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

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, 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 18 to the financial statements, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. 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, Schedules of Changes in the Employer's Net Pension/OPEB Liability and Related Ratios, Schedules of Employer Contribution, Schedules of the Employer's Proportionate Share of the Net Pension/OPEB Liability, and budgetary comparison information on pages 6 through 11 and 47 through 66 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 10, 2018 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 10, 2018

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, 2018, 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 10, 2018.

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

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.

A handwritten signature in cursive script that reads "Eder, Casella & Co.".

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 10, 2018

REQUIRED SUPPLEMENTARY INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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, 2018. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceed its liabilities and deferred inflows of resources at June 30, 2018 by \$19,181,723 (net position).
- The District's total net position decreased by \$42,529,042, which includes a net position adjustment of \$(47,964,174).
- At June 30, 2018, the District reported combined ending fund balances of \$20,813,207, an increase of \$3,677,016 in comparison with the prior year.
- At June 30, 2018, the unassigned fund balance for the General Fund was \$15,021,024, or 29 percent of total General Fund expenditures.
- The District's total long-term debt decreased by \$5,516,599 during the year ended June 30, 2018 due to payments made on existing long-term debt.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., intergovernmental receivables).

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

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

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, and Capital Projects Funds, all of which the District considers to be major funds.

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

The basic fund financial statements can be found on pages 14 through 18 and the required supplementary information can be found on pages 47 through 66 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 46 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 67 through 81 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 \$19,181,723 at June 30, 2018.

The following table presents a summary of the District's net position for the years ended June 30, 2018 and 2017:

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

	Governmental Activities	
	6/30/2018	6/30/2017
Assets		
Current and Other Assets	\$ 74,520,534	\$ 71,685,251
Capital Assets	80,886,815	82,187,171
Total Assets	<u>\$ 155,407,349</u>	<u>\$ 153,872,422</u>
Deferred Outflows of Resources	<u>\$ 5,339,443</u>	<u>\$ 3,470,305</u>
Liabilities		
Long-Term Liabilities Outstanding	\$ 79,380,810	\$ 42,499,027
Other Liabilities	4,843,024	4,850,878
Total Liabilities	<u>\$ 84,223,834</u>	<u>\$ 47,349,905</u>
Deferred Inflows of Resources	<u>\$ 57,341,235</u>	<u>\$ 48,282,057</u>
Net Position		
Net Investment in Capital Assets	\$ 53,156,441	\$ 48,702,186
Restricted	1,889,166	1,542,638
Unrestricted	(35,863,884)	11,465,941
Total Net Position	<u>\$ 19,181,723</u>	<u>\$ 61,710,765</u>

By far the largest portion of the District's net position (277 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, 2018 and 2017:

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

	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,031,237	\$ 3,058,353
Operating Grants and Contributions	16,720,359	18,957,259
Capital Grants and Contributions	210,203	84,771
General Revenues:		
Property Taxes	47,868,857	47,453,175
Other Payments in Lieu of Taxes	656,842	694,076
Grants and Contributions not Restricted to Specific Activities	2,059,189	1,375,722
Unrestricted Investment Earnings	578,746	312,975
Other	(22,700)	26,704
Total Revenues	<u>\$ 71,102,733</u>	<u>\$ 71,963,035</u>
Expenses:		
Instruction		
Regular Programs	\$ 14,905,156	\$ 13,703,956
Special Education Programs	3,536,090	3,072,260
Other Instructional Programs	6,081,649	5,715,048
Support Services		
Pupils	4,132,168	3,760,078
Instructional Staff	2,891,180	2,874,260
General Administration	1,392,068	1,274,576
School Administration	2,581,185	2,419,142
Business	1,163,494	1,119,151
Facilities Acquisition and Construction	1,177,441	952,877
Operations and Maintenance	5,341,193	5,804,580
Transportation	2,037,941	2,019,336
Food Services	1,449,490	1,431,072
Central	979,218	1,094,086
Other Support Services	1,840	1,646
Community Services	369	147
Payments to Other Districts and Governmental Units	1,753,481	1,861,757
Interest and Fees on Long-Term Debt	818,300	1,014,181
On-Behalf Retirement Contributions	14,759,169	16,165,994
Depreciation - Unallocated	666,169	613,931
Total Expenses	<u>\$ 65,667,601</u>	<u>\$ 64,898,078</u>
Change in Net Position	\$ 5,435,132	\$ 7,064,957
Net Position - Beginning of Fiscal Year	61,710,765	54,645,808
Net Position Adjustment	(47,964,174)	-
Net Position - End of Fiscal Year	<u>\$ 19,181,723</u>	<u>\$ 61,710,765</u>

The District's total revenues decreased \$860,302 (1 percent) compared to the prior year. The most significant factor of this decrease was in operating grants and contributions offset by an increase in grants and contributions not restricted to specific activities due to changes in state funding methods.

