

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

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

**eder, casella & co.**

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

## **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, 2017, 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 described in Note 19 to the financial statements, the District implemented GASB Statement No. 77, *Tax Abatement Disclosures*. 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 42 through 59 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 30, 2017 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 30, 2017





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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, 2017, 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 30, 2017.

**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.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 30, 2017

## REQUIRED SUPPLEMENTARY INFORMATION

# **LAKE PARK HIGH SCHOOL DISTRICT NO. 108**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2017

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, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at June 30, 2017 by \$61,710,765 (net position).
- The District's total net position increased by \$7,064,957.
- At June 30, 2017, the District reported combined ending fund balances of \$17,136,191, an increase of \$1,030,135 in comparison with the prior year.
- At June 30, 2017, the unassigned fund balance for the General Fund was \$12,833,019, or 24 percent of total General Fund expenditures.
- The District's total long-term debt decreased by \$2,835,643 during the year ended June 30, 2017 due mainly to payments made on existing long-term debt offset by new debt issued.

### **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 42 through 59 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 41 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 60 through 74 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 \$61,710,765 at June 30, 2017.

The following table presents a summary of the District's net position for the years ended June 30, 2017 and 2016:

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

	Governmental Activities	
	6/30/2017	6/30/2016
<b>Assets</b>		
Current and Other Assets	\$ 71,685,251	\$ 69,690,318
Capital Assets	82,187,171	78,620,738
<b>Total Assets</b>	<u>\$ 153,872,422</u>	<u>\$ 148,311,056</u>
<b>Deferred Outflows of Resources</b>	<u>\$ 3,470,305</u>	<u>\$ 4,332,845</u>
<b>Liabilities</b>		
Long-Term Liabilities Outstanding	\$ 42,499,027	\$ 45,078,979
Other Liabilities	4,850,878	5,117,070
<b>Total Liabilities</b>	<u>\$ 47,349,905</u>	<u>\$ 50,196,049</u>
<b>Deferred Inflows of Resources</b>	<u>\$ 48,282,057</u>	<u>\$ 47,802,044</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 48,702,186	\$ 42,401,863
Restricted	1,542,638	1,188,478
Unrestricted	11,465,941	11,055,467
<b>Total Net Position</b>	<u><u>\$ 61,710,765</u></u>	<u><u>\$ 54,645,808</u></u>

By far the largest portion of the District's net position (79 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, 2017 and 2016:

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

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,058,353	\$ 3,205,626
Operating Grants and Contributions	18,957,259	13,427,302
Capital Grants and Contributions	84,771	77,630
General Revenues:		
Property Taxes	47,453,175	46,952,274
Other Payments in Lieu of Taxes	694,076	528,846
Grants and Contributions not Restricted to Specific Activities	1,375,722	1,302,117
Unrestricted Investment Earnings	312,975	231,361
Other	26,704	(19,463)
Total Revenues	\$ 71,963,035	\$ 65,705,693
Expenses:		
Instruction		
Regular Programs	\$ 13,703,956	\$ 13,727,462
Special Education Programs	3,072,260	3,248,752
Other Instructional Programs	5,715,048	6,363,344
Support Services		
Pupils	3,760,078	4,269,661
Instructional Staff	2,874,260	2,738,015
General Administration	1,274,576	1,288,057
School Administration	2,419,142	1,243,436
Business	1,119,151	1,111,944
Facilities Acquisition and Construction	952,877	851,024
Operations and Maintenance	5,804,580	5,675,792
Transportation	2,019,336	1,948,553
Food Services	1,431,072	1,439,468
Central	1,094,086	1,187,296
Other Support Services	1,646	768
Community Services	147	725
Payments to Other Districts and Governmental Units	1,861,757	1,613,701
Interest and Fees on Long-Term Debt	1,014,181	1,246,250
On-Behalf Retirement Contributions	16,165,994	10,718,014
Depreciation - Unallocated	613,931	611,531
Total Expenses	\$ 64,898,078	\$ 59,283,793
Change in Net Position	\$ 7,064,957	\$ 6,421,900
Net Position - Beginning of Fiscal Year	54,645,808	48,223,908
Net Position - End of Fiscal Year	\$ 61,710,765	\$ 54,645,808

The District's total revenues increased \$6,257,342 (10 percent) compared to the prior year. The most significant factors of this increase were in On-Behalf retirement contributions of \$5,447,980 and Property Taxes of \$500,901.

Overall expenses increased \$5,614,285 (9 percent) compared to the prior year. This increase is primarily attributable to an increase in On-Behalf Retirement Contributions of \$5,447,980.

## 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, 2017, the District funds reported combined ending fund balances of \$17,136,191, an increase of \$1,030,135 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2017, total fund balance was \$13,172,691. 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 increased by \$521,708 in comparison with the prior year. This increase was mainly due to no major transfers in fiscal year 2017. Revenues and expenditures were consistent with the prior year.

The Capital Projects Fund's fund balance decreased by \$1,068,032 in comparison with the prior year. This decrease is due to major projects being done during the year. This included a major solar panel project.

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 \$5,611,267. The difference is largely due to higher than anticipated On-Behalf Retirement Contributions.

Actual expenditures exceeded budgeted expenditures by \$5,075,418. 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, 2017 amounts to \$82,187,171 (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, 2017 include the following:

- Construction in Progress additions of \$4,489,124 for multiple projects.
- Total building additions of \$2,049,682 from various projects at each campus (of which \$1,126,822 was Construction in Progress in the prior year).

The following table presents a summary of capital assets for the years ended June 30, 2017 and 2016:

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

	Governmental Activities	
	2017	2016
Land	\$ 558,191	\$ 558,191
Construction in Progress	4,491,124	1,128,822
Buildings	69,926,897	69,080,732
Improvements Other than Buildings	3,736,311	3,944,137
Equipment	3,474,648	3,908,856
Total	<u>\$ 82,187,171</u>	<u>\$ 78,620,738</u>

Further detail of the District's capital assets can be found in Note 4 on page 26 of this report.

**Long-term debt** – At June 30, 2017, the District had total debt outstanding of \$32,143,798.

The following table presents a summary of outstanding debt for the years ended June 30, 2017 and 2016:

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

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$ 28,345,000	\$ 33,330,000
Debt Certificates	3,155,000	1,035,000
Lease/Purchase Agreements	643,798	614,441
Total	<u>\$ 32,143,798</u>	<u>\$ 34,979,441</u>

Major debt transactions during the year ended June 30, 2017 include the following:

- Principal payments on all debt were \$5,206,236.
- A new lease/purchase agreement was entered into for \$316,372.
- A new Debt Certificate was issued for construction use in the amount of \$2,375,000.
- The outstanding 2007B bond (\$6,250,000) was refunded with the issuance of the 2016B bond (\$6,060,000).

Further detail of the District's debt obligations can be found in Note 5 on page 27 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 2015, 2016, 2017, and 2018. 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, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 12,941,367
Investments, at Fair Value	31,671,226
Accrued Interest Receivable, net of allowance of \$0	132,533
Other Accounts Receivable, net of allowance of \$0	19,170
Property Taxes Receivable, net of allowance of \$217,805	23,669,287
Due from Other Governments, net of allowance of \$0	1,041,994
Prepaid Expenses	402,347
Net OPEB Asset	1,807,327
Capital Assets (Note 4):	
Land	558,191
Construction in Progress	4,491,124
Depreciable Buildings, Property, and Equipment, net of depreciation	77,137,856
<b>Total Assets</b>	<b>\$ 153,872,422</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Loss on Refunding, net of related amortization	\$ 700,833
Pension Expense/Revenue - Illinois Municipal Retirement Fund	2,296,111
Pension Expense/Revenue - Teachers' Retirement System	473,361
<b>Total Deferred Outflows of Resources</b>	<b>\$ 3,470,305</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$ 1,463,585
Accrued Payroll and Payroll Liabilities	3,074,890
Unearned Revenue - Registration Fees	312,403
Net Pension Liability - Illinois Municipal Retirement Fund	5,489,945
Net Pension Liability - Teachers' Retirement System	2,416,600
Long-Term Liabilities	
Due Within One Year	5,884,322
Due in More Than One Year	28,708,160
<b>Total Liabilities</b>	<b>\$ 47,349,905</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	\$ 47,834,868
Pension Expense/Revenue - Teachers' Retirement System	447,189
<b>Total Deferred Inflows of Resources</b>	<b>\$ 48,282,057</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 48,702,186
Restricted for:	
Operations and Maintenance	744,463
Transportation	766,250
Retirement	31,925
Unrestricted/(Deficit)	11,465,941
<b>Total Net Position</b>	<b>\$ 61,710,765</b>

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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction					
Regular Programs	\$ 13,703,956	\$ 1,291,517	\$ 217,835	\$ -	\$ (12,194,604)
Special Education Programs	3,072,260	193,693	1,144,323	-	(1,734,244)
Other Instructional Programs	5,715,048	198,142	108,733	-	(5,408,173)
Support Services					
Pupils	3,760,078	-	157,331	-	(3,602,747)
Instructional Staff	2,874,260	-	-	-	(2,874,260)
General Administration	1,274,576	-	-	-	(1,274,576)
School Administration	2,419,142	-	-	-	(2,419,142)
Business	1,119,151	-	-	-	(1,119,151)
Facilities Acquisition and Construction	952,877	-	-	-	(952,877)
Operations and Maintenance	5,804,580	227,528	-	84,771	(5,492,281)
Transportation	2,019,336	-	377,790	-	(1,641,546)
Food Services	1,431,072	1,147,473	1,919	-	(281,680)
Central	1,094,086	-	-	-	(1,094,086)
Other Support Services	1,646	-	-	-	(1,646)
Community Services	147	-	-	-	(147)
Payments to Other Districts and Governmental Units	1,861,757	-	783,334	-	(1,078,423)
Interest and Fees on Long-Term Debt	1,014,181	-	-	-	(1,014,181)
On-Behalf Retirement Contributions	16,165,994	-	16,165,994	-	-
Depreciation - Unallocated	613,931	-	-	-	(613,931)
<b>Total Governmental Activities</b>	<b>\$ 64,898,078</b>	<b>\$ 3,058,353</b>	<b>\$ 18,957,259</b>	<b>\$ 84,771</b>	<b>\$ (42,797,695)</b>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes					
					\$ 41,356,028
Property Taxes, Levied for Debt Service					6,097,147
Other Payments in Lieu of Taxes					694,076
Grants and Contributions not Restricted to Specific Activities					1,375,722
Unrestricted Investment Earnings					312,975
Gain/(Loss) on Sale of Capital Assets					(104,075)
Miscellaneous Income					130,779
<b>Total General Revenues</b>					<b>\$ 49,862,652</b>
Change in Net Position					\$ 7,064,957
Net Position - July 1, 2016					54,645,808
Net Position - June 30, 2017					<u>\$ 61,710,765</u>

