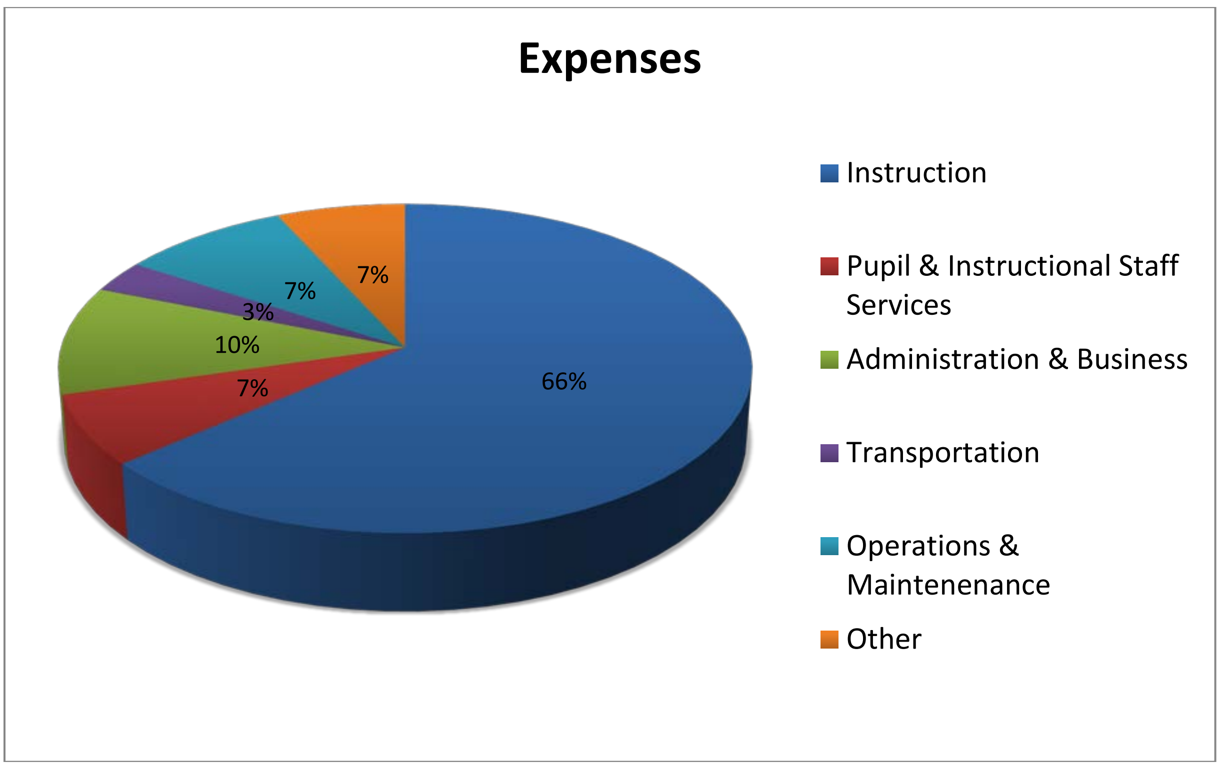

Revenues
Taxes
General State Aid
Operating Grants & Contributions
Charges for Services
Other
54%
12%
32%
1%
1%


Expenses
Instruction
Pupil & Instructional Staff Services
Administration & Business
Transportation
Operations & Maintenance
Other
66%
7%
10%
3%
7%
7%

Financial Analysis of the District's Funds

The District's Governmental Funds decreased from $14.8 million to $11.4 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 $212,485. 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 $8,085,951.
- The net change in the Transportation Fund balance was $213,802. Overall the fund change was positive as state revenues came in a timelier manner and expenses were limited. Fund balance at year end was $2,594,148.
- The net change in the Municipal Retirement/Social Security Fund balance was a decrease of $16,856. Tax revenue is being levied to balance this funds inflows and outflows given a slight increase in expenditures. Fund balance at year end was $388,628.
- The net change in the Debt Service Fund balance was a decrease of $488,281. The District made all scheduled debt service payments with collected tax revenues. Fund balance at year end was $366,342.
- The net change in the Fire Prevention and Life Safety Fund balance was $0. There were no scheduled projects in 2018 that required expenditures from this fund. Fund balance at year end was $44,207.
- The net change in the Working Cash Fund balance was a decrease of $1,771,948. The District transferred $1,800,000 to the Capital Projects Fund for the Kennedy Project. Fund balance at year end was $147,781.
- The net decrease in the Capital Projects Fund balance was $1,128,432. The District has continued work on the Kennedy construction project through Phase 4. Fund balance at year end shows a negative $191,999 on an Accrual basis, solely because of construction liabilities that are getting paid out in the first months of FY 19. The District has maintained positive Cash balances in this Fund every month.

General Fund Budgetary Highlights

In total, the Educational Account revenues were above the budgeted amount by $956,826. Local source revenues were under the budgeted amount by $309,505. State source revenues were above the budgeted amount by $1,137,339 and federal source revenues were above the budgets amount by $128,992. The timeliness of State and Federal revenues contributed the most to having actual revenues above what we budgeted for, along with the new EBF calculations.

In total, the Educational Account expenditures were under budget by $68,267, mostly from operations and maintenance expenditures that were smaller than anticipated.

Capital Assets and Debt Administration

Capital assets

By the end of FY 18, the District had compiled a total investment of $60.5 million ($41.5 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was $2.0 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)

	2017	2018
Land and Construction in Progress	$ 1.0	$ 1.3
Land Improvements	0.6	0.5
Buildings	36.3	37.9
Equipment	2.0	1.7
Total	$ 39.9	$ 41.4

Long-term debt

The District did not issue new bonds in FY 18. 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)

	2017	2018
General Obligation Bonds	$ 28.7	$ 27.1
Total	$ 28.7	$ 27.1

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 changes in 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 2017 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, 2018

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Cash and investments	$ 12,754,715
Cash and investments - restricted	71,525
Receivables:	
Interest receivable	1,166
Property tax receivable	7,708,166
Replacement taxes	103,148
Intergovernmental receivable	1,210,922
Net pension asset	243,650
Capital assets not being depreciated	1,325,945
Capital assets being depreciated, net	40,130,533
Total assets	63,549,770
Deferred Outflows of Resources	
Pensions	281,659
Other post-employment benefits	625,588
Loss on refunding	16,453
Total deferred outflows	923,700
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Accounts payable	1,036,381
Salaries and payroll deductions payable	816,708
Insurance claims payable	76,561
Interest payable	100,793
Long-term obligations, due within one year:	
Bonds payable	1,280,000
Leases payable	98,702
Long-term obligations, due in more than one year:	
Bonds payable	26,815,119
Leases payable	360,559
Net pension liability	835,193
Net other post-employment benefits liabilities	9,013,033
Total liabilities	40,433,049
Deferred Inflows of Resources	
Pensions	685,661
Other post-employment benefits	1,063,992
Property tax revenue	7,588,214
Total deferred inflows	9,337,867
Net Position	
Net investment in capital assets	12,973,623
Restricted for:	
Transportation	1,024,004
IMRF	303,179
Social security	85,449
Debt service	366,342
Fire prevention	44,207
Insurance	667,964
Unrestricted	(762,214)
Total net position	$ 14,702,554

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Activities
Year ended June 30, 2018

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	$ 9,594,018	$ -	$ 1,257,431	$ (8,336,587)
Special programs	2,279,295	56	625,657	(1,653,582)
Other programs	558,419	-	-	(558,419)
State on-behalf contributions to TRS and THIS	6,494,805	-	6,494,805	-
Support services				
Pupils	1,187,302	-	-	(1,187,302)
Instructional staff	904,284	-	-	(904,284)
General administration	625,268	-	-	(625,268)
School administration	1,077,431	-	-	(1,077,431)
Business	1,091,129	116,091	479,093	(495,945)
Central	188,498	-	-	(188,498)
Transportation	909,981	24	430,565	(479,392)
Operations and maintenance	2,084,893	-	-	(2,084,893)
Community services	215,343	-	-	(215,343)
Payments to other governmental units	446,394	-	-	(446,394)
Interest and fees debt	1,068,421	-	-	(1,068,421)
Total governmental activities	$ 28,725,481	$ 116,171	$ 9,287,551	(19,321,759)
General revenues:				
Taxes:				
Property taxes				14,218,242
Personal property replacement taxes				532,086
General state aid				3,355,431
Gain on sale of capital assets				-
Investment earnings				168,252
Other general revenues				164,788
Total general revenues				18,438,799
Change in net position				(882,960)
Net position, beginning of the year				24,311,201
Change in Accounting Principle (See Note 9)				(8,725,687)
Net position, beginning of the year, as restated				15,585,514
Net position, end of the year				$ 14,702,554

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Governmental Funds - Balance Sheet
June 30, 2018

