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**LAKE PARK HIGH SCHOOL
DISTRICT NO. 108
DUPAGE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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LAKE PARK HIGH SCHOOL DISTRICT NO. 108

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INDEPENDENT AUDITOR'S OPINION

To the Board of Education
Lake Park High School District No. 108
Roselle, 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

Lake Park High School District No. 108

as of and for the year ended June 30, 2016, 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Park High School District No. 108 as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. 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, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedules of Employer Contribution, Schedule of the Employer's Proportionate Share of the Net Pension Liability, Schedule of Funding Progress, and budgetary comparison information on pages 6 through 11 and 46 through 60 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake Park High School District No. 108's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the supplemental information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2016 on our consideration of Lake Park High School District No. 108'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 Lake Park High School District No. 108's internal control over financial reporting and compliance.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 26, 2016



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

To the Board of Education
 Lake Park High School District No. 108
 Roselle, Illinois

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Lake Park High School District No. 108

as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Lake Park High School District No. 108's basic financial statements, and have issued our report thereon dated October 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Park High School District No. 108's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Park High School District No. 108's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Park High School District No. 108's internal control.

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

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

Compliance and Other Matters

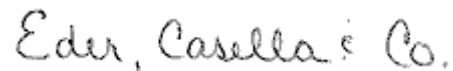
As part of obtaining reasonable assurance about whether Lake Park High School District No. 108's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

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statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 26, 2016

REQUIRED SUPPLEMENTARY INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The Management's Discussion and Analysis of Lake Park High School District No. 108's (District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. 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.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at June 30, 2016 by \$54,645,808 (net position).
- The District's total net position increased by \$6,421,900.
- At June 30, 2016, the District reported combined ending fund balances of \$16,106,056, an increase of \$2,043,916 in comparison with the prior year.
- At June 30, 2016, the unassigned fund balance for the General Fund was \$11,386,689, or 24 percent of total General Fund expenditures.
- The District's total long-term debt decreased by \$4,791,482 during the year ended June 30, 2016 due mainly to payments made on existing long-term debt.

OVERVIEW OF FINANCIAL STATEMENTS

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

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements

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

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 and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 (e.g., intergovernmental receivables).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, student transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units, interest and fees, and unallocated depreciation.

The government-wide financial statements can be found on pages 12 and 13 of this report.

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, like other state and local governments, 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.

Governmental 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 government'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 District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six 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, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, and Capital Projects Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 14 through 18 and the required supplementary information can be found on pages 46 through 60 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 45 of this report.

Other Information - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial information can be found on pages 61 through 77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54,645,808 at June 30, 2016.

The following table presents a summary of the District's net position for the years ended June 30, 2016 and 2015:

Lake Park High School District No. 108's Net Position		
	Governmental Activities	
	6/30/2016	6/30/2015
Assets		
Current and Other Assets	\$ 69,690,318	\$ 66,768,404
Capital Assets	78,620,738	78,770,366
Total Assets	<u>\$ 148,311,056</u>	<u>\$ 145,538,770</u>
Deferred Outflows of Resources	<u>\$ 4,332,845</u>	<u>\$ 2,847,037</u>
Liabilities		
Long-Term Liabilities Outstanding	\$ 45,078,979	\$ 47,621,679
Other Liabilities	5,117,070	5,113,282
Total Liabilities	<u>\$ 50,196,049</u>	<u>\$ 52,734,961</u>
Deferred Inflows of Resources	<u>\$ 47,802,044</u>	<u>\$ 47,426,938</u>
Net Position		
Net Investment in Capital Assets	\$ 42,401,863	\$ 37,523,223
Restricted	1,188,478	1,766,381
Unrestricted	11,055,467	8,934,304
Total Net Position	<u>\$ 54,645,808</u>	<u>\$ 48,223,908</u>

By far the largest portion of the District's net position (78 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, etc.); less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide educational services and extracurricular activities for the students of the local community; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net position for the years ended June 30, 2016 and 2015:

Lake Park High School District No. 108's Change in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,205,626	\$ 2,900,168
Operating Grants and Contributions	13,427,302	12,515,349
Capital Grants and Contributions	77,630	110,920
General Revenues:		
Property Taxes	46,952,274	46,015,765
Other Payments in Lieu of Taxes	528,846	665,447
Grants and Contributions not Restricted to Specific Activities	1,302,117	1,229,899
Unrestricted Investment Earnings	231,361	156,705
Other	(19,463)	(221,816)
Total Revenues	<u>\$ 65,705,693</u>	<u>\$ 63,372,437</u>
Expenses:		
Instruction		
Regular Programs	\$ 13,727,462	\$ 13,289,638
Special Education Programs	3,248,752	3,170,820
Other Instructional Programs	6,363,344	5,985,391
Support Services		
Pupils	4,269,661	4,091,177
Instructional Staff	2,738,015	2,287,232
General Administration	1,288,057	1,191,547
School Administration	1,243,436	1,158,370
Business	1,111,944	1,058,569
Facilities Acquisition and Construction	851,024	837,740
Operations and Maintenance	5,675,792	5,445,566
Transportation	1,948,553	2,108,084
Food Services	1,439,468	1,463,113
Central	1,187,296	1,073,114
Other Support Services	768	704
Community Services	725	872
Payments to Other Districts and Governmental Units	1,613,701	1,683,676
Interest and Fees on Long-Term Debt	1,246,250	1,554,687
On-Behalf Retirement Contributions	10,718,014	9,739,828
Depreciation - Unallocated	611,531	658,930
Total Expenses	<u>\$ 59,283,793</u>	<u>\$ 56,799,058</u>
Change in Net Position	\$ 6,421,900	\$ 6,573,379
Net Position - Beginning of Fiscal Year	48,223,908	44,554,074
Net Position Adjustment	-	(2,903,545)
Net Position - End of Fiscal Year	<u>\$ 54,645,808</u>	<u>\$ 48,223,908</u>

The District's total revenues increased \$2,333,255 (4 percent) compared to the prior year. The most significant factors of this increase were increases in On-Behalf retirement contributions of \$978,186 and Property Taxes of \$936,509.

Overall expenses increased \$2,484,734 (4 percent) compared to the prior year. This increase is primarily attributable to an increase in On-Behalf Retirement Contributions of \$978,186.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the District funds reported combined ending fund balances of \$16,106,056, an increase of \$2,043,916 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2016, total fund balance was \$11,729,427. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 25 percent of total General Fund expenditures.

The Operations and Maintenance Fund's fund balance decreased by \$195,851 in comparison with the prior year. This decrease was due to large capital purchases in the current year and a transfer of \$1,500,000 to the Capital Projects Fund. Capital purchases included portable bleachers (\$56,400) and a Polaris vehicle (\$31,956).

The Transportation Fund's fund balance decreased by \$83,115 in comparison with the prior year. This decrease is mainly due to a \$500,000 transfer to the Operations and Maintenance Fund.

The Capital Projects Fund's fund balance increased by \$1,479,178 in comparison with the prior year. This increase was partly the result of the District allocating all replacement tax revenue and the majority of General State Aid revenue to the fund in the current year to fund current and future capital projects. The District also transferred \$1,500,000 into this fund from the Operations of Maintenance Fund.

The remaining funds experienced net revenues and expenditures that remained relatively consistent with the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues exceeded budgeted revenues by \$1,196,512. The difference is largely due to higher than anticipated On-Behalf Retirement Contributions.

Actual expenditures exceeded budgeted expenditures by \$456,320. The difference is largely due to higher than expected On-Behalf Retirement Contributions while other expenditures were largely under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets as of June 30, 2016 amounts to \$78,620,738 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, and equipment.

Major capital asset events during the year ended June 30, 2016 include the following:

- Construction in progress additions of \$1,128,822 for multiple projects
- Total building additions of \$883,567 for the Innovation Center (\$497,392 of which was construction in progress in the prior year)

The following table presents a summary of capital assets for the years ended June 30, 2016 and 2015:

Lake Park High School District No. 108's Capital Assets (net of depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 558,191	\$ 558,191
Construction in Progress	1,128,822	497,392
Buildings	69,080,732	69,323,813
Improvements Other than Buildings	3,944,137	4,152,109
Equipment	3,908,856	4,238,861
Total	<u>\$ 78,620,738</u>	<u>\$ 78,770,366</u>

Further detail of the District's capital assets can be found in Note 4 on page 27 of this report.

Long-term debt – At June 30, 2016, the District had total debt outstanding of \$34,979,441.

The following table presents a summary of outstanding debt for the years ended June 30, 2016 and 2015:

Lake Park High School District No. 108's Outstanding Debt

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$ 33,330,000	\$ 37,850,000
Debt Certificates	1,035,000	1,290,000
Lease/Purchase Agreements	614,441	630,923
Total	<u>\$ 34,979,441</u>	<u>\$ 39,770,923</u>

Major debt transactions during the year ended June 30, 2016 include the following:

- Principal payments on all debt were \$5,001,956
- A new lease/purchase agreement was entered into for \$210,474

Further detail of the District's debt obligations can be found in Note 5 on pages 27 and 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Lake Park High School District No. 108's Board of Education continues to emphasize the importance of a balanced budget. The Board of Education has established a Finance Committee that meets on a monthly basis to discuss the curricular and financial status of the District. It must be noted that the Board of Education has approved a balanced budget for fiscal years 2014, 2015, 2016, and 2017. The previous audit reports conclude that the actual activity during these fiscal years supports this initiative.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If there are questions about this report or additional information is needed please contact the District at the following address:

Lake Park High School District No. 108
 590 S. Medinah Road
 Roselle, IL 60172

BASIC FINANCIAL STATEMENTS

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 7,495,911
Investments, at Fair Value	34,974,873
Accrued Interest Receivable, net of allowance of \$0	140,351
Other Accounts Receivable, net of allowance of \$0	13,746
Property Taxes Receivable, net of allowance of \$218,308	24,479,551
Due from Other Governments, net of allowance of \$0	562,819
Prepaid Expenses	423,840
Net OPEB Asset	1,599,227
Capital Assets (Note 4):	
Land	558,191
Construction in Progress	1,128,822
Depreciable Buildings, Property, and Equipment, net of depreciation	76,933,725
Total Assets	\$ 148,311,056
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding, net of related amortization	\$ 808,217
Pension Expense/Revenue - Illinois Municipal Retirement Fund	3,248,240
Pension Expense/Revenue - Teachers' Retirement System	276,388
Total Deferred Outflows of Resources	\$ 4,332,845
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 1,888,000
Accrued Payroll and Payroll Liabilities	2,954,865
Unearned Revenue - Registration Fees	274,205
Net Pension Liability - Illinois Municipal Retirement Fund	5,371,166
Net Pension Liability - Teachers' Retirement System	2,302,723
Long-Term Liabilities	
Due Within One Year	5,582,740
Due in More Than One Year	31,822,350
Total Liabilities	\$ 50,196,049
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 47,417,299
Pension Expense/Revenue - Teachers' Retirement System	384,745
Total Deferred Inflows of Resources	\$ 47,802,044
NET POSITION	
Net Investment in Capital Assets	\$ 42,401,863
Restricted for:	
Operations and Maintenance	463,562
Transportation	722,796
Retirement	2,120
Unrestricted/(Deficit)	11,055,467
Total Net Position	\$ 54,645,808

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
			Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction				
Regular Programs	\$ 13,727,462	\$ 1,144,658	\$ 221,537	\$ -
Special Education Programs	3,248,752	391,813	1,142,641	-
Other Instructional Programs	6,363,344	222,256	101,296	-
Support Services				
Pupils	4,269,661	-	82,274	-
Instructional Staff	2,738,015	-	-	-
General Administration	1,288,057	-	-	-
School Administration	1,243,436	-	-	-
Business	1,111,944	-	-	-
Facilities Acquisition and Construction	851,024	-	-	-
Operations and Maintenance	5,675,792	240,048	-	77,630
Transportation	1,948,553	-	539,089	-
Food Services	1,439,468	1,206,851	2,045	-
Central	1,187,296	-	-	-
Other Support Services	768	-	-	-
Community Services	725	-	-	-
Payments to Other Districts and Governmental Units	1,613,701	-	620,406	-
Interest and Fees on Long-Term Debt	1,246,250	-	-	-
On-Behalf Retirement Contributions	10,718,014	-	10,718,014	-
Depreciation - Unallocated	611,531	-	-	-
Total Governmental Activities	\$ 59,283,793	\$ 3,205,626	\$ 13,427,302	\$ 77,630
				\$ (42,573,235)
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 40,860,249
Property Taxes, Levied for Debt Service				6,092,025
Other Payments in Lieu of Taxes				528,846
Grants and Contributions not Restricted to Specific Activities				1,302,117
Unrestricted Investment Earnings				231,361
Gain/(Loss) on Sale of Capital Assets				(103,509)
Miscellaneous Income				84,046
Total General Revenues				\$ 48,995,135
Change in Net Position				\$ 6,421,900
Net Position - July 1, 2015				48,223,908
Net Position - June 30, 2016				\$ 54,645,808

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 5,424,692	\$ 666,992	\$ 540,763	\$ 286,082	\$ 142,344	\$ 435,038	\$ 7,495,911
Investments, at Fair Value	25,310,858	3,112,093	2,523,124	1,334,816	664,155	2,029,827	34,974,873
Accrued Interest Receivable, net of allowance of \$0	102,936	20,251	1,379	10,215	4,344	1,226	140,351
Other Accounts Receivable, net of allowance of \$0	13,746	-	-	-	-	-	13,746
Property Taxes Receivable, net of allowance of \$218,308	17,077,650	2,616,278	3,145,318	921,855	718,450	-	24,479,551
Due from Other Governments, net of allowance of \$0	322,110	-	-	135,258	10,914	94,537	562,819
Prepaid Expenses	342,738	81,102	-	-	-	-	423,840
Total Assets	\$ 48,594,730	\$ 6,496,716	\$ 6,210,584	\$ 2,688,226	\$ 1,540,207	\$ 2,560,628	\$ 68,091,091
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 554,450	\$ 99,735	\$ -	\$ 25,115	\$ -	\$ 525,537	\$ 1,204,837
Accrued Payroll and Payroll Liabilities	2,860,984	22,067	-	-	71,814	-	2,954,865
Unearned Revenue - Registration Fees	271,620	-	-	2,585	-	-	274,205
Total Liabilities	\$ 3,687,054	\$ 121,802	\$ -	\$ 27,700	\$ 71,814	\$ 525,537	\$ 4,433,907
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ 33,079,692	\$ 5,067,774	\$ 6,092,534	\$ 1,785,649	\$ 1,391,650	\$ -	\$ 47,417,299
Unavailable Revenue - Interest	98,557	19,180	1,379	10,068	4,344	301	133,829
Total Deferred Inflows of Resources	\$ 33,178,249	\$ 5,086,954	\$ 6,093,913	\$ 1,795,717	\$ 1,395,994	\$ 301	\$ 47,551,128
FUND BALANCE							
Nonspendable							
Prepaid Expenses	\$ 342,738	\$ 81,102	\$ -	\$ -	\$ -	\$ -	\$ 423,840
Restricted							
Operations and Maintenance	-	463,562	-	-	-	-	463,562
Debt Service	-	-	93,902	-	-	-	93,902
Transportation	-	-	-	722,796	-	-	722,796
Illinois Municipal Retirement	-	-	-	-	105,485	-	105,485
Assigned							
Operations and Maintenance	-	743,296	-	-	-	-	743,296
Debt Service	-	-	22,769	-	-	-	22,769
Transportation	-	-	-	142,013	-	-	142,013
Capital Projects	-	-	-	-	-	2,034,790	2,034,790
Unassigned	11,386,689	-	-	-	(33,086)	-	11,353,603
Total Fund Balance	\$ 11,729,427	\$ 1,287,960	\$ 116,671	\$ 864,809	\$ 72,399	\$ 2,034,790	\$ 16,106,056
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 48,594,730	\$ 6,496,716	\$ 6,210,584	\$ 2,688,226	\$ 1,540,207	\$ 2,560,628	\$ 68,091,091