Overall expenses increased \$769,526 (1 percent) compared to the prior year. This increase is primarily attributable to regular program instruction expenses offset by a decrease in on-behalf retirement contributions.

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, 2018, the District funds reported combined ending fund balances of \$20,813,207, an increase of \$3,677,016 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2018, total fund balance was \$15,373,591. 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 29 percent of total General Fund expenditures.

The Operations and Maintenance Fund's fund balance increased by \$528,645 in comparison with the prior year. Revenues and expenditures were consistent with the prior year.

The Capital Projects Fund's fund balance increased by \$628,174 in comparison with the prior year. This increase is due to fewer major projects being done during the year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues exceeded actual revenues by \$1,019,285. The difference is largely due to lower than anticipated On-Behalf Retirement Contributions.

Budgeted expenditures exceeded actual expenditures by \$1,430,852. The difference is largely due to lower than expected On-Behalf Retirement Contributions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets as of June 30, 2018 amounts to \$80,886,815 (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, 2018 include the following:

- Total equipment additions of \$4,782,268 from various projects at each campus (of which \$4,491,124 was Construction in Progress in the prior year).

The following table presents a summary of capital assets for the years ended June 30, 2018 and 2017:

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

	Governmental Activities	
	2018	2017
Land	\$ 558,191	\$ 558,191
Construction in Progress	264,802	4,491,124
Buildings	68,969,649	69,926,897
Improvements Other than Buildings	3,854,828	3,736,311
Equipment	7,239,345	3,474,648
Total	<u>\$ 80,886,815</u>	<u>\$ 82,187,171</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, 2018, the District had total debt outstanding of \$26,627,199.

The following table presents a summary of outstanding debt for the years ended June 30, 2018 and 2017:

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

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ 23,445,000	\$ 28,345,000
Debt Certificates	2,700,000	3,155,000
Lease/Purchase Agreements	482,199	643,798
Total	<u>\$ 26,627,199</u>	<u>\$ 32,143,798</u>

Major debt transactions during the year ended June 30, 2018 include the following:

- Principal payments on all debt were \$5,516,599.

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 2016, 2017, 2018, and 2019. 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, 2018

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 3,361,279
Investments, at Fair Value	46,762,367
Accrued Interest Receivable, net of allowance of \$0	272,737
Other Accounts Receivable, net of allowance of \$0	19,995
Property Taxes Receivable, net of allowance of \$220,169	23,163,738
Due from Other Governments, net of allowance of \$0	546,225
Prepaid Expenses	394,193
Capital Assets (Note 4):	
Land	558,191
Construction in Progress	264,802
Depreciable Buildings, Property, and Equipment, net of depreciation	80,063,822
Total Assets	\$ 155,407,349
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding, net of related amortization	\$ 571,121
Pension Expense/Revenue - Illinois Municipal Retirement Fund	1,819,635
Pension Expense/Revenue - Teachers' Retirement System	398,845
OPEB Expense/Revenue - IMRF/TRS	579,926
OPEB Expense/Revenue - THIS	1,969,916
Total Deferred Outflows of Resources	\$ 5,339,443
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 1,405,075
Accrued Payroll and Payroll Liabilities	3,082,915
Unearned Revenue - Registration Fees	355,034
Long-Term Liabilities	
Due Within One Year	6,095,641
Due in More Than One Year	73,285,169
Total Liabilities	\$ 84,223,834
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 48,807,929
Pension Expense/Revenue - Illinois Municipal Retirement Fund	3,631,221
Pension Expense/Revenue - Teachers' Retirement System	361,571
OPEB Expense/Revenue - THIS	4,536,462
OPEB Expense/Revenue - IMRF/TRS	4,052
Total Deferred Inflows of Resources	\$ 57,341,235
NET POSITION	
Net Investment in Capital Assets	\$ 53,156,441
Restricted for:	
Operations and Maintenance	924,043
Transportation	901,067
Retirement	64,056
Unrestricted/(Deficit)	(35,863,884)
Total Net Position	\$ 19,181,723