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total
Assets								
Cash and investments	$ 8,525,810	$ 2,604,527	$ 403,668	$ 145,199	$ 277,717	$ 753,587	$ 44,207	$ 12,754,715
Cash and investments - restricted	-	-	-	2,172	69,353	-	-	71,525
Receivables:								
Interest receivable	766	86	33	262	16	3	-	1,166
Property tax receivable	5,894,497	296,232	270,510	9,539	1,237,388	-	-	7,708,166
Replacement taxes receivable	103,148	-	-	-	-	-	-	103,148
Intergovernmental receivable	695,753	515,169	-	-	-	-	-	1,210,922
Total assets	$ 15,219,974	$ 3,416,014	$ 674,211	$ 157,172	$ 1,584,474	$ 753,590	$ 44,207	$ 21,849,642
Liabilities, deferred inflows and fund balance								
Liabilities								
Accounts payable	$ 75,718	$ 15,074	$ -	$ -	$ -	$ 945,589	$ -	$ 1,036,381
Salaries and payroll deductions payable	797,426	-	19,282	-	-	-	-	816,708
Insurance claims payable	76,561	-	-	-	-	-	-	76,561
Total liabilities	949,705	15,074	19,282	-	-	945,589	-	1,929,650
Deferred Inflows								
Property taxes	5,802,768	291,622	266,301	9,391	1,218,132	-	-	7,588,214
Unavailable grant revenue	381,550	515,170	-	-	-	-	-	896,720
Total deferred inflows	6,184,318	806,792	266,301	9,391	1,218,132	-	-	8,484,934
Fund balance								
Restricted								
Transportation	-	1,024,004	-	-	-	-	-	1,024,004
IMRF	-	-	303,179	-	-	-	-	303,179
Social security	-	-	85,449	-	-	-	-	85,449
Debt service	-	-	-	-	366,342	-	-	366,342
Fire prevention	-	-	-	-	-	-	44,207	44,207
Insurance	667,964	-	-	-	-	-	-	667,964
Stabilization	-	-	-	147,781	-	-	-	147,781
Assigned								
Operations and maintenance	1,505,759	-	-	-	-	-	-	1,505,759
Transportation	-	1,570,144	-	-	-	-	-	1,570,144
Unassigned	5,912,228	-	-	-	-	(191,999)	-	5,720,229
Total fund balance	8,085,951	2,594,148	388,628	147,781	366,342	(191,999)	44,207	11,435,058
Total liabilities, deferred inflows and fund balance	$ 15,219,974	$ 3,416,014	$ 674,211	$ 157,172	$ 1,584,474	$ 753,590	$ 44,207	$ 21,849,642

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, 2018

Total fund balances - governmental funds		$ 11,435,058
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.		896,720
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	$ 60,450,469	
Accumulated depreciation	(18,993,991)	
Net capital assets		41,456,478
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(100,793)
Certain items related to pension measurements are deferred and recognized in future periods.		
Deferred outflows of resources	281,659	
Deferred inflows of resource	(685,661)	
		(404,002)
Certain items related to other post-employment liabilities measurements are deferred and recognized in future periods.		
Deferred outflows of resources	625,588	
Deferred inflows of resource	(1,063,992)	
		(438,404)
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	(27,160,000)	
Bond premiums	(935,119)	
Loss on bond refunding	16,453	
Leases payable	(459,261)	
Net pension liability	(835,193)	
Net other post-employment liabilities benefits obligation	(9,013,033)	
Total Long-term liabilities		(38,386,153)
Net pension asset reported in the statement of net position does not require the use of current financial resources and therefore are not reported as an asset in governmental funds:		243,650
Net position of governmental activities		$ 14,702,554

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

STATEMENT 5

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2018

	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	$ 10,802,889	$ 626,980	$ 460,483	$ 17,543	$ 2,310,347	$ -	$ -	$ 14,218,242
Replacement taxes	447,776	13,189	71,121	-	-	-	-	532,086
Interest	154,985	-	258	10,509	2,500	-	-	168,252
Other local sources	277,845	3,114	-	-	-	-	-	280,959
State sources	4,703,648	430,565	-	-	-	-	-	5,134,213
Federal sources	1,350,605	-	-	-	-	-	-	1,350,605
On-behalf payments received from state	3,858,202	-	-	-	-	-	-	3,858,202
Total revenues	21,595,950	1,073,848	531,862	28,052	2,312,847	-	-	25,542,559
Expenditures								
Current:								
Instruction								
Regular programs	7,024,648	-	98,509	-	-	-	-	7,123,157
Special ed programs	2,391,240	-	98,121	-	-	-	-	2,489,361
Other instructional programs	545,203	-	13,216	-	-	-	-	558,419
State retirement contributions	3,858,202	-	-	-	-	-	-	3,858,202
Support services								
Pupils	1,104,589	-	45,313	-	-	-	-	1,149,902
Instructional staff	663,552	-	31,254	-	-	-	-	694,806
General administration	565,545	-	13,095	-	-	-	-	578,640
School administration	972,457	-	44,799	-	-	-	-	1,017,256
Business	1,007,778	-	56,302	-	-	420,971	-	1,485,051
Central	184,017	-	-	-	-	-	-	184,017
Transportation	-	767,304	36,184	-	-	-	-	803,488
Operations and maintenance	1,421,272	-	90,463	-	-	-	-	1,511,735
Community services	190,171	-	21,462	-	-	-	-	211,633
Nonprogrammed charges	446,394	-	-	-	-	-	-	446,394
Debt service:								
Principal	82,343	64,862	-	-	1,520,000	-	-	1,667,205
Interest and fees	4,827	14,912	-	-	1,281,128	-	-	1,300,867
Capital outlay	346,197	12,968	-	-	-	3,507,461	-	3,866,626
Total expenditures	20,808,435	860,046	548,718	-	2,801,128	3,928,432	-	28,946,759
Excess of revenues over expenditures	787,515	213,802	(16,856)	28,052	(488,281)	(3,928,432)	-	(3,404,200)
Other financing sources								
Transfers in	1,800,000	-	-	-	-	2,800,000	-	4,600,000
Transfers out	(2,800,000)	-	-	(1,800,000)	-	-	-	(4,600,000)
Total other financing sources	(1,000,000)	-	-	(1,800,000)	-	2,800,000	-	-
Net change in fund balances	(212,485)	213,802	(16,856)	(1,771,948)	(488,281)	(1,128,432)	-	(3,404,200)
Fund balances at beginning of year	8,298,436	2,380,346	405,484	1,919,729	854,623	936,433	44,207	14,839,258
Fund balances at end of year	$ 8,085,951	$ 2,594,148	$ 388,628	$ 147,781	$ 366,342	$ (191,999)	$ 44,207	$ 11,435,058

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, 2018

Net change in total fund balances		$ (3,404,200)
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 2017 to 2018 consists of:		
Transportation Grants	$ (18,833)	
Special Education Grants	(48,365)	
		(336,641)
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	3,571,074	
Depreciation expense	(2,004,333)	
Capital outlay in excess of depreciation		1,566,741
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.		
Bond principal retirements	1,520,000	
Amortization of premiums & discounts	115,948	
Lease payments	147,205	
		1,783,153
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.		
Change in other post-employment benefits liabilities and deferred items	(629,255)	
Change in pension asset, liability, and deferred items	20,744	
Increase in interest payable on bonds	116,498	
Total		(492,013)
Change in net position of governmental activities		$ (882,960)

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

	Agency Funds
	Student Activity Funds
ASSETS	
Cash	$ 84,323
Total assets	$ 84,323
LIABILITIES	
Due to activity fund organizations	$ 84,323
Total liabilities	$ 84,323

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. The District does not have any component units to be reported.

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.

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

Fire and Life Safety 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 – may 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)

Unavailable Revenue/Deferred Inflows of Resources: 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 three types 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 reports deferred inflows of resources for pension-related reporting due to the related inflows of pension related resources not being considered incurred, which is reported in the statement of net position. Finally, the District reports deferred inflows of resources for OPEB-related reporting due to the related inflows of OPEB related resources not being considered incurred, which is reported in the statement of net position.

Deferred Outflows of Resources: 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 three 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. Finally, the District reports deferred outflows of resources for OPEB-related reporting due to the related outflows of OPEB 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 2017 levy resolution was approved during the December 20, 2017 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 2016 and half of the 2017 levies. The 2017 property tax levy is recognized as a receivable in fiscal 2018, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2017 levy is to be used to finance operations in fiscal 2018. The District has determined that the second

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

installment of the 2017 levy is to be used to finance operations in fiscal 2018 and has deferred the corresponding receivable.

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 $5,000 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.”

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Other Post-Employment Benefits: For purposes of measuring the District's Post-Employment Benefits Other than Pensions ('OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Illinois Department of Central Management Services Teachers' Health Insurance Security Fund ("THIS") and additions to/deductions from the THIS Plan's fiduciary net position have been determined on the same basis as they are reported by the THIS Plan. For this purpose, the THISF Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

(Continued)

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, 2018, 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, 2018, 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.

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.

(Continued)

NOTE 2 - FUND BALANCES (Continued)

- 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, 2018, the Working Cash fund had a balance of $147,781.

The District has no minimum fund balance policy.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash: The carrying amount of cash was $342,960 at June 30, 2018, while the bank balances were $342,960. 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 $92,960, which was uncollateralized.