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2016

Total Fund Balances - Governmental Funds		\$ 16,106,056
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 109,855,180	
Accumulated Depreciation on Capital Assets	<u>(31,234,442)</u>	78,620,738
<p>Other assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.</p>		
Interest Receivable		133,829
<p>Net OPEB Asset is not included in the governmental funds.</p>		
		1,599,227
<p>Net Pension Obligation - IMRF is not included in the governmental funds.</p>		
		(5,371,166)
<p>Net Pension Obligation - TRS is not included in the governmental funds.</p>		
		(2,302,723)
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Pension Expense/Revenue - Illinois Municipal Retirement Fund	\$ 3,248,240	
Pension Expense/Revenue - Teachers' Retirement System	<u>(108,357)</u>	3,139,883
<p>Deferred charges and credits for debt issue discounts or premiums are not financial resources and therefore are not reported in the funds.</p>		
Bond Premiums, net of related amortization	\$ (2,047,650)	
Deferred Loss on Refunding, net of related amortization	<u>808,217</u>	(1,239,433)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds Payable	\$ (33,330,000)	
Debt Certificates Payable	(1,035,000)	
Capital Leases Payable	(614,441)	
Accrued Interest on Long-Term Debt	(683,163)	
Compensated Absences	<u>(377,999)</u>	<u>(36,040,603)</u>
Net Position of Governmental Activities		<u>\$ 54,645,808</u>

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES							
Property Taxes	\$ 32,296,049	\$ 5,407,235	\$ 6,092,025	\$ 1,787,387	\$ 1,369,578	\$ -	\$ 46,952,274
Payments in Lieu of Taxes	17,662	-	-	-	184,930	326,254	528,846
Tuition	54,125	-	-	-	-	-	54,125
Transportation Fees	-	-	-	19,881	-	-	19,881
Earnings on Investments	151,640	17,858	6,279	7,661	1,920	2,510	187,868
Food Service	1,186,231	-	-	-	-	-	1,186,231
District/School Activity Income	1,157,293	-	-	-	-	-	1,157,293
Textbooks	9,297	-	-	-	-	-	9,297
Other Local Sources	618,162	238,527	-	-	-	-	856,689
State Aid	1,156,998	-	-	539,089	-	1,297,979	2,994,066
Federal Aid	1,017,079	-	-	-	-	-	1,017,079
On-Behalf Payments	10,718,014	-	-	-	-	-	10,718,014
	<u>\$ 48,382,550</u>	<u>\$ 5,663,620</u>	<u>\$ 6,098,304</u>	<u>\$ 2,354,018</u>	<u>\$ 1,556,428</u>	<u>\$ 1,626,743</u>	<u>\$ 65,681,663</u>
EXPENDITURES							
Current							
Instruction							
Regular Programs	\$ 13,518,678	\$ -	\$ -	\$ -	\$ 184,721	\$ -	\$ 13,703,399
Special Education Programs	3,029,321	-	-	-	121,990	-	3,151,311
Other Instructional Programs	6,038,546	-	-	-	131,698	-	6,170,244
Support Services							
Pupils	3,999,547	-	-	-	150,264	-	4,149,811
Instructional Staff	2,419,363	-	-	-	118,940	-	2,538,303
General Administration	1,230,532	-	-	-	29,545	-	1,260,077
School Administration	1,129,269	-	-	-	57,568	-	1,186,837
Business	934,322	-	-	-	102,881	-	1,037,203
Facilities Acquisition and Construction	-	-	-	-	-	73,896	73,896
Operations and Maintenance	413,575	4,477,804	-	-	448,520	-	5,339,899
Transportation	-	-	-	1,902,373	-	-	1,902,373
Food Services	1,410,447	-	-	-	-	-	1,410,447
Central	865,891	-	-	-	88,766	-	954,657
Other Support Services	-	768	-	-	-	-	768
Community Services	725	-	-	-	-	-	725
Payments to Other Districts and Governmental Units	1,613,701	-	-	-	-	-	1,613,701
Debt Service							
Principal	-	-	4,886,651	31,262	-	-	4,917,913
Interest and Fees	-	-	1,570,872	3,498	-	-	1,574,370
Capital Outlay	459,356	112,998	-	-	-	1,573,669	2,146,023
On-Behalf Payments	10,718,014	-	-	-	-	-	10,718,014
	<u>\$ 47,781,287</u>	<u>\$ 4,591,570</u>	<u>\$ 6,457,523</u>	<u>\$ 1,937,133</u>	<u>\$ 1,434,893</u>	<u>\$ 1,647,565</u>	<u>\$ 63,849,971</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	<u>\$ 601,263</u>	<u>\$ 1,072,050</u>	<u>\$ (359,219)</u>	<u>\$ 416,885</u>	<u>\$ 121,535</u>	<u>\$ (20,822)</u>	<u>\$ 1,831,692</u>

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Interfund Transfers	\$ (137,146)	\$ (1,269,651)	\$ 406,797	\$ (500,000)	\$ -	\$ 1,500,000	\$ -
Principal on Bonds Sold	210,474	-	-	-	-	-	210,474
Sale or Compensation for Fixed Assets	-	1,750	-	-	-	-	1,750
	<u>\$ 73,328</u>	<u>\$ (1,267,901)</u>	<u>\$ 406,797</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 212,224</u>
NET CHANGE IN FUND BALANCES	\$ 674,591	\$ (195,851)	\$ 47,578	\$ (83,115)	\$ 121,535	\$ 1,479,178	\$ 2,043,916
FUND BALANCES - JULY 1, 2015	<u>11,054,836</u>	<u>1,483,811</u>	<u>69,093</u>	<u>947,924</u>	<u>(49,136)</u>	<u>555,612</u>	<u>14,062,140</u>
FUND BALANCES - JUNE 30, 2015	<u>\$ 11,729,427</u>	<u>\$ 1,287,960</u>	<u>\$ 116,671</u>	<u>\$ 864,809</u>	<u>\$ 72,399</u>	<u>\$ 2,034,790</u>	<u>\$ 16,106,056</u>

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 2,043,916

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (2,190,393)	
Capital Outlays	<u>2,146,025</u>	(44,368)

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	\$ (103,509)	
Proceeds from Sale of Fixed Assets	<u>(1,750)</u>	(105,259)

Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are deferred in the governmental funds.

Earnings on Investments		43,493
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The change in the Net OPEB Asset is not included in the governmental funds.		247,856
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Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but issuing debt increases long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Proceeds from Long-Term Debt		(210,474)
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Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

Illinois Municipal Retirement Fund Contributions	\$ 750,516	
Teachers' Retirement System Contributions	<u>241,463</u>	991,979

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Debt	\$ 91,332	
Compensated Absences	(14,034)	
Bond Premium - Amortization	461,791	
Pension Expense - Illinois Municipal Retirement Fund	(1,633,445)	
Pension Expense - Teachers' Retirement System	(227,840)	
Deferred Loss on Refunding - Amortization	<u>(225,003)</u>	(1,547,199)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt	\$ 4,917,910	
Cancellation of Capital Lease	<u>84,046</u>	5,001,956

Change in Net Position of Governmental Activities		<u>\$ 6,421,900</u>
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The Notes to Financial Statements are an integral part of this statement.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 521,209
Investments	150,783
Total Assets	\$ 671,992
LIABILITIES	
Due to Agency Funds	\$ 671,992
Total Liabilities	\$ 671,992

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Park High School District No. 108's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP used by the District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Financial Statements (Continued)*

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

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. Educational, Working Cash, and Special Education levies are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and related fees on general long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position. The following is a description of the fiduciary fund of the District:

Agency Funds – The Agency Funds (Student Activity Funds, Convenience Accounts, and Other Agency Funds) account for assets held by the District as an agent for the student organizations or as a convenience for its staff. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to each fund are equal to the assets.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. *Cash and Cash Equivalents and Investments* (Continued)

maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

No District fund had a cash overdraft at June 30, 2016.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the District in the current year for goods and services received in the subsequent fiscal year, and the reserve for prepaid expenses in the governmental funds has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. *Capital Assets (Continued)*

Building	50-75 years
Improvements Other than Buildings	20-35 years
Equipment	3-30 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. The liability for unused compensated absences is reported in the government-wide financial statements. Sick leave is accumulated from year to year without limit, but is not paid upon termination. Therefore, no compensated absence accrual is recorded for sick leave.

M. *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 deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt services expenditures.

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

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. *Government-Wide Net Position (Continued)*

- Unrestricted Net Position – the remaining net position is reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- **Restricted** – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- **Committed** – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- **Assigned** – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has not delegated this authority to an appointed body or official. All assigned fund balances are the residual amounts of the fund.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2015 tax levy was passed by the Board on November 23, 2015. The 2014 tax levy was passed by the Board on November 24, 2014. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2016, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
State Investment Pool	\$ 9,744,036	\$ 9,744,036	\$ -	\$ -	\$ -
Federal Home Loan Bank	490,000	-	490,000	-	-
	<u>\$ 10,234,036</u>	<u>\$ 9,744,036</u>	<u>\$ 490,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2016, the District's investments were rated as follows:

Investments	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - FAIR VALUE MEASUREMENT (Continued)

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 has the following recurring fair value measurements as of June 30, 2016:

- State Investment Pools of \$9,744,036 and Federal Home Loans of \$490,000 are valued using quoted market prices (Level 1 inputs)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 558,191	\$ -	\$ -	\$ 558,191
Construction in Progress	497,392	1,128,822	497,392	1,128,822
Total Capital Assets not being depreciated	<u>\$ 1,055,583</u>	<u>\$ 1,128,822</u>	<u>\$ 497,392</u>	<u>\$ 1,687,013</u>
Other Capital Assets				
Buildings	\$ 91,119,582	\$ 883,567	\$ -	\$ 92,003,149
Improvements Other than Buildings	6,214,764	-	-	6,214,764
Equipment	9,667,444	631,028	348,218	9,950,254
Total Other Capital Assets at Historical Cost	<u>\$ 107,001,790</u>	<u>\$ 1,514,595</u>	<u>\$ 348,218</u>	<u>\$ 108,168,167</u>
Less Accumulated Depreciation for:				
Buildings	\$ 21,795,769	\$ 1,126,648	\$ -	\$ 22,922,417
Improvements Other than Buildings	2,062,655	207,972	-	2,270,627
Equipment	5,428,583	855,773	242,958	6,041,398
Total Accumulated Depreciation	<u>\$ 29,287,007</u>	<u>\$ 2,190,393</u>	<u>\$ 242,958</u>	<u>\$ 31,234,442</u>
Other Capital Assets, Net	<u>\$ 77,714,783</u>	<u>\$ (675,798)</u>	<u>\$ 105,260</u>	<u>\$ 76,933,725</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,770,366</u>	<u>\$ 453,024</u>	<u>\$ 602,652</u>	<u>\$ 78,620,738</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Instruction	
Regular Programs	\$ 165,286
Special Education Programs	23,972
Other Instructional Programs	112,740
Support Services	
Pupils	25,210
Instructional Staff	127,666
General Administration	5,706
School Administration	18,158
Business	8,031
Facilities Acquisition and Construction	777,128
Operations and Maintenance	68,586
Transportation	46,180
Food Services	29,021
Central	171,178
Unallocated	611,531
Total Governmental Activities Depreciation Expense	<u>\$ 2,190,393</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2016 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY (Continued)

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
General Obligation Bonds	\$ 37,850,000	\$ -	\$ 4,520,000	\$ 33,330,000	\$ 4,705,000
Debt Certificates	1,290,000	-	255,000	1,035,000	255,000
Lease/Purchase Agreements	630,923	210,474	226,956	614,441	160,950
Total Long-Term Debt	<u>\$ 39,770,923</u>	<u>\$ 210,474</u>	<u>\$ 5,001,956</u>	<u>\$ 34,979,441</u>	<u>\$ 5,120,950</u>
Other Long-Term Liabilities					
Bond Premiums, net of amortization	\$ 2,509,441	\$ -	\$ 461,791	\$ 2,047,650	\$ 461,790
Compensated Absences	363,965	14,034	-	377,999	-
Total Other Long-Term Liabilities	<u>\$ 2,873,406</u>	<u>\$ 14,034</u>	<u>\$ 461,791</u>	<u>\$ 2,425,649</u>	<u>\$ 461,790</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 42,644,329</u>	<u>\$ 224,508</u>	<u>\$ 5,463,747</u>	<u>\$ 37,405,090</u>	<u>\$ 5,582,740</u>

Long-term debt consisted of the following at June 30, 2016:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
2007B General Obligation Refunding Bonds	1/1/2025	4%-4.5%	\$ 12,655,000	\$ 6,980,000
2011 General Obligation Refunding Bonds	1/1/2017	2%-4%	9,100,000	610,000
2012 General Obligation Refunding Bonds	1/1/2022	3%-4%	27,610,000	25,740,000
2014 General Obligation Limited Tax Refunding Debt Certificates	1/1/2020	0.7%-1.5%	1,290,000	1,035,000
Lease/Purchase Agreement 10/12	10/16/2017	4.50%	213,860	-
Lease/Purchase Agreement 8/13	8/1/2018	2.58%	230,900	130,779
Lease/Purchase Agreement 4/15	4/10/2020	4.25%	384,013	295,506
Lease/Purchase Agreement 12/15	12/16/2020	4.25%	210,474	188,156

At June 30, 2016 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2017	\$ 5,120,950	\$ 1,384,961	\$ 6,505,911
2018	5,313,981	1,191,436	6,505,417
2019	5,507,356	986,389	6,493,745
2020	5,657,860	772,193	6,430,053
2021	5,519,294	551,869	6,071,163
2022	5,725,000	329,525	6,054,525
2023	930,000	96,075	1,026,075
2024	975,000	54,225	1,029,225
2025	230,000	10,350	240,350
	<u>\$ 34,979,441</u>	<u>\$ 5,377,023</u>	<u>\$ 40,356,464</u>

NOTE 6 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2016.

NOTE 7 - DEFICIT FUND BALANCE

At June 30, 2016, no fund had a deficit balance.