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 14,905,156	\$ 1,358,542	\$ 287,432	\$ -	\$ (13,259,182)
Special Education Programs	3,536,090	239,119	477,225	-	(2,819,746)
Other Instructional Programs	6,081,649	191,364	99,910	-	(5,790,375)
Support Services					
Pupils	4,132,168	-	125,627	-	(4,006,541)
Instructional Staff	2,891,180	-	-	-	(2,891,180)
General Administration	1,392,068	-	-	-	(1,392,068)
School Administration	2,581,185	-	-	-	(2,581,185)
Business	1,163,494	-	-	-	(1,163,494)
Facilities Acquisition and Construction	1,177,441	-	-	-	(1,177,441)
Operations and Maintenance	5,341,193	162,667	-	210,203	(4,968,323)
Transportation	2,037,941	-	334,911	-	(1,703,030)
Food Services	1,449,490	1,079,545	2,314	-	(367,631)
Central	979,218	-	-	-	(979,218)
Other Support Services	1,840	-	-	-	(1,840)
Community Services	369	-	-	-	(369)
Payments to Other Districts and Governmental Units	1,753,481	-	633,771	-	(1,119,710)
Interest and Fees on Long-Term Debt	818,300	-	-	-	(818,300)
On-Behalf Retirement Contributions	14,759,169	-	14,759,169	-	-
Depreciation - Unallocated	666,169	-	-	-	(666,169)
Total Governmental Activities	\$ 65,667,601	\$ 3,031,237	\$ 16,720,359	\$ 210,203	\$ (45,705,802)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
					\$ 41,868,283
Property Taxes, Levied for Debt Service					
					6,000,574
Other Payments in Lieu of Taxes					
					656,842
Grants and Contributions not Restricted to Specific Activities					
					2,059,189
Unrestricted Investment Earnings					
					578,746
Gain/(Loss) on Sale of Capital Assets					
					(22,700)
Total General Revenues					
					\$ 51,140,934
Change in Net Position					
					\$ 5,435,132
Net Position - July 1, 2017					
					61,710,765
Net Position Adjustment (Note 19)					
					(47,964,174)
Net Position - June 30, 2018					
					\$ 19,181,723

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, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 2,456,307	\$ 352,317	\$ 227,471	\$ 140,377	\$ 64,486	\$ 120,321	\$ 3,361,279
Investments, at Fair Value	34,172,324	4,901,460	3,164,595	1,952,933	897,134	1,673,921	46,762,367
Accrued Interest Receivable, net of allowance of \$0	206,125	28,795	6,412	13,376	4,045	13,984	272,737
Other Accounts Receivable, net of allowance of \$0	19,995	-	-	-	-	-	19,995
Property Taxes Receivable, net of allowance of \$220,169	16,275,461	2,517,647	2,846,037	851,051	673,542	-	23,163,738
Due from Other Governments, net of allowance of \$0	359,771	-	-	83,883	10,914	91,657	546,225
Prepaid Expenses	352,567	41,626	-	-	-	-	394,193
Total Assets	\$ 53,842,550	\$ 7,841,845	\$ 6,244,515	\$ 3,041,620	\$ 1,650,121	\$ 1,899,883	\$ 74,520,534
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 459,264	\$ 150,810	\$ -	\$ 34,985	\$ -	\$ 291,073	\$ 936,132
Accrued Payroll and Payroll Liabilities	2,977,405	26,653	-	-	78,857	-	3,082,915
Unearned Revenue - Registration Fees	353,114	-	-	1,920	-	-	355,034
Total Liabilities	\$ 3,789,783	\$ 177,463	\$ -	\$ 36,905	\$ 78,857	\$ 291,073	\$ 4,374,081
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ 34,293,757	\$ 5,304,893	\$ 5,996,837	\$ 1,793,233	\$ 1,419,209	\$ -	\$ 48,807,929
Unavailable Revenue - Grants	213,533	-	-	83,883	-	11,840	309,256
Unavailable Revenue - Interest	171,886	21,176	6,412	13,123	1,426	2,038	216,061
Total Deferred Inflows of Resources	\$ 34,679,176	\$ 5,326,069	\$ 6,003,249	\$ 1,890,239	\$ 1,420,635	\$ 13,878	\$ 49,333,246
FUND BALANCE							
Nonspendable							
Prepaid Expenses	\$ 352,567	\$ 41,626	\$ -	\$ -	\$ -	\$ -	\$ 394,193
Restricted							
Operations and Maintenance	-	924,043	-	-	-	-	924,043
Debt Service	-	-	81,925	-	-	-	81,925
Transportation	-	-	-	901,067	-	-	901,067
Illinois Municipal Retirement	-	-	-	-	217,542	-	217,542
Assigned							
Operations and Maintenance	-	1,372,644	-	-	-	-	1,372,644
Debt Service	-	-	159,341	-	-	-	159,341
Transportation	-	-	-	213,409	-	-	213,409
Capital Projects	-	-	-	-	-	1,594,932	1,594,932
Unassigned	15,021,024	-	-	-	(66,913)	-	14,954,111
Total Fund Balance	\$ 15,373,591	\$ 2,338,313	\$ 241,266	\$ 1,114,476	\$ 150,629	\$ 1,594,932	\$ 20,813,207
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 53,842,550	\$ 7,841,845	\$ 6,244,515	\$ 3,041,620	\$ 1,650,121	\$ 1,899,883	\$ 74,520,534

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, 2018

Total Fund Balances - Governmental Funds \$ 20,813,207

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	\$ 116,547,152	
Accumulated Depreciation on Capital Assets	<u>(35,660,337)</u>	80,886,815

Other assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.