Certificates of Deposits: Certificates of deposits amounted to $6,202,290 at June 30, 2018. 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.

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, 2018:

Investment Type	Fair Value	Maturities Less Than One Year
Illinois School District Liquid Asset Fund Plus	$ 6,500,510	$ 6,500,510
Total	$ 6,500,510	$ 6,500,510

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, 2018, all of the District's other investments had "A-I +" ratings with their applicable rating agency.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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, 2018.

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, 2018, 100% of the District's other investments consisted of Illinois School District Liquid Asset Fund Plus.

*Custodial Credit Risk - C*ustodial 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, 2018, the District reported restricted cash and investments of $71,525. 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	$ 12,889,912
Cash and Investments – Restricted	71,525
Statement of Fiduciary Assets and Liabilities – Cash	84,323
Total	$ 13,045,760
Footnote disclosure above:	
Cash – book value of District deposits	$ 342,960
Certificates of deposits	6,202,290
Investments	6,500,510
Total	$ 13,045,760

(Continued)

NOTE 4 - CAPITAL ASSETS

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

	Beginning July 1, 2017	Additions	Deletions	Ending June 30, 2018
Capital Assets not being depreciated:				
Land	$ 269,458	$ -	$ -	$ 269,458
Construction in progress	780,637	1,056,487	780,637	1,056,487
Total capital assets not being depreciated	1,050,095	1,056,487	780,637	1,325,945
Capital assets being depreciated:				
Land improvements	1,130,417	-	-	1,130,417
Buildings	50,622,873	3,219,361	-	53,842,234
Equipment	4,076,010	75,863	-	4,151,873
Total capital assets being depreciated	55,829,300	3,295,224	-	59,124,524
Less accumulated depreciation for:				
Land improvements	535,047	56,292	-	591,339
Buildings	14,365,669	1,540,886	-	15,906,555
Equipment	2,088,942	407,155	-	2,496,097
Total accumulated depreciation	16,989,658	2,004,333	-	18,993,991
Net capital assets being depreciated	38,839,642	1,290,891	-	40,130,533
Net governmental activities capital assets	$ 39,889,737	$ 2,347,378	$ 780,637	$ 41,456,478

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

Governmental Activities	Depreciation
Regular programs	$ 1,570,744
Special programs	38,553
Other instructional programs	37,657
Pupils	83
Instruction staff	174,172
General administration	33,374
School administration	16,524
Site & construction	90,185
Business	17,912
Transportation	3,340
Operations and maintenance	21,588
Community service	201
Total depreciation expense – governmental activities	$ 2,004,333

(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, 2018:

	Beginning Balance July 1, 2017	Additions	Deletions	Ending Balance June 30, 2018	Due Within One Year
Long-term liabilities - governmental activities:					
Capital appreciation bonds	$ 261,334	$ -	$ 261,334	$ -	$ -
Accretion on capital appreciation bond	293,667	-	293,667	-	-
School bonds	28,125,000	-	965,000	27,160,000	1,280,000
Unamoritized premium	1,052,333	-	117,214	935,119	-
Total bonds payable	29,732,334	-	1,637,215	28,095,119	1,280,000
Other Liabilities					
Capital leases payable	606,466	-	147,205	459,261	98,702
Net pension liability (asset) - IMRF	730,174	-	973,824	(243,650)	-
Net pension liability - TRS	883,899	-	48,706	835,193	-
Net OPEB liability - THIS*	8,769,734	-	2,276	8,767,458	-
Net OPEB liability - District Plan*	117,584	148,491	-	266,075	-
Total Other Liabilities	11,107,857	148,491	1,172,011	10,084,337	98,702
Total long-term liabilities - governmental activities	$ 40,840,191	$ 148,491	$ 2,809,226	$ 38,179,456	$ 1,378,702

*Beginning balance as restated, see Note 9

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 $384,467 and a net book value of $571,815. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

Fiscal Year Ending June 30	Capital Leases with scheduled interest payments: Principal	Interest	Total
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	$ 459,261	$ 41,730	$ 500,991

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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
School Building Bonds, Series 2008	12/01/27	3.0 - 5.0 %	$ 20,000,000	$ 14,590,000
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	2,045,000
Limited School Bonds, Series 2017	12/01/36	4.0%	3,500,000	3,500,000
Total				$ 27,160,000

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
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	2,245,000	923,600	3,168,600
2024-2028	13,175,000	2,858,350	16,033,350
2029-2033	4,330,000	799,600	5,129,600
2034-2036	1,850,000	149,800	1,999,800
Total	$ 27,160,000	$ 9,161,542	$ 36,321,542

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, 2018, the statutory debt limit for the District was $23,379,438, 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, 2018, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

NOTE 6 – INTERFUNDS AND TRANSFERS

As of June 30, 2018, there were no outstanding interfund loans. During the year ended June 30, 2018, the District made transfers into the Operations and Maintenance Account from the Working Cash Fund for $1,800,000. The District transferred this $1,800,000 plus an additional $1,000,000 from the Educational Account for a total of $2,800,000 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, 2018, 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, 2018, total unpaid claims totaled $76,561. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2018 and 2017, 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 2018	$ 100,249	$ 2,387,810	$ 2,364,122	$ 76,561
Fiscal Year 2017	$ 58,664	$ 1,626,645	$ 1,585,060	$ 100,249

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Teacher Health Insurance Security Fund

Plan description: The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Benefits provided: 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.

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the CMS. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant’s contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

The total cost of the State’s portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expense by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

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

Contributions: Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund. The 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. 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 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions were $99,425, and the District recognized revenue and expenditures of this amount during the year. The District also makes contributions to the THIS Fund, which are defined by state statute. The District’s THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid $74,143 to the THIS Fund, which was 100 percent of the required contribution.

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

At June 30, 2018, the District reported a liability of $8,746,958 for its proportionate share of the collective net OPEB liability. This liability reflects a reduction for State OPEB Support:

District’s proportionate share of the collective net OPEB liability	$ 8,746,958
State’s proportionate share that is associated with the District	9,469,213
Total	$ 18,216,171

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

The collective net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the collective net OPEB liability was based on the District's fiscal year 2017 contributions to the OPEB plan relative to the fiscal year 2017 contributions of all participating entities. The District's proportion of the collective net OPEB liability for June 30, 2017 was based on the District's fiscal year 2016 contributions to the OPEB plan relative to the fiscal year 2016 contributions of all participating entities. At June 30, 2017, the District's proportion was 0.033708 percent, which was an increase of 0.001626 percent from its proportion measured as of June 30, 2016 (0.032082 percent). The proportion of the State's net OPEB liability attributable to the District was 0.060% which is the same as the prior year.

For the year ended June 30, 2018, the District recognized OPEB expense of $1,553,876. The District's proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the District's financial statements. The basis of allocation used is the actual OPEB expense for contributing Districts. As a result, the District recognized on-behalf revenue and OPEB expense of $836,287.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,954
Assumption changes	-	1,041,441
Net difference between projected and actual earnings on OPEB plan investments	-	96
Change in proportionate and difference between District contributions and proportionate share of contributions	380,269	-
Contributions made subsequent to the measurement date	74,143	-
	$ 454,412	$ 1,046,491

Of the total amount reported as deferred outflows of resources related to OPEB, $74,143 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ending June 30:	
2019	$ (133,244)
2020	(133,244)
2021	(133,244)
2022	(133,244)
2023	(133,246)
Total	$ (666,222)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

Inflation	2.75%
Salary increases	Depends on service and ranges from 9.25% at less than 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

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

The actuarial assumptions used in the actuarial valuation as of June 30, 2016 were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

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

The following changes were made in assumptions from the previous actuarial valuation of June 30, 2014. The discount rate was changed from 4.50% to 2.85% at June 30, 2016 and 3.56% at June 30, 2017. The health. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2016, projected plan cost for plan year end June 30, 2017, premium changes through plan year end 2018, and expectation of future trend increases after June 30, 2017. The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2017. Per capita claim costs for plan year end June 30, 2017, were updated based on projected claims and enrollment experience through June 30, 2017, and updated premium rates through plan year 2018. The morbidity factors, used to adjust per capita claim cost by age and gender, were updated. Healthcare plan participation rates by plan were updated based on observed experience.

Discount rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an municipal bond 20 year high grade rate index as reported in Fidelity Index's "20-year municipal GO AA index" as of the measurement date. Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017, an increase of 0.71%.

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
District's proportionate share of the collective net OPEB Liability	$ 10,496,311	$ 8,746,958	$ 7,347,209

Sensitivity of the College's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The following presents the College's proportionate share of the collective net OPEB liability, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
District's proportionate share of the collective net OPEB Liability	$ 7,059,696	$ 8,746,958	$ 11,168,752

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.
(b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued THIS financial report.