NOTE 8 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2015 tax levy. The unavailable revenue is 100% of the 2015 tax levy net of estimated uncollectible amounts. These taxes are unavailable as only a portion of the taxes are collected near the end of the fiscal year and the District does not consider the amounts to be available and does not budget for their use in fiscal year 2016. The District has determined

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - PROPERTY TAXES (Continued)

that 100% of the amounts collected for the 2014 levy are allocable for use in fiscal year 2016. Therefore, 100% of the amounts collected for the 2014 and prior levies (\$46,952,274) are recorded in these financial statements as property tax revenue. A summary of assessed valuations, rates, and extensions for tax years 2015, 2014 and 2013 as follows:

Tax Year	2015		2014		2013	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Assessed Valuation	\$1,815,658,197		\$1,740,708,934		\$1,801,519,013	
Educational	1.7978	\$ 32,641,903	1.8329	\$ 31,905,454	1.7384	\$ 31,317,607
Special Education	0.0325	590,089	0.0300	522,213	0.0275	495,418
Operations and Maintenance	0.2804	5,091,106	0.3119	5,429,271	0.2962	5,336,099
Debt Service	0.3371	6,120,584	0.3514	6,116,851	0.3397	6,119,760
Transportation	0.0988	1,793,870	0.1031	1,794,671	0.0979	1,763,687
Municipal Retirement	0.0382	693,581	0.0390	678,876	0.0378	680,974
Social Security	0.0388	704,475	0.0400	696,284	0.0380	684,577
	<u>2.6236</u>	<u>\$ 47,635,608</u>	<u>2.7083</u>	<u>\$ 47,143,620</u>	<u>2.5755</u>	<u>\$ 46,398,122</u>

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2016, the expenditures of the following fund exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 47,324,967	\$ 47,781,287	\$ 456,320

The over expenditure was covered by available fund balance.

NOTE 10 - RETIREMENT FUND COMMITMENTS

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

➤ **General Information About the Pension Plan**

○ **Plan Description**

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

○ **Benefits Provided**

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service,

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **General Information About the Pension Plan (Continued)**

○ **Benefits Provided (Continued)**

at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

○ **Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% 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, 2016, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$10,499,236 in pension contributions from the State of Illinois.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **General Information About the Pension Plan** (Continued)

○ **Contributions** (Continued)

▪ **2.2 Formula Contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$118,590, and are deferred because they were paid after the June 30, 2015 measurement date.

▪ **Federal and Special Trust Fund Contributions**

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

For the year ended June 30, 2016, the District pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$8,295 were paid from federal and special trust funds that required District contributions of \$2,991. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

▪ **Employer Retirement Cost Contributions**

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

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. 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, 2016, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,302,724
State's proportionate share of the net pension liability associated with the District	128,151,310
Total Net Pension Liability	<u>\$ 130,454,034</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. 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, 2015 relative to the projected contributions of all participating TRS employers and the State during that period. At June 30, 2015, the District's proportion was 0.003515%, which was an increase of 4.465% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$10,499,236 and revenue of \$10,499,236 for support provided by the State. At June 30, 2016, the District 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	Net Outflows of Resources
Difference between expected and actual experience	\$ 856	\$ (2,524)	\$ (1,668)
Net difference between projected and actual earnings on pension investments	45,604	(80,634)	(35,030)
Changes of assumptions	31,844	-	31,844
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,504	(301,587)	(225,083)
Employer contributions subsequent to the measurement date	121,581	-	121,581
	<u>\$ 276,389</u>	<u>\$ (384,745)</u>	<u>\$ (108,356)</u>

\$121,581 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

Year Ending June 30	
2017	\$ (84,938)
2018	(84,938)
2019	(84,938)
2020	24,877
2021	-
	\$ (229,937)

○ **Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.5%, net of pension plan investment expenses, 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 actuarial assumptions for the years ended June 30, 2015 and June 30, 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5%, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0% to 7.5%. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

○ **Actuarial Assumptions** (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.0%	7.53%
Global equity excluding U.S.	18.0%	7.88%
Aggregate bonds	16.0%	1.57%
U.S. TIPS	2.0%	2.82%
NCREIF	11.0%	5.11%
Opportunistic real estate	4.0%	9.09%
ARS	8.0%	2.57%
Risk Parity	8.0%	4.87%
Diversified inflation strategy	1.0%	3.26%
Private Equity	14.0%	12.33%
	100.0%	

○ **Discount Rate**

At June 30, 2015 the discount rate used to measure total pension liability was a blended rate of 7.47%, which was a change from the June 30, 2014 rate of 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

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

At June 30, 2014 the discount rate used to measure the total pension liability was 7.50%. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47%) or 1-percentage-point-higher (8.47%) than the current rate.

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

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

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

○ **Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** (Continued)

	1% Decrease 6.47%	Current Discount Rate 7.47%	1% Increase 8.47%
Employer's proportionate share of the net pension liability	\$ 2,845,602	\$ 2,302,724	\$ 1,857,549

○ **TRS Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS Comprehensive Annual Financial Report.

B. *Illinois Municipal Retirement Fund*

➤ **Plan Description**

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

➤ **Benefits Provided**

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Benefits Provided** (Continued)

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

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

➤ **Employees Covered by Benefit Terms**

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2015 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	140
Inactive plan members entitled to but not yet receiving benefits	153
Active plan members	127
Total	420

➤ **Contributions**

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 12.47%. For the fiscal year ended June 30, 2016, the District contributed \$679,393 to the Plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

➤ **Net Pension Liability**

The components of the net pension liability of the IMRF as of December 31, 2015, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 36,979,744
IMRF Fiduciary Net Position	31,608,578
District's Net Pension Liability	5,371,166
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	85.48%

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Net Pension Liability** (Continued)

See the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

➤ **Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Assumptions	
Inflation	3.50%
Price Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.46%
Asset Valuation Method	Market Value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

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

➤ **Long-Term Expected Rate of Return**

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Long-Term Expected Rate of Return** (Continued)

Asset Class	Target Allocation	Projected Return
Equities	38.00%	7.39%
International Equities	17.00%	7.59%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.00%
Alternatives	9.00%	
Private Equity		8.15%
Hedge Funds		5.25%
Commodities		2.75%
Cash	1.00%	2.25%
	100.00%	

➤ **Single Discount Rate**

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

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

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and resulting single discount rate is 7.46%.

➤ **Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.46% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.46%) or 1-percentage-point higher (8.46%) than the current rate:

	1% Decrease 6.46%	Current Discount Rate 7.46%	1% Increase 8.46%
Net Pension Liability	\$ 9,532,497	\$ 5,371,166	\$ 1,882,369

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund (Continued)*

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

For the year ended June 30, 2016, the District recognized pension expense of \$1,633,445. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 353,420	\$ -	\$ 353,420
Assumption changes	505,167	-	505,167
Net difference between projected and actual earnings on pension investments	<u>2,037,157</u>	<u>-</u>	<u>2,037,157</u>
Total deferred amounts to be recognized in pension expense in future periods	\$ 2,895,744	\$ -	\$ 2,895,744
Pension contributions made subsequent to the measurement date	<u>352,496</u>	<u>-</u>	<u>352,496</u>
Total deferred amounts related to pensions	<u><u>\$ 3,248,240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,248,240</u></u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 1,210,450
2017	709,579
2018	530,723
2019	444,992
2020	-
Thereafter	-
	<u><u>\$ 2,895,744</u></u>

C. *Social Security*

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

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS

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

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

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

Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

➤ **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$218,778, and the District recognized revenue and expenditures of this amount during the year.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$163,572 to the THIS Fund, which was 100% of the required contribution.

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."

B. *Retiree Insurance Plan*

➤ **Plan Overview**

The District provides post-employment benefits other than pensions ("OPEB") to employees who retire directly from the District and who meet certain criteria. The Plan, a single-employer defined benefit plan, provides medical, dental, vision and life insurance benefits to retirees and their covered eligible dependents. The District pays a portion of the cost for eligible retirees, spouses and dependents. The Plan does not issue a stand-alone financial report.

Membership in the Plan consisted of the following at July 1, 2015 (the date of the latest actuarial valuation):

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

B. *Retiree Insurance Plan* (Continued)

➤ **Plan Overview** (Continued)

Active Participants	322
Inactive Participants	186
Total	<u>508</u>

➤ **Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements.

➤ **Annual OPEB Cost and Net OPEB Obligation**

The District’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45.

The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District’s net OPEB obligation to the plan:

Annual required contribution	\$ 740,259
Interest on net OPEB obligation	(60,812)
Adjustment to annual required contribution	79,390
Annual OPEB cost (expense)	<u>\$ 758,837</u>
Contributions made	1,006,693
Increase/(decrease) in net OPEB obligation	\$ (247,856)
Net OPEB obligation/(asset) beginning of year	<u>(1,351,371)</u>
Net OPEB obligation/(asset) end of year	<u>\$ (1,599,227)</u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Contributed	Net OPEB Obligation/ (Asset)
6/30/2016	\$ 758,837	\$ 1,006,693	132.7%	\$ (1,599,227)
6/30/2015	755,175	1,034,167	136.9%	(1,351,371)
6/30/2014	755,590	1,087,287	143.9%	(1,072,379)

➤ **Funded Status and Funding Progress**

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

B. *Retiree Insurance Plan (Continued)*

➤ **Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The following includes actuarial assumptions and methods:

Actuarial Cost Method	Unit Credit
Amortization Method	Open, Level Dollar
Remaining Amortization Period	30 Years
Healthcare Inflation Rate	5% Medical (HMO), 5% Medical (PPO), 2.5% for Dental and 2% Vision
Mortality	RP-2000 Combined Mortality Table for males and females with mortality improvement projected to 2016 using Scale AA.
New Retiree Elections, Medical Coverage	It is assumed that new retirees select coverage, consistent with their active election.

NOTE 12 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2016 were as follows:

Transfer From	Transfer To	Amount
General Fund	Debt Services Fund	\$ 137,146
Operations and Maintenance Fund	Debt Services Fund	269,651
Operations and Maintenance Fund	Capital Projects Fund	1,500,000
Transportation Fund	Operations and Maintenance Fund	500,000

The transfers from the General and Operations and Maintenance Fund to the Debt Services Fund were for principal and interest payments on debt.

The transfers from the Operations and Maintenance Fund to the Capital Projects Fund and from the Transportation Fund to the Operations and Maintenance Fund were to fund current and future capital projects.

NOTE 13 - JOINT VENTURES

A. *North DuPage Special Education Cooperative (NDSEC)*

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

A summary of financial condition (modified cash basis) of NDSEC at June 30, 2015 (most recent information available) is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - JOINT VENTURES (Continued)

A. *North DuPage Special Education Cooperative (NDSEC) (Continued)*

Assets	\$ 6,489,655
Liabilities	\$ 507,212
Net Position	5,982,443
	<u>\$ 6,489,655</u>
Revenues Received	\$ 14,572,966
Expenditures Disbursed	14,086,450
Net Increase/(Decrease) in Net Position	<u>\$ 486,516</u>

Complete financial statements for NDSEC can be obtained from the Administrative Offices at 132 E. Pine Avenue, Roselle, Illinois 60172.

B. *DuPage Area Occupational Education System (DAOES)*

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

A summary of the Statement of Net Position of DAOES at June 30, 2015 (most recent information available) is as follows:

Assets	\$ 17,781,421
Deferred Outflows	458,437
	<u>\$ 18,239,858</u>
Liabilities	\$ 2,148,767
Deferred Inflows	101,398
	<u>\$ 2,250,165</u>
Net Position	15,989,693
	<u>\$ 18,239,858</u>
Revenues	\$ 10,634,456
Expenditures	10,491,756
Net Increase/(Decrease) in Net Position	<u>\$ 142,700</u>

Complete financial statements for DAOES can be obtained from the Administrative Offices at 301 S. Swift Road, Addison, Illinois 60101.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2016 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - RISK MANAGEMENT (Continued)

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

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

The District is insured under a retrospectively-rated policy for workers' compensation coverage, whereas the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2016, there were no significant adjustments in premiums based on actual experience.

The District has a self-insured plan that provides its employees' dental and vision care benefits. A third party administrator is contracted to manage the plan and all related claims. See Note 15 for more information.

NOTE 15 - SELF INSURANCE

The District self-insures the dental and vision portion of its employees' health care benefits. A third party administrator has been contracted to manage the plan. Stop loss insurance has been obtained for losses in excess of certain limitations. At June 30, 2016, the liability for unpaid claims was \$46,701 and \$1,973 for dental and vision claims, respectively. A reconciliation of changes in the aggregate liabilities for claims for the last three years is as follows:

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Claims Liabilities - Beginning of the Year	\$ 41,979	\$ 14,804	\$ 12,233
Incurred Claims	363,628	380,343	316,469
Payment on Claims	(356,933)	(353,168)	(313,898)
Claims Liabilities - End of the Year	<u>\$ 48,674</u>	<u>\$ 41,979</u>	<u>\$ 14,804</u>

NOTE 16 - CONSTRUCTION COMMITMENTS

The District has an on-going construction project which is estimated to cost \$2,048,255. As of June 30, 2016 \$1,126,822 has been paid or accrued.

NOTE 17 - CONTINGENCIES

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 - LEGAL DEBT LIMITATION (Continued)

2015 EAV	\$ 1,815,658,197
Rate	<u>6.90%</u>
Debt Margin	\$ 125,280,416
Current Debt	<u>34,979,441</u>
Remaining Debt Margin	<u>\$ 90,300,975</u>

NOTE 19 - SUBSEQUENT EVENTS

On September 15, 2016 the District has issued General Obligation Debt Certificates for a total of \$2,375,000. These were issued to fund the rooftop solar units project which will begin in fiscal year 2017.

On October 6, 2016 the District issued General Obligation Refunding Bonds for a total of \$6,060,000. These were issued to refund the 2007B General Obligation Refunding Bonds.

After year-end the District was informed by the State that a portion of their fiscal year 2016 special education expenses needed to be paid from the general state aid funding in order to ensure that the State properly demonstrated maintenance of fiscal effort for IDEA Part B Flow Through. For the year ended June 30, 2016, \$4,138 of the District's special education expenses (in State expense line item 1200) was paid with general state aid.

The District has evaluated subsequent events through October 26, 2016, the date on which the financial statements were available to be issued.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2016, the District has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This statement further clarifies how the fair value is determined for assets and liabilities. This statement also requires additional disclosures about the fair value measurement of the investments held by the District (see Note 3).