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, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 9,651,521	\$ 1,300,480	\$ 929,064	\$ 515,310	\$ 256,191	\$ 288,801	\$ 12,941,337
Investments, at Fair Value	23,620,030	3,182,648	2,273,685	1,261,112	626,971	706,780	31,671,226
Accrued Interest Receivable, net of allowance of \$0	107,430	13,034	2,624	5,436	1,514	2,495	132,533
Other Accounts Receivable, net of allowance of \$0	19,170	-	-	-	-	-	19,170
Property Taxes Receivable, net of allowance of \$217,805	16,566,967	2,538,665	2,967,046	894,140	702,469	-	23,669,287
Due from Other Governments, net of allowance of \$0	750,561	-	-	189,220	10,914	91,299	1,041,994
Prepaid Expenses	339,672	62,675	-	-	-	-	402,347
<b>Total Assets</b>	<b>\$ 51,055,351</b>	<b>\$ 7,097,502</b>	<b>\$ 6,172,419</b>	<b>\$ 2,865,218</b>	<b>\$ 1,598,059</b>	<b>\$ 1,089,375</b>	<b>\$ 69,877,924</b>
<b>LIABILITIES</b>							
Accounts Payable and Accrued Expenses	\$ 628,120	\$ 119,391	\$ -	\$ 12,293	\$ -	\$ 120,903	\$ 880,707
Accrued Payroll and Payroll Liabilities	2,942,166	25,082	-	-	107,642	-	3,074,890
Unearned Revenue - Registration Fees	310,793	-	-	1,610	-	-	312,403
<b>Total Liabilities</b>	<b>\$ 3,881,079</b>	<b>\$ 144,473</b>	<b>\$ -</b>	<b>\$ 13,903</b>	<b>\$ 107,642</b>	<b>\$ 120,903</b>	<b>\$ 4,268,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ 33,481,309	\$ 5,130,560	\$ 5,996,305	\$ 1,807,026	\$ 1,419,668	\$ -	\$ 47,834,868
Unavailable Revenue - Grants	414,790	-	-	94,610	-	-	509,400
Unavailable Revenue - Interest	105,482	12,801	2,624	5,416	1,428	1,714	129,455
<b>Total Deferred Inflows of Resources</b>	<b>\$ 34,001,581</b>	<b>\$ 5,143,361</b>	<b>\$ 5,998,929</b>	<b>\$ 1,907,052</b>	<b>\$ 1,421,096</b>	<b>\$ 1,714</b>	<b>\$ 48,473,733</b>
<b>FUND BALANCE</b>							
Nonspendable	\$ 339,672	\$ 62,675	\$ -	\$ -	\$ -	\$ -	\$ 402,347
Prepaid Expenses	-	-	-	-	-	-	-
Restricted	-	744,463	-	-	-	-	744,463
Operations and Maintenance	-	-	45,051	-	-	-	45,051
Debt Service	-	-	-	766,250	-	-	766,250
Transportation	-	-	-	-	120,463	-	120,463
Illinois Municipal Retirement Assigned	-	-	-	-	-	-	-
Operations and Maintenance	-	1,002,530	-	-	-	-	1,002,530
Debt Service	-	-	128,439	-	-	-	128,439
Transportation	-	-	-	178,013	-	-	178,013
Capital Projects	-	-	-	-	-	966,758	966,758
Unassigned	12,833,019	-	-	-	(51,142)	-	12,781,877
<b>Total Fund Balance</b>	<b>\$ 13,172,691</b>	<b>\$ 1,609,688</b>	<b>\$ 173,490</b>	<b>\$ 944,263</b>	<b>\$ 69,321</b>	<b>\$ 966,758</b>	<b>\$ 17,136,191</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 51,055,351</b>	<b>\$ 7,097,502</b>	<b>\$ 6,172,419</b>	<b>\$ 2,865,218</b>	<b>\$ 1,598,059</b>	<b>\$ 1,089,375</b>	<b>\$ 69,877,924</b>

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, 2017

Total Fund Balances - Governmental Funds		\$ 17,136,191
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 115,561,480	
Accumulated Depreciation on Capital Assets	<u>(33,374,309)</u>	
		82,187,171
Other assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Interest Receivable	\$ 129,465	
Due from Other Governments	<u>509,400</u>	
		638,865
Net OPEB Asset is not included in the governmental funds.		1,807,327
Net Pension Obligation - IMRF is not included in the governmental funds.		(5,489,945)
Net Pension Obligation - TRS is not included in the governmental funds.		(2,416,600)
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.		
Pension Expense/Revenue - Illinois Municipal Retirement Fund	\$ 2,296,111	
Pension Expense/Revenue - Teachers' Retirement System	<u>26,172</u>	
		2,322,283
Deferred charges and credits for debt issue discounts or premiums are not financial resources and therefore are not reported in the funds.		
Bond Premiums, net of related amortization	\$ (2,042,020)	
Deferred Loss on Refunding, net of related amortization	<u>700,833</u>	
		(1,341,187)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	\$ (28,345,000)	
Debt Certificates Payable	(3,155,000)	
Capital Leases Payable	(643,798)	
Accrued Interest on Long-Term Debt	(582,878)	
Compensated Absences	<u>(406,664)</u>	
		<u>(33,133,340)</u>
Net Position of Governmental Activities		<u>\$ 61,710,765</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, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$ 33,104,697	\$ 5,071,626	\$ 6,097,147	\$ 1,787,003	\$ 1,392,702	\$ -	\$ 47,453,175
Payments in Lieu of Taxes	84,361	-	-	-	105,230	504,485	694,076
Tuition	45,104	-	-	-	-	-	45,104
Transportation Fees	-	-	-	-	-	-	-
Earnings on Investments	234,251	-	-	18,343	-	-	252,594
Food Service	1,139,005	34,109	13,143	17,392	7,616	10,828	1,199,005
District/School Activity Income	1,215,135	-	-	-	-	-	1,215,135
Textbooks	8,349	-	-	-	-	-	8,349
Other Local Sources	479,653	225,125	-	265	-	12,345	717,388
State Aid	958,668	-	-	283,180	-	1,443,147	2,684,995
Federal Aid	972,392	-	-	-	-	-	972,392
On-Behalf Payments	16,165,994	-	-	-	-	-	16,165,994
	<u>\$ 54,407,609</u>	<u>\$ 5,330,860</u>	<u>\$ 6,110,290</u>	<u>\$ 2,106,183</u>	<u>\$ 1,505,548</u>	<u>\$ 1,970,805</u>	<u>\$ 71,431,295</u>

<b>EXPENDITURES</b>							
Current							
Instruction							
Regular Programs	\$ 13,467,261	\$ -	\$ -	\$ -	\$ 180,856	\$ -	\$ 13,648,117
Special Education Programs	2,855,198	-	-	-	115,342	-	2,970,540
Other Instructional Programs	5,439,680	-	-	-	107,990	-	5,547,670
Support Services							
Pupils	3,513,056	-	-	-	139,879	-	3,652,935
Instructional Staff	2,486,491	-	-	-	156,365	-	2,642,856
General Administration	1,207,928	-	-	-	31,512	-	1,239,440
School Administration	2,160,454	-	-	-	110,278	-	2,270,732
Business	938,021	-	-	-	102,958	-	1,040,979
Facilities Acquisition and Construction	-	2,333	-	-	-	96,910	99,243
Operations and Maintenance	432,557	4,502,258	-	-	456,349	-	5,391,164
Transportation	-	-	-	1,950,821	-	-	1,950,821
Food Services	1,400,897	738	-	-	-	-	1,401,635
Central	738,660	-	-	-	107,097	-	845,757
Other Support Services	-	1,646	-	-	-	-	1,646
Community Services	147	-	-	-	-	-	147
Payments to Other Districts and Governmental Units	1,891,757	-	-	-	-	-	1,891,757
Debt Service							
Principal	-	-	5,163,832	42,404	-	-	5,206,236
Interest and Fees	-	-	1,381,569	7,300	-	-	1,388,869
Capital Outlay	164,666	34,352	-	26,204	-	5,410,557	5,635,779
On-Behalf Payments	16,165,994	-	-	-	-	-	16,165,994
	<u>\$ 52,832,767</u>	<u>\$ 4,541,327</u>	<u>\$ 6,545,401</u>	<u>\$ 2,026,729</u>	<u>\$ 1,508,626</u>	<u>\$ 5,507,467</u>	<u>\$ 72,962,317</u>

<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ 1,574,842	\$ 789,533	\$ (435,111)	\$ 79,454	\$ (3,078)	\$ (3,536,662)	\$ (1,531,022)
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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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

OTHER FINANCING SOURCES (USES)	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
Interfund Transfers	\$ (131,578)	\$ (267,825)	\$ 399,403	\$ -	\$ -	\$ -	\$ -
Principal on Bonds Sold	-	-	6,060,000	-	-	2,375,000	8,435,000
Premium on Bonds Sold	-	-	413,215	-	-	93,630	506,845
Bond Refunding Payment to Escrow Agent	-	-	(6,380,688)	-	-	-	(6,380,688)
	<u>\$ (131,578)</u>	<u>\$ (267,825)</u>	<u>\$ 491,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,468,630</u>	<u>\$ 2,561,157</u>
NET CHANGE IN FUND BALANCES	\$ 1,443,264	\$ 521,708	\$ 56,819	\$ 79,454	\$ (3,078)	\$ (1,068,032)	\$ 1,030,135
FUND BALANCES - JULY 1, 2016	11,729,427	1,287,960	116,671	864,809	72,399	2,034,790	16,106,056
FUND BALANCES - JUNE 30, 2017	<u>\$ 13,172,691</u>	<u>\$ 1,809,668</u>	<u>\$ 173,490</u>	<u>\$ 944,263</u>	<u>\$ 69,321</u>	<u>\$ 966,758</u>	<u>\$ 17,136,191</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, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 1,030,135

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	\$ (2,281,643)	
Capital Outlays	<u>5,635,779</u>	3,354,136

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 un depreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets		(104,075)
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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	\$ (4,364)	
State and Federal Aid	<u>509,400</u>	505,036

The change in the Net OPEB Asset is not included in the governmental funds.		208,100
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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		(8,941,845)
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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	\$ 739,700	
Teachers' Retirement System Contributions	<u>119,613</u>	859,313

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	\$ 100,285	
Compensated Absences	(28,665)	
Bond Premium - Amortization	512,475	
Pension Expense - Illinois Municipal Retirement Fund	(1,810,608)	
Pension Expense - Teachers' Retirement System	(98,961)	
Deferred Loss on Refunding - Amortization	<u>(238,072)</u>	(1,563,546)

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	\$ 5,206,236	
Payment to Escrow Agent on Refunding Bonds	6,380,688	
Cancellation of Capital Lease	<u>130,779</u>	11,717,703

Change in Net Position of Governmental Activities		<u>\$ 7,064,957</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, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 600,853
Investments	<u>150,926</u>
Total Assets	<u>\$ 751,779</u>
LIABILITIES	
Due to Agency Funds	<u>\$ 751,779</u>
Total Liabilities	<u>\$ 751,779</u>

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, 2017

**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.

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



## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

#### 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 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, 2017.

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 \$1,000 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:

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.
- 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

### 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 2016 tax levy was passed by the Board on November 28, 2016. The 2015 tax levy was passed by the Board on November 23, 2015. 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, 2017, 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	\$ 14,995,022	\$ 14,995,022	\$ -	\$ -	\$ -
Federal Home Loan Bank	492,640	-	492,640	-	-
	<u>\$ 15,487,662</u>	<u>\$ 14,995,022</u>	<u>\$ 492,640</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, 2017, 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 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, 2017:

- State Investment Pools of \$5,500,000 and Federal Home Loans of \$492,640 are valued using quoted market prices (Level 1 inputs)
- Certificates of Deposits of \$31,274,432 are included in significant other observable items (Level 2 inputs)

### NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 558,191	\$ -	\$ -	\$ 558,191
Construction in Progress	1,128,822	4,489,124	1,126,822	4,491,124
Total Capital Assets not being depreciated	<u>\$ 1,687,013</u>	<u>\$ 4,489,124</u>	<u>\$ 1,126,822</u>	<u>\$ 5,049,315</u>
Other Capital Assets				
Buildings	\$ 92,003,149	\$ 2,049,682	\$ -	\$ 94,052,831
Improvements Other than Buildings	6,214,764	-	-	6,214,764
Equipment	9,950,254	540,167	245,851	10,244,570
Total Other Capital Assets at Historical Cost	<u>\$ 108,168,167</u>	<u>\$ 2,589,849</u>	<u>\$ 245,851</u>	<u>\$ 110,512,165</u>
Less Accumulated Depreciation for:				
Buildings	\$ 22,922,417	\$ 1,203,517	\$ -	\$ 24,125,934
Improvements Other than Buildings	2,270,627	207,826	-	2,478,453
Equipment	6,041,398	870,300	141,776	6,769,922
Total Accumulated Depreciation	<u>\$ 31,234,442</u>	<u>\$ 2,281,643</u>	<u>\$ 141,776</u>	<u>\$ 33,374,309</u>
Other Capital Assets, Net	<u>\$ 76,933,725</u>	<u>\$ 308,206</u>	<u>\$ 104,075</u>	<u>\$ 77,137,856</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,620,738</u>	<u>\$ 4,797,330</u>	<u>\$ 1,230,897</u>	<u>\$ 82,187,171</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
Instruction	
Regular Programs	\$ 154,167
Special Education Programs	22,214
Other Instructional Programs	113,586
Support Services	
Pupils	25,371
Instructional Staff	127,438
General Administration	4,638
School Administration	18,155
Business	5,932
Facilities Acquisition and Construction	853,634
Operations and Maintenance	71,213
Transportation	68,515
Food Services	29,437
Central	173,412
Unallocated	613,931
Total Governmental Activities Depreciation Expense	<u>\$ 2,281,643</u>



# NOTES TO FINANCIAL STATEMENTS (Continued)

## NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
<b>Governmental Activities</b>					
Long-Term Debt					
General Obligation Bonds	\$ 33,330,000	\$ 6,060,000	\$ 11,045,000	\$ 28,345,000	\$ 4,900,000
Debt Certificates	1,035,000	2,375,000	255,000	3,155,000	455,000
Lease/Purchase Agreements	614,441	316,372	287,015	643,798	161,598
Total Long-Term Debt	<u>\$ 34,979,441</u>	<u>\$ 8,751,372</u>	<u>\$ 11,587,015</u>	<u>\$ 32,143,798</u>	<u>\$ 5,516,598</u>
Other Long-Term Liabilities					
Bond Premiums, net of amortization	\$ 2,047,650	\$ 506,845	\$ 512,475	\$ 2,042,020	\$ 367,724
Compensated Absences	377,999	28,665	-	406,664	-
Total Other Long-Term Liabilities	<u>\$ 2,425,649</u>	<u>\$ 535,510</u>	<u>\$ 512,475</u>	<u>\$ 2,448,664</u>	<u>\$ 367,724</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 37,405,090</u>	<u>\$ 9,286,882</u>	<u>\$ 12,099,490</u>	<u>\$ 34,592,462</u>	<u>\$ 5,884,322</u>

Long-term debt consisted of the following at June 30, 2017:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
2007B General Obligation Refunding Bonds	1/1/2025	4%-4.5%	\$ 12,655,000	\$ -
2011 General Obligation Refunding Bonds	1/1/2017	2%-4%	9,100,000	-
2012 General Obligation Refunding Bonds	1/1/2022	3%-4%	27,610,000	22,375,000
2014 General Obligation Limited Tax Refunding Debt Certificates	1/1/2020	0.7%-1.5%	1,290,000	780,000
2016 General Obligation Limited Debt Certificates	1/1/2027	2%-3%	2,375,000	2,375,000
2016B General Obligation Refunding Bonds	1/1/2025	2.5%-3%	6,060,000	5,970,000
Lease/Purchase Agreement 8/13	8/1/2018	2.58%	230,900	-
Lease/Purchase Agreement 7/16	7/6/2021	2.70%	316,372	273,968
Lease/Purchase Agreement 4/15	4/10/2020	4.25%	384,013	221,242
Lease/Purchase Agreement 12/15	12/16/2020	4.25%	210,474	148,588

On October 5, 2016, the District deposited \$6,380,688 into an escrow account to refund \$6,250,000 of outstanding debt from the 2007B General Obligation refunding bonds. The \$6,380,688 was used to purchase securities that will be used to provide for all future debt service payments on the refunded debt. As a result, the refunded debt is considered defeased and its corresponding liability for the amount refunded has been removed from the District's liabilities. As of June 30, 2017 all related defeased debt had been called and repaid. The reacquisition cost exceeded the net carrying amount of the old debt by \$130,688. This amount is being netted against the new debt and amortized over the remaining life of the new debt. This advanced refunding was undertaken to reduce total debt service payments over the next nine years by \$742,827 and resulted in an economic gain of \$691,347.

At June 30, 2017 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2018	\$ 5,516,598	\$ 1,168,827	\$ 6,685,425
2019	5,727,917	951,864	6,679,781
2020	5,932,054	739,767	6,671,821
2021	5,785,549	530,386	6,315,915
2022	5,981,680	310,866	6,292,546
2023	1,120,000	83,250	1,203,250
2024	1,155,000	52,100	1,207,100
2025	400,000	19,950	419,950
2026	260,000	10,500	270,500
2027	265,000	5,300	270,300
	<u>\$ 32,143,798</u>	<u>\$ 3,872,790</u>	<u>\$ 36,016,588</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 6 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2017.

### NOTE 7 - DEFICIT FUND BALANCE

At June 30, 2017, no fund had a deficit balance.

### NOTE 8 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2016 tax levy. The unavailable revenue is 100% of the 2016 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 2017. The District has determined that 100% of the amounts collected for the 2015 levy are allocable for use in fiscal year 2017. Therefore, 100% of the amounts collected for the 2015 and prior levies (\$47,453,175) are recorded in these financial statements as property tax revenue. A summary of assessed valuations, rates, and extensions for tax years 2016, 2015 and 2014 as follows:

Tax Year	2016		2015		2014	
Assessed Valuation	\$1,945,609,947		\$1,815,658,197		\$1,740,708,934	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Educational	1.6937	\$ 32,952,796	1.7978	\$ 32,641,903	1.8329	\$ 31,905,454
Special Education	0.0350	880,963	0.0325	590,089	0.0300	522,213
Operations and Maintenance	0.2649	5,153,921	0.2804	5,091,106	0.3119	5,429,271
Debt Service	0.3096	6,023,608	0.3371	6,120,584	0.3514	6,116,851
Transportation	0.0933	1,815,254	0.0988	1,793,870	0.1031	1,794,671
Municipal Retirement	0.0366	712,093	0.0382	693,581	0.0390	678,876
Social Security	0.0367	714,039	0.0388	704,475	0.0400	696,284
	<u>2.4698</u>	<u>\$ 48,052,674</u>	<u>2.6236</u>	<u>\$ 47,635,608</u>	<u>2.7083</u>	<u>\$ 47,143,820</u>

### NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2017, the expenditures of the following fund exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 47,757,349	\$ 52,832,767	\$ 5,075,418

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr.htm>; 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, 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. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the 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 \$15,934,423 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017 were \$119,921 and are deferred because they were paid after the June 30, 2016 measurement date.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

For the year ended June 30, 2017, the District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$7,035 were paid from federal and special trust funds that required District contributions of \$2,711. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

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

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, 2017, the District paid \$10,426 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.

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

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the 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	\$ 2,416,600
State's proportionate share of the net pension liability associated with the District	162,254,928
Total Net Pension Liability	<u>\$ 164,671,528</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.003061%, which was a decrease of .000454% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$15,934,423 and revenue of \$15,934,423 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## NOTES TO FINANCIAL STATEMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Difference between expected and actual experience	\$ 17,869	\$ (1,639)	\$ 16,230
Net difference between projected and actual earnings on pension investments	68,273	-	68,273
Changes of assumptions	207,550	-	207,550
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,037	(445,550)	(388,513)
Employer contributions subsequent to the measurement date	122,632	-	122,632
	<u>\$ 473,361</u>	<u>\$ (447,189)</u>	<u>\$ 26,172</u>

\$122,632 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ending June 30		
2018	\$	(71,257)
2019		(71,257)
2020		35,188
2021		12,882
2022		(1,815)
	<u>\$</u>	<u>(96,459)</u>

### Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, 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.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

### Discount Rate

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

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

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

### Sensitivity of the 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 6.83%, 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 (5.83%) or 1-percentage-point-higher (7.83%) than the current rate.

	1% Decrease 6.83%	Current Discount Rate 7.83%	1% Increase 8.83%
Employer's proportionate share of the net pension liability	\$ 2,955,600	\$ 2,416,600	\$ 1,976,380

### TRS Fiduciary Net Position

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

### B. *Illinois Municipal Retirement Fund*

#### Plan Description

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

#### Benefits Provided

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

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

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

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

#### Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	145
Inactive plan members entitled to but not yet receiving benefits	151
Active plan members	126
Total	<u>422</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 2016 was 12.88%. For the fiscal year ended June 30, 2017, the District contributed \$686,526 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, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 38,389,534
IMRF Fiduciary Net Position	32,899,589
District's Net Pension Liability	5,489,945
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	85.70%

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, 2016 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.50%
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



## NOTES TO FINANCIAL STATEMENTS (Continued)

ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Target Allocation	Projected Return
Equities	38.00%	6.85%
International Equities	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternatives	9.00%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.00%	2.25%
	<u>100.00%</u>	

### 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 3.78%; and resulting single discount rate is 7.50%.

### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balance at December 31, 2015	\$ 36,979,744	\$ 31,608,578	\$ 5,371,166
Changes for the year:			
Service Cost	\$ 590,879	\$ -	\$ 590,879
Interest on the Total Pension Liability	2,704,959	-	2,704,959
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	305,172	-	305,172
Changes of Assumptions	(159,862)	-	(159,862)
Contributions - Employer	-	709,496	(709,496)
Contributions - Employee	-	251,388	(251,388)
Net Investment Income	-	2,167,377	(2,167,377)
Benefit Payments, including Refunds of Employee Contributions	(2,031,358)	(2,031,358)	-
Other (Net Transfer)	-	194,108	(194,108)
Net Changes	\$ 1,409,790	\$ 1,291,011	\$ 118,779
Balance at December 31, 2016	\$ 38,389,534	\$ 32,899,589	\$ 5,489,945

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability/(Asset)	\$ 9,770,710	\$ 5,489,945	\$ 1,898,713

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

For the year ended June 30, 2017, the District recognized pension expense of \$1,810,608. At June 30, 2017, 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	\$ 339,803	\$ -	\$ 339,803
Changes of assumptions	31,841	100,990	(69,149)
Net difference between projected and actual earnings on pension plan investments	1,642,758	-	1,642,758
Total deferred amounts to be recognized in pension expense in future periods	\$ 2,014,402	\$ 100,990	\$ 1,913,412
Pension contributions made subsequent to the measurement date	382,699	-	382,699
Total deferred amounts related to pensions	<u>\$ 2,397,101</u>	<u>\$ 100,990</u>	<u>\$ 2,296,111</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
2017	\$ 797,174
2018	603,086
2019	479,073
2020	34,079
2021	-
Thereafter	-
	<u>\$ 1,913,412</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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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 the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$231,571, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$173,678 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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

### 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 29, 2016 (the date of the latest actuarial valuation):

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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	\$ 283,066
Interest on net OPEB obligation	(71,965)
Adjustment to annual required contribution	82,963
Amortization of UAAL	470,672
Annual OPEB cost (expense)	\$ 764,736
Contributions made	972,836
Increase/(decrease) in net OPEB obligation	\$ (208,100)
Net OPEB obligation/(asset) beginning of year	(1,599,227)
Net OPEB obligation/(asset) end of year	\$ (1,807,327)

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)
6/30/2017	\$ 764,736	\$ 972,836	127.2%	\$ (1,807,327)
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)

### 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.

### 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 12 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2017 were as follows:

Transfer From	Transfer To	Amount
General Fund	Debt Services Fund	\$ 131,578
Operations and Maintenance Fund	Debt Services Fund	267,825

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

### 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, 2016 (most recent information available) is as follows:

Assets	\$ 5,832,530
Liabilities	\$ 669,512
Net Position	5,163,018
	<u>\$ 5,832,530</u>
Revenues Received	\$ 15,342,228
Expenditures Disbursed	16,161,653
Net Increase/(Decrease) in Net Position	<u>\$ (819,425)</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, 2016 (most recent information available) is as follows:

Assets	\$ 17,853,689
Deferred Outflows	619,771
	<u>\$ 18,473,460</u>
Liabilities	\$ 1,521,100
Deferred Inflows	799,975
Net Position	16,152,385
	<u>\$ 18,473,460</u>
Revenues	\$ 10,355,180
Expenditures	10,192,488
Net Increase/(Decrease) in Net Position	<u>\$ 162,692</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 2017 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.