<u>Schiller Park School District 81 Postretirement Health Plan</u>

<u>Plan Description</u>: This is a single employer plan administered by the District Board, with no separate report issued. The District Board has the authority to change the plan. 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, 2018, the most recent information available, consisted of the following:

Active employees	101
Inactive employees entitled to but not yet receiving benefits	8
Inactive employees currently receiving benefits	1,174
Total	1,283

Contributions: The District follows a pay-as-you go funding policy. This means the District pays the costs of the benefits as they become due. The costs are equal to the benefits distributed or claimed in the year. The District is not required to, and currently does not advance fund the cost of benefits that will become due and payable in the future. The plan members do not have a required contribution as determined by the District Board.

Total OPEB Liability: The District's total OPEB liability was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions.

Actuarial Valuation Date	July 1, 2017
Measurement Date	April 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A - no assets
Assumptions:	
Discount Rate	3.68%
Rate of Return	N/A - no assets
Payroll increases	4%
Healthcare Trend Ratios	5.00% in fiscal 2018 trending to 4.50% ultimate
Mortality, Retirement, Withdrawal, and Disability Rates	Rates of Mortality, Retirement, Withdrawal, Disability used are the December 31, 2016 IMRF Actuarial Valuation Report and the June 30, 2017 Teachers' Retirement System Acturial Valuation Report, respectively.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.68% for determining the liability. The discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds. The underlying index used is the S&P Municipal Bond 20-Year High-Grade Rate Index.

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in Total OPEB Liability:

		2018
Balances at June 30, 2017	$	117,584
Changes for the year:		
Service cost		10,029
Interest		3,729
Actuarial experience		(9,020)
Assumptions changes		(3,685)
Benefit payments, including refunds		(32,530)
Other Changes		179,969
Net changes		148,491
Balances at June 30, 2018	$	266,075

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of $222,944. At June 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	-	$	8,287
Changes of assumptions		171,176		9,214
Net difference between projected and actual earnings on investments		-		-
Total	$	171,176	$	17,501

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year Ended June 30		
2019	$	13,588
2020		13,588
2021		13,588
2022		13,588
2023		13,588
Thereafter		85,735
Total	$	153,675

Rate Sensitivity: The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the District calculated using the discount rate of 3.68% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher that the current rate.

(Continued)

NOTE 8– OTHER POST EMPLOYMENT BENEFITS (Continued)

	1% Decrease 2.68%	Current Rate 3.68%	1% Increase 4.68%
Total OPEB Liability	$ 255,125	$ 266,075	$ 277,646

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 5.0% to 4.5% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher that the current rate.

	1% Decrease 4.00%	Current Healthcare Cost Trend Rate 5.00%	1% Increase 6.00%
Total OPEB Liability	$ 284,343	$ 266,075	$ 250,173

Summary of OPEB items:

	Teacher Health Insurance Security Fund	Single Employer Plan	Total
Net other-post employment benefits liabilities	$ 8,746,958	$ 266,075	$ 9,013,033
Deferred Outflows of Resources	454,412	171,176	625,588
Deferred Inflows of Resources	1,046,491	17,501	1,063,992
Pension Expense	1,553,876	28,313	1,582,189

NOTE 9 – PRIOR PERIOD ADJUSTMENT

During the fiscal year ended June 30, 2018, the District implemented the requirements of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Statement 75 is effective for the District's fiscal year ending June 30, 2018 and requires governments providing postemployment benefits other than pensions (OPEB) to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

A specific change to the District's financial statements relates to the recognition of the District's OPEB Liabilities and related Deferred Inflows of Resources and Deferred Outflows of Resources with a net value of $(8,725,687) that was not previously reported on the financial statements. Due to the requirements of GASB 75, these amounts are now required to be included on the District's financial statements and thus were added to the financial statements as an adjustment to net position. A reconciliation for net position from the 2017 financial statements to beginning net position as reported on the 2018 financial statements is as follows:

Beginning Net Position as Previously Reported	$ 24,311,201
Change in Accounting Principle for Total OPEB Liability, Deferred Inflows and Deferred Outflows	(8,725,687)
Beginning Net Position as Restated	$ 15,585,514

(Continued)

NOTE 10 - 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.

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.

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

Employees Covered by Benefit Terms: As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	56
Inactive Plan Members entitled to but not yet receiving benefits	243
Active Plan Members	89
Total	387

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 2017 was 8.48%. For the fiscal year ended June 30, 2018, the District contributed $223,320 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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions**:** The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- 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 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2017 Illinois Municipal Retirement Fund annual actuarial valuation. The price inflation of 2.50% is a decrease of 0.25% from the prior year of 2.75%. Salary increases were decreased from the prior year range of 3.75% - 14.50%. Retirement age and mortality assumptions were updated from the previously used MP-2014 scale. There were no other significant changes in assumptions. There were no benefit changes during the year. The District is not aware of any changes that have occurred subsequently to the measurement date that are expected to have a significant error on the net pension liability.

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

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	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	N/A
Cash Equivalents	1%	2.25%
Total	100%	

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

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, 2017 to arrive at the discount rates used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%, which is unchanged from the prior year.

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset)/Liability (A) - (B)
Balances at December 31, 2016	$ 9,183,434	$ 8,453,260	$ 730,174
Changes for the year:			
Service Cost	291,042	-	291,042
Interest on the Total Pension Liability	687,011	-	687,011
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	46,232	-	46,232
Changes of Assumptions	(315,160)	-	(315,160)
Contributions - Employer	-	240,072	(240,072)
Contributions - Employees	-	122,767	(122,767)
Net Investment Income	-	1,443,953	(1,443,953)
Benefit Payments, including Refunds of Employee Contributions	(337,614)	(337,614)	-
Other (Net Transfer)	-	(123,843)	123,843
Net Changes	371,511	1,345,335	(973,824)
Balances at December 31, 2017	$ 9,554,945	$ 9,798,595	$ (243,650)

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	$ 976,009	$ (243,650)	$ (1,237,884)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2018, the District recognized pension expense of $222,944. At June 30, 2018, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 36,333	$ -
Changes of assumptions	-	183,279
Net difference between projected and actual earnings on pension plan investments	-	375,612
Pension Contributions made subsequent to the to the Measurement Date	110,025	-
Total Deferred Amounts Related to Pensions	$ 146,358	$ 558,891

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

In 2018, there was $110,025 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, 2019. 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		
2019	$	(126,714)
2020		(81,769)
2021		(151,342)
2022		(162,733)
Total	$	(522,558)

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.

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

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

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

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

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

On behalf contributions to TRS: The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, state of Illinois contributions recognized by the 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 $3,758,777 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were $48,870, and are deferred because they were paid after the June 30, 2017 measurement date.

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

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

For the year ended June 30, 2018, the District pension contribution was 46.61 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, 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, 2017 measurement date.

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

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid $2,558 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.

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the 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	$ 835,193
State's proportionate share of the net pension liability associated with the District	57,496,379
Total	$ 58,331,572

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.00109321 percent, which was a decrease of 0.00002656 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $37,256 and revenue of $5,658,518 for support provided by the state.

At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,071	$ 386
Net difference between projected and actual earnings on pension plan investments	573	-
Changes of assumptions	55,743	24,000
Changes in proportion and differences between District contributions and proportionate share of contributions	21,044	102,384
District contributions subsequent to the measurement date	48,870	-
	$ 135,301	$ 126,770

$48,870 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

Fiscal Year Ending June 30	Net Deferred Outflows (Inflows) of Resources	
2019	$	(30,817)
2020		8,131
2021		(3,416)
2022		(13,067)
2023		(1,170)
Total	$	(40,339)

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

(Continued)

NOTE 10 - RETIREMENT SYSTEMS (Continued)

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

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

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$ 1,026,143	$ 835,193	$ 678,788

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

Below is a summary of the various pension items:

	IMRF	TRS	Total
Deferred Outflows of Resources:			
Employer Contributions	$ 110,025	$ 48,870	$ 158,895
Experience	36,333	9,071	45,404
Assumptions	-	55,743	55,743
Investments	-	573	573
Proportionate Share	-	21,044	21,044
	$ 146,358	$ 135,301	$ 281,659
Net Pension (Asset) Liability	$ (243,650)	$ 835,193	$ 591,543
Deferred Inflows of Resources:			
Experience	$ -	$ 386	$ 386
Assumptions	183,279	24,000	207,279
Investments	375,612	-	375,612
Proportionate Share	-	102,384	102,384
	$ 558,891	$ 126,770	$ 685,661
Pension Expense	$ 222,944	$ 37,256	$ 260,200

(Continued)

NOTE 11 - 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, 2018, the District is not aware of any audit reimbursement requests. Management believes such disallowances, if any, would be immaterial.

NOTE 12 – 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.

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, 2018, the District's share of tax revenues lost because of abatement granted to the Class 6b properties was approximately $1,103,000.

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

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.

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.

(Continued)

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

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.

In April 2018, GASB issued Statement No. 88 Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2019. Management has not yet determined the impact of this statement on the basic financial statements.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2021. Management has not yet determined the impact of this statement on the basic financial statements.

In August 2018, GASB issued State No. 90 *Majority Equity Interest*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization to improve the relevance of financial statement information. The requirements of this Statement is effective for the District's fiscal year ended June 30, 2020. This Statement will have no effect on the District.