Interest Receivable	\$ 216,061	
Due from Other Governments	<u>309,256</u>	525,317

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	\$ (1,811,586)	
Pension Expense/Revenue - Teachers' Retirement System	37,274	
OPEB Expense/Revenue - IMRF/TRS	575,874	
OPEB Expense/Revenue - Teachers' Health Insurance Security Fund	<u>(2,566,546)</u>	(3,764,984)

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	\$ (1,674,296)	
Deferred Loss on Refunding, net of related amortization	<u>571,121</u>	(1,103,175)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (23,445,000)	
Net Pension Liability - Illinois Municipal Retirement Fund	(1,941,048)	
Net Pension Liability - Teachers' Retirement System	(2,391,999)	
Net OPEB Liability - IMRF/TRS	(8,409,902)	
Net OPEB Liability - Teachers' Health Insurance Security Fund	(37,917,410)	
Debt Certificates Payable	(2,700,000)	
Capital Leases Payable	(482,199)	
Accrued Interest on Long-Term Debt	(468,943)	
Compensated Absences	<u>(418,956)</u>	<u>(78,175,457)</u>

Net Position of Governmental Activities \$ 19,181,723

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, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Total Governmental Funds
REVENUES							
Property Taxes	\$ 33,505,092	\$ 5,134,205	\$ 6,000,574	\$ 1,808,310	\$ 1,420,676	\$ -	\$ 47,868,857
Payments in Lieu of Taxes	98,689	-	-	-	105,230	452,923	656,842
Tuition	46,374	-	-	-	-	-	46,374
Transportation Fees	-	-	-	16,746	-	-	16,746
Earnings on Investments	368,933	44,336	30,902	18,650	10,586	18,744	492,151
Food Service	1,056,150	-	-	-	-	-	1,056,150
District/School Activity Income	1,322,482	-	-	-	-	-	1,322,482
Textbooks	5,948	-	-	-	-	-	5,948
Other Local Sources	463,293	325,778	-	-	-	4,964	794,035
State Aid	1,780,929	-	-	345,637	-	1,000,000	3,126,566
Federal Aid	1,093,660	-	-	-	-	-	1,093,660
On-Behalf Payments	14,759,169	-	-	-	-	-	14,759,169
	<u>\$ 54,500,719</u>	<u>\$ 5,504,319</u>	<u>\$ 6,031,476</u>	<u>\$ 2,189,343</u>	<u>\$ 1,536,492</u>	<u>\$ 1,476,631</u>	<u>\$ 71,238,980</u>
EXPENDITURES							
Current							
Instruction							
Regular Programs	\$ 13,518,754	\$ -	\$ -	\$ -	\$ 189,373	\$ -	\$ 13,708,127
Special Education Programs	3,085,832	-	-	-	120,206	-	3,206,038
Other Instructional Programs	5,590,809	-	-	-	117,622	-	5,708,431
Support Services							
Pupils	3,626,966	-	-	-	136,436	-	3,763,402
Instructional Staff	2,486,866	-	-	-	110,612	-	2,597,478
General Administration	1,289,934	-	-	-	43,385	-	1,333,319
School Administration	2,199,923	-	-	-	108,132	-	2,308,055
Business	957,162	-	-	-	106,830	-	1,063,992
Facilities Acquisition and Construction	-	-	-	-	-	58,287	58,287
Operations and Maintenance	433,173	4,366,797	-	-	429,675	-	5,229,645
Transportation	-	-	-	1,969,426	-	-	1,969,426
Food Services	1,419,335	-	-	-	-	-	1,419,335
Central	728,223	-	-	-	92,913	-	821,136
Other Support Services	-	1,840	-	-	-	-	1,840
Community Services	369	-	-	-	-	-	369
Payments to Other Districts and Governmental Units	1,753,481	-	-	-	-	-	1,753,481
Debt Service							
Principal	-	-	5,473,765	42,834	-	-	5,516,599
Interest and Fees	-	-	1,163,377	6,870	-	-	1,170,247
Capital Outlay	317,636	65,782	-	-	-	790,170	1,173,588
On-Behalf Payments	14,759,169	-	-	-	-	-	14,759,169
	<u>\$ 52,167,632</u>	<u>\$ 4,434,419</u>	<u>\$ 6,637,142</u>	<u>\$ 2,019,130</u>	<u>\$ 1,455,184</u>	<u>\$ 848,457</u>	<u>\$ 67,561,964</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, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,333,087	\$ 1,069,900	\$ (605,666)	\$ 170,213	\$ 81,308	\$ 628,174	\$ 3,677,016
OTHER FINANCING SOURCES (USES) Interfund Transfers	<u>(132,187)</u>	<u>(541,255)</u>	<u>673,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ 2,200,900	\$ 528,645	\$ 67,776	\$ 170,213	\$ 81,308	\$ 628,174	\$ 3,677,016
FUND BALANCES - JULY 1, 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>
FUND BALANCES - JUNE 30, 2018	<u>\$ 15,373,591</u>	<u>\$ 2,338,313</u>	<u>\$ 241,266</u>	<u>\$ 1,114,476</u>	<u>\$ 150,629</u>	<u>\$ 1,594,932</u>	<u>\$ 20,813,207</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, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 3,677,016
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Depreciation Expense	\$ (2,451,243)	
Capital Outlays	<u>1,173,587</u>	(1,277,656)
<p>In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.</p>		
Gain/(Loss) on Sale of Capital Assets		(22,700)
<p>Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are deferred in the governmental funds.</p>		
Earnings on Investments	\$ 86,595	
State and Federal Aid	<u>(200,142)</u>	(113,547)
<p>Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension and OPEB Liability on the government-wide financial statements.</p>		
Illinois Municipal Retirement Fund Contributions	\$ 759,329	
Teachers' Retirement System Contributions	151,946	
IMRF/TRS OPEB Contributions	1,033,044	
Teachers' Health Insurance Security Fund Contributions	<u>437,588</u>	2,381,907
<p>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.</p>		
Accrued Interest on Long-Term Debt	\$ 113,935	
Compensated Absences	(12,292)	
Bond Premium - Amortization	367,724	
Pension Expense - Illinois Municipal Retirement Fund	(1,318,129)	
Pension Expense - Teachers' Retirement System	(116,243)	
OPEB Expense - IMRF/TRS	(577,955)	
OPEB Expense - Teachers' Health Insurance Security Fund	(3,053,815)	
Deferred Loss on Refunding - Amortization	<u>(129,712)</u>	(4,726,487)
<p>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.</p>		
Repayment of Long-Term Debt		<u>5,516,599</u>
Change in Net Position of Governmental Activities		<u>\$ 5,435,132</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 FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2018