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, 2017, 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, 2017, the liability for unpaid claims was \$43,068 and \$3,009 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, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Claims Liabilities - Beginning of the Year	\$ 48,674	\$ 41,979	\$ 14,804
Incurred Claims	373,798	363,628	380,343
Payment on Claims	(376,395)	(356,933)	(353,168)
Claims Liabilities - End of the Year	<u>\$ 46,077</u>	<u>\$ 48,674</u>	<u>\$ 41,979</u>

### NOTE 16 - CONSTRUCTION COMMITMENTS

The District has multiple on-going construction project which are estimated to cost \$5,056,853. As of June 30, 2017 \$4,527,413 has been paid or accrued.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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:

2016 EAV	\$ 1,945,609,947
Rate	<u>6.90%</u>
Debt Margin	\$ 134,247,086
Current Debt	<u>32,143,798</u>
Remaining Debt Margin	<u>\$ 102,103,288</u>

### NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2017, the District has implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This establishes financial reporting standards for tax abatement agreements entered into by the District. The Statement also requires additional disclosures about the tax abatement agreements entered into by the District. As of June 30, 2017 the District did not have any relevant information to report or disclose.

## 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, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 590,879	\$ 604,588	\$ 642,799
Interest on the Total Pension Liability	2,704,959	2,576,198	2,368,115
Differences Between Expected and Actual Experience	305,172	534,107	44,782
Changes of Assumptions	(159,862)	115,679	1,502,563
Benefit Payments, Including Refunds of Member Contributions	(2,031,358)	(1,887,395)	(1,550,327)
Net Change in Total Pension Liability	<u>\$ 1,409,790</u>	<u>\$ 1,943,177</u>	<u>\$ 3,007,932</u>
Total Pension Liability - Beginning	<u>36,979,744</u>	<u>35,036,567</u>	<u>32,028,635</u>
Total Pension Liability - Ending	<u>\$ 38,389,534</u>	<u>\$ 36,979,744</u>	<u>\$ 35,036,567</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 709,496	\$ 748,864	\$ 705,638
Contributions - Member	251,388	297,764	247,222
Net Investment Income	2,167,377	158,433	1,860,616
Benefit Payments, Including Refunds of Member Contributions	(2,031,358)	(1,887,395)	(1,550,327)
Other (Net Transfers)	194,108	183,909	43,219
Net Change in Plan Fiduciary Net Position	<u>\$ 1,291,011</u>	<u>\$ (498,425)</u>	<u>\$ 1,306,368</u>
Plan Net Position - Beginning	<u>31,608,578</u>	<u>32,107,003</u>	<u>30,800,635</u>
Plan Net Position - Ending	<u>\$ 32,899,589</u>	<u>\$ 31,608,578</u>	<u>\$ 32,107,003</u>
District's Net Pension Liability	<u>\$ 5,489,945</u>	<u>\$ 5,371,166</u>	<u>\$ 2,929,564</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	85.70%	85.48%	91.64%
Covered-Valuation Payroll	\$ 5,340,686	\$ 5,435,323	\$ 5,470,062
Employer's Net Pension Liability as a percentage of Covered-Valuation Payroll	102.79%	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, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 687,880	\$ 677,785	\$ 705,638
Contributions in relation to Actuarially-Determined Contribution	<u>709,496</u>	<u>748,864</u>	<u>705,638</u>
Contribution deficiency/(excess)	<u>\$ (21,616)</u>	<u>\$ (71,079)</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 5,340,686	\$ 5,435,323	\$ 5,470,062
Contributions as a percentage of Covered-Valuation Payroll	13.28%	13.78%	12.90%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2016 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:** 27-year closed period

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

**Wage Growth:** 3.5%

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

**Salary Increases:** 3.75% to 14.50%, including inflation

**Investment Rate of Return:** 7.50%

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

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

\*Based on Valuation Assumptions used in the December 31, 2014 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, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0030615%	0.0035151%	0.0033648%
Employer's proportionate share of the Net Pension Liability	\$ 2,416,600	\$ 2,302,724	\$ 2,047,786
State's proportionate share of the Net Pension Liability associated with the employer	162,254,928	128,151,310	118,466,381
Total	<u>\$ 164,671,528</u>	<u>\$ 130,454,034</u>	<u>\$ 120,514,167</u>
Employer's Covered-Employee Payroll	\$ 20,446,541	\$ 19,818,720	\$ 19,288,273
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	11.82%	11.62%	10.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

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

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

**Changes of Assumptions:**

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

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

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

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, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 118,562	\$ 123,168	\$ 120,056
Contributions in relation to the Statutorily-Required Contribution	<u>118,562</u>	<u>123,168</u>	<u>120,056</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 20,446,541	\$ 19,818,720	\$ 19,288,273
Contributions as a percentage of Covered-Employee Payroll	0.58%	0.62%	0.62%

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

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
 RETIREE INSURANCE PLAN  
 SCHEDULE OF FUNDING PROGRESS  
 JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 33,134,157	\$ 33,104,697
Payments in Lieu of Taxes	45,000	84,361
Tuition	35,475	45,104
Earnings on Investments	175,000	234,251
Food Service	1,133,161	1,139,005
District/School Activity Income	1,203,149	1,215,135
Textbooks	11,890	8,349
Other Local Sources	381,834	479,653
State Aid		
General State Aid	375,573	-
Special Education	1,063,491	818,402
Career and Technical Education	38,703	38,703
Bilingual	28,989	44
State Free Lunch and Breakfast	2,000	419
Driver Education	89,793	101,100
Other State Aid	2,200	-
Federal Aid		
Title I	168,165	181,622
Federal Special Education	565,497	653,991
CTE - Perkins	29,408	28,864
Title II - Teacher Quality	42,857	36,213
Medicaid Matching Funds - Administrative Outreach	40,000	17,362
Medicaid Matching Funds - Fee-for-Service Program	30,000	54,340
On-Behalf Payments	10,200,000	16,165,994
Total Revenues	<u>\$ 48,796,342</u>	<u>\$ 54,407,609</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 10,887,980	\$ 10,833,009
Employee Benefits	1,870,469	1,876,733
Purchased Services	77,166	53,576
Supplies and Materials	594,161	594,885
Other Objects	19,625	12,440
Non-Capitalized Equipment	96,775	96,618
	<u>\$ 13,546,176</u>	<u>\$ 13,467,261</u>
Special Education Programs		
Salaries	\$ 2,554,483	\$ 2,293,405
Employee Benefits	581,148	530,205
Purchased Services	22,858	10,593
Supplies and Materials	45,570	20,995
Other Objects	540	-
Non-Capitalized Equipment	500	-
	<u>\$ 3,205,099</u>	<u>\$ 2,855,198</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 373,768	\$ 350,647
Employee Benefits	105,729	104,474
Purchased Services	20,000	18,723
Supplies and Materials	10,100	14,665
Non-Capitalized Equipment	-	2,202
	<u>\$ 509,597</u>	<u>\$ 490,711</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, 2017

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,322,342	\$ 1,355,891
Employee Benefits	249,365	258,772
Purchased Services	11,110	7,228
Supplies and Materials	106,685	110,945
Other Objects	508	-
	<u>\$ 1,690,010</u>	<u>\$ 1,732,836</u>
Interscholastic Programs		
Salaries	\$ 1,693,280	\$ 1,281,303
Employee Benefits	85,928	16,323
Purchased Services	327,677	308,399
Supplies and Materials	143,339	196,543
Other Objects	62,396	59,466
Non-Capitalized Equipment	25,000	5,078
	<u>\$ 2,337,620</u>	<u>\$ 1,867,112</u>
Summer School Programs		
Salaries	\$ 68,062	\$ 52,487
Employee Benefits	2,311	854
Other Objects	6,805	3,580
	<u>\$ 77,178</u>	<u>\$ 56,921</u>
Driver's Education Programs		
Salaries	\$ 275,495	\$ 264,340
Employee Benefits	82,003	81,681
Purchased Services	13,261	17,560
Supplies and Materials	8,711	5,064
Other Objects	775	(254)
Non-Capitalized Equipment	-	1,468
	<u>\$ 380,245</u>	<u>\$ 369,859</u>
Bilingual Programs		
Salaries	\$ 101,688	\$ 108,738
Employee Benefits	22,299	20,766
Purchased Services	6,000	-
Supplies and Materials	7,000	1,284
	<u>\$ 136,987</u>	<u>\$ 130,788</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 5,000	\$ 18,700
Special Education Programs K-12	1,183,739	772,753
	<u>\$ 1,188,739</u>	<u>\$ 791,453</u>
Total Instruction	<u>\$ 23,071,651</u>	<u>\$ 21,762,139</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,432,492	\$ 1,060,187
Employee Benefits	347,639	270,437
Purchased Services	24,955	6,984
Supplies and Materials	22,212	13,337
Other Objects	1,008	-
Non-Capitalized Equipment	2,305	-
	<u>\$ 1,830,611</u>	<u>\$ 1,350,945</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Guidance Services		
Salaries	\$ 1,293,349	\$ 1,203,077
Employee Benefits	268,637	235,897
Purchased Services	6,194	5,312
Supplies and Materials	1,837	1,865
Non-Capitalized Equipment	7,313	667
Termination Benefits	4,010	-
	<u>\$ 1,581,340</u>	<u>\$ 1,446,818</u>
Health Services		
Salaries	\$ 168,563	\$ 188,142
Employee Benefits	55,605	60,602
Purchased Services	81,993	103,783
Supplies and Materials	4,379	2,309
	<u>\$ 310,540</u>	<u>\$ 354,836</u>
Psychological Services		
Salaries	\$ 141,839	\$ 143,013
Employee Benefits	27,378	26,492
Purchased Services	1,350	249
Supplies and Materials	650	263
Non-Capitalized Equipment	769	-
	<u>\$ 171,986</u>	<u>\$ 170,017</u>
Speech Pathology and Audiology Services		
Salaries	\$ 75,174	\$ 78,609
Employee Benefits	21,614	21,314
Purchased Services	225	225
Supplies and Materials	784	642
	<u>\$ 97,797</u>	<u>\$ 100,790</u>
Other Support Services - Pupils		
Salaries	\$ 14,170	\$ 9,980
Employee Benefits	14	-
Purchased Services	37,642	38,341
Supplies and Materials	35,780	41,329
Non-Capitalized Equipment	1,500	-
	<u>\$ 89,106</u>	<u>\$ 89,650</u>
Total Support Services - Pupils	<u>\$ 4,081,380</u>	<u>\$ 3,513,056</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 802,103	\$ 761,854
Employee Benefits	109,524	101,007
Purchased Services	155,630	91,106
Supplies and Materials	5,815	4,063
Other Objects	450	61
Non-Capitalized Equipment	1,225	-
	<u>\$ 1,074,747</u>	<u>\$ 958,091</u>
Educational Media Services		
Salaries	\$ 826,371	\$ 809,746
Employee Benefits	235,782	228,750
Purchased Services	161,064	164,824
Supplies and Materials	97,831	56,095
Other Objects	-	2
Non-Capitalized Equipment	27,569	20,472
Termination Benefits	-	10,445
	<u>\$ 1,348,617</u>	<u>\$ 1,290,334</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services		
Instructional Staff (Continued)		
Assessment and Testing		
Salaries	\$ 31,010	\$ 20,551
Employee Benefits	48	64
Purchased Services	161,225	215,893
Supplies and Materials	1,500	1,558
	<u>\$ 193,783</u>	<u>\$ 238,066</u>
Total Support Services - Instructional Staff	<u>\$ 2,617,147</u>	<u>\$ 2,486,491</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 9,000	\$ 11,966
Purchased Services	197,056	159,233
Supplies and Materials	3,000	2,067
Other Objects	22,600	22,411
	<u>\$ 231,656</u>	<u>\$ 195,677</u>
Executive Administration Services		
Salaries	\$ 494,954	\$ 494,954
Employee Benefits	75,382	85,032
Purchased Services	14,102	7,548
Supplies and Materials	1,728	355
Other Objects	3,040	3,323
Non-Capitalized Equipment	1,500	-
	<u>\$ 590,706</u>	<u>\$ 591,212</u>
Special Area Administration Services		
Salaries	\$ -	\$ 35,914
Employee Benefits	-	4,275
Purchased Services	-	5,416
	<u>\$ -</u>	<u>\$ 45,605</u>
Tort Immunity Services		
Salaries	\$ 2,382	\$ 2,382
Purchased Services	340,060	373,052
	<u>\$ 342,442</u>	<u>\$ 375,434</u>
Total Support Services - General Administration	<u>\$ 1,164,804</u>	<u>\$ 1,207,928</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 679,479	\$ 1,053,764
Employee Benefits	175,438	264,509
Purchased Services	18,317	9,197
Supplies and Materials	4,654	3,990
Other Objects	3,679	1,259
Non-Capitalized Equipment	500	1,651
Termination Benefits	9,645	-
	<u>\$ 891,712</u>	<u>\$ 1,334,370</u>
Other Support Services - School Administration		
Salaries	\$ -	\$ 684,607
Employee Benefits	10,426	141,477
	<u>\$ 10,426</u>	<u>\$ 826,084</u>
Total Support Services - School Administration	<u>\$ 902,138</u>	<u>\$ 2,160,454</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, 2017