NOTE 14 – SUBSEQUENT EVENT

The District issued $12,820,000 in general obligation refunding school bonds, Series 2018, on September 27, 2018. Proceeds of the bonds will be used to refund the District's outstanding School Bonds, Series 2008, and to pay costs associated with the issuance of the bonds. Interest on the bonds will be payable semi-annually each June 1 and December 1, commencing June 1, 2019. Principal will be payable annually on each December 1, commencing in 2019 with the final payment to be made in 2031.

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 Four Fiscal Years

	2018	2017	2016	2015
Total Pension Liability				
Service Cost	$ 291,042	$ 291,295	$ 244,108	$ 271,693
Interest on the Total Pension Liability	687,011	640,238	605,093	555,965
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	46,232	57,840	(73,733)	(208,524)
Changes of Assumptions	(315,160)	(11,165)	10,674	330,464
Benefit Payments, Including Refunds of Employee Contributions	(337,614)	(394,049)	(265,436)	(296,099)
Net Change in Total Pension Liability	371,511	584,159	520,706	653,499
Total Pension Liability - Beginning	9,183,434	8,599,275	8,078,569	7,425,070
Total Pension Liability - Ending	$ 9,554,945	$ 9,183,434	$ 8,599,275	$ 8,078,569
Plan Fiduciary Net Position				
Contributions - Employer	$ 240,072	$ 245,559	$ 220,236	$ 203,020
Contributions - Employees	122,767	124,257	107,758	101,397
Net Investment Income	1,443,953	534,008	39,972	461,259
Benefit Payments, Including Refunds of Employee Contributions	(337,614)	(394,049)	(265,436)	(296,099)
Other (Net Transfer)	(123,843)	103,897	(226,046)	(63,940)
Net Change in Plan Fiduciary Net Position	1,345,335	613,672	(123,516)	405,637
Plan Fiduciary Net Position - Beginning	8,453,260	7,839,588	7,963,104	7,557,467
Plan Fiduciary Net Position - Ending	$ 9,798,595	$ 8,453,260	$ 7,839,588	$ 7,963,104
Net Pension Liability - Ending	$ (243,650)	$ 730,174	$ 759,687	$ 115,465
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.55%	92.05%	91.17%	98.57%
Covered Payroll	$ 2,728,148	$ 2,728,443	$ 2,370,674	$ 2,253,269
Net Pension Liability as a Percentage of Covered Payroll	-8.93%	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 Payroll	Actual Contribution as a Percentage of Covered Payroll
6/30/2018	$ 223,320	$ 223,320	$ -	$ 2,639,643	8.46%
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%

Notes to Schedule:
Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 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 2017 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	Non taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	3.50%
Price Inflation:	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.50%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 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, 2015, 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 Four Fiscal Years

	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.00109321%	0.00111977%	0.00123680%	0.00115266%
District's Proportionate Share of the Net Pension Liability	$ 835,193	$ 883,899	$ 810,227	$ 701,486
State's Proportionate Share of the Net Pension Liability associated with the District	57,496,379	59,346,569	45,654,966	43,745,393
Total	$ 58,331,572	$ 60,230,468	$ 46,465,193	$ 44,446,879
Covered payroll	$ 7,760,280	$ 7,472,473	$ 7,405,166	N/A*
District's proportionate share of the net pension liability as a percentage of its employee payroll	10.76%	11.83%	10.94%	N/A*
Plan fiduciary net position as a percentage of the total pension liability	39.30%	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 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

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.

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

* Information is not available.

SCHILLER PARK SCHOOL DISTRICT 81

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

	2018	2017	2016	2015
Contractually required contribution	$ 48,870	$ 45,011	$ 43,340	$ 43,329
Contributions in relation to the contractually required contribution	48,870	45,011	43,340	43,329
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 8,425,862	$ 7,760,280	$ 7,472,473	$ 7,405,166
Contributions as a Percentage of Employee Payroll	0.58%	0.58%	0.58%	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 2017 measurement year, there were no changes in assumptions from the 2016 measurement year.

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
District's Postemployment Benefit Health Plan
Schedule of Changes in the District's Total Other Post-employement Benefits Liability and Related Ratios

		2018
Total OPEB Liability		
Service Cost	$	10,029
Interest on the Total OPEB Liability		3,729
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience of the Total OPEB Liability		(9,020)
Changes of Assumptions		(3,685)
Benefit Payments, Including Refunds of Employee Contributions		(32,530)
Other Changes		179,969
Net Change in Total Pension Liability		148,492
Total OPEB Liability - Beginning		117,584
Total OPEB Liability - Ending	$	266,076
Covered payroll	$	9,548,194
Total OPEB Liability as a Percentage of Covered Valuation Payroll		2.79%

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.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Teachers' Health Insurance Security Fund
Schedule of the District's Proportionate Share of the Net Other Post-employement Benefits Liability

		2018
District's Proportion of the Net OPEB Liability		0.03370800%
District's Proportionate Share of the Collective Net OPEB Liability	$	8,746,958
State's Proportionate Share of the Collective Net OPEB Liability associated with the District		9,469,213
Total	$	18,216,171
Covered payroll	$	7,472,473
District's proportionate share of the net opeb liability as a percentage of its employee payroll		117.06%
Plan fiduciary net position as a percentage of the total opeb liability		-0.17%

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.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
Teachers' Health Insurance Security Fund
Schedule of Employer Contributions

		2018
Contractually required contribution	$	74,143
Contributions in relation to the contractually required contribution		74,143
Contribution Deficiency (Excess)	$	-
Covered payroll	$	7,472,473
Contributions as a Percentage of Employee Payroll		0.99%

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.

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, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 11,220,000	$ 11,220,000	$ 10,802,889	$ (417,111)
Replacement taxes	389,000	389,000	447,776	58,776
Interest	65,000	65,000	154,985	89,985
Other local sources	319,000	319,000	277,845	(41,155)
State sources	3,566,309	3,566,309	4,703,648	1,137,339
Federal sources	1,221,613	1,221,613	1,350,605	128,992
Total revenues	16,780,922	16,780,922	17,737,748	956,826
Expenditures				
Current:				
Instruction				
Regular programs	6,925,000	6,925,000	7,024,648	(99,648)
Special ed programs	2,250,500	2,250,500	2,391,240	(140,740)
Other instructional programs	630,000	630,000	545,203	84,797
Support services				
Pupils	1,036,750	1,036,750	1,104,589	(67,839)
Instructional staff	715,250	715,250	663,552	51,698
General administration	537,500	537,500	565,545	(28,045)
School administration	899,500	899,500	972,457	(72,957)
Business	1,011,500	1,011,500	1,007,778	3,722
Central	205,000	205,000	184,017	20,983
Operations and maintenance	1,695,000	1,695,000	1,421,272	273,728
Community services	251,000	251,000	190,171	60,829
Payments to other governmental units	360,000	360,000	446,394	(86,394)
Debt service:				
Principal	-	-	82,343	(82,343)
Interest and fees	-	-	4,827	(4,827)
Capital outlay	501,500	501,500	346,197	155,303
Total expenditures	17,018,500	17,018,500	16,950,233	68,267
Excess (deficiency) of revenues over (under) expenditures	(237,578)	(237,578)	787,515	1,025,093
Other financing sources (uses)				
Capital asset sale proceeds	1,000	1,000	-	(1,000)
Transfers in	1,800,000	1,800,000	1,800,000	-
Transfers out	(2,800,000)	(2,800,000)	(2,800,000)	-
Total other financing sources (uses)	(999,000)	(999,000)	(1,000,000)	(1,000)
Net change in fund balance	$ (1,236,578)	$ (1,236,578)	(212,485)	$ 1,024,093
Fund balance at beginning of year			8,298,436	
Fund balance at end of year			$ 8,085,951	

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, 2018

	Transportation Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 760,000	$ 760,000	$ 626,980	$ (133,020)
Replacement taxes	25,000	25,000	13,189	(11,811)
Interest	2,500	2,500	-	(2,500)
Other local sources	17,500	17,500	3,114	(14,386)
State sources	320,000	320,000	430,565	110,565
Total revenues	1,125,000	1,125,000	1,073,848	(51,152)
Expenditures				
Current:				
Support services				
Transportation	904,000	904,000	780,272	123,728
Debt service:				
Principal	-	-	64,862	(64,862)
Interest	-	-	14,912	(14,912)
Total expenditures	904,000	904,000	860,046	43,954
Net change in fund balance	$ 221,000	$ 221,000	213,802	$ (7,198)
Fund balance at beginning of year			2,380,346	
Fund balance at end of year			$ 2,594,148	

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, 2018

	IMRF/Social Security Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 440,000	$ 440,000	$ 460,483	$ 20,483
Replacement taxes	63,875	63,875	71,121	7,246
Interest	100	100	258	158
Total revenues	503,975	503,975	531,862	27,887
Expenditures				
Current:				
Instruction				
Regular programs	115,000	115,000	98,509	16,491
Special ed programs	100,000	100,000	98,121	1,879
Other instructional programs	13,750	13,750	13,216	534
Support services				
Pupils	38,400	38,400	45,313	(6,913)
Instructional staff	29,200	29,200	31,254	(2,054)
General administration	15,000	15,000	13,095	1,905
School administration	44,000	44,000	44,799	(799)
Business	75,000	75,000	56,302	18,698
Transportation	40,000	40,000	36,184	3,816
Operations and maintenance	85,000	85,000	90,463	(5,463)
Community services	25,000	25,000	21,462	3,538
Total expenditures	580,350	580,350	548,718	31,632
Net change in fund balance	$ (76,375)	$ (76,375)	(16,856)	$ 59,519
Fund balance at beginning of year			405,484	
Fund balance at end of year			$ 388,628	