REQUIRED SUPPLEMENTARY INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 604,588	\$ 642,799
Interest	2,576,198	2,368,115
Differences Between Expected and Actual Experience	534,107	44,782
Changes in Assumptions	115,679	1,502,563
Benefit Payments, Including Refunds of Member Contributions	<u>(1,887,395)</u>	<u>(1,550,327)</u>
Net Change in Total Pension Liability	\$ 1,943,177	\$ 3,007,932
Total Pension Liability - Beginning	<u>35,036,567</u>	<u>32,028,635</u>
Total Pension Liability - Ending	<u>\$ 36,979,744</u>	<u>\$ 35,036,567</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 748,864	\$ 705,638
Contributions - Member	297,764	247,222
Net Investment Income	158,433	1,860,616
Benefit Payments, Including Refunds of Member Contributions	(1,887,395)	(1,550,327)
Other	183,909	43,219
Net Change in Plan Fiduciary Net Position	<u>\$ (498,425)</u>	<u>\$ 1,306,368</u>
Plan Net Position - Beginning	<u>32,107,003</u>	<u>30,800,635</u>
Plan Net Position - Ending	<u>\$ 31,608,578</u>	<u>\$ 32,107,003</u>
District's Net Pension Liability	<u>\$ 5,371,166</u>	<u>\$ 2,929,564</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.48%	91.64%
Covered-Employee Payroll	\$ 5,435,323	\$ 5,470,062
Employer's Net Pension Liability as a percentage of Covered-Employee Payroll	98.82%	53.56%

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

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

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2016

	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 677,785	\$ 705,638
Contributions in relation to Actuarially-Determined Contribution	748,864	705,638
Contribution deficiency/(excess)	\$ (71,079)	\$ -
Covered-Employee Payroll	\$ 5,435,323	\$ 5,470,062
Contributions as a percentage of Covered-Employee Payroll	13.78%	12.90%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2015 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period)

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

Wage Growth: 4%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 4.40% to 16%, 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 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward ten years.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0035151%	0.0033648%
Employer's proportionate share of the Net Pension Liability	\$ 2,302,724	\$ 2,047,786
State's proportionate share of the Net Pension Liability associated with the employer	<u>128,151,310</u>	<u>118,466,381</u>
Total	<u>\$ 130,454,034</u>	<u>\$ 120,514,167</u>
Employer's Covered-Employee Payroll	\$ 19,818,720	\$ 19,288,273
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	11.62%	10.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	41.50%	43.00%

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

Changes of Assumptions: Amounts reported in 2015 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases of 5.75%.

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2016

	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 123,168	\$ 120,056
Contributions in relation to the Statutorily-Required Contribution	<u>123,168</u>	<u>120,056</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 19,818,720	\$ 19,288,273
Contributions as a percentage of Covered-Employee Payroll	0.62%	0.62%

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 RETIREE INSURANCE PLAN
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	\$ -	\$ 7,666,721	\$ 7,666,721	0.00%	\$ 24,157,213	31.74%
7/1/2013	\$ -	\$ 8,052,449	\$ 8,052,449	0.00%	\$ 22,646,244	35.56%
7/1/2011	-	8,536,306	8,536,306	0.00%	22,094,876	38.63%

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 32,266,571	\$ 32,266,571	\$ 32,296,049
Payments in Lieu of Taxes	433,023	5,000	17,662
Tuition	35,600	35,600	54,125
Earnings on Investments	91,500	91,500	151,640
Food Service	1,126,294	1,126,294	1,186,231
District/School Activity Income	1,130,984	1,130,984	1,157,293
Textbooks	11,890	11,890	9,297
Other Local Sources	545,396	556,759	618,162
State Aid			
General State Aid	450,412	-	4,138
Special Education	1,063,491	1,063,491	1,012,979
Career and Technical Education	35,184	35,184	35,181
Bilingual	4,815	4,815	5,677
State Free Lunch and Breakfast	2,000	2,000	2,045
Driver Education	89,793	89,793	95,359
Other State Aid	2,200	2,200	1,619
Federal Aid			
Title I	169,897	169,897	192,542
Federal Special Education	581,789	581,789	690,809
CTE - Perkins	24,078	24,078	24,078
Title II - Teacher Quality	43,146	43,146	28,995
Medicaid Matching Funds - Administrative Outreach	40,000	40,000	40,887
Medicaid Matching Funds - Fee-for-Service Program	5,047	5,047	39,768
On-Behalf Payments	9,900,000	9,900,000	10,718,014
Total Revenues	\$ 48,053,110	\$ 47,186,038	\$ 48,382,550
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$ 11,019,779	\$ 11,010,153	\$ 10,882,857
Employee Benefits	1,875,338	1,875,336	1,846,262
Purchased Services	62,991	46,365	53,107
Supplies and Materials	653,669	570,975	674,842
Other Objects	19,535	19,185	12,000
Non-Capitalized Equipment	-	-	49,610
	<u>\$ 13,631,312</u>	<u>\$ 13,522,014</u>	<u>\$ 13,518,678</u>
Special Education Programs			
Salaries	\$ 2,441,168	\$ 2,441,168	\$ 2,457,723
Employee Benefits	507,886	507,886	527,050
Purchased Services	15,735	15,735	8,118
Supplies and Materials	45,975	45,975	36,430
Other Objects	540	540	-
	<u>\$ 3,011,304</u>	<u>\$ 3,011,304</u>	<u>\$ 3,029,321</u>
Remedial and Supplemental Programs K-12			
Salaries	\$ 369,960	\$ 369,960	\$ 341,133
Employee Benefits	107,002	107,002	98,690
Purchased Services	20,000	20,000	29,439
Supplies and Materials	10,000	10,000	8,047
	<u>\$ 506,962</u>	<u>\$ 506,962</u>	<u>\$ 477,309</u>
CTE Programs			
Salaries	\$ 1,299,130	\$ 1,299,130	\$ 1,355,652
Employee Benefits	250,433	250,433	258,864
Purchased Services	12,410	12,410	7,256
Supplies and Materials	102,821	105,080	103,616
Other Objects	508	508	-
	<u>\$ 1,665,302</u>	<u>\$ 1,667,561</u>	<u>\$ 1,725,388</u>
Interscholastic Programs			
Salaries	\$ 1,689,642	\$ 1,689,642	\$ 1,626,111
Employee Benefits	95,450	95,450	93,892
Purchased Services	327,875	327,677	312,587
Supplies and Materials	168,339	168,339	186,647
Other Objects	62,396	62,396	65,832
	<u>\$ 2,343,702</u>	<u>\$ 2,343,504</u>	<u>\$ 2,285,069</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Summer School Programs			
Salaries	\$ 84,130	\$ 84,130	\$ 61,254
Employee Benefits	2,415	2,415	2,115
Other Objects	6,805	6,805	6,250
	<u>\$ 93,350</u>	<u>\$ 93,350</u>	<u>\$ 69,619</u>
Driver's Education Programs			
Salaries	\$ 274,908	\$ 274,908	\$ 260,900
Employee Benefits	75,452	75,452	74,996
Purchased Services	13,261	13,261	11,999
Supplies and Materials	8,711	8,711	4,026
Other Objects	775	775	842
	<u>\$ 373,107</u>	<u>\$ 373,107</u>	<u>\$ 352,763</u>
Bilingual Programs			
Salaries	\$ 35,804	\$ 35,804	\$ 58,447
Employee Benefits	12,131	12,131	13,263
Purchased Services	7,500	7,500	-
Supplies and Materials	2,969	2,969	1,423
	<u>\$ 58,404</u>	<u>\$ 58,404</u>	<u>\$ 73,133</u>
Private Tuition - Other Objects			
Regular K-12 Programs	\$ 5,000	\$ 5,000	\$ 19,430
Special Education Programs K-12	1,183,739	1,183,739	1,035,835
	<u>\$ 1,188,739</u>	<u>\$ 1,188,739</u>	<u>\$ 1,055,265</u>
Total Instruction	<u>\$ 22,872,182</u>	<u>\$ 22,764,945</u>	<u>\$ 22,586,545</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,404,142	\$ 1,404,142	\$ 1,407,722
Employee Benefits	318,385	318,385	319,521
Purchased Services	23,694	23,595	19,388
Supplies and Materials	22,212	22,212	11,747
Other Objects	1,008	1,008	-
Non-Capitalized Equipment	-	-	2,305
	<u>\$ 1,769,441</u>	<u>\$ 1,769,342</u>	<u>\$ 1,760,683</u>
Guidance Services			
Salaries	\$ 1,230,422	\$ 1,230,422	\$ 1,240,220
Employee Benefits	263,623	263,623	268,245
Purchased Services	3,423	3,423	5,259
Supplies and Materials	2,104	2,543	661
Non-Capitalized Equipment	-	-	6,146
Termination Benefits	-	-	4,010
	<u>\$ 1,499,572</u>	<u>\$ 1,500,011</u>	<u>\$ 1,524,541</u>
Health Services			
Salaries	\$ 194,074	\$ 194,074	\$ 177,379
Employee Benefits	73,011	73,011	70,321
Purchased Services	81,993	81,993	114,621
Supplies and Materials	4,628	4,379	3,120
	<u>\$ 353,706</u>	<u>\$ 353,457</u>	<u>\$ 365,441</u>
Psychological Services			
Salaries	\$ 175,672	\$ 175,672	\$ 151,198
Employee Benefits	15,866	15,866	15,359
Purchased Services	1,350	1,350	1,402
Supplies and Materials	650	650	189
Non-Capitalized Equipment	-	-	768
	<u>\$ 193,538</u>	<u>\$ 193,538</u>	<u>\$ 168,916</u>
Speech Pathology and Audiology Services			
Salaries	\$ 68,813	\$ 68,813	\$ 72,206
Employee Benefits	19,211	19,211	20,299
Purchased Services	225	225	180
Supplies and Materials	784	784	-
	<u>\$ 89,033</u>	<u>\$ 89,033</u>	<u>\$ 92,685</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupils (Continued)			
Other Support Services - Pupils			
Salaries	\$ 13,691	\$ 13,691	\$ 9,221
Employee Benefits	17	17	7
Purchased Services	38,642	38,642	39,090
Supplies and Materials	37,280	38,480	38,963
	<u>\$ 89,630</u>	<u>\$ 90,830</u>	<u>\$ 87,281</u>
Total Support Services - Pupils	<u>\$ 3,994,920</u>	<u>\$ 3,996,211</u>	<u>\$ 3,999,547</u>
Instructional Staff			
Improvement of Instruction Services:			
Salaries	\$ 619,164	\$ 619,164	\$ 610,914
Employee Benefits	77,748	77,748	71,984
Purchased Services	141,964	143,388	109,166
Supplies and Materials	4,815	4,815	2,585
Other Objects	450	450	-
Non-Capitalized Equipment	-	-	1,225
	<u>\$ 844,141</u>	<u>\$ 845,565</u>	<u>\$ 795,874</u>
Educational Media Services			
Salaries	\$ 793,297	\$ 793,297	\$ 798,989
Employee Benefits	258,599	258,599	255,630
Purchased Services	167,208	192,863	183,156
Supplies and Materials	158,899	188,920	184,790
Other Objects	-	-	128
Non-Capitalized Equipment	-	-	8,633
	<u>\$ 1,378,003</u>	<u>\$ 1,433,679</u>	<u>\$ 1,431,326</u>
Assessment and Testing			
Salaries	\$ 7,542	\$ 17,168	\$ 27,368
Employee Benefits	24	32	51
Purchased Services	54,900	162,869	163,211
Supplies and Materials	-	1,500	1,533
	<u>\$ 62,466</u>	<u>\$ 181,569</u>	<u>\$ 192,163</u>
Total Support Services - Instructional Staff	<u>\$ 2,284,610</u>	<u>\$ 2,460,813</u>	<u>\$ 2,419,363</u>
General Administration			
Board of Education Services			
Salaries	\$ 9,000	\$ 9,000	\$ 15,381
Employee Benefits	196,613	196,613	184,031
Purchased Services	3,000	3,000	2,687
Supplies and Materials	22,600	22,600	22,029
	<u>\$ 231,213</u>	<u>\$ 231,213</u>	<u>\$ 224,128</u>
Executive Administration Services:			
Salaries	\$ 475,805	\$ 475,805	\$ 471,854
Employee Benefits	68,873	68,873	70,668
Purchased Services	13,058	13,058	13,702
Supplies and Materials	1,728	1,766	493
Other Objects	3,040	3,040	2,110
Non-Capitalized Equipment	-	-	1,325
	<u>\$ 562,504</u>	<u>\$ 562,542</u>	<u>\$ 560,152</u>
Tort Immunity Services			
Purchased Services	\$ 445,948	\$ 445,948	\$ 446,252
	<u>\$ 445,948</u>	<u>\$ 445,948</u>	<u>\$ 446,252</u>
Total Support Services - General Administration	<u>\$ 1,239,665</u>	<u>\$ 1,239,703</u>	<u>\$ 1,230,532</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 899,677	\$ 899,677	\$ 898,154
Employee Benefits	202,732	202,732	200,136
Purchased Services	18,515	18,317	10,037
Supplies and Materials	4,819	4,907	2,907
Other Objects	3,679	3,679	2,154
Termination Benefits	-	-	15,881
	<u>\$ 1,129,422</u>	<u>\$ 1,129,312</u>	<u>\$ 1,129,269</u>
Total Support Services - School Administration	<u>\$ 1,129,422</u>	<u>\$ 1,129,312</u>	<u>\$ 1,129,269</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business			
Direction of Business Support Services			
Salaries	\$ 265,937	\$ 265,937	\$ 265,937
Employee Benefits	38,658	38,658	38,549
Purchased Services	10,069	10,069	9,563
Supplies and Materials	400	400	72
Other Objects	1,080	1,080	810
	<u>\$ 316,144</u>	<u>\$ 316,144</u>	<u>\$ 314,931</u>
Fiscal Services			
Salaries	\$ 279,841	\$ 279,841	\$ 279,351
Employee Benefits	60,839	60,839	61,362
Purchased Services	6,491	6,491	5,410
Supplies and Materials	3,200	3,200	2,829
	<u>\$ 350,371</u>	<u>\$ 350,371</u>	<u>\$ 348,952</u>
Internal Services			
Salaries	\$ 106,686	\$ 106,686	\$ 106,753
Employee Benefits	44,023	44,023	50,832
Purchased Services	105,187	105,187	84,663
Supplies and Materials	31,693	31,693	28,191
	<u>\$ 287,589</u>	<u>\$ 287,589</u>	<u>\$ 270,439</u>
Total Support Services - Business	<u>\$ 954,104</u>	<u>\$ 954,104</u>	<u>\$ 934,322</u>
Operations and Maintenance			
Salaries	\$ 165,327	\$ 165,327	\$ 153,411
Employee Benefits	26,764	26,764	27,885
Purchased Services	249,139	250,000	230,541
Supplies and Materials	3,006	3,080	1,738
Total Support Services - Operations and Maintenance	<u>\$ 444,236</u>	<u>\$ 445,171</u>	<u>\$ 413,575</u>
Food Services			
Purchased Services	\$ 1,463,500	\$ 1,466,256	\$ 1,397,302
Supplies and Materials	7,422	7,422	11,194
Other Objects	1,602	1,602	1,951
Total Support Services - Food Services	<u>\$ 1,472,524</u>	<u>\$ 1,475,280</u>	<u>\$ 1,410,447</u>
Central			
Planning, Research, Development and Evaluation Services:			
Salaries	\$ 56,424	\$ 56,424	\$ 58,323
Employee Benefits	17,725	17,725	17,681
Purchased Services	-	-	246
Supplies and Materials	200	200	13
	<u>\$ 74,349</u>	<u>\$ 74,349</u>	<u>\$ 76,263</u>
Information Services:			
Salaries	\$ 117,294	\$ 117,294	\$ 119,016
Employee Benefits	8,565	8,565	8,556
Purchased Services	37,511	40,261	19,591
Supplies and Materials	2,250	2,250	61
Other Objects	1,800	1,800	1,897
	<u>\$ 167,420</u>	<u>\$ 170,170</u>	<u>\$ 149,121</u>
Staff Services			
Salaries	\$ 197,858	\$ 197,858	\$ 194,667
Employee Benefits	44,039	44,039	52,313
Purchased Services	28,279	29,269	24,423
Supplies and Materials	10,275	10,275	9,292
	<u>\$ 280,451</u>	<u>\$ 281,441</u>	<u>\$ 280,695</u>
Data Processing Services			
Salaries	\$ 103,019	\$ 103,019	\$ 103,019
Employee Benefits	22,630	22,630	22,602
Purchased Services	221,644	223,466	226,871
Supplies and Materials	11,660	11,660	7,120
Other Objects	200	200	200
	<u>\$ 359,153</u>	<u>\$ 360,975</u>	<u>\$ 359,812</u>
Total Support Services - Centra	<u>\$ 881,373</u>	<u>\$ 886,935</u>	<u>\$ 865,891</u>
Total Support Services	<u>\$ 12,400,854</u>	<u>\$ 12,587,529</u>	<u>\$ 12,402,946</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Community Services			
Supplies and Materials	\$ 1,350	\$ 1,350	\$ 725
Other Objects	3,600	3,600	-
Total Community Services	<u>\$ 4,950</u>	<u>\$ 4,950</u>	<u>\$ 725</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Purchased Services	\$ 3,000	\$ 3,000	\$ -
	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Payments for Special Education Programs			
Purchased Services	\$ 7,000	\$ 7,000	\$ 6,150
	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 6,150</u>
Other Payments to In-State Governmental Unit			
Purchased Services	\$ -	\$ -	\$ 989
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 989</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 7,139</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 3,300	\$ 3,300	\$ -
Payments for Special Education Programs			
Other Objects	1,314,227	1,314,227	1,182,414
Payment for CTE Programs			
Other Objects	440,000	440,000	423,553
Payments for Other Programs			
Other Objects	1,600	1,600	595
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,759,127</u>	<u>\$ 1,759,127</u>	<u>\$ 1,606,562</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,769,127</u>	<u>\$ 1,769,127</u>	<u>\$ 1,613,701</u>
Capital Outlay			
Instruction			
Regular Programs	\$ 175,562	\$ 95,112	\$ 75,774
Special Education Programs	15,281	15,281	1,207
Other Instructional Programs	125,015	121,635	107,264
Support Services			
Pupils	17,849	15,762	6,259
Instructional Staff	24,081	36,630	54,612
General Administration	1,500	1,500	-
School Administration	1,096	-	-
Business	5,571	4,758	213,626
Operations and Maintenance	3,200	3,124	-
Central	4,000	4,614	614
Total Capital Outlay	<u>\$ 373,155</u>	<u>\$ 298,416</u>	<u>\$ 459,356</u>
On-Behalf Payments	<u>\$ 9,900,000</u>	<u>\$ 9,900,000</u>	<u>\$ 10,718,014</u>
Total Expenditures	<u>\$ 47,320,268</u>	<u>\$ 47,324,967</u>	<u>\$ 47,781,287</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 732,842</u>	<u>\$ (138,929)</u>	<u>\$ 601,263</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (137,147)	\$ (137,147)	\$ (137,146)
Principal on Bonds Sold	-	-	210,474
	<u>\$ (137,147)</u>	<u>\$ (137,147)</u>	<u>\$ 73,328</u>
NET CHANGE IN FUND BALANCE	\$ 595,695	\$ (276,076)	\$ 674,591
FUND BALANCE - JULY 1, 2015	29,221,615	29,221,615	11,054,836
FUND BALANCE - JUNE 30, 2016	<u>\$ 29,817,310</u>	<u>\$ 28,945,539</u>	<u>\$ 11,729,427</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 5,404,125	\$ 5,404,125	\$ 5,407,235
Earnings on Investments	6,000	6,000	17,858
Other Local Sources	234,763	234,763	238,527
Total Revenues	\$ 5,644,888	\$ 5,644,888	\$ 5,663,620
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 1,110	\$ 1,110	\$ -
Total Support Services - Facilities Acquisition and Construction	\$ 1,110	\$ 1,110	\$ -
Operations and Maintenance			
Salaries	\$ 2,121,979	\$ 2,121,979	\$ 2,081,684
Employee Benefits	622,778	641,071	637,095
Purchased Services	677,213	718,101	695,120
Supplies and Materials	1,268,830	1,268,830	1,061,811
Other Objects	3,216	3,216	2,094
Total Support Services - Operations and Maintenance	\$ 4,694,016	\$ 4,753,197	\$ 4,477,804
Other Support Services			
Purchased Services	\$ 1,284	\$ 1,284	\$ 768
Total Support Services - Other Support Services	\$ 1,284	\$ 1,284	\$ 768
Total Support Services	\$ 4,696,410	\$ 4,755,591	\$ 4,478,572
Capital Outlay			
Support Services			
Operations and Maintenance	\$ 83,875	\$ 112,983	\$ 111,185
Food Services	900	1,814	1,813
Total Capital Outlay	\$ 84,775	\$ 114,797	\$ 112,998
Total Expenditures	\$ 4,781,185	\$ 4,870,388	\$ 4,591,570
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 863,703	\$ 774,500	\$ 1,072,050
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (269,651)	\$ (1,269,651)	\$ (1,269,651)
Sale or Compensation for Fixed Assets	-	-	1,750
	\$ (269,651)	\$ (1,269,651)	\$ (1,267,901)
NET CHANGE IN FUND BALANCE	\$ 594,052	\$ (495,151)	\$ (195,851)
FUND BALANCE - JULY 1, 2015	4,140,627	4,140,627	1,483,811
FUND BALANCE - JUNE 30, 2016	\$ 4,734,679	\$ 3,645,476	\$ 1,287,960