	Budgeted Amounts Original and Final	Actual Amounts
<b>EXPENDITURES (Continued)</b>		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	\$ 273,631	\$ 278,631
Employee Benefits	40,812	40,673
Purchased Services	10,671	9,200
Supplies and Materials	400	31
Other Objects	1,000	825
	<u>\$ 326,514</u>	<u>\$ 329,360</u>
Fiscal Services		
Salaries	\$ 287,927	\$ 289,337
Employee Benefits	63,575	63,204
Purchased Services	6,491	6,707
Supplies and Materials	4,793	3,065
Other Objects	-	115
	<u>\$ 362,786</u>	<u>\$ 362,428</u>
Internal Services		
Salaries	\$ 108,952	\$ 109,157
Employee Benefits	44,170	43,548
Purchased Services	101,401	66,442
Supplies and Materials	31,693	26,352
Non-Capitalized Equipment	-	734
	<u>\$ 286,216</u>	<u>\$ 246,233</u>
<b>Total Support Services - Business</b>	<u>\$ 975,516</u>	<u>\$ 938,021</u>
Operations and Maintenance		
Salaries	\$ 178,510	\$ 158,840
Employee Benefits	33,622	32,794
Purchased Services	249,330	237,976
Supplies and Materials	1,607	2,947
Non-Capitalized Equipment	2,936	-
<b>Total Support Services - Operations and Maintenance</b>	<u>\$ 466,005</u>	<u>\$ 432,557</u>
Food Services		
Purchased Services	\$ 1,467,015	\$ 1,379,571
Supplies and Materials	8,172	13,409
Other Objects	1,602	1,797
Non-Capitalized Equipment	6,147	6,120
<b>Total Support Services - Food Services</b>	<u>\$ 1,482,936</u>	<u>\$ 1,400,897</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 60,088	\$ 59,705
Employee Benefits	17,537	17,423
Purchased Services	254	217
Supplies and Materials	200	-
	<u>\$ 78,079</u>	<u>\$ 77,345</u>
Information Services		
Salaries	\$ 120,810	\$ 120,810
Employee Benefits	8,507	8,472
Purchased Services	40,300	16,853
Supplies and Materials	2,250	847
Other Objects	1,800	1,731
	<u>\$ 173,667</u>	<u>\$ 148,713</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Central (Continued)		
Staff Services		
Salaries	\$ 199,560	\$ 195,396
Employee Benefits	65,018	50,120
Purchased Services	27,329	23,686
Supplies and Materials	11,268	6,258
Termination Benefits	6,260	8,764
	<u>\$ 309,435</u>	<u>\$ 284,224</u>
Data Processing Services		
Salaries	\$ 106,110	\$ 106,110
Employee Benefits	22,426	22,288
Purchased Services	93,336	98,716
Supplies and Materials	12,000	417
Other Objects	200	200
Non-Capitalized Equipment	-	647
	<u>\$ 234,072</u>	<u>\$ 228,378</u>
Total Support Services - Central	<u>\$ 795,253</u>	<u>\$ 738,660</u>
Total Support Services	<u>\$ 12,485,179</u>	<u>\$ 12,878,064</u>
Community Services		
Supplies and Materials	\$ 1,350	\$ 147
Other Objects	3,600	-
Total Community Services	<u>\$ 4,950</u>	<u>\$ 147</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	<u>\$ 3,000</u>	<u>\$ -</u>
	<u>\$ 3,000</u>	<u>\$ -</u>
Payments for Special Education Programs		
Purchased Services	<u>\$ 3,700</u>	<u>\$ 7,547</u>
	<u>\$ 3,700</u>	<u>\$ 7,547</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 6,700</u>	<u>\$ 7,547</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 3,300	\$ 48,755
Payments for Special Education Programs		
Other Objects	1,314,227	1,487,529
Payment for CTE Programs		
Other Objects	440,000	317,926
Payments for Other Programs		
Other Objects	1,600	-
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,759,127</u>	<u>\$ 1,854,210</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,765,827</u>	<u>\$ 1,861,757</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Capital Outlay		
Instruction		
Regular Programs	\$ 45,733	\$ 57,765
Special Education Programs	12,500	6,260
Other Instructional Programs	134,661	63,544
Support Services		
Pupils	2,297	3,623
Instructional Staff	23,799	28,864
School Administration	-	4,610
Business	4,708	-
Central	6,044	-
Total Capital Outlay	<u>\$ 229,742</u>	<u>\$ 164,666</u>
On-Behalf Payments	<u>\$ 10,200,000</u>	<u>\$ 16,165,994</u>
Total Expenditures	<u>\$ 47,757,349</u>	<u>\$ 52,832,767</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,038,993</u>	<u>\$ 1,574,842</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(131,578)</u>	<u>(131,578)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 907,415</u>	<u>\$ 1,443,264</u>
FUND BALANCE - JULY 1, 2016	<u>30,479,847</u>	<u>11,729,427</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 31,387,262</u></u>	<u><u>\$ 13,172,691</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  
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 5,076,142	\$ 5,071,626
Earnings on Investments	25,000	34,109
Other Local Sources	238,649	225,125
Total Revenues	<u>\$ 5,339,791</u>	<u>\$ 5,330,860</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 1,110	\$ 2,333
Total Support Services - Facilities Acquisition and Construction	<u>\$ 1,110</u>	<u>\$ 2,333</u>
Operations and Maintenance		
Salaries	\$ 2,017,137	\$ 1,979,687
Employee Benefits	588,377	570,863
Purchased Services	932,561	922,019
Supplies and Materials	1,247,812	1,011,571
Other Objects	3,216	1,047
Non-Capitalized Equipment	3,000	1,931
Termination Benefits	-	15,140
Total Support Services - Operations and Maintenance	<u>\$ 4,792,103</u>	<u>\$ 4,502,258</u>
Food Services		
Non-Capitalized Equipment	\$ -	\$ 738
Total Support Services - Food Services	<u>\$ -</u>	<u>\$ 738</u>
Other Support Services		
Purchased Services	\$ 1,284	\$ 1,646
Total Support Services - Other Support Services	<u>\$ 1,284</u>	<u>\$ 1,646</u>
Total Support Services	<u>\$ 4,794,497</u>	<u>\$ 4,506,975</u>
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 14,350	\$ 27,676
Food Services	16,000	6,676
Total Capital Outlay	<u>\$ 30,350</u>	<u>\$ 34,352</u>
Total Expenditures	<u>\$ 4,824,847</u>	<u>\$ 4,541,327</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 514,944	\$ 789,533
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(267,825)</u>	<u>(267,825)</u>
NET CHANGE IN FUND BALANCE	\$ 247,119	\$ 521,708
FUND BALANCE - JULY 1, 2016	<u>3,754,791</u>	<u>1,287,960</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 4,001,910</u>	<u>\$ 1,809,668</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 - TRANSPORTATION FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 1,788,592	\$ 1,787,003
Transportation Fees	14,295	18,343
Earnings on Investments	15,000	17,392
Other Local Sources	-	265
State Aid		
Transportation	303,071	283,180
Total Revenues	<u>\$ 2,120,958</u>	<u>\$ 2,106,183</u>
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 2,077,742	\$ 1,949,924
Other Objects	1,500	897
Total Support Services - Transportation	<u>\$ 2,079,242</u>	<u>\$ 1,950,821</u>
Total Support Services	<u>\$ 2,079,242</u>	<u>\$ 1,950,821</u>
Debt Services		
Interest		
Interest on Long-Term Debt		
Other Objects	\$ -	\$ 7,300
Payments of Principal on Long-Term Debt		
Other Objects	-	42,404
Total Debt Services	<u>\$ -</u>	<u>\$ 49,704</u>
Capital Outlay		
Support Services		
Transportation	\$ 26,204	\$ 26,204
Total Capital Outlay	<u>\$ 26,204</u>	<u>\$ 26,204</u>
Total Expenditures	<u>\$ 2,105,446</u>	<u>\$ 2,026,729</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 15,512</u>	<u>\$ 79,454</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 15,512	\$ 79,454
FUND BALANCE - JULY 1, 2016	1,620,898	864,809
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 1,636,410</u></u>	<u><u>\$ 944,263</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  
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 691,540	\$ 690,925
FICA/Medicare Only Purposes Levies	702,402	701,777
Payments in Lieu of Taxes	105,230	105,230
Earnings on Investments	2,500	7,616
Total Revenues	<u>\$ 1,501,672</u>	<u>\$ 1,505,548</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 183,558	\$ 180,856
Special Education Programs		
Employee Benefits	135,825	115,342
Remedial and Supplemental Programs - K-12		
Employee Benefits	27,070	24,850
CTE Programs		
Employee Benefits	18,473	18,948
Interscholastic Programs		
Employee Benefits	86,529	56,784
Summer School Programs		
Employee Benefits	1,884	751
Driver's Education Programs		
Employee Benefits	4,201	4,047
Bilingual Programs		
Employee Benefits	2,541	2,610
	<u>\$ 460,081</u>	<u>\$ 404,188</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 79,386	\$ 68,875
Guidance Services		
Employee Benefits	55,048	54,881
Health Services		
Employee Benefits	7,765	11,133
Psychological Services		
Employee Benefits	1,971	1,983
Speech Pathology and Audiology Services		
Employee Benefits	1,030	1,074
Other Support Services - Pupils		
Employee Benefits	2,575	1,933
	<u>\$ 147,775</u>	<u>\$ 139,879</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 11,484	\$ 10,894
Educational Media Services		
Employee Benefits	112,793	144,279
Assessment and Testing		
Employee Benefits	2,011	1,192
	<u>\$ 126,288</u>	<u>\$ 156,365</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
General Administration		
Executive Administration Services		
Employee Benefits	\$ 30,856	\$ 30,933
Special Area Administrative Services		
Employee Benefits	-	544
Claims Paid from Self Insurance Fund		
Employee Benefits	-	35
Educational, Inspectional, Supervisory Services		
Employee Benefits	35	-
	<u>\$ 30,891</u>	<u>\$ 31,512</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 56,188	\$ 72,078
Other Support Services - School Administration		
Employee Benefits	-	38,200
	<u>\$ 56,188</u>	<u>\$ 110,278</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 16,591	\$ 16,671
Fiscal Services		
Employee Benefits	64,635	64,629
Internal Services		
Employee Benefits	21,672	21,658
	<u>\$ 102,898</u>	<u>\$ 102,958</u>
Operations and Maintenance		
Employee Benefits	\$ 457,795	\$ 456,349
	<u>\$ 457,795</u>	<u>\$ 456,349</u>
Central		
Planning, Research, Development and Evaluation Services		
Employee Benefits	\$ 11,391	\$ 11,486
Information Services		
Employee Benefits	24,776	24,778
Staff Services		
Employee Benefits	31,791	44,063
Data Processing Services		
Employee Benefits	26,766	26,770
	<u>\$ 94,724</u>	<u>\$ 107,097</u>
Total Support Services	<u>\$ 1,016,559</u>	<u>\$ 1,104,438</u>
Provision for Contingencies	<u>\$ 50,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 1,526,640</u>	<u>\$ 1,508,626</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (24,968)	\$ (3,078)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (24,968)	\$ (3,078)
FUND BALANCE - JULY 1, 2016	<u>806,499</u>	<u>72,399</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 781,531</u>	<u>\$ 69,321</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