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, 2018

	Working Cash Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 18,000	$ 18,000	$ 17,543	$ (457)
Interest	25	25	10,509	10,484
Total revenues	18,025	18,025	28,052	10,027
Excess (deficiency) of revenues over (under) expenditures	18,025	18,025	28,052	10,027
Other financing sources (uses)				
Transfer out	(1,800,000)	(1,800,000)	(1,800,000)	-
Total other financing sources (uses)	(1,800,000)	(1,800,000)	(1,800,000)	-
Net change in fund balance	$ (1,781,975)	$ (1,781,975)	(1,771,948)	$ 10,027
Fund balance at beginning of year			1,919,729	
Fund balance at end of year			$ 147,781	

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	$ 17,741,836	$ 16,906,069
To adjust for on-behalf payments received	3,858,202	-
To adjust for on-behalf payments made	-	3,858,202
General Fund GAAP Basis	$ 21,600,038	$ 20,764,271

SCHILLER PARK SCHOOL DISTRICT 81
General Fund
Balance Sheet - by Account
June 30, 2018

	Educational Account	Operations and Maintenance Account	Total
Assets			
Cash and investments	$ 7,016,532	$ 1,509,278	$ 8,525,810
Receivables:			
Interest receivable	636	130	766
Property tax receivable	5,030,500	863,997	5,894,497
Replacement taxes receivable	103,148	-	103,148
Intergovernmental receivable	695,753	-	695,753
Total assets	$ 12,846,569	$ 2,373,405	$ 15,219,974
Liabilities, deferred inflows and fund balance			
Liabilities			
Accounts payable	$ 58,624	$ 17,094	$ 75,718
Salaries and deductions payable	797,426	-	797,426
Insurance claims payable	76,561	-	76,561
Total liabilities	932,611	17,094	949,705
Deferred inflows			
Property taxes	4,952,216	850,552	5,802,768
Unavailable grant revenue	381,550	-	381,550
Total deferred inflows	5,333,766	850,552	6,184,318
Fund balance			
Restricted			
Insurance	667,964	-	667,964
Assigned			
Operations and maintenance	-	1,505,759	1,505,759
Unassigned	5,912,228	-	5,912,228
Total fund balance	6,580,192	1,505,759	8,085,951
Total liabilities, deferred inflows and fund balance	$ 12,846,569	$ 2,373,405	$ 15,219,974

SCHILLER PARK SCHOOL DISTRICT 81

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - by Account
Year Ended June 30, 2018

	Educational Account	Operations and Maintenance Account	Total
Revenues			
Local sources			
Property taxes	$ 9,278,587	$ 1,524,302	$ 10,802,889
Replacement taxes	111,344	336,432	447,776
Interest	134,817	20,168	154,985
Other local sources	248,771	29,074	277,845
State sources	4,703,648	-	4,703,648
Federal sources	1,350,605	-	1,350,605
On-behalf payments received from state	3,858,202	-	3,858,202
Total revenues	19,685,974	1,909,976	21,595,950
Expenditures			
Current:			
Instruction			
Regular programs	7,024,648	-	7,024,648
Special ed programs	2,391,240	-	2,391,240
Other instructional programs	545,203	-	545,203
State retirement contributions	3,858,202	-	3,858,202
Support services			
Pupils	1,104,589	-	1,104,589
Instructional staff	663,552	-	663,552
General administration	565,545	-	565,545
School administration	972,457	-	972,457
Business	984,716	23,062	1,007,778
Central	184,017	-	184,017
Operations and maintenance	-	1,421,272	1,421,272
Community services	190,171	-	190,171
Nonprogrammed charges	446,394	-	446,394
Debt service:			
Principal	82,343	-	82,343
Interest and fees	4,827	-	4,827
Capital outlay	225,985	120,212	346,197
Total expenditures	19,243,889	1,564,546	20,808,435
Excess (deficiency) of revenues over (under) expenditures	442,085	345,430	787,515
Other financing sources (uses)			
Transfers in	-	1,800,000	1,800,000
Transfers out	(1,000,000)	(1,800,000)	(2,800,000)
Total other financing sources (uses)	(1,000,000)	-	(1,000,000)
Net change in fund balances	(557,915)	345,430	(212,485)
Fund balances at beginning of year	7,138,107	1,160,329	8,298,436
Fund balances at end of year	$ 6,580,192	$ 1,505,759	$ 8,085,951

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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 9,400,000	$ 9,400,000	$ 8,955,289	$ (444,711)
Special education levy	300,000	300,000	323,298	23,298
Replacement taxes	100,000	100,000	111,344	11,344
Interest	55,000	55,000	134,817	79,817
Sales to pupils - lunch	95,000	95,000	90,819	(4,181)
Sales to pupils - breakfast	10,000	10,000	9,746	(254)
Sales to pupils - ala carte	18,000	18,000	14,087	(3,913)
Sales to adults	2,500	2,500	1,439	(1,061)
Student fees	132,500	132,500	106,657	(25,843)
Miscellaneous	60,000	60,000	26,023	(33,977)
Total local sources	10,173,000	10,173,000	9,773,519	(399,481)
State sources				
General state aid	2,610,000	2,610,000	3,355,431	745,431
Special education - private facility tuition	55,000	55,000	220,289	165,289
Special education - extraordinary	106,567	106,567	54,417	(52,150)
Special education - personnel	136,487	136,487	70,345	(66,142)
Special education - summer school	-	-	1,310	1,310
Library grant	-	-	847	847
Bilingual education - downstate - TPI	133,363	133,363	174,252	40,889
State free lunch & breakfast	3,000	3,000	6,525	3,525
Early childhood - block grant	409,140	409,140	625,649	216,509
Medicaid matching funds - fee for service	50,000	50,000	45,703	(4,297)
Other state grants	62,752	62,752	148,880	86,128
Total state sources	3,566,309	3,566,309	4,703,648	1,137,339
Federal sources				
National school lunch program	320,000	320,000	412,154	92,154
School breakfast program	75,000	75,000	85,772	10,772
Title I - low income	370,161	370,161	356,844	(13,317)
Special education - IDEA - flow through/low incidence	327,381	327,381	327,661	280
Special education - IDEA - Preschool flow through/low incidence	4,370	4,370	-	(4,370)
Medicaid matching funds - administrative outreach	50,000	50,000	71,724	21,724
Title III - immigrant education	-	-	6,148	6,148
Title III - english language acquisition	26,644	26,644	27,270	626
Title II - teacher quality	48,057	48,057	63,032	14,975
Total federal sources	1,221,613	1,221,613	1,350,605	128,992
Total revenues	14,960,922	14,960,922	15,827,772	866,850
Expenditures				
Current:				
Instruction				
Regular programs				
Salaries	4,850,000	4,850,000	4,960,317	(110,317)
Employee benefits	1,475,000	1,475,000	1,583,297	(108,297)
Purchased services	350,000	350,000	292,415	57,585
Supplies and materials	250,000	250,000	188,619	61,381
Capital outlay	250,000	250,000	145,279	104,721
Total regular programs	7,175,000	7,175,000	7,169,927	5,073

(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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Pre-k programs				
Salaries	$ 317,000	$ 317,000	$ 263,331	$ 53,669
Employee benefits	110,000	110,000	92,419	17,581
Purchased services	2,500	2,500	1,050	1,450
Supplies and materials	10,000	10,000	18,361	(8,361)
Capital outlay	18,000	18,000	-	18,000
Total pre-k programs	457,500	457,500	375,161	82,339
Special education programs				
Salaries	1,290,000	1,290,000	1,429,745	(139,745)
Employee benefits	400,000	400,000	486,765	(86,765)
Purchased services	40,000	40,000	31,718	8,282
Supplies and materials	70,000	70,000	58,529	11,471
Other	1,000	1,000	-	1,000
Total special education programs	1,801,000	1,801,000	2,006,757	(205,757)
Educationally deprived/remedial programs				
Supplies and materials	10,000	10,000	9,322	678
Capital outlay	-	-	17,275	(17,275)
Total educationally deprived/remedial programs	10,000	10,000	26,597	(16,597)
Interscholastic programs				
Salaries	138,000	138,000	132,309	5,691
Employee benefits	5,000	5,000	4,342	658
Purchased services	25,000	25,000	20,813	4,187
Supplies and materials	16,000	16,000	12,517	3,483
Total interscholastic programs	184,000	184,000	169,981	14,019
Bilingual programs				
Salaries	345,000	345,000	282,038	62,962
Employee benefits	100,000	100,000	92,764	7,236
Purchased services	1,000	1,000	420	580
Total bilingual programs	446,000	446,000	375,222	70,778
Total instruction	10,073,500	10,073,500	10,123,645	(50,145)
Support services				
Pupils				
Attendance and social work services				
Salaries	117,000	117,000	117,269	(269)
Employee benefits	33,000	33,000	38,426	(5,426)
Supplies and materials	250	250	217	33
Total attendance and social work services	150,250	150,250	155,912	(5,662)
Health services				
Salaries	215,000	215,000	237,801	(22,801)
Employee benefits	36,000	36,000	34,588	1,412
Purchased services	180,000	180,000	219,117	(39,117)
Supplies and materials	5,000	5,000	-	5,000
Capital outlay	2,500	2,500	-	2,500
Total health services	438,500	438,500	491,506	(53,006)