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 1,785,756	\$ 1,785,756	\$ 1,787,387
Transportation Fees	14,295	14,295	19,881
Earnings on Investments	5,000	5,000	7,661
State Aid			
Transportation	498,576	498,576	539,089
Total Revenues	<u>\$ 2,303,627</u>	<u>\$ 2,303,627</u>	<u>\$ 2,354,018</u>
EXPENDITURES			
Support Services			
Transportation			
Purchased Services	\$ 2,206,685	\$ 2,205,118	\$ 1,900,127
Other Objects	1,500	1,500	2,246
Total Support Services - Transportation	<u>\$ 2,208,185</u>	<u>\$ 2,206,618</u>	<u>\$ 1,902,373</u>
Total Support Services	<u>\$ 2,208,185</u>	<u>\$ 2,206,618</u>	<u>\$ 1,902,373</u>
Debt Services			
Interest			
Interest on Long-Term Debt			
Other Objects	\$ -	\$ -	\$ 3,498
Payments of Principal on Long-Term Debt			
Other Objects	-	-	31,262
Total Debt Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,760</u>
Capital Outlay			
Support Services			
Transportation	\$ 25,000	\$ 25,000	\$ -
	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 2,233,185</u>	<u>\$ 2,231,618</u>	<u>\$ 1,937,133</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 70,442	\$ 72,009	\$ 416,885
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	-	(500,000)	(500,000)
NET CHANGE IN FUND BALANCE	\$ 70,442	\$ (427,991)	\$ (83,115)
FUND BALANCE - JULY 1, 2015	<u>1,727,533</u>	<u>1,727,533</u>	<u>947,924</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ 1,797,975</u>	<u>\$ 1,299,542</u>	<u>\$ 864,809</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 1,368,330	\$ 1,368,330	\$ 674,139
FICA/Medicare Only Purposes Levies	-	-	695,439
Payments in Lieu of Taxes	184,930	184,930	184,930
Earnings on Investments	2,500	2,500	1,920
Total Revenues	\$ 1,555,760	\$ 1,555,760	\$ 1,556,428
EXPENDITURES			
Instruction			
Regular Programs			
Employee Benefits	\$ 198,604	\$ 198,604	\$ 184,721
Special Education Programs			
Employee Benefits	123,648	123,648	121,990
Remedial and Supplemental Programs - K-12			
Employee Benefits	29,408	29,408	23,074
CTE Programs			
Employee Benefits	18,065	18,065	18,831
Interscholastic Programs			
Employee Benefits	104,406	104,406	83,310
Summer School Programs			
Employee Benefits	2,079	2,079	1,757
Driver's Education Programs			
Employee Benefits	4,096	4,096	3,910
Bilingual Programs			
Employee Benefits	494	494	816
	<u>\$ 480,800</u>	<u>\$ 480,800</u>	<u>\$ 438,409</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Employee Benefits	\$ 79,504	\$ 79,504	\$ 78,146
Guidance Services			
Employee Benefits	54,765	54,765	54,863
Health Services			
Employee Benefits	11,714	11,714	11,588
Psychological Services			
Employee Benefits	4,360	4,360	3,071
Speech Pathology and Audiology Services			
Employee Benefits	940	940	985
Other Support Services - Pupils			
Employee Benefits	2,459	2,459	1,611
	<u>\$ 153,742</u>	<u>\$ 153,742</u>	<u>\$ 150,264</u>
Instructional Staff			
Improvement of Instruction Services			
Employee Benefits	\$ 8,768	\$ 8,768	\$ 8,572
Educational Media Services			
Employee Benefits	106,714	106,714	108,701
Assessment and Testing			
Employee Benefits	1,547	1,547	1,667
	<u>\$ 117,029</u>	<u>\$ 117,029</u>	<u>\$ 118,940</u>
General Administration			
Executive Administration Services			
Employee Benefits	\$ 29,850	\$ 29,850	\$ 29,545
	<u>\$ 29,850</u>	<u>\$ 29,850</u>	<u>\$ 29,545</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
School Administration			
Office of the Principal Services			
Employee Benefits	\$ 58,473	\$ 58,473	\$ 57,568
	<u>\$ 58,473</u>	<u>\$ 58,473</u>	<u>\$ 57,568</u>
Business			
Direction of Business Support Services			
Employee Benefits	\$ 16,080	\$ 16,080	\$ 16,084
Fiscal Services			
Employee Benefits	62,046	62,046	65,552
Internal Services			
Employee Benefits	21,751	21,751	21,245
	<u>\$ 99,877</u>	<u>\$ 99,877</u>	<u>\$ 102,881</u>
Operations and Maintenance			
Employee Benefits	\$ 474,644	\$ 474,644	\$ 448,520
	<u>\$ 474,644</u>	<u>\$ 474,644</u>	<u>\$ 448,520</u>
Central			
Planning, Research, Development and Evaluation Services			
Employee Benefits	\$ 10,819	\$ 10,819	\$ 10,972
Information Services			
Employee Benefits	23,764	23,764	24,118
Staff Services			
Employee Benefits	53,052	53,052	27,987
Data Processing Services			
Employee Benefits	25,685	25,685	25,689
	<u>\$ 113,320</u>	<u>\$ 113,320</u>	<u>\$ 88,766</u>
Total Support Services	<u>\$ 1,046,935</u>	<u>\$ 1,046,935</u>	<u>\$ 996,484</u>
Total Expenditures	<u>\$ 1,527,735</u>	<u>\$ 1,527,735</u>	<u>\$ 1,434,893</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 28,025	\$ 28,025	\$ 121,535
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 28,025	\$ 28,025	\$ 121,535
FUND BALANCE - JULY 1, 2015	<u>744,318</u>	<u>744,318</u>	<u>(49,136)</u>
FUND BALANCE - JUNE 30, 2016	<u><u>\$ 772,343</u></u>	<u><u>\$ 772,343</u></u>	<u><u>\$ 72,399</u></u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2016

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 28, 2015 and was amended on May 23, 2016. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

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

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2016, the following District fund presented as Required Supplementary Information had total expenditures that exceeded budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 47,324,967	\$ 47,781,287	\$ 456,320

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 COMBINING BALANCE SHEET
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Educational Fund	Working Cash Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 4,533,161	\$ 891,531	\$ 5,424,692
Investments, at Fair Value	21,151,098	4,159,760	25,310,858
Accrued Interest Receivable, net of allowance of \$0	76,135	26,801	102,936
Other Accounts Receivable, net of allowance of \$0	13,746	-	13,746
Property Taxes Receivable, net of allowance of \$152,298	17,077,650	-	17,077,650
Due from Other Governments, net of allowance of \$0	322,110	-	322,110
Prepaid Expenses	342,738	-	342,738
Total Assets	\$ 43,516,638	\$ 5,078,092	\$ 48,594,730
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 554,450	\$ -	\$ 554,450
Accrued Payroll and Payroll Liabilities	2,860,984	-	2,860,984
Unearned Revenue - Registration Fees	271,620	-	271,620
Total Liabilities	\$ 3,687,054	\$ -	\$ 3,687,054
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 33,079,692	\$ -	\$ 33,079,692
Unavailable Revenue - Interest	71,756	26,801	98,557
Total Deferred Inflows of Resources	\$ 33,151,448	\$ 26,801	\$ 33,178,249
FUND BALANCE			
Nonspendable			
Prepaid Expenses	\$ 342,738	\$ -	\$ 342,738
Unassigned	6,335,398	5,051,291	11,386,689
Total Fund Balance	\$ 6,678,136	\$ 5,051,291	\$ 11,729,427
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 43,516,638	\$ 5,078,092	\$ 48,594,730