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 492,201
Investments	230,855
Total Assets	\$ 723,056
LIABILITIES	
Due to Agency Funds	\$ 723,056
Total Liabilities	\$ 723,056

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, 2018

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 Statements 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, 2018.

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 2017 tax levy was passed by the Board on November 27, **2017**. The 2016 tax levy was passed by the Board on November 28, **2016**. 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, 2018, 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 Pools	\$ 4,948,787	\$ 4,948,787	\$ -	\$ -	\$ -
Federal Home Loan Bank	495,832	495,832	-	-	-
U.S. Treasury Note	248,213	248,213	-	-	-
	<u>\$ 5,692,832</u>	<u>\$ 5,692,832</u>	<u>\$ -</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, 2018, 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
U.S. Treasury Note	AAAm	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, 2018:

- Federal Home Loans of \$495,832 and U.S. Treasury Notes of \$248,213 are valued using quoted market prices (Level 1 inputs)
- Certificates of Deposit of \$36,097,260, Term Series of \$9,746,000 and State Investment Pools of \$4,948,787 are included in significant other observable items (Level 2 inputs)

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 558,191	\$ -	\$ -	\$ 558,191
Construction in Progress	4,491,124	264,802	4,491,124	264,802
Total Capital Assets not being depreciated	<u>\$ 5,049,315</u>	<u>\$ 264,802</u>	<u>\$ 4,491,124</u>	<u>\$ 822,993</u>
Other Capital Assets				
Buildings	\$ 94,052,831	\$ 277,932	\$ -	\$ 94,330,763
Improvements Other than Buildings	6,214,764	339,709	-	6,554,473
Equipment	10,244,570	4,782,268	187,915	14,838,923
Total Other Capital Assets at Historical Cost	<u>\$ 110,512,165</u>	<u>\$ 5,399,909</u>	<u>\$ 187,915</u>	<u>\$ 115,724,159</u>
Less Accumulated Depreciation for:				
Buildings	\$ 24,125,934	\$ 1,235,180	\$ -	\$ 25,361,114
Improvements Other than Buildings	2,478,453	221,192	-	2,699,645
Equipment	6,769,922	994,871	165,215	7,599,578
Total Accumulated Depreciation	<u>\$ 33,374,309</u>	<u>\$ 2,451,243</u>	<u>\$ 165,215</u>	<u>\$ 35,660,337</u>
Other Capital Assets, Net	<u>\$ 77,137,856</u>	<u>\$ 2,948,666</u>	<u>\$ 22,700</u>	<u>\$ 80,063,822</u>
Governmental Activities Capital Assets, Net	<u>\$ 82,187,171</u>	<u>\$ 3,213,468</u>	<u>\$ 4,513,824</u>	<u>\$ 80,886,815</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Instruction	
Regular Programs	\$ 135,862
Special Education Programs	18,344
Other Instructional Programs	97,973
Support Services	
Pupils	18,851
Instructional Staff	108,760
General Administration	4,988
School Administration	13,624
Business	6,371
Facilities Acquisition and Construction	1,119,154
Operations and Maintenance	66,379
Transportation	68,515
Food Services	30,155
Central	96,098
Unallocated	666,169
Total Governmental Activities Depreciation Expense	<u>\$ 2,451,243</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
General Obligation Bonds	\$ 28,345,000	\$ -	\$ 4,900,000	\$ 23,445,000	\$ 5,085,000
Debt Certificates	3,155,000	-	455,000	2,700,000	475,000
Lease/Purchase Agreements	643,798	-	161,599	482,199	167,917
Total Long-Term Debt	<u>\$ 32,143,798</u>	<u>\$ -</u>	<u>\$ 5,516,599</u>	<u>\$ 26,627,199</u>	<u>\$ 5,727,917</u>
Other Long-Term Liabilities					
Bond Premiums, net of amortization	\$ 2,042,020	\$ -	\$ 367,724	\$ 1,674,296	\$ 367,724
Net Pension Liability - IMRF	5,489,945	4,566,962	8,115,859	1,941,048	-
Net Pension Liability - TRS	2,416,600	201,861	226,462	2,391,999	-
Net OPEB Liability - IMRF/TRS	8,289,117	120,785	-	8,409,902	-
Net OPEB Liability - THIS	38,175,226	-	257,816	37,917,410	-
Compensated Absences	406,664	12,292	-	418,956	-
Total Other Long-Term Liabilities	<u>\$ 56,819,572</u>	<u>\$ 4,901,900</u>	<u>\$ 8,967,861</u>	<u>\$ 52,753,611</u>	<u>\$ -</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 88,963,370</u>	<u>\$ 4,901,900</u>	<u>\$ 14,484,460</u>	<u>\$ 79,380,810</u>	<u>\$ 5,727,917</u>