(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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Psychological services				
Salaries	$ 190,000	$ 190,000	$ 182,006	$ 7,994
Employee benefits	50,000	50,000	51,634	(1,634)
Purchased services	11,000	11,000	13,013	(2,013)
Supplies and materials	1,000	1,000	226	774
Total psychological services	252,000	252,000	246,879	5,121
Speech pathology and audiology services				
Salaries	146,000	146,000	145,661	339
Employee benefits	45,000	45,000	47,862	(2,862)
Purchased services	7,500	7,500	1,428	6,072
Supplies and materials	-	-	15,341	(15,341)
Total speech pathology and audiology services	198,500	198,500	210,292	(11,792)
Total pupils	1,039,250	1,039,250	1,104,589	(65,339)
Instructional staff				
Improvement of instruction services				
Salaries	195,000	195,000	203,813	(8,813)
Employee benefits	135,000	135,000	118,172	16,828
Purchased services	130,000	130,000	82,094	47,906
Supplies and materials	1,000	1,000	1,512	(512)
Total improvement of instruction services	461,000	461,000	405,591	55,409
Educational media services				
Salaries	156,000	156,000	173,574	(17,574)
Employee benefits	41,000	41,000	48,462	(7,462)
Purchased services	4,000	4,000	2,100	1,900
Supplies and materials	6,000	6,000	2,576	3,424
Total educational media services	207,000	207,000	226,712	(19,712)
Assessment and testing				
Purchased services	45,000	45,000	28,944	16,056
Supplies and materials	2,250	2,250	2,305	(55)
Total assessment and testing	47,250	47,250	31,249	16,001
Total instructional staff	715,250	715,250	663,552	51,698
General Administration				
Board of education services				
Purchased services	140,000	140,000	83,886	56,114
Supplies and materials	20,000	20,000	10,339	9,661
Other objects	-	-	6,504	(6,504)
Total board of education services	160,000	160,000	100,729	59,271
Executive administration services				
Salaries	225,000	225,000	222,128	2,872
Employee benefits	55,000	55,000	64,424	(9,424)
Purchased services	65,000	65,000	52,304	12,696
Supplies and materials	30,000	30,000	28,185	1,815
Other	2,500	2,500	2,405	95
Total executive administration services	377,500	377,500	369,446	8,054

(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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Special area administrative services				
Purchased services	$ -	$ -	$ 95,370	$ (95,370)
Total special area adminstrative services	-	-	95,370	(95,370)
Total general administration	537,500	537,500	565,545	(28,045)
School Administration				
Office of the principal services				
Salaries	687,000	687,000	747,380	(60,380)
Employee benefits	187,000	187,000	213,274	(26,274)
Purchased services	5,000	5,000	-	5,000
Supplies and materials	16,000	16,000	9,774	6,226
Capital outlay	1,000	1,000	-	1,000
Other	4,500	4,500	2,029	2,471
Total school administration	900,500	900,500	972,457	(71,957)
Business				
Direction of business support services				
Employee benefits	-	-	2,434	(2,434)
Purchased services	40,000	40,000	887	39,113
Other objects	1,500	1,500	-	1,500
Total direction of business support services	41,500	41,500	3,321	38,179
Fiscal services				
Salaries	140,000	140,000	141,633	(1,633)
Employee benefits	45,000	45,000	41,072	3,928
Purchased services	80,000	80,000	46,129	33,871
Supplies and materials	1,000	1,000	1,084	(84)
Total fiscal services	266,000	266,000	229,918	36,082
Operation and maintenance of plant services				
Purchased services	20,000	20,000	-	20,000
Total operation and maintenance of plant services	20,000	20,000	-	20,000
Food services				
Salaries	207,000	207,000	209,358	(2,358)
Employee benefits	105,000	105,000	131,553	(26,553)
Purchased services	6,000	6,000	54,354	(48,354)
Supplies and materials	366,000	366,000	356,021	9,979
Other objects	-	-	191	(191)
Capital outlay	5,000	5,000	24,210	(19,210)
Total food services	689,000	689,000	775,687	(86,687)
Total business	1,016,500	1,016,500	1,008,926	7,574
Central				
Data processing services				
Purchased services	125,000	125,000	101,534	23,466
Supplies and materials	80,000	80,000	82,483	(2,483)
Capital outlay	75,000	75,000	36,074	38,926
Total data processing services	280,000	280,000	220,091	59,909

(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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Total support services	$ 4,489,000	$ 4,489,000	$ 4,535,160	$ (46,160)
Community services				
Salaries	160,000	160,000	137,364	22,636
Benefits	35,000	35,000	24,308	10,692
Purchased services	44,000	44,000	23,484	20,516
Supplies and materials	12,000	12,000	5,015	6,985
Capital outlay	-	-	3,147	(3,147)
Total community services	251,000	251,000	193,318	57,682
Payments to other districts and governmental units				
Payments for special education programs	360,000	360,000	442,994	(82,994)
Total payments for special education programs	360,000	360,000	442,994	(82,994)
Other payments to in-state governmental units				
Purchased services	-	-	3,400	(3,400)
Total other payments to in-state governmental units	-	-	3,400	(3,400)
Total payments to other districts and governmental units	360,000	360,000	446,394	(86,394)
Debt service				
Principal	-	-	82,343	(82,343)
Interest and fees	-	-	4,827	(4,827)
Total debt service	-	-	87,170	(87,170)
Total expenditures	15,173,500	15,173,500	15,385,687	(212,187)
Excess (deficiency) of revenues over (under) expenditures	(212,578)	(212,578)	442,085	654,663
Other financing sources (uses)				
Capital asset sale proceeds	1,000	1,000	-	(1,000)
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(999,000)	(999,000)	(1,000,000)	(1,000)
Net change in fund balance	$ (1,211,578)	$ (1,211,578)	(557,915)	$ 653,663
Fund balance at beginning of year			7,138,107	
Fund balance at end of year			$ 6,580,192	

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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 1,520,000	$ 1,520,000	$ 1,524,302	$ 4,302
Replacement taxes	289,000	289,000	336,432	47,432
Interest	10,000	10,000	20,168	10,168
Other miscellaneous	1,000	1,000	29,074	28,074
Total revenues	1,820,000	1,820,000	1,909,976	89,976
Expenditures				
Current:				
Facilities construction and acquisition				
Purchased services	250,000	250,000	23,062	226,938
Capital outlay	100,000	100,000	95,286	4,714
Total facilities construction and acquisition	350,000	350,000	118,348	231,652
Operations and maintenance of plant services				
Salaries	535,000	535,000	569,687	(34,687)
Employee benefits	135,000	135,000	130,711	4,289
Purchased services	435,000	435,000	432,120	2,880
Supplies and materials	340,000	340,000	288,679	51,321
Capital outlay	50,000	50,000	24,926	25,074
Other	-	-	75	(75)
Total operations and maintenance of plant services	1,495,000	1,495,000	1,446,198	48,802
Total expenditures	1,845,000	1,845,000	1,564,546	280,454
Excess (deficiency) of revenues over (under) expenditures	(25,000)	(25,000)	345,430	370,430
Other financing sources (uses)				
Transfers in	1,800,000	1,800,000	1,800,000	-
Transfers out	(1,800,000)	(1,800,000)	(1,800,000)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ (25,000)	$ (25,000)	345,430	$ 370,430
Fund balance at beginning of year			1,160,329	
Fund balance at end of year			$ 1,505,759	

SCHILLER PARK SCHOOL DISTRICT 81

Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2018

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 760,000	$ 760,000	$ 626,980	$ (133,020)
Replacement taxes	25,000	25,000	13,189	(11,811)
Interest	2,500	2,500	-	(2,500)
Local fees	17,500	17,500	3,114	(14,386)
Total local sources	805,000	805,000	643,283	(161,717)
State sources				
Transportation - regular/vocational	120,000	120,000	163,073	43,073
Transportation - special education	200,000	200,000	267,492	67,492
Total state sources	320,000	320,000	430,565	110,565
Total revenues	1,125,000	1,125,000	1,073,848	(51,152)
Expenditures				
Current:				
Support services				
Pupil transportation services				
Salaries	350,000	350,000	315,853	34,147
Employee benefits	104,000	104,000	87,089	16,911
Purchased services	405,000	405,000	335,391	69,609
Supplies and materials	32,000	32,000	28,971	3,029
Capital outlay	13,000	13,000	12,968	32
Total pupil transportation services	904,000	904,000	780,272	123,728
Debt service:				
Principal	-	-	64,862	(64,862)
Interest	-	-	14,912	(14,912)
Total debt service	-	-	79,774	(79,774)
Total expenditures	904,000	904,000	860,046	43,954
Net change in fund balance	$ 221,000	$ 221,000	213,802	$ (7,198)
Fund balance at beginning of year			2,380,346	
Fund balance at end of year			$ 2,594,148	