**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 26, 2016 and was not amended. 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, 2017, 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	\$ 47,757,349	\$ 52,832,767	\$ 5,075,418

## SUPPLEMENTAL FINANCIAL INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
COMBINING BALANCE SHEET  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017

	Educational Fund	Working Cash Fund	General Fund Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,169,017	\$ 1,482,504	\$ 9,651,521
Investments, at Fair Value	19,991,920	3,628,110	23,620,030
Accrued Interest Receivable, net of allowance of \$0	89,650	17,780	107,430
Other Accounts Receivable, net of allowance of \$0	19,170	-	19,170
Property Taxes Receivable, net of allowance of \$152,450	16,566,967	-	16,566,967
Due from Other Governments, net of allowance of \$0	750,561	-	750,561
Prepaid Expenses	339,672	-	339,672
<b>Total Assets</b>	<b>\$ 45,926,957</b>	<b>\$ 5,128,394</b>	<b>\$ 51,055,351</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 628,120	\$ -	\$ 628,120
Accrued Payroll and Payroll Liabilities	2,942,166	-	2,942,166
Unearned Revenue - Registration Fees	310,793	-	310,793
<b>Total Liabilities</b>	<b>\$ 3,881,079</b>	<b>\$ -</b>	<b>\$ 3,881,079</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	\$ 33,481,309	\$ -	\$ 33,481,309
Unavailable Revenue - Grants	414,790	-	414,790
Unavailable Revenue - Interest	87,702	17,780	105,482
<b>Total Deferred Inflows of Resources</b>	<b>\$ 33,983,801</b>	<b>\$ 17,780</b>	<b>\$ 34,001,581</b>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid Expenses	\$ 339,672	\$ -	\$ 339,672
Unassigned	7,722,405	5,110,614	12,833,019
<b>Total Fund Balance</b>	<b>\$ 8,062,077</b>	<b>\$ 5,110,614</b>	<b>\$ 13,172,691</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 45,926,957</b>	<b>\$ 5,128,394</b>	<b>\$ 51,055,351</b>

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, 2017

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 33,104,697	\$ -	\$ 33,104,697
Payments in Lieu of Taxes	84,361	-	84,361
Tuition	45,104	-	45,104
Earnings on Investments	174,928	59,323	234,251
Food Service	1,139,005	-	1,139,005
District/School Activity Income	1,215,135	-	1,215,135
Textbooks	8,349	-	8,349
Other Local Sources	479,653	-	479,653
State Aid	958,668	-	958,668
Federal Aid	972,392	-	972,392
On-Behalf Payments	16,165,994	-	16,165,994
	<u>\$ 54,348,286</u>	<u>\$ 59,323</u>	<u>\$ 54,407,609</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 13,467,261	\$ -	\$ 13,467,261
Special Education Programs	2,855,198	-	2,855,198
Other Instructional Programs	5,439,680	-	5,439,680
Support Services			
Pupils	3,513,056	-	3,513,056
Instructional Staff	2,486,491	-	2,486,491
General Administration	1,207,928	-	1,207,928
School Administration	2,160,454	-	2,160,454
Business	938,021	-	938,021
Operations and Maintenance	432,557	-	432,557
Food Services	1,400,897	-	1,400,897
Central	738,660	-	738,660
Community Services	147	-	147
Payments to Other Districts and Governmental Units	1,861,757	-	1,861,757
Capital Outlay	164,666	-	164,666
On-Behalf Payments	16,165,994	-	16,165,994
	<u>\$ 52,832,767</u>	<u>\$ -</u>	<u>\$ 52,832,767</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,515,519	\$ 59,323	\$ 1,574,842
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	(131,578)	-	(131,578)
NET CHANGE IN FUND BALANCES	\$ 1,383,941	\$ 59,323	\$ 1,443,264
FUND BALANCES - JULY 1, 2016	6,678,136	5,051,291	11,729,427
FUND BALANCES - JUNE 30, 2017	<u>\$ 8,062,077</u>	<u>\$ 5,110,614</u>	<u>\$ 13,172,691</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
<b>REVENUES</b>		
Property Taxes	\$ 33,134,157	\$ 33,104,697
Payments in Lieu of Taxes	45,000	84,361
Tuition	35,475	45,104
Earnings on Investments	130,000	174,928
Food Service	1,133,161	1,139,005
District/School Activity Income	1,203,149	1,215,135
Textbooks	11,890	8,349
Other Local Sources	381,834	479,653
State Aid		
General State Aid	375,573	-
Special Education	1,063,491	818,402
Career and Technical Education	38,703	38,703
Bilingual	28,989	44
State Free Lunch and Breakfast	2,000	419
Driver Education	89,793	101,100
Other State Aid	2,200	-
Federal Aid		
Title I	168,165	181,622
Federal Special Education	565,497	653,991
CTE - Perkins	29,408	28,864
Title II - Teacher Quality	42,857	36,213
Medicaid Matching Funds - Administrative Outreach	40,000	17,362
Medicaid Matching Funds - Fee-for-Service Program	30,000	54,340
On-Behalf Payments	10,200,000	16,165,994
<b>Total Revenues</b>	<u>\$ 48,751,342</u>	<u>\$ 54,348,286</u>
<b>EXPENDITURES</b>		
Instruction		
Regular Programs		
Salaries	\$ 10,887,980	\$ 10,833,009
Employee Benefits	1,870,469	1,876,733
Purchased Services	77,166	53,576
Supplies and Materials	594,161	594,885
Other Objects	19,625	12,440
Non-Capitalized Equipment	96,775	96,618
	<u>\$ 13,546,176</u>	<u>\$ 13,467,261</u>
Special Education Programs		
Salaries	\$ 2,554,483	\$ 2,293,405
Employee Benefits	581,148	530,205
Purchased Services	22,858	10,593
Supplies and Materials	45,570	20,995
Other Objects	540	-
Non-Capitalized Equipment	500	-
	<u>\$ 3,205,099</u>	<u>\$ 2,855,198</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 373,768	\$ 350,647
Employee Benefits	105,729	104,474
Purchased Services	20,000	18,723
Supplies and Materials	10,100	14,665
Non-Capitalized Equipment	-	2,202
	<u>\$ 509,597</u>	<u>\$ 490,711</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,322,342	\$ 1,355,891
Employee Benefits	249,365	258,772
Purchased Services	11,110	7,228
Supplies and Materials	106,685	110,945
Other Objects	508	-
	<u>\$ 1,690,010</u>	<u>\$ 1,732,836</u>
Interscholastic Programs		
Salaries	\$ 1,693,280	\$ 1,281,303
Employee Benefits	85,928	16,323
Purchased Services	327,677	308,399
Supplies and Materials	143,339	196,543
Other Objects	62,396	59,466
Non-Capitalized Equipment	25,000	5,078
	<u>\$ 2,337,620</u>	<u>\$ 1,867,112</u>
Summer School Programs		
Salaries	\$ 68,062	\$ 52,487
Employee Benefits	2,311	854
Other Objects	6,805	3,580
	<u>\$ 77,178</u>	<u>\$ 56,921</u>
Driver's Education Programs		
Salaries	\$ 275,495	\$ 264,340
Employee Benefits	82,003	81,681
Purchased Services	13,261	17,560
Supplies and Materials	8,711	5,064
Other Objects	775	(254)
Non-Capitalized Equipment	-	1,468
	<u>\$ 380,245</u>	<u>\$ 369,859</u>
Bilingual Programs		
Salaries	\$ 101,688	\$ 108,738
Employee Benefits	22,299	20,766
Purchased Services	6,000	-
Supplies and Materials	7,000	1,284
	<u>\$ 136,987</u>	<u>\$ 130,788</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 5,000	\$ 18,700
Special Education Programs K-12	1,183,739	772,753
	<u>\$ 1,188,739</u>	<u>\$ 791,453</u>
Total Instruction	<u>\$ 23,071,651</u>	<u>\$ 21,762,139</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,432,492	\$ 1,060,187
Employee Benefits	347,639	270,437
Purchased Services	24,955	6,984
Supplies and Materials	22,212	13,337
Other Objects	1,008	-
Non-Capitalized Equipment	2,305	-
	<u>\$ 1,830,611</u>	<u>\$ 1,350,945</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Guidance Services		
Salaries	\$ 1,293,349	\$ 1,203,077
Employee Benefits	268,637	235,897
Purchased Services	6,194	5,312
Supplies and Materials	1,837	1,865
Non-Capitalized Equipment	7,313	667
Termination Benefits	4,010	-
	<u>\$ 1,581,340</u>	<u>\$ 1,446,818</u>
Health Services		
Salaries	\$ 168,563	\$ 188,142
Employee Benefits	55,605	60,602
Purchased Services	81,993	103,783
Supplies and Materials	4,379	2,309
	<u>\$ 310,540</u>	<u>\$ 354,836</u>
Psychological Services		
Salaries	\$ 141,839	\$ 143,013
Employee Benefits	27,378	26,492
Purchased Services	1,350	249
Supplies and Materials	650	263
Non-Capitalized Equipment	769	-
	<u>\$ 171,986</u>	<u>\$ 170,017</u>
Speech Pathology and Audiology Services		
Salaries	\$ 75,174	\$ 78,609
Employee Benefits	21,614	21,314
Purchased Services	225	225
Supplies and Materials	784	642
	<u>\$ 97,797</u>	<u>\$ 100,790</u>
Other Support Services - Pupils		
Salaries	\$ 14,170	\$ 9,980
Employee Benefits	14	-
Purchased Services	37,642	38,341
Supplies and Materials	35,780	41,329
Non-Capitalized Equipment	1,500	-
	<u>\$ 89,106</u>	<u>\$ 89,650</u>
Total Support Services - Pupils	<u>\$ 4,081,380</u>	<u>\$ 3,513,056</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 802,103	\$ 761,854
Employee Benefits	109,524	101,007
Purchased Services	155,630	91,106
Supplies and Materials	5,815	4,063
Other Objects	450	61
Non-Capitalized Equipment	1,225	-
	<u>\$ 1,074,747</u>	<u>\$ 958,091</u>
Educational Media Services		
Salaries	\$ 826,371	\$ 809,746
Employee Benefits	235,782	228,750
Purchased Services	161,064	164,824
Supplies and Materials	97,831	56,095
Other Objects	-	2
Non-Capitalized Equipment	27,569	20,472
Termination Benefits	-	10,445
	<u>\$ 1,348,617</u>	<u>\$ 1,290,334</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, 2017