Long-term debt consisted of the following at June 30, 2018:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
2012 General Obligation Refunding Bonds	1/1/2022	3%-4%	\$ 27,610,000	\$ 18,245,000
2014 General Obligation Limited Tax Refunding Debt Certificates	1/1/2020	0.7% - 1.5%	1,290,000	520,000
2016 General Obligation Limited Debt Certificates	1/1/2027	2%-3%	2,375,000	2,180,000
2016B General Obligation Refunding Bonds	1/1/2025	2.5%-3%	6,060,000	5,200,000
Lease/Purchase Agreement 7/16	7/6/2021	2.70%	316,372	231,134
Lease/Purchase Agreement 4/15	4/10/2020	4.25%	384,013	143,760
Lease/Purchase Agreement 12/15	12/16/2020	4.25%	210,474	107,305

At June 30, 2018 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2019	\$ 5,727,917	\$ 951,864	\$ 6,679,781
2020	5,932,054	739,767	6,671,821
2021	5,785,549	530,366	6,315,915
2022	5,981,679	310,866	6,292,545
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>\$ 26,627,199</u>	<u>\$ 2,703,963</u>	<u>\$ 29,331,162</u>

NOTE 6 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2018.

NOTE 7 - DEFICIT FUND BALANCE

At June 30, 2018, no fund had a deficit balance.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2017 tax levy. The unavailable revenue is 100% of the 2017 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 2018. The District has determined that 100% of the amounts collected for the **2016** levy are allocable for use in fiscal year 2018. Therefore, 100% of the amounts collected for the **2016** and prior levies (\$47,868,857) are recorded in these financial statements as property tax revenue. A summary of assessed valuations, rates, and extensions for tax years 2017, 2016 and 2015 follows:

Tax Year	2017		2016		2015	
	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Educational	1.6099	\$ 33,603,106	1.6937	\$ 32,952,796	1.7978	\$ 32,641,903
Special Education	0.0405	845,348	0.0350	680,963	0.0325	590,089
Operations and Maintenance	0.2553	5,328,823	0.2649	5,153,921	0.2804	5,091,106
Debt Service	0.2886	6,023,887	0.3096	6,023,608	0.3371	6,120,584
Transportation	0.0863	1,801,322	0.0933	1,815,254	0.0988	1,793,870
Municipal Retirement	0.0341	711,762	0.0366	712,093	0.0382	693,581
Social Security	0.0342	713,849	0.0367	714,039	0.0388	704,475
	<u>2.3489</u>	<u>\$ 49,028,098</u>	<u>2.4698</u>	<u>\$ 48,052,674</u>	<u>2.6236</u>	<u>\$ 47,635,608</u>

NOTE 9 - RETIREMENT FUND COMMITMENTS

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

General Information About the Pension Plan

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

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, 2017 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, 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 \$14,424,310 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, 2018 were \$129,415 and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2018, the District pension contribution was 10.10% of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$59,686 were paid from federal and special trust funds that required District contributions of \$6,028. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2018, 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, 2018, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the net pension liability	\$ 2,391,999
State's proportionate share of the net pension liability associated with the District	146,565,865
Total Net Pension Liability	<u>\$ 148,957,864</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2017, the District's proportion was 0.003131%, which was a decrease of .006950% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$14,424,310 and revenue of \$14,424,310 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Difference between expected and actual experience	\$ 25,980	\$ 1,104	\$ 27,084
Net difference between projected and actual earnings on pension investments	1,641	-	1,641
Changes of assumptions	159,649	68,735	228,384
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,416	291,732	368,148
Employer contributions subsequent to the measurement date	135,160	-	135,160
	<u>\$ 398,846</u>	<u>\$ 361,571</u>	<u>\$ 760,417</u>