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 32,296,049	\$ -	\$ 32,296,049
Payments in Lieu of Taxes	17,662	-	17,662
Tuition	54,125	-	54,125
Earnings on Investments	113,222	38,418	151,640
Food Service	1,186,231	-	1,186,231
District/School Activity Income	1,157,293	-	1,157,293
Textbooks	9,297	-	9,297
Other Local Sources	618,162	-	618,162
State Aid	1,156,998	-	1,156,998
Federal Aid	1,017,079	-	1,017,079
On-Behalf Payments	10,718,014	-	10,718,014
	<u>\$ 48,344,132</u>	<u>\$ 38,418</u>	<u>\$ 48,382,550</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 13,518,678	\$ -	\$ 13,518,678
Special Education Programs	3,029,321	-	3,029,321
Other Instructional Programs	6,038,546	-	6,038,546
Support Services			
Pupils	3,999,547	-	3,999,547
Instructional Staff	2,419,363	-	2,419,363
General Administration	1,230,532	-	1,230,532
School Administration	1,129,269	-	1,129,269
Business	934,322	-	934,322
Operations and Maintenance	413,575	-	413,575
Food Services	1,410,447	-	1,410,447
Central	865,891	-	865,891
Community Services	725	-	725
Payments to Other Districts and Governmental Units	1,613,701	-	1,613,701
Capital Outlay	459,356	-	459,356
On-Behalf Payments	10,718,014	-	10,718,014
	<u>\$ 47,781,287</u>	<u>\$ -</u>	<u>\$ 47,781,287</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 562,845</u>	<u>\$ 38,418</u>	<u>\$ 601,263</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (137,146)	\$ -	\$ (137,146)
Principal on Bonds Sold	210,474	-	210,474
	<u>\$ 73,328</u>	<u>\$ -</u>	<u>\$ 73,328</u>
NET CHANGE IN FUND BALANCES	<u>\$ 636,173</u>	<u>\$ 38,418</u>	<u>\$ 674,591</u>
FUND BALANCES - JULY 1, 2015	<u>6,041,963</u>	<u>5,012,873</u>	<u>11,054,836</u>
FUND BALANCES - JUNE 30, 2016	<u>\$ 6,678,136</u>	<u>\$ 5,051,291</u>	<u>\$ 11,729,427</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 32,266,571	\$ 32,266,571	\$ 32,296,049
Payments in Lieu of Taxes	433,023	5,000	17,662
Tuition	35,600	35,600	54,125
Earnings on Investments	56,500	56,500	113,222
Food Service	1,126,294	1,126,294	1,186,231
District/School Activity Income	1,130,984	1,130,984	1,157,293
Textbooks	11,890	11,890	9,297
Other Local Sources	545,396	556,759	618,162
State Aid			
General State Aid	450,412	-	4,138
Special Education	1,063,491	1,063,491	1,012,979
Career and Technical Education	35,184	35,184	35,181
Bilingual	4,815	4,815	5,677
State Free Lunch and Breakfast	2,000	2,000	2,045
Driver Education	89,793	89,793	95,359
Other State Aid	2,200	2,200	1,619
Federal Aid			
Title I	169,897	169,897	192,542
Federal Special Education	581,789	581,789	690,809
CTE - Perkins	24,078	24,078	24,078
Title II - Teacher Quality	43,146	43,146	28,995
Medicaid Matching Funds - Administrative Outreach	40,000	40,000	40,887
Medicaid Matching Funds - Fee-for-Service Program	5,047	5,047	39,768
On-Behalf Payments	9,900,000	9,900,000	10,718,014
Total Revenues	<u>\$ 48,018,110</u>	<u>\$ 47,151,038</u>	<u>\$ 48,344,132</u>
EXPENDITURES			
Instruction			
Regular Programs			
Salaries	\$ 11,019,779	\$ 11,010,153	\$ 10,882,857
Employee Benefits	1,875,338	1,875,336	1,846,262
Purchased Services	62,991	46,365	53,107
Supplies and Materials	653,669	570,975	674,842
Other Objects	19,535	19,185	12,000
Non-Capitalized Equipment	-	-	49,610
	<u>\$ 13,631,312</u>	<u>\$ 13,522,014</u>	<u>\$ 13,518,678</u>
Special Education Programs			
Salaries	\$ 2,441,168	\$ 2,441,168	\$ 2,457,723
Employee Benefits	507,886	507,886	527,050
Purchased Services	15,735	15,735	8,118
Supplies and Materials	45,975	45,975	36,430
Other Objects	540	540	-
	<u>\$ 3,011,304</u>	<u>\$ 3,011,304</u>	<u>\$ 3,029,321</u>
Remedial and Supplemental Programs K-12			
Salaries	\$ 369,960	\$ 369,960	\$ 341,133
Employee Benefits	107,002	107,002	98,690
Purchased Services	20,000	20,000	29,439
Supplies and Materials	10,000	10,000	8,047
	<u>\$ 506,962</u>	<u>\$ 506,962</u>	<u>\$ 477,309</u>
CTE Programs			
Salaries	\$ 1,299,130	\$ 1,299,130	\$ 1,355,652
Employee Benefits	250,433	250,433	258,864
Purchased Services	12,410	12,410	7,256
Supplies and Materials	102,821	105,080	103,616
Other Objects	508	508	-
	<u>\$ 1,665,302</u>	<u>\$ 1,667,561</u>	<u>\$ 1,725,388</u>
Interscholastic Programs			
Salaries	\$ 1,689,642	\$ 1,689,642	\$ 1,626,111
Employee Benefits	95,450	95,450	93,892
Purchased Services	327,875	327,677	312,587
Supplies and Materials	168,339	168,339	186,647
Other Objects	62,396	62,396	65,832
	<u>\$ 2,343,702</u>	<u>\$ 2,343,504</u>	<u>\$ 2,285,069</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Instruction (Continued)			
Summer School Programs			
Salaries	\$ 84,130	\$ 84,130	\$ 61,254
Employee Benefits	2,415	2,415	2,115
Other Objects	6,805	6,805	6,250
	<u>\$ 93,350</u>	<u>\$ 93,350</u>	<u>\$ 69,619</u>
Driver's Education Programs			
Salaries	\$ 274,908	\$ 274,908	\$ 260,900
Employee Benefits	75,452	75,452	74,996
Purchased Services	13,261	13,261	11,999
Supplies and Materials	8,711	8,711	4,026
Other Objects	775	775	842
	<u>\$ 373,107</u>	<u>\$ 373,107</u>	<u>\$ 352,763</u>
Bilingual Programs			
Salaries	\$ 35,804	\$ 35,804	\$ 58,447
Employee Benefits	12,131	12,131	13,263
Purchased Services	7,500	7,500	-
Supplies and Materials	2,969	2,969	1,423
	<u>\$ 58,404</u>	<u>\$ 58,404</u>	<u>\$ 73,133</u>
Private Tuition - Other Objects			
Regular K-12 Programs	\$ 5,000	\$ 5,000	\$ 19,430
Special Education Programs K-12	1,183,739	1,183,739	1,035,835
	<u>\$ 1,188,739</u>	<u>\$ 1,188,739</u>	<u>\$ 1,055,265</u>
Total Instruction	<u>\$ 22,872,182</u>	<u>\$ 22,764,945</u>	<u>\$ 22,586,545</u>
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	\$ 1,404,142	\$ 1,404,142	\$ 1,407,722
Employee Benefits	318,385	318,385	319,521
Purchased Services	23,694	23,595	19,388
Supplies and Materials	22,212	22,212	11,747
Other Objects	1,008	1,008	-
Non-Capitalized Equipment	-	-	2,305
	<u>\$ 1,769,441</u>	<u>\$ 1,769,342</u>	<u>\$ 1,760,683</u>
Guidance Services			
Salaries	\$ 1,230,422	\$ 1,230,422	\$ 1,240,220
Employee Benefits	263,623	263,623	268,245
Purchased Services	3,423	3,423	5,259
Supplies and Materials	2,104	2,543	661
Non-Capitalized Equipment	-	-	6,146
Termination Benefits	-	-	4,010
	<u>\$ 1,499,572</u>	<u>\$ 1,500,011</u>	<u>\$ 1,524,541</u>
Health Services			
Salaries	\$ 194,074	\$ 194,074	\$ 177,379
Employee Benefits	73,011	73,011	70,321
Purchased Services	81,993	81,993	114,621
Supplies and Materials	4,628	4,379	3,120
	<u>\$ 353,706</u>	<u>\$ 353,457</u>	<u>\$ 365,441</u>
Psychological Services			
Salaries	\$ 175,672	\$ 175,672	\$ 151,198
Employee Benefits	15,866	15,866	15,359
Purchased Services	1,350	1,350	1,402
Supplies and Materials	650	650	189
Non-Capitalized Equipment	-	-	768
	<u>\$ 193,538</u>	<u>\$ 193,538</u>	<u>\$ 168,916</u>
Speech Pathology and Audiology Services			
Salaries	\$ 68,813	\$ 68,813	\$ 72,206
Employee Benefits	19,211	19,211	20,299
Purchased Services	225	225	180
Supplies and Materials	784	784	-
	<u>\$ 89,033</u>	<u>\$ 89,033</u>	<u>\$ 92,685</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Pupils (Continued)			
Other Support Services - Pupils			
Salaries	\$ 13,691	\$ 13,691	\$ 9,221
Employee Benefits	17	17	7
Purchased Services	38,642	38,642	39,090
Supplies and Materials	37,280	38,480	38,963
	<u>\$ 89,630</u>	<u>\$ 90,830</u>	<u>\$ 87,281</u>
Total Support Services - Pupils	<u>\$ 3,994,920</u>	<u>\$ 3,996,211</u>	<u>\$ 3,999,547</u>
Instructional Staff			
Improvement of Instruction Services			
Salaries	\$ 619,164	\$ 619,164	\$ 610,914
Employee Benefits	77,748	77,748	71,984
Purchased Services	141,964	143,388	109,166
Supplies and Materials	4,815	4,815	2,585
Other Objects	450	450	-
Non-Capitalized Equipment	-	-	1,225
	<u>\$ 844,141</u>	<u>\$ 845,565</u>	<u>\$ 795,874</u>
Educational Media Services			
Salaries	\$ 793,297	\$ 793,297	\$ 798,989
Employee Benefits	258,599	258,599	255,630
Purchased Services	167,208	192,863	183,156
Supplies and Materials	158,899	188,920	184,790
Other Objects	-	-	128
Non-Capitalized Equipment	-	-	8,633
	<u>\$ 1,378,003</u>	<u>\$ 1,433,679</u>	<u>\$ 1,431,326</u>
Assessment and Testing			
Salaries	\$ 7,542	\$ 17,168	\$ 27,368
Employee Benefits	24	32	51
Purchased Services	54,900	162,869	163,211
Supplies and Materials	-	1,500	1,533
	<u>\$ 62,466</u>	<u>\$ 181,569</u>	<u>\$ 192,163</u>
Total Support Services - Instructional Staff	<u>\$ 2,284,610</u>	<u>\$ 2,460,813</u>	<u>\$ 2,419,363</u>
General Administration			
Board of Education Services			
Employee Benefits	\$ 9,000	\$ 9,000	\$ 15,381
Purchased Services	196,613	196,613	184,031
Supplies and Materials	3,000	3,000	2,687
Other Objects	22,600	22,600	22,029
	<u>\$ 231,213</u>	<u>\$ 231,213</u>	<u>\$ 224,128</u>
Executive Administration Services			
Salaries	\$ 475,805	\$ 475,805	\$ 471,854
Employee Benefits	68,873	68,873	70,668
Purchased Services	13,058	13,058	13,702
Supplies and Materials	1,728	1,766	493
Other Objects	3,040	3,040	2,110
Non-Capitalized Equipment	-	-	1,325
	<u>\$ 562,504</u>	<u>\$ 562,542</u>	<u>\$ 560,152</u>
Tort Immunity Services			
Purchased Services	\$ 445,948	\$ 445,948	\$ 446,252
	<u>\$ 445,948</u>	<u>\$ 445,948</u>	<u>\$ 446,252</u>
Total Support Services - General Administration	<u>\$ 1,239,665</u>	<u>\$ 1,239,703</u>	<u>\$ 1,230,532</u>
School Administration			
Office of the Principal Services			
Salaries	\$ 899,677	\$ 899,677	\$ 898,154
Employee Benefits	202,732	202,732	200,136
Purchased Services	18,515	18,317	10,037
Supplies and Materials	4,819	4,907	2,907
Other Objects	3,679	3,679	2,154
Termination Benefits	-	-	15,881
	<u>\$ 1,129,422</u>	<u>\$ 1,129,312</u>	<u>\$ 1,129,269</u>
Total Support Services - School Administration	<u>\$ 1,129,422</u>	<u>\$ 1,129,312</u>	<u>\$ 1,129,269</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Support Services (Continued)			
Business			
Direction of Business Support Services			
Salaries	\$ 265,937	\$ 265,937	\$ 265,937
Employee Benefits	38,658	38,658	38,549
Purchased Services	10,069	10,069	9,563
Supplies and Materials	400	400	72
Other Objects	1,080	1,080	810
	<u>\$ 316,144</u>	<u>\$ 316,144</u>	<u>\$ 314,931</u>
Fiscal Services			
Salaries	\$ 279,841	\$ 279,841	\$ 279,351
Employee Benefits	60,839	60,839	61,362
Purchased Services	6,491	6,491	5,410
Supplies and Materials	3,200	3,200	2,829
	<u>\$ 350,371</u>	<u>\$ 350,371</u>	<u>\$ 348,952</u>
Internal Services			
Salaries	\$ 106,686	\$ 106,686	\$ 106,753
Employee Benefits	44,023	44,023	50,832
Purchased Services	105,187	105,187	84,663
Supplies and Materials	31,693	31,693	28,191
	<u>\$ 287,589</u>	<u>\$ 287,589</u>	<u>\$ 270,439</u>
Total Support Services - Business	<u>\$ 954,104</u>	<u>\$ 954,104</u>	<u>\$ 934,322</u>
Operations and Maintenance			
Salaries	\$ 165,327	\$ 165,327	\$ 153,411
Employee Benefits	26,764	26,764	27,885
Purchased Services	249,139	250,000	230,541
Supplies and Materials	3,006	3,080	1,738
Total Support Services - Operations and Maintenance	<u>\$ 444,236</u>	<u>\$ 445,171</u>	<u>\$ 413,575</u>
Food Services			
Purchased Services	\$ 1,463,500	\$ 1,466,256	\$ 1,397,302
Supplies and Materials	7,422	7,422	11,194
Other Objects	1,602	1,602	1,951
Total Support Services - Food Services	<u>\$ 1,472,524</u>	<u>\$ 1,475,280</u>	<u>\$ 1,410,447</u>
Central			
Planning, Research, Development and Evaluation Services			
Salaries	\$ 56,424	\$ 56,424	\$ 58,323
Employee Benefits	17,725	17,725	17,681
Purchased Services	-	-	246
Supplies and Materials	200	200	13
	<u>\$ 74,349</u>	<u>\$ 74,349</u>	<u>\$ 76,263</u>
Information Services			
Salaries	\$ 117,294	\$ 117,294	\$ 119,016
Employee Benefits	8,565	8,565	8,556
Purchased Services	37,511	40,261	19,591
Supplies and Materials	2,250	2,250	61
Other Objects	1,800	1,800	1,897
	<u>\$ 167,420</u>	<u>\$ 170,170</u>	<u>\$ 149,121</u>
Staff Services			
Salaries	\$ 197,858	\$ 197,858	\$ 194,667
Employee Benefits	44,039	44,039	52,313
Purchased Services	28,279	29,269	24,423
Supplies and Materials	10,275	10,275	9,292
	<u>\$ 280,451</u>	<u>\$ 281,441</u>	<u>\$ 280,695</u>
Data Processing Services			
Salaries	\$ 103,019	\$ 103,019	\$ 103,019
Employee Benefits	22,630	22,630	22,602
Purchased Services	221,644	223,466	226,871
Supplies and Materials	11,660	11,660	7,120
Other Objects	200	200	200
	<u>\$ 359,153</u>	<u>\$ 360,975</u>	<u>\$ 359,812</u>
Total Support Services - Central	<u>\$ 881,373</u>	<u>\$ 886,935</u>	<u>\$ 865,891</u>
Total Support Services	<u>\$ 12,400,854</u>	<u>\$ 12,587,529</u>	<u>\$ 12,402,946</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
EXPENDITURES (Continued)			
Community Services			
Supplies and Materials	\$ 1,350	\$ 1,350	\$ 725
Other Objects	3,600	3,600	-
Total Community Services	<u>\$ 4,950</u>	<u>\$ 4,950</u>	<u>\$ 725</u>
Payments to Other Districts and Governmental Units			
Payments to Other Districts and Governmental Units (In-State)			
Payments for Regular Programs			
Purchased Services	\$ 3,000	\$ 3,000	\$ -
	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Payments for Special Education Programs			
Purchased Services	\$ 7,000	\$ 7,000	\$ 6,150
	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 6,150</u>
Other Payments to In-State Governmental Units			
Purchased Services	\$ -	\$ -	\$ 989
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 989</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 7,139</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)			
Payments for Regular Programs			
Other Objects	\$ 3,300	\$ 3,300	\$ -
Payments for Special Education Programs			
Other Objects	1,314,227	1,314,227	1,182,414
Payment for CTE Programs			
Other Objects	440,000	440,000	423,553
Payments for Other Programs			
Other Objects	1,600	1,600	595
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,759,127</u>	<u>\$ 1,759,127</u>	<u>\$ 1,606,562</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,769,127</u>	<u>\$ 1,769,127</u>	<u>\$ 1,613,701</u>
Capital Outlay			
Instruction			
Regular Programs	\$ 175,562	\$ 95,112	\$ 75,774
Special Education Programs	15,281	15,281	1,207
Other Instructional Programs	125,015	121,635	107,264
Support Services			
Pupils	17,849	15,762	6,259
Instructional Staff	24,081	36,630	54,612
General Administration	1,500	1,500	-
School Administration	1,096	-	-
Business	5,571	4,758	213,626
Operations and Maintenance	3,200	3,124	-
Central	4,000	4,614	614
Total Capital Outlay	<u>\$ 373,155</u>	<u>\$ 298,416</u>	<u>\$ 459,356</u>
On-Behalf Payments	<u>\$ 9,900,000</u>	<u>\$ 9,900,000</u>	<u>\$ 10,718,014</u>
Total Expenditures	<u>\$ 47,320,268</u>	<u>\$ 47,324,967</u>	<u>\$ 47,781,287</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 697,842</u>	<u>\$ (173,929)</u>	<u>\$ 562,845</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	\$ (137,147)	\$ (137,147)	\$ (137,146)
Principal on Bonds Sold	-	-	210,474
	<u>\$ (137,147)</u>	<u>\$ (137,147)</u>	<u>\$ 73,328</u>
NET CHANGE IN FUND BALANCE	\$ 560,695	\$ (311,076)	\$ 636,173
FUND BALANCE - JULY 1, 2015	<u>24,209,111</u>	<u>24,209,111</u>	<u>6,041,963</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ 24,769,806</u>	<u>\$ 23,898,035</u>	<u>\$ 6,678,136</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - WORKING CASH FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Earnings on Investments	\$ 35,000	\$ 35,000	\$ 38,418
Total Revenues	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 38,418</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 35,000	\$ 35,000	\$ 38,418
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 35,000	\$ 35,000	\$ 38,418
FUND BALANCE - JULY 1, 2015	<u>5,012,504</u>	<u>5,012,504</u>	<u>5,012,873</u>
FUND BALANCE - JUNE 30, 2016	<u><u>\$ 5,047,504</u></u>	<u><u>\$ 5,047,504</u></u>	<u><u>\$ 5,051,291</u></u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Property Taxes	\$ 6,086,473	\$ 6,086,473	\$ 6,092,025
Earnings on Investments	2,500	2,500	6,279
Total Revenues	<u>\$ 6,088,973</u>	<u>\$ 6,088,973</u>	<u>\$ 6,098,304</u>
EXPENDITURES			
Debt Services			
Interest			
Other Objects	\$ 1,566,855	\$ 1,566,855	\$ 1,569,922
Total Debt Services - Interest	<u>\$ 1,566,855</u>	<u>\$ 1,566,855</u>	<u>\$ 1,569,922</u>
Debt Services - Payment of Principal on Long-Term Debt			
Other Objects	\$ 4,890,327	\$ 4,890,327	\$ 4,886,651
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 4,890,327</u>	<u>\$ 4,890,327</u>	<u>\$ 4,886,651</u>
Debt Services - Other			
Other Objects	\$ 1,100	\$ 1,100	\$ 950
Total Debt Services - Debt Services - Other	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 950</u>
Total Debt Services	<u>\$ 6,458,282</u>	<u>\$ 6,458,282</u>	<u>\$ 6,457,523</u>
Total Expenditures	<u>\$ 6,458,282</u>	<u>\$ 6,458,282</u>	<u>\$ 6,457,523</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (369,309)	\$ (369,309)	\$ (359,219)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	406,798	406,798	406,797
NET CHANGE IN FUND BALANCE	\$ 37,489	\$ 37,489	\$ 47,578
FUND BALANCE - JULY 1, 2015	3,031,752	3,031,752	69,093
FUND BALANCE - JUNE 30, 2016	<u>\$ 3,069,241</u>	<u>\$ 3,069,241</u>	<u>\$ 116,671</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Payments in Lieu of Taxes	\$ -	\$ 400,317	\$ 326,254
Earnings on Investments	2,500	2,500	2,510
State Aid			
General State Aid	800,000	1,302,117	1,297,979
Federal Aid			
Other Federal Aid	67,000	-	-
Total Revenues	<u>\$ 869,500</u>	<u>\$ 1,704,934</u>	<u>\$ 1,626,743</u>
EXPENDITURES			
Support Services			
Facilities Acquisition and Construction			
Purchased Services	\$ 115,000	\$ 76,925	\$ 57,396
Supplies and Materials	11,662	17,541	16,500
Total Support Services - Facilities Acquisition and Construction	<u>\$ 126,662</u>	<u>\$ 94,466</u>	<u>\$ 73,896</u>
Total Support Services	<u>\$ 126,662</u>	<u>\$ 94,466</u>	<u>\$ 73,896</u>
Capital Outlay			
Support Services			
Facilities Acquisition and Construction	\$ 1,147,378	\$ 3,179,230	\$ 1,573,669
Total Capital Outlay	<u>\$ 1,147,378</u>	<u>\$ 3,179,230</u>	<u>\$ 1,573,669</u>
Total Expenditures	<u>\$ 1,274,040</u>	<u>\$ 3,273,696</u>	<u>\$ 1,647,565</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (404,540)	\$ (1,568,762)	\$ (20,822)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	-	1,500,000	1,500,000
NET CHANGE IN FUND BALANCE	\$ (404,540)	\$ (68,762)	\$ 1,479,178
FUND BALANCE - JULY 1, 2015	<u>1,262,593</u>	<u>1,262,593</u>	<u>555,612</u>
FUND BALANCE - JUNE 30, 2016	<u>\$ 858,053</u>	<u>\$ 1,193,831</u>	<u>\$ 2,034,790</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Cash and Cash Equivalents	\$ 474,833	\$ 1,817,046	\$ 1,770,670	\$ 521,209
Investments	150,682	101	-	150,783
	<u>\$ 625,515</u>	<u>\$ 1,817,147</u>	<u>\$ 1,770,670</u>	<u>\$ 671,992</u>
LIABILITIES				
Amount Due to Agency Fund				
District Miscellaneous (was Faculty Lunch Donations)	\$ 359	\$ -	\$ -	\$ 359
Classrooms for Kids	7,997	-	-	7,997
SR Payroll Holding	-	1,869	-	1,869
50th Anniversary Committee	842	-	-	842
LP L.I.F.E. PROGRAM	-	321	320	1
School Supply Donations	369	-	-	369
Library Fund	17	-	-	17
Student Activity Startup Funds	221	-	10	211
W/C Coca Cola Part. In Ed	75	3,845	492	3,428
Earned Interest Balance	4,761	-	135	4,626
FSA Earnings and Fees	1,849	6,745	6,698	1,896
FSA Funds FY 2013-2014	28,962	-	28,962	-
FSA Funds FY 2014-2015	72,602	-	58,936	13,666
FSA Fund FY 2015-2016	-	225,070	159,233	65,837
Health Insurance	16,306	467,401	453,040	30,667
Dental Insurance	8,104	45,327	40,002	13,429
Vision Insurance	1,321	6,065	5,607	1,779
Life Insurance	7,172	40,682	38,746	9,108
EE - Summer Insurance Premiums	3,345	8,817	9,720	2,442
Dependent Life Insurance	59	378	339	98
Athletic Booster Club	7,200	6,873	13,323	750
BEST: Athletic Booster Club	-	4,290	390	3,900
PREMIER: Athletic Booster Club	-	1,646	146	1,500
Lake Park Foundation Donation	950	1,335	1,510	775
Blood Borne Pathogen	30	-	-	30
Staff Social Functions	60	-	60	-
LP Band Aux - Sales Tax	64	459	523	-
Activities Travel	3,221	-	-	3,221
Kathy Percoco Scholarship	2,093	12	-	2,105
Vendor Scholarships	500	-	-	500
Band Boosters	389	100	-	489
Summer Band Camp	-	46,342	46,342	-
Jazz Band	105	-	83	22
Lake Park Strings	40	-	-	40
Science Club	1,105	209	-	1,314
Scholastic Bowl	11	155	162	4
Women of Promise	625	-	-	625
Game Club	159	-	-	159
Ultimate Frisbee Club	242	2,568	1,656	1,154