	Budgeted Amounts Original and Final	Actual Amounts
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Assessment and Testing		
Salaries	\$ 31,010	\$ 20,551
Employee Benefits	48	64
Purchased Services	161,225	215,893
Supplies and Materials	1,500	1,558
	<u>\$ 193,783</u>	<u>\$ 238,066</u>
Total Support Services - Instructional Staff	<u>\$ 2,617,147</u>	<u>\$ 2,486,491</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 9,000	\$ 11,966
Purchased Services	197,056	159,233
Supplies and Materials	3,000	2,067
Other Objects	22,600	22,411
	<u>\$ 231,656</u>	<u>\$ 195,677</u>
Executive Administration Services		
Salaries	\$ 494,954	\$ 494,954
Employee Benefits	75,382	85,032
Purchased Services	14,102	7,548
Supplies and Materials	1,728	355
Other Objects	3,040	3,323
Non-Capitalized Equipment	1,500	-
	<u>\$ 590,706</u>	<u>\$ 591,212</u>
Special Area Administration Services		
Salaries	\$ -	\$ 35,914
Employee Benefits	-	4,275
Purchased Services	-	5,416
	<u>\$ -</u>	<u>\$ 45,605</u>
Tort Immunity Services		
Salaries	\$ 2,382	\$ 2,382
Purchased Services	340,060	373,052
	<u>\$ 342,442</u>	<u>\$ 375,434</u>
Total Support Services - General Administration	<u>\$ 1,164,804</u>	<u>\$ 1,207,928</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 679,479	\$ 1,053,764
Employee Benefits	175,438	264,509
Purchased Services	18,317	9,197
Supplies and Materials	4,654	3,990
Other Objects	3,679	1,259
Non-Capitalized Equipment	500	1,651
Termination Benefits	9,645	-
	<u>\$ 891,712</u>	<u>\$ 1,334,370</u>
Other Support Services - School Administration		
Salaries	\$ -	\$ 684,607
Employee Benefits	10,426	141,477
	<u>\$ 10,426</u>	<u>\$ 826,084</u>
Total Support Services - School Administration	<u>\$ 902,138</u>	<u>\$ 2,160,454</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	\$ 273,631	\$ 278,631
Employee Benefits	40,812	40,673
Purchased Services	10,671	9,200
Supplies and Materials	400	31
Other Objects	1,000	825
	<u>\$ 326,514</u>	<u>\$ 329,360</u>
Fiscal Services		
Salaries	\$ 287,927	\$ 289,337
Employee Benefits	63,575	63,204
Purchased Services	6,491	6,707
Supplies and Materials	4,793	3,065
Other Objects	-	115
	<u>\$ 362,786</u>	<u>\$ 362,428</u>
Internal Services		
Salaries	\$ 108,962	\$ 109,157
Employee Benefits	44,170	43,548
Purchased Services	101,401	66,442
Supplies and Materials	31,693	26,352
Non-Capitalized Equipment	-	734
	<u>\$ 286,216</u>	<u>\$ 246,233</u>
Total Support Services - Business	<u>\$ 975,516</u>	<u>\$ 938,021</u>
Operations and Maintenance		
Salaries	\$ 178,510	\$ 158,840
Employee Benefits	33,622	32,794
Purchased Services	249,330	237,976
Supplies and Materials	1,607	2,947
Non-Capitalized Equipment	2,936	-
Total Support Services - Operations and Maintenance	<u>\$ 466,005</u>	<u>\$ 432,557</u>
Food Services		
Purchased Services	\$ 1,467,015	\$ 1,379,571
Supplies and Materials	8,172	13,409
Other Objects	1,602	1,797
Non-Capitalized Equipment	6,147	6,120
Total Support Services - Food Services	<u>\$ 1,482,936</u>	<u>\$ 1,400,897</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 60,088	\$ 59,705
Employee Benefits	17,537	17,423
Purchased Services	254	217
Supplies and Materials	200	-
	<u>\$ 78,079</u>	<u>\$ 77,345</u>
Information Services		
Salaries	\$ 120,810	\$ 120,810
Employee Benefits	8,507	8,472
Purchased Services	40,300	16,853
Supplies and Materials	2,250	847
Other Objects	1,800	1,731
	<u>\$ 173,667</u>	<u>\$ 148,713</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Central (Continued)		
Staff Services		
Salaries	\$ 199,560	\$ 195,396
Employee Benefits	65,018	50,120
Purchased Services	27,329	23,686
Supplies and Materials	11,268	6,258
Termination Benefits	6,260	8,764
	<u>\$ 309,435</u>	<u>\$ 284,224</u>
Data Processing Services		
Salaries	\$ 106,110	\$ 106,110
Employee Benefits	22,426	22,288
Purchased Services	93,336	98,716
Supplies and Materials	12,000	417
Other Objects	200	200
Non-Capitalized Equipment	-	647
	<u>\$ 234,072</u>	<u>\$ 228,378</u>
Total Support Services - Central	<u>\$ 795,253</u>	<u>\$ 738,660</u>
Total Support Services	<u>\$ 12,485,179</u>	<u>\$ 12,878,064</u>
Community Services		
Supplies and Materials	\$ 1,350	\$ 147
Other Objects	3,600	-
Total Community Services	<u>\$ 4,950</u>	<u>\$ 147</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	\$ -
	<u>\$ 3,000</u>	<u>\$ -</u>
Payments for Special Education Programs		
Purchased Services	\$ 3,700	\$ 7,547
	<u>\$ 3,700</u>	<u>\$ 7,547</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 6,700</u>	<u>\$ 7,547</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 3,300	\$ 48,755
Payments for Special Education Programs		
Other Objects	1,314,227	1,487,529
Payment for CTE Programs		
Other Objects	440,000	317,926
Payments for Other Programs		
Other Objects	1,600	-
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,759,127</u>	<u>\$ 1,854,210</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,765,827</u>	<u>\$ 1,861,757</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
Capital Outlay		
Instruction		
Regular Programs	\$ 45,733	\$ 57,765
Special Education Programs	12,500	6,260
Other Instructional Programs	134,661	63,544
Support Services		
Pupils	2,297	3,623
Instructional Staff	23,799	28,864
School Administration	-	4,610
Business	4,708	-
Central	6,044	-
Total Capital Outlay	<u>\$ 229,742</u>	<u>\$ 164,666</u>
On-Behalf Payments	<u>\$ 10,200,000</u>	<u>\$ 16,165,994</u>
Total Expenditures	<u>\$ 47,757,349</u>	<u>\$ 52,832,767</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 993,993</u>	<u>\$ 1,515,519</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(131,578)</u>	<u>(131,578)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 862,415</u>	<u>\$ 1,383,941</u>
FUND BALANCE - JULY 1, 2016	<u>25,428,556</u>	<u>6,678,136</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 26,290,971</u></u>	<u><u>\$ 8,062,077</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  
GENERAL FUND - WORKING CASH FUND  
YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ 45,000	\$ 59,323
Total Revenues	<u>\$ 45,000</u>	<u>\$ 59,323</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 45,000	\$ 59,323
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 45,000	\$ 59,323
FUND BALANCE - JULY 1, 2016	<u>5,051,291</u>	<u>5,051,291</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 5,096,291</u></u>	<u><u>\$ 5,110,614</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 6,102,577	\$ 6,097,147
Earnings on Investments	6,200	13,143
Total Revenues	<u>\$ 6,108,777</u>	<u>\$ 6,110,290</u>
EXPENDITURES		
Debt Services		
Interest		
Other Objects	\$ 1,425,179	\$ 1,290,028
Total Debt Services - Interest	<u>\$ 1,425,179</u>	<u>\$ 1,290,028</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 5,163,831	\$ 5,163,832
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 5,163,831</u>	<u>\$ 5,163,832</u>
Debt Services - Other		
Other Objects	\$ 1,100	\$ 91,541
Total Debt Services - Debt Services - Other	<u>\$ 1,100</u>	<u>\$ 91,541</u>
Total Debt Services	<u>\$ 6,590,110</u>	<u>\$ 6,545,401</u>
Total Expenditures	<u>\$ 6,590,110</u>	<u>\$ 6,545,401</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (481,333)</u>	<u>\$ (435,111)</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ 399,403	\$ 399,403
Principal on Bonds Sold	127,500	6,060,000
Premium on Bonds Sold	-	413,215
Bond Refunding Payment to Escrow Agent	-	(6,380,688)
	<u>\$ 526,903</u>	<u>\$ 491,930</u>
NET CHANGE IN FUND BALANCE	\$ 45,570	\$ 56,819
FUND BALANCE - JULY 1, 2016	<u>3,063,887</u>	<u>116,671</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 3,109,457</u>	<u>\$ 173,490</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, 2017

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Payments in Lieu of Taxes	\$ 507,723	\$ 504,485
Earnings on Investments	6,500	10,828
Other Local Sources	12,345	12,345
State Aid		
General State Aid	1,000,000	1,375,722
Other State Aid	-	67,425
Total Revenues	<u>\$ 1,526,568</u>	<u>\$ 1,970,805</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 5,000	\$ 52,611
Other Objects	-	44,299
Total Support Services - Facilities Acquisition and Construction	<u>\$ 5,000</u>	<u>\$ 96,910</u>
Total Support Services	<u>\$ 5,000</u>	<u>\$ 96,910</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 5,785,464	\$ 5,410,557
Total Capital Outlay	<u>\$ 5,785,464</u>	<u>\$ 5,410,557</u>
Total Expenditures	<u>\$ 5,790,464</u>	<u>\$ 5,507,467</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (4,263,896)</u>	<u>\$ (3,536,662)</u>
OTHER FINANCING SOURCES (USES)		
Principal on Bonds Sold	\$ 2,375,000	\$ 2,375,000
Premium on Bonds Sold	49,331	93,630
	<u>\$ 2,424,331</u>	<u>\$ 2,468,630</u>
NET CHANGE IN FUND BALANCE	\$ (1,839,565)	\$ (1,068,032)
FUND BALANCE - JULY 1, 2016	<u>2,589,969</u>	<u>2,034,790</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 750,404</u>	<u>\$ 966,758</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, 2017

	BALANCE JULY 1, 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2017
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 521,209	\$ 1,841,536	\$ 1,761,892	\$ 600,853
Investments	150,783	143	-	150,926
	<u>\$ 671,992</u>	<u>\$ 1,841,679</u>	<u>\$ 1,761,892</u>	<u>\$ 751,779</u>
<b>LIABILITIES</b>				
Due to:				
Lake Park High School	<u>\$ 671,992</u>	<u>\$ 1,841,679</u>	<u>\$ 1,761,892</u>	<u>\$ 751,779</u>
	<u>\$ 671,992</u>	<u>\$ 1,841,679</u>	<u>\$ 1,761,892</u>	<u>\$ 751,779</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, 2017