\$135,160 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

NOTES TO FINANCIAL STATEMENTS (Continued)

<u>Year Ending June 30</u>	
2019	\$ (89,145)
2020	17,816
2021	(5,053)
2022	(20,904)
2023	(599)
	<u>\$ (97,885)</u>

Actuarial Assumptions

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

Inflation	2.50%
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. The same assumptions were used in the June 30, 2016 actuarial valuation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2017, the discount rate used to measure total pension liability was 7.00%, which was a change from the June 30, 2016 rate of 6.83%. 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, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess

NOTES TO FINANCIAL STATEMENTS (Continued)

of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point-higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	\$ 2,938,883	\$ 2,391,999	\$ 1,944,055

TRS Fiduciary Net Position

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

B. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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	156
Inactive plan members entitled to but not yet receiving benefits	153
Active plan members	127
Total	436

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 2017 was 12.96%. For the fiscal year ended June 30, 2018, the District contributed \$693,806 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, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 38,706,315
IMRF Fiduciary Net Position	36,765,267
District’s Net Pension Liability	1,941,048
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	94.99%

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.39% - 14.25% 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 2017 valuation according to an experience study from years 2014 to 2016.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Return</u>
Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	
Private Equity		7.35%
Hedge Funds		5.05%
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:

NOTES TO FINANCIAL STATEMENTS (Continued)

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 3.31%; 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, 2016	\$ 38,389,534	\$ 32,899,589	\$ 5,489,945
Changes for the year:			
Service Cost	\$ 582,449	\$ -	\$ 582,449
Interest on the Total Pension Liability	2,817,066	-	2,817,066
Differences Between Expected and Actual Experience of the Total Pension Liability	415,518	-	415,518
Changes of Assumptions	(1,258,484)	-	(1,258,484)
Contributions - Employer	-	747,026	(747,026)
Contributions - Employee	-	239,778	(239,778)
Net Investment Income	-	5,870,571	(5,870,571)
Benefit Payments, including Refunds of Employee Contributions	(2,239,768)	(2,239,768)	-
Other (Net Transfer)	-	(751,929)	751,929
Net Changes	\$ 316,781	\$ 3,865,678	\$ (3,548,897)
Balance at December 31, 2017	\$ 38,706,315	\$ 36,765,267	\$ 1,941,048

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)	\$ 6,023,101	\$ 1,941,048	\$ (1,503,730)

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

For the year ended June 30, 2018, the District recognized pension expense of \$1,318,129. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 346,677	\$ -	\$ 346,677
Changes of assumptions	-	848,593	(848,593)
Net difference between projected and actual earnings on pension plan investments	1,077,956	2,782,628	(1,704,672)
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,424,633	\$ 3,631,221	\$ (2,206,588)
Pension contributions made subsequent to the measurement date	395,002	-	395,002
Total deferred amounts related to pensions	\$ 1,819,635	\$ 3,631,221	\$ (1,811,586)

NOTES TO FINANCIAL STATEMENTS (Continued)

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
2018	\$ (395,339)
2019	(454,014)
2020	(661,578)
2021	(695,657)
2022	-
Thereafter	-
	\$ (2,206,588)

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 10 - POST EMPLOYMENT BENEFIT COMMITMENTS

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

General Information About the OPEB Plan

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers’ Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

Benefits Provided

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Contributions

For the fiscal year ended June 30, 2018, the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.6) requires that all active contributors of the THIS make contributions to the plan at a rate of 1.18% of salary and for every employer of a teacher to contribute an amount equal to .88% of each teacher's salary. For the fiscal year ended June 30, 2017, the employee contribution was 1.12% of salary and the employer contribution was .84% of each teacher's salary. The Department of Central Management Services determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the Teachers' Health Insurance Security Fund (THISF), an amount equal to the amount certified by the Board of Trustees of THIS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year. The member contribution, which may be paid on behalf of employees by the employer, is submitted to THIS by the employer.

On-Behalf Contributions to THIS. The State of Illinois makes employer benefit contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net OPEB liability associated with the District, and the District recognized revenue and expenditures of \$334,859 in benefit contributions from the State of Illinois.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state benefit support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 37,917,410
State's proportionate share of the net pension liability associated with the District	41,291,429
Total	<u>\$ 79,208,839</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the contributions of all participating THIS employers and the State during that period. At June 30, 2017, the District's proportion was 0.146120%, which was an increase of 0.006467% from its proportion measured as of June 30, 2016. For the year ended June 30, 2018, the District recognized benefit expense of \$3,053,815 and on-behalf revenue/expense of \$334,859 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (21,477)	\$ (21,477)
Net difference between projected and actual earnings on pension plan investments	-	(417)	(417)
Changes of assumptions	-	(4,514,568)	(4,514,568)
Changes in proportion and differences between employee contributions and proportionate share of contributions	1,532,328	-	1,532,328
Employer contributions subsequent to the measurement date	437,588	-	437,588
	<u>\$ 1,969,916</u>	<u>\$ (4,536,462)</u>	<u>\$ (2,566,546)</u>