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, 2018

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 214,000	$ 214,000	$ 197,441	$ (16,559)
Social security/medicare levy	226,000	226,000	263,042	37,042
Replacement taxes	63,875	63,875	71,121	7,246
Interest	100	100	258	158
Total revenues	503,975	503,975	531,862	27,887
Expenditures				
Current:				
Instruction				
Regular programs	115,000	115,000	69,975	45,025
Pre-k programs	20,000	20,000	37,591	(17,591)
Special ed programs	80,000	80,000	82,260	(2,260)
Remedial and supplemental programs	-	-	6,804	(6,804)
Interscholastic programs	2,750	2,750	2,164	586
Bilingual programs	11,000	11,000	11,052	(52)
Total instruction	228,750	228,750	209,846	18,904
Support services				
Pupils				
Attendance and social work services	-	-	1,772	(1,772)
Health services	35,000	35,000	38,322	(3,322)
Psychologial services	3,200	3,200	2,901	299
Speech pathology and audiology services	200	200	2,318	(2,118)
Total pupils	38,400	38,400	45,313	(6,913)
Instructional staff				
Improvement of instruction services	3,200	3,200	3,286	(86)
Educational media services	26,000	26,000	27,968	(1,968)
Total instructional staff	29,200	29,200	31,254	(2,054)
General administration				
Executive administration services	15,000	15,000	13,095	1,905
Total general administration	15,000	15,000	13,095	1,905
School administration				
Office of the principal services	44,000	44,000	44,799	(799)
Business				
Direction of business support services	19,000	19,000	-	19,000
Fiscal services	22,000	22,000	22,825	(825)
Operations and maintenance of plant services	85,000	85,000	90,463	(5,463)
Pupil transportation services	40,000	40,000	36,184	3,816
Food services	34,000	34,000	33,477	523
Total business	200,000	200,000	182,949	17,051
Total support services	326,600	326,600	317,410	9,190
Community services	25,000	25,000	21,462	3,538
Total expenditures	580,350	580,350	548,718	31,632
Net change in fund balance	$ (76,375)	$ (76,375)	(16,856)	$ 59,519
Fund balance at beginning of year			405,484	
Fund balance at end of year			$ 388,628	

SCHILLER PARK SCHOOL DISTRICT 81

Working Cash Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 18,000	$ 18,000	$ 17,543	$ (457)
Interest	25	25	10,509	10,484
Total revenues	18,025	18,025	28,052	10,027
Excess (deficiency) of revenues over (under) expenditures	18,025	18,025	28,052	10,027
Other financing sources (uses)				
Transfer out	(1,800,000)	(1,800,000)	(1,800,000)	-
Total other financing sources (uses)	(1,800,000)	(1,800,000)	(1,800,000)	-
Net change in fund balance	$ (1,781,975)	$ (1,781,975)	(1,771,948)	$ 10,027
Fund balance at beginning of year			1,919,729	
Fund balance at end of year			$ 147,781	

SCHILLER PARK SCHOOL DISTRCT 81

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 2,790,719	$ 2,790,719	$ 2,310,347	$ (480,372)
Interest	2,400	2,400	2,500	100
Total local sources	2,793,119	2,793,119	2,312,847	(480,272)
Total revenues	2,793,119	2,793,119	2,312,847	(480,272)
Expenditures				
Debt service:				
Interest and fees	1,575,386	1,575,386	1,281,128	294,258
Principal	1,226,333	1,226,333	1,520,000	(293,667)
Total expenditures	2,801,719	2,801,719	2,801,128	591
Excess (deficiency) of revenues over Net change in fund balance	$ (8,600)	$ (8,600)	(488,281)	$ (479,681)
Fund balance at beginning of year			854,623	
Fund balance at end of year			$ 366,342	

SCHILLER PARK SCHOOL DISTRCT 81

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Interest	$ 8,000	$ 8,000	$ -	$ (8,000)
Total revenues	8,000	8,000	-	(8,000)
Expenditures				
Current:				
Support services				
Facilities acquisition & construction services				
Purchased services	567,400	567,400	420,971	146,429
Capital outlay	4,770,000	4,770,000	3,507,461	1,262,539
Total expenditures	5,337,400	5,337,400	3,928,432	1,408,968
Excess (deficiency) of revenues over (under) expenditures	(5,329,400)	(5,329,400)	(3,928,432)	(1,416,968)
Other financing sources				
Transfer in	2,800,000	2,800,000	2,800,000	-
Total other financing sources	2,800,000	2,800,000	2,800,000	-
Net change in fund balance	$ (2,529,400)	$ (2,529,400)	(1,128,432)	$ (1,416,968)
Fund balance at beginning of year			936,433	
Fund balance at end of year			$ (191,999)	

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, 2018

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
General levy	$ (1)	$ (1)	$ -	$ 1
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, 2018

	July 1, 2017 Balance	Additions	Deletions	June 30, 2018 Balance
Assets				
Cash	$ 57,942	$ 232,047	$ 205,666	$ 84,323
Total assets	$ 57,942	$ 232,047	$ 205,666	$ 84,323
Liabilities				
Due to activity fund organizations	$ 57,942	$ 232,047	$ 205,666	$ 84,323
Total liabilities	$ 57,942	$ 232,047	$ 205,666	$ 84,323

SCHILLER PARK SCHOOL DISTRICT 81

Five Year Summary of Assessed Valuations (Unaudited)
Tax Rates and Extensions
June 30, 2018

Tax levy year	2017	2016	2015	2014	2013
Assessed valuation	$ 338,832,431	$ 333,967,365	$ 292,868,466	$ 302,810,026	$ 305,353,403
Tax rates:					
Educational	$ 2.8502	$ 2.8191	$ 3.2019	$ 3.0538	$ 2.9512
Special education	0.1029	0.1017	0.0910	0.0896	0.1036
Operations and maintenance	0.5072	0.4540	0.5071	0.4919	0.4777
Bond and interest	0.7263	0.7371	0.8149	0.9570	0.9490
Transportation	0.1739	0.2269	0.2643	0.2577	0.2509
Municipal retirement	0.0638	0.0610	0.0711	0.0706	0.0688
Social security	0.0950	0.0697	0.0812	0.0807	0.0786
Working cash	0.0056	0.0055	0.0065	0.0064	0.0250
Total	$ 4.5249	$ 4.4750	$ 5.0380	$ 5.0077	$ 4.9048
Tax extension:					
Educational	$ 9,657,401	$ 9,414,873	$ 9,377,355	$ 9,247,117	$ 9,011,532
Special education	348,658	339,644	266,510	271,220	316,383
Operations and maintenance	1,718,558	1,516,211	1,485,135	1,489,464	1,458,589
Bond and interest	2,461,263	2,461,683	2,386,569	2,898,030	2,898,016
Transportation	589,229	757,771	774,051	780,217	766,100
Municipal retirement	216,175	203,720	208,229	213,870	210,000
Social security	321,890	232,775	237,809	244,422	240,000
Working cash	18,974	18,368	19,036	19,489	76,383
Total	$ 15,332,148	$ 14,945,045	$ 14,754,694	$ 15,163,829	$ 14,977,003

SCHILLER PARK SCHOOL DISTRICT 81

Operating Cost and Tuition Charge (Unaudited)
June 30, 2018

Operating cost per pupil:		
Average daily attendance (ADA):		1,380
Operating costs:		
Educational	$	15,385,687
Operations and maintenance		1,564,546
Transportation		860,046
Bond and interest		2,801,128
Municipal retirement/social security		548,718
Total		21,160,125
Less revenues/expenditures of nonregular programs:		
Summer school		-
Pre-K programs		412,752
Capital outlay		359,165
Non-capitalized equipment		2,596
Debt principal retired		1,584,862
Regular transportation fees from other districts		24
Special education transportation fees from other districts		-
Community services		211,633
Payments to other governmental units		446,394
Total		3,017,426
Operating costs:	$	18,142,699
Operating cost per pupil - based on ADA	$	13,147
Tuition charge:		
Operating costs:	$	18,142,699
Less revenues from specific programs, such as special education or lunch programs		2,726,430
Net operating costs		15,416,269
Depreciation allowance		2,004,593
Allowable tuition costs	$	17,420,862
Tuition charge per pupil - based on ADA	$	12,624

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2018

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
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	$ 14,590,000	$ 4,379,442	$ 18,969,442

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2018

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
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	$ 2,454,100	$ 9,479,100

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2018

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
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	$ 2,045,000	$ 142,600	$ 2,187,600

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2018

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
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	$ 2,185,400	$ 5,685,400