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Amount Due to Agency Fund (Continued)	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Chorus	\$ 2,257	\$ 49,439	\$ 46,181	\$ 5,515
Choral Booster Club	16,958	4,759	12,358	9,359
Craft Show	-	5,713	5,483	230
Creative Writing Club	100	-	100	-
Speech Team Summer	584	20	92	512
Deca-West	292	25,906	25,476	722
Memorial Fund	4	-	-	4
West Campus Charity Fund	1,626	6,492	4,672	3,446
Cha-Cha for Children	981	12,224	12,455	750
Hoops for Heart	-	12,865	12,865	-
Wonder	1,008	-	-	1,008
Poetry Slam	396	147	69	474
Fishing Club	575	1,257	1,386	446
French Club	102	275	275	102
German Club	830	1,126	1,134	822
Spanish Club	71	-	-	71
Math Team	253	753	717	289
El Intercambio	306	2,550	2,495	361
HOSA	224	1,273	1,200	297
International Thespian Society	841	9,367	8,623	1,585
Homecoming	10,664	40,059	32,625	18,098
National Honor Society	5,161	2,768	1,386	6,543
Spanish Honor Society	-	181	150	31
Dance Ensemble Club	4,182	8,377	6,238	6,321
Perspective	1,006	-	69	937
Der Austausch	1,089	22,174	1,256	22,007
Italian American Club	692	406	537	561
L'Exchange	2,825	22,688	23,377	2,136
Exchange Assistance	714	260	-	974
Freshman Class	147	-	-	147
Sophomore Class	321	327	347	301
Junior Class	2,002	64,747	62,393	4,356
Senior Class	1,451	3,951	3,691	1,711
Theatre Program	-	1,297	1,297	-
Theatre Boosters	213	8,654	660	8,207
Mural Fund	102	-	-	102
Psychology Fund	202	3,395	2,553	1,044
GSA	233	-	-	233
Student Council	17,356	7,991	7,872	17,475
East Student Council	128	-	-	128
DSA Club Assistance Fund	8,660	15,758	14,665	9,753
Senior Class Gift Fund	1,614	-	-	1,614
F.C.C.L.A.	1,018	1,688	1,812	894
Youth & Government	1,584	21,345	21,760	1,169
S.A.D.D.	-	486	-	486
Stand for the Silent	663	-	131	532
Earth Club	2,053	7,847	8,901	999
Yearbook	32,157	57,530	57,140	32,547
Yearbook - Prior Years	10,994	1,311	3,049	9,256

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Amount Due to Agency Fund (Continued)				
Snowball - Drug Free Schools	\$ 1,690	\$ 2,657	\$ 4,127	\$ 220
Snowball Scholarship	2,243	-	-	2,243
Market Day	2,163	13,058	14,526	695
Athletic Department	476	12,620	13,096	-
Athlete of the Week	1	-	-	1
Cheerleaders	2,505	18,869	20,575	799
Cheer Summer Camp	4,740	8,329	5,466	7,603
Super Fans	3,252	8,433	11,423	262
Dan Burgess Benefit Account	200	-	-	200
Lancettes	7,495	20,466	26,189	1,772
Lancette Dinners	58	-	-	58
Girls Track	2	1,225	1,225	2
Swim Team - In & Out	514	3,436	3,495	455
Booster Club	20	-	-	20
Boys Baseball - Summer Camp	5,046	11,450	9,903	6,593
Boys Soccer - Summer League	5,352	5,750	4,508	6,594
Boys Soccer - Regular	85	2,150	2,235	-
Boys Soccer - Summer	6,255	6,209	8,741	3,723
Boys Baseball - Summer League	2,304	7,135	7,389	2,050
Boys Baseball - Regular	194	12,282	10,199	2,277
Girls Softball - Summer	-	100	-	100
Girls Softball - Regular	605	800	1,374	31
Boys Basketball - Summer League	820	12,455	11,161	2,114
Boys Basketball - Summer	12,802	15,985	13,871	14,916
Boys Basketball - Regular	82	750	803	29
Badminton	347	515	799	63
Badminton - Summer	2,139	2,498	2,370	2,267
Badminton - Invitational	1	500	289	212
Girls Basketball - Summer	8,030	10,130	9,133	9,027
Girls Basketball - Regular	343	2,513	2,303	553
Girls Basketball - League	5,783	17,393	17,471	5,705
Boys/Girls X Cntry - Summer	4,963	4,546	4,927	4,582
Boys/Girls X Cntry - Regular	42	607	500	149
Boys Football - Summer	16,014	21,724	15,984	21,754
Boys Football - Regular	22,505	34,774	35,979	21,300
Football Dinners	7	-	-	7
Boys Gymnastics - Summer	-	1,128	84	1,044
Boys Gymnastics - Regular	16	-	-	16
Girls Summer Pom Camp	7,035	8,020	7,889	7,166
Boys/Girls Tennis - Summer	3,788	6,150	8,955	983
Boys/Girls Tennis - Regular	1,614	1,682	2,625	671
Boys Wrestling - Summer	942	614	924	632
Boys Wrestling - Regular	-	1,931	1,931	-
Girls Volleyball - League	145	-	-	145
Girls Volleyball - Summer	12,062	15,790	14,566	13,286
Girls Volleyball - Regular	714	4,143	4,857	-
Boys Volleyball - Summer	3,336	4,240	3,628	3,948
Boys Volleyball - Regular	4,786	5,630	5,451	4,965
Girls Gymnastics - Regular	80	-	-	80