OPERATING EXPENSE PER PUPIL			
<b>EXPENDITURES:</b>			
ED	Total Expenditures	\$	36,666,773
O&M	Total Expenditures		4,541,327
DS	Total Expenditures		6,545,401
TR	Total Expenditures		2,026,729
MR/SS	Total Expenditures		1,508,626
	<b>Total Expenditures</b>	<b>\$</b>	<b>51,288,856</b>

**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)	\$	7,051
ED	1225	Special Education Programs Pre-K		23,175
ED	1600	Summer School Programs		56,921
ED	1911	Regular K-12 Programs - Private Tuition		18,700
ED	1912	Special Education Programs K-12 - Private Tuition		772,753
ED	3000	Community Services		147
ED	4000	Total Payments to Other Govt Units		1,861,757
ED	-	Capital Outlay		164,666
ED	-	Non-Capitalized Equipment		135,657
O&M	-	Capital Outlay		34,352
O&M	-	Non-Capitalized Equipment		2,669
DS	5300	Debt Service - Payments of Principal on Long-Term Debt		5,163,832
TR	5300	Debt Service - Payments of Principal on Long-Term Debt		42,404
TR	-	Capital Outlay		26,204
MR/SS	1600	Summer School Programs		751
		<b>Total Deductions</b>	<b>\$</b>	<b>8,311,039</b>
		<b>Total Operating Expenses (Regular K-12)</b>		<b>42,977,817</b>
		<b>9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12))</b>		<b>2,375.35</b>
		<b>Estimated OEPP *</b>	<b>\$</b>	<b>18,093.26</b>

**PER CAPITA TUITION CHARGE**

**LESS OFFSETTING RECEIPTS/REVENUES:**

TR	1411	Regular -Transp Fees from Pupils or Parents (In State)	\$	11,292
ED	1800	Total Food Service		1,139,006
ED-O&M	1700	Total District/School Activity Income		1,215,135
ED	1829	Sales - Other (Describe & Itemize)		4,990
ED-O&M	1910	Rentals		172,873
ED	1993	Other Local Fees (Describe & Itemize)		11,332
ED-O&M-TR	3100	Total Special Education		818,402
ED-O&M-MR/SS	3200	Total Career and Technical Education		38,703
ED-MR/SS	3300	Total Bilingual Ed		44
ED	3360	State Free Lunch & Breakfast		419
ED-O&M	3370	Driver Education		101,100
ED-O&M-TR-MR/SS	3500	Total Transportation		283,180
ED-O&M-TR-MR/SS	-	Total Title I		181,622
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through		472,229
ED-O&M-TR-MR/SS	4825	Fed - Spec Education - IDEA - Room & Board		181,762
ED-O&M-MR/SS	4700	Total CTE - Perkins		28,864
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality		36,213
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach		17,362
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program		54,340
		<b>Total Allowance for PCTC Computation</b>	<b>\$</b>	<b>4,768,867</b>
		<b>Net Operating Expense for PCTC Computation</b>		<b>38,208,950</b>
		<b>Total Depreciation Allowance (from page 27, Col I)</b>		<b>2,910,609</b>
		<b>Total Allowance for PCTC Computation</b>		<b>41,119,759</b>
		<b>9 Mo ADA</b>		<b>2,375.35</b>
		<b>Total Estimated PCTC *</b>	<b>\$</b>	<b>17,311.03</b>

\* 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, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>							
Property Taxes	\$ 33,104,697	\$ 5,071,626	\$ 6,097,147	\$ 1,787,003	\$ 1,392,702	\$ -	\$ 47,453,175
Payments in Lieu of Taxes	84,361	-	-	-	105,230	504,485	694,076
Tuition	45,104	-	-	-	-	-	45,104
Transportation Fees	-	-	-	18,343	-	-	18,343
Earnings on Investments	234,251	34,109	13,143	17,392	7,616	10,828	317,339
Food Service	1,139,005	-	-	-	-	-	1,139,005
District/School Activity Income	1,215,135	-	-	-	-	-	1,215,135
Textbooks	8,349	-	-	-	-	-	8,349
Other Local Sources	479,653	225,125	-	265	-	12,345	717,388
State Aid	958,668	-	-	283,180	-	1,443,147	2,684,995
Federal Aid	972,392	-	-	-	-	-	972,392
On-Behalf Payments	16,165,994	-	-	-	-	-	16,165,994
<b>Total Revenues</b>	<b>\$ 54,407,609</b>	<b>\$ 5,330,860</b>	<b>\$ 6,110,290</b>	<b>\$ 2,106,183</b>	<b>\$ 1,505,548</b>	<b>\$ 1,970,805</b>	<b>\$ 71,431,295</b>
<b>Expenditures</b>							
	\$ 52,832,767	\$ 4,541,327	\$ 6,545,401	\$ 2,026,729	\$ 1,508,626	\$ 5,507,467	\$ 72,982,317
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<b>\$ 1,574,842</b>	<b>\$ 789,533</b>	<b>\$ (435,111)</b>	<b>\$ 79,454</b>	<b>\$ (3,078)</b>	<b>\$ (3,536,662)</b>	<b>\$ (1,531,022)</b>
<b>Other Financing Sources/(Uses)</b>	<b>(131,576)</b>	<b>(267,825)</b>	<b>491,930</b>	<b>-</b>	<b>-</b>	<b>2,468,630</b>	<b>2,561,157</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,443,264</b>	<b>\$ 521,708</b>	<b>\$ 56,819</b>	<b>\$ 79,454</b>	<b>\$ (3,078)</b>	<b>\$ (1,068,032)</b>	<b>\$ 1,030,135</b>
<b>Modified Accrual Fund Balances - July 1, 2016</b>	<b>11,729,427</b>	<b>1,287,960</b>	<b>116,671</b>	<b>864,809</b>	<b>72,399</b>	<b>2,034,790</b>	<b>16,106,056</b>
<b>Modified Accrual Fund Balances - June 30, 2017</b>	<b>\$ 13,172,691</b>	<b>\$ 1,809,668</b>	<b>\$ 173,490</b>	<b>\$ 944,263</b>	<b>\$ 69,321</b>	<b>\$ 966,758</b>	<b>\$ 17,136,191</b>
<b>Add:</b>							
Accounts Payable and Accrued Expenses	\$ 628,120	\$ 119,391	\$ -	\$ 12,293	\$ -	\$ 120,903	\$ 880,707
Accrued Payroll and Payroll Liabilities	2,942,166	25,082	-	-	107,642	-	3,074,890
Deferred Revenue	310,793	-	-	1,610	-	-	312,403
Unavailable Revenue - Property Taxes	33,481,309	5,130,560	5,996,305	1,807,026	1,419,668	-	47,834,868
Unavailable Revenue - Grants	414,790	-	-	94,610	-	-	509,400
Unavailable Revenue - Interest	105,482	12,801	2,624	5,416	1,428	1,714	129,465
<b>Subtract:</b>							
Accrued Interest Receivable, net of allowance of \$0	107,430	13,034	2,624	5,436	1,514	2,495	132,533
Other Accounts Receivable, net of allowance of \$0	19,170	-	-	-	-	-	19,170
Property Taxes Receivable, net of allowance of \$217,805	16,566,967	2,538,665	2,967,046	894,140	702,469	-	23,669,287
Due from Other Governments, net of allowance of \$0	750,561	-	-	189,220	10,914	91,299	1,041,994
Prepaid Expenses	339,672	62,675	-	-	-	-	402,347
<b>Cash Basis Fund Balance, End of Year</b>	<b>\$ 33,271,551</b>	<b>\$ 4,483,128</b>	<b>\$ 3,202,749</b>	<b>\$ 1,776,422</b>	<b>\$ 883,162</b>	<b>\$ 995,581</b>	<b>\$ 44,612,593</b>

See Accompanying Independent Auditor's Opinion

## ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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, 2017. 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, 2017.

## 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 30, 2017

**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**19-022-1080-16**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2017**

Federal Grantor/Pass-Through Grantor Subrecipients *	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)			
U.S. Department of Education Passed Through Illinois										
State Board of Education										
Title I - Low Income	84.010	17-4300-00		181,622		181,622			181,622	281,598
Special Education - IDEA Room & Board (M)	84.027A	16-4625-00	134,124	48,079	134,124				182,203	N/A
Special Education - IDEA Room & Board* (M)	84.027A	17-4625-00		133,683		133,683			133,683	N/A
Title II - Teacher Quality	84.367	17-4932-00		36,213		36,213			36,213	57,398
U.S. Department of Education Passed Through North										
DuPage Special Education Cooperative										
Special Education - IDEA - Flow-Through (M)	84.027A	17-4620-00		472,229		472,229			472,229	472,229
U.S. Department of Education Passed Through DuPage										
Area Occupational Education System:										
Perkins - Title III	84.048	17-4799-00		28,864		28,864			28,864	29,408
Total CFDA "84"			134,124	900,690	134,124	900,690			1,034,814	

\* (M) Program was audited as a major program as defined by §200.518.

\* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

\* 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 the schedule and suggests to include the amounts in the SEFA notes.



**LAKE PARK HIGH SCHOOL DISTRICT NO. 108**  
**19-022-1080-16**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ending June 30, 2017**

Federal Grantor/Pass-Through Grantor Subrecipients *	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract # <sup>3</sup> (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
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	17-4991-00		18,086		37,049		37,049	N/A
Total CFDA "93"				18,086		37,049		37,049	
Total Federal Assistance			134,124	918,776	134,124	937,739		1,071,863	
* Project Year Ends 8/31/17									

• (M) Program was audited as a major program as defined by §200.518.

\* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

<sup>4</sup> 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 the schedule and suggests to include the amounts in the SEFA notes.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

**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, 2017 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 position 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 principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - 10% DE MINIMIS INDIRECT COST RATE**

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

**NOTE 4 - SUBRECIPIENTS**

The District did not provide federal awards to subrecipients during the year ended June 30, 2017.

**NOTE 5 - 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, 2017

- 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 program identified was the Special Education Cluster (CFDA #84.027A)
  - 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, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:<sup>11</sup>      2017- N/A      2. THIS FINDING IS:      ☐ New      ☐ Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

3. Criteria or specific requirement

4. Condition

5. Context<sup>12</sup>

6. Effect

7. Cause

8. Recommendation

9. Management's response<sup>13</sup>

**For ISBE Review**

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

<sup>11</sup> 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 2017 would be assigned a reference number of 2017-001, 2017-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> 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.

<sup>13</sup> See §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, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: <sup>14</sup>	2017- <u>N/A</u>	2. THIS FINDING IS:	<input type="checkbox"/> New <input type="checkbox"/> 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. Condition <sup>15</sup> _____ _____ _____			
10. Questioned Costs <sup>16</sup> _____ _____ _____			
11. Context <sup>17</sup> _____ _____ _____			
12. Effect _____ _____ _____			
13. Cause _____ _____ _____			
14. Recommendation _____ _____ _____			
15. Management's response <sup>18</sup> _____ _____ _____			

**For ISBE Review**

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

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding (§200.516 (b)(3)).  
<sup>16</sup> Identify questioned costs as required by §200.516 (a)(3 - 4).  
<sup>17</sup> See footnote 12.  
<sup>18</sup> 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 FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2017**

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

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> <sup>20</sup>
NONE		

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

<sup>19</sup> Explanation of this schedule - §200.511 (b)

<sup>20</sup> 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 FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2017**

**Corrective Action Plan**

Finding No.:      2017-   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.]

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<sup>21</sup> Must address each audit finding - §200.511 ( c)