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Amount Due to Agency Fund (Continued)	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Boys Track - Summer	\$ -	\$ 1,059	\$ -	\$ 1,059
Boys Track - Regular	38	875	862	51
Girls Golf - Summer	1,942	2,151	2,031	2,062
Girls Golf - Regular	24	591	212	403
Boys Golf - Summer	-	694	30	664
Girls Soccer- Regular	1,073	1,185	1,336	922
Girls Soccer- Summer League	1,229	1,877	2,635	471
IHSA Tournament	622	25,974	24,239	2,357
Inv-Boys Basketball-Frosh	9	2,525	2,475	59
Inv-Boys Gymnastics-FR/V	2	3,625	3,472	155
Inv-Boys Tennis-FR/V	110	485	573	22
Inv-Boys Track	6	4,731	1,488	3,249
Inv-Boys Wrestling-FR/V	-	6,354	6,316	38
Inv-Boys Golf-Varsity	300	5,850	6,150	-
Inv-Boys Soccer-Varsity	392	4,431	4,415	408
Inv-Boys/Girls X Country	391	9,956	8,378	1,969
Inv-Girls Gymnastics-JV	-	1,433	1,269	164
Inv-Girls Track	111	4,339	4,302	148
Inv-Girls Volleyball	64	5,229	5,256	37
Inv-Boys Volleyball	316	1,345	1,602	59
Inv-Girls Basketball	387	2,013	2,238	162
Inv-Lancettes	6	-	-	6
Inv-Girls Bowling	427	-	-	427
Inv-Boys Bowling	137	8,425	8,221	341
Inv-Girls Soccer	786	2,175	1,480	1,481
Special Olympics	371	2,552	2,573	350
Upstate 8 Tournament	-	550	320	230
Replacement Jerseys	362	79	82	359
Athletic Trainers - Summer Camps	4,879	4,151	7,098	1,932
Athletic Vending-E/C	51	-	-	51
Eighth Grade Contest Fund	150	280	208	222
Graduation Video	3,330	-	-	3,330
Athletic Vending-W/C	9,582	-	735	8,847
Lancertek Summer Camp	-	4,090	-	4,090
Gadget Girls Summer Camp	-	1,425	42	1,383
Gene Haas Foundation Scholarship	-	7,500	-	7,500
Upstate 8 Principals	155	-	-	155
Lake Park Foundation	59,442	59,029	64,176	54,295
LPEF Endowment	20,689	101	-	20,790
Lancer Emergency Fund	2,253	5,465	2,552	5,166
Recognition and Awards	156	-	158	(2)
Foundation Scholarship	4,564	1,045	2,000	3,609
The Altier Scholarship	9,052	-	500	8,552
Swierczewski Scholarship	1,600	-	1,000	600
DMG Perseverance Scholarship	1,050	400	500	950
Don Lovelace Scholarship	1,740	1,070	1,000	1,810
Gary Annunziata Scholarship	1,500	1,000	1,500	1,000
Bloomingdale Artists Association Scholarship	-	52	52	-
Amanda Dombrowski Scholarship	1,100	1,000	1,000	1,100

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
Amount Due to Agency Fund (Continued)				
Neis Family Scholarships	\$ 2,000	\$ 1,000	\$ 2,000	\$ 1,000
Joe Cychosz Scholarship	1,700	600	1,000	1,300
Barclay Family Scholarship	4,000	-	1,000	3,000
Scott Bradley Memorial Scholarship	1,500	1,500	1,500	1,500
Itasca Lions Club Scholarship	500	500	500	500
Italian American Club Scholarship	-	500	-	500
Gaylon Elliott Memorial	900	200	500	600
Dan Hildebrandt Scholarship	-	490	-	490
Friends Spring Brook Nature Ctr Sch.	-	1,000	1,000	-
Chris Frizzelle Scholarship Fund	3,785	500	1,000	3,285
Daniel Christopher, Jr. Memorial Scholarship	1,000	1,000	1,000	1,000
LP Memorial Garden	7,251	3,530	632	10,149
Foundation Mini Grants	47	365	367	45
Tablet Computers For Math Flipping	4,000	-	4,000	-
Intervention Center	-	1,862	-	1,862
Large Format Printer	1,900	99	1,999	-
Collaboration Station	-	2,853	2,835	18
Alphabetter Desks & Stools	-	1,484	1,479	5
Power of Positive	3,418	-	3,418	-
Activity Tracker	-	1,350	892	458
Rotary Youth Leadership Awards	-	2,500	2,450	50
Smart Music	2,500	-	2,500	-
Classroom Tablet & Docking Station	1,226	-	1,226	-
FCS: Chef Coats	-	1,000	-	1,000
Classroom Mgmt with iPod	-	1,101	-	1,101
	<u>\$ 625,515</u>	<u>\$ 1,817,147</u>	<u>\$ 1,770,670</u>	<u>\$ 671,992</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2016

OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Total Expenditures	\$	37,063,273
O&M	Total Expenditures		4,591,570
DS	Total Expenditures		6,457,523
TR	Total Expenditures		1,937,133
MR/SS	Total Expenditures		1,434,893
	Total Expenditures	\$	51,484,392

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

TR	1421	Summer Sch - Transp. Fees from Pupils or Parents (In State)	\$	7,731
ED	1600	Summer School Programs		69,619
ED	1911	Regular K-12 Programs - Private Tuition		19,430
ED	1912	Special Education Programs K-12 - Private Tuition		1,035,835
ED	3000	Community Services		725
ED	4000	Total Payments to Other District & Govt Units		1,613,701
ED	-	Capital Outlay		459,356
ED	-	Non-Capitalized Equipment		70,012
O&M	-	Capital Outlay		112,998
DS	5300	Debt Service - Payments of Principal on Long-Term Debt		4,886,651
TR	5300	Debt Service - Payments of Principal on Long-Term Debt		31,262
MR/SS	1600	Summer School Programs		1,757
		Total Deductions	\$	8,309,077
		Total Operating Expenses (Regular K-12)		43,175,315
		9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12))		2,433.11
		Estimated OEPP *	\$	17,744.91

PER CAPITA TUITION CHARGE			
----------------------------------	--	--	--

LESS OFFSETTING RECEIPTS/REVENUES:

TR	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	12,150
ED	1600	Total Food Service		1,186,231
ED-O&M	1700	Total District/School Activity Income		1,157,293
ED	1829	Sales - Other (Describe & Itemize)		5,272
ED-O&M	1910	Rentals		238,043
ED	1993	Other Local Fees (Describe & Itemize)		7,091
ED-O&M-TR	3100	Total Special Education		1,012,979
ED-O&M-MR/SS	3200	Total Career and Technical Education		35,181
ED-MR/SS	3300	Total Bilingual Ed		5,677
ED	3360	State Free Lunch & Breakfast		2,045
ED-O&M	3370	Driver Education		95,359
ED-O&M-TR-MR/SS	3500	Total Transportation		539,089
ED-O&M-DS-TR-MR/SS-Tort	3999	Other Restricted Revenue from State Sources		1,619
ED-O&M-TR-MR/SS	-	Total Title I		192,542
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence		476,974
ED-O&M-TR-MR/SS	4625	Fed - Spec Education - IDEA - Room & Board		213,835
ED-O&M-MR/SS	4700	Total CTE - Perkins		24,078
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality		28,995
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach		40,887
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program		39,768
		Total Allowance for PCTC Computation	\$	5,315,108
		Net Operating Expense for PCTC Computation		37,860,207
		Total Depreciation Allowance (from page 27, Col I)		2,910,809
		Total Allowance for PCTC Computation		40,771,016
		9 Mo ADA		2,433.11
		Total Estimated PCTC *	\$	16,756.75

* The total OEPP/PCTC may change based on the data provided. The final amounts will be calculated by ISBE

Unaudited

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 AND RECONCILIATION TO CASH BASIS FUND BALANCES - ALL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
Revenues							
Property Taxes	\$ 32,296,049	\$ 5,407,235	\$ 6,092,025	\$ 1,787,387	\$ 1,369,578	\$ -	\$ 46,952,274
Payments in Lieu of Taxes	17,662	-	-	-	184,930	326,254	528,846
Tuition	54,125	-	-	-	-	-	54,125
Transportation Fees	-	-	-	19,881	-	-	19,881
Earnings on Investments	151,640	17,858	6,279	7,661	1,920	2,510	187,868
Food Service	1,186,231	-	-	-	-	-	1,186,231
District/School Activity Income	1,157,293	-	-	-	-	-	1,157,293
Textbooks	9,297	-	-	-	-	-	9,297
Other Local Sources	618,162	238,527	-	-	-	-	856,689
State Aid	1,156,998	-	-	539,089	-	1,297,979	2,994,066
Federal Aid	1,017,079	-	-	-	-	-	1,017,079
On-Behalf Payments	10,718,014	-	-	-	-	-	10,718,014
Total Revenues	\$ 48,382,550	\$ 5,663,620	\$ 6,098,304	\$ 2,354,018	\$ 1,556,428	\$ 1,626,743	\$ 65,681,663
Expenditures	\$ 47,781,287	\$ 4,591,570	\$ 6,457,523	\$ 1,937,133	\$ 1,434,893	\$ 1,647,565	\$ 63,849,971
Excess/(Deficiency) of Revenues over Expenditures	\$ 601,263	\$ 1,072,050	\$ (359,219)	\$ 416,885	\$ 121,535	\$ (20,822)	\$ 1,831,692
Other Financing Sources/(Uses)	73,328	(1,267,901)	406,797	(500,000)	-	1,500,000	212,224
Net Change in Fund Balances	\$ 674,591	\$ (195,851)	\$ 47,578	\$ (83,115)	\$ 121,535	\$ 1,479,178	\$ 2,043,916
Modified Accrual Fund Balances - July 1, 2015	11,054,836	1,483,811	69,093	947,924	(49,136)	555,612	14,062,140
Modified Accrual Fund Balances - June 30, 2016	\$ 11,729,427	\$ 1,287,960	\$ 116,671	\$ 864,809	\$ 72,399	\$ 2,034,790	\$ 16,106,056
Add:							
Accounts Payable and Accrued Expenses	\$ 554,450	\$ 99,735	\$ -	\$ 25,115	\$ -	\$ 525,537	\$ 1,204,837
Accrued Payroll and Payroll Liabilities	2,860,984	22,067	-	-	71,814	-	2,954,865
Deferred Revenue	271,620	-	-	2,585	-	-	274,205
Unavailable Revenue - Property Taxes	33,079,692	5,067,774	6,092,534	1,785,649	1,391,650	-	47,417,299
Unavailable Revenue - Interest	98,557	19,180	1,379	10,068	4,344	301	133,829
Subtract:							
Accrued Interest Receivable, net of allowance of \$0	102,936	20,251	1,379	10,215	4,344	1,226	140,351
Other Accounts Receivable, net of allowance of \$0	13,746	-	-	-	-	-	13,746
Property Taxes Receivable, net of allowance of \$218,308	17,077,650	2,616,278	3,145,318	921,855	718,450	-	24,479,551
Due from Other Governments, net of allowance of \$0	322,110	-	-	135,258	10,914	94,537	562,819
Prepaid Expenses	342,738	81,102	-	-	-	-	423,840
Cash Basis Fund Balance, End of Year	\$ 30,735,550	\$ 3,779,085	\$ 3,063,887	\$ 1,620,898	\$ 806,499	\$ 2,464,865	\$ 42,470,784

See Accompanying Independent Auditor's Opinion

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



815.344.1300 mchenry
 847.382.3366 barrington
 www.edercasella.com

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

To the Board of Education
 Lake Park High School District No. 108
 Roselle, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Lake Park High School District No. 108’s

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake Park High School District No. 108’s major federal programs for the year ended June 30, 2016. Lake Park High School District No. 108’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Lake Park High School District No. 108’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake Park High School District No. 108’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lake Park High School District No. 108’s compliance.

Opinion on Each Major Federal Program

In our opinion, Lake Park High School District No. 108 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

eder, casella & co.

Report on Internal Control Over Compliance

Management of Lake Park High School District No. 108 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lake Park High School District No. 108's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake Park High School District No. 108's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 26, 2016

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U.S. Department of Education Passed Through Illinois State									
Board of Education									
Title I - Low Income	84.010A	15-4300-00	188,717	9,949	188,717	9,949		198,666	206,015
Title I - Low Income * (M)	84.010A	16-4300-00		182,593		182,593		182,593	205,406
Special Education - IDEA Room and Board	84.027A	15-4625-00	87,853	79,710	87,853	79,710		167,563	N/A
Special Education - IDEA Room and Board *	84.027A	16-4625-00		134,124		134,124		134,124	N/A
Title II - Teacher Quality *	84.367A	16-4932-00		28,995		28,995		28,995	43,913
U.S. Department of Education Passed Through North									
DuPage Special Education Cooperative									
Special Education - IDEA - Flow-Through	84.027A	16-4620-00		476,974		476,974		476,974	476,974
* Project Year Ends 8/31/16									

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
U.S. Department of Education Passed Through DuPage									
Area Occupational Education System:									
Perkins - Title III (M)	84.048	16-4799-00		24,078		24,078		24,078	24,078
Total CFDA "84"			276,570	936,423	276,570	936,423		1,212,993	
U.S. Department of Health and Human Services Passed									
Through Illinois Department of Healthcare and Family									
Services Passed Through North DuPage Special									
Education Cooperative									
Medicaid Admin Outreach	93.778	16-4991-00		42,591		42,591		42,591	N/A
Total CFDA "93"				42,591		42,591		42,591	
Total Federal Assistance			276,570	979,014	276,570	979,014		1,255,584	

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lake Park High School District No. 108 under programs of the federal government for the year ended June 30, 2016 and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2016.

NOTE 4 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

- 1) Summary of auditor's results:
 - a) An unmodified opinion report was issued.
 - b) No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.
 - c) No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.
 - d) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
 - e) An unmodified opinion report on compliance for major programs was issued.
 - f) The audit disclosed no audit findings which the auditor is required to report.
 - g) The major programs identified were Title I – Low Income (CFDA #84.010) and Title III – Perkins (CFDA #84.048).
 - h) The dollar threshold to distinguish between Type A and Type B programs was \$750,000.
 - i) Lake Park High School District No. 108 does qualify as a low-risk auditee.
- 2) There were no findings relating to the financial statements which are required to be reported.
- 3) There were no findings and questioned costs for federal awards which are required to be reported.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2016 N/A** 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2016 would be assigned a reference number of 2016-001, 2016-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

¹³ See Title 2 CFR §200.521 *Management decision* for additional guidance on reporting management's response.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2016

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2016 N/A 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding.
¹⁶ Identify questioned costs as required by Title 2 CFR §200.516 (a)(3-4).
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2016

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
NONE		

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

¹⁹ Explanation of this schedule - Title 2 CFR §200.511 (b)

²⁰ Current Status should include one of the following:

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2016

Corrective Action Plan

Finding No.: **2016** **N/A**

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person: [Name and Title of person responsible for implementation]

Management Response: [If applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believe that corrective action is unnecessary.]

²¹ Explanation of this schedule - Title 2 CFR §200.511 (c)