\$437,588 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in these reporting years:

<u>Year Ending June 30</u>	
2019	\$ (2,592,860)
2020	518,194
2021	(146,971)
2022	(608,011)
2023	(174,486)
	<u>\$ (3,004,134)</u>

Actuarial Assumptions

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

Inflation	2.75% Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Salary Increases	0%, net of OPEB plan investment expense, including inflation
Investment Rate of Return	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decrease to an ultimate trend of 4.5%. Additional trend rate of 0.59% is added to non-Medicare costs on and after 2020 to account for the Excise Tax.
Healthcare Cost Trend Costs	

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Illinois Public Treasurers' Investment Pool	100.0%	0.68%
	100.0%	

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP (Teachers' Retirement Insurance Program) is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, THIS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on THIS investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

At June 30, 2017, the discount rate used to measure the total OPEB liability was 3.56%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56%) or 1 percentage-point higher (4.56%) than the current rate.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Employer's proportionate share of the net OPEB liability	\$ 95,050,310	\$ 79,208,938	\$ 66,533,329

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

	1% Decrease 2.56% (a)	Healthcare Cost Valuation Rate	1% Increase 4.56% (b)
Employer’s proportionate share of the net OPEB liability	\$ 63,929,726	\$ 79,208,938	\$ 101,139,662

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

B. Retiree Insurance Plan

Plan Overview

In addition to the retirement plans described in Note 9, the District provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

All Employees

Increases in premiums after retirement are paid by the retiree. A retiree who discontinues coverage cannot reenroll in that coverage. A retiree who decreases coverage cannot at a later date, increase that coverage. District benefits cease after 10 years of coverage. After District benefits expire, retirees may continue coverage at their own expense. Health Reimbursement Accounts cannot be continued after 10 years. The District pays the amount of the employee’s benefit for retiree dental and vision insurance coverage in effect at the time of retirement. The District pays the amount of the employee’s benefit for an employer paid medical Health Reimbursement Account (“HRA”) in effect at the time of retirement.

Retired on or before June 30, 2006

The District pays the amount of the employee’s benefit for retiree medical and life insurance coverage in effect at the time of retirement. Retirees must enroll in Medicare upon attaining age 65.

Retired after June 30, 2006 and on or before June 30, 2009

The District pays the amount of the employee’s benefit for life insurance coverage in effect at the time of retirement. District payments for retiree medical are capped at \$340 per month for single coverage and \$680 per month for retiree plus-one-coverage. Retirees must enroll in Medicare upon attaining age 65.

Retired after June 30, 2009

Life insurance coverage is not available to any employee retiring after June 30, 2009. District payments for retiree medical are capped at \$340 per month for single coverage and \$680 per month for retiree plus-one-coverage. TRS retirees must enroll in medical coverage through the Teacher’s Retirement Insurance Program (“TRIP”). Retirees must enroll in Medicare upon attaining age 65.

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

Eligibility

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Eligibility Provisions
Certified Employees

Employees are eligible for retiree health care coverage if they satisfy the following requirements.

- Eligible to retire under the Teachers' Retirement System ("TRS").
- Complete at least 20 years of service with the District; Administrators – Complete 5 years of service with the District

Non-Certified Employees

Employees are eligible for retiree health care coverage if they satisfy the following requirements:

- Eligible to retire under the Illinois Municipal Retirement Fund ("IMRF").
- Complete at least 20 years of service with the District; Administrators – Complete 5 years of service with the District

Membership in the Plan consisted of the following at July 2018 (the date of the latest actuarial valuation):

Active employees	313
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	192
Total	505

Contribution

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

Total OPEB Liability

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions

The total OPEB liability in the June 29, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.98%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	

Fiscal Year Trends

(1) Known rate	PPO	HMO	Dental	Vision
FY17-FY18	-0.10%	-5.00%	0.00%	0.00%
FY18-FY19	6.00%	5.00%	2.50%	2.00%
FY19-FY20	5.88%	5.00%	2.50%	2.00%
FY20-FY21	5.75%	5.00%	2.50%	2.00%
FY21-FY22	5.63%	5.00%	2.50%	2.00%
FY22-FY23	5.50%	5.00%	2.50%	2.00%
FY23-FY24	5.38%	5.00%	2.50%	2.00%
FY24-FY25	5.25%	5.00%	2.50%	2.00%
FY25-FY26	5.13%	5.00%	2.50%	2.00%
FY26-FY27	5.00%	5.00%	2.50%	2.00%
Subsequent	5.00%	5.00%	2.50%	2.00%

Life Insurance: 0.00% for all years

District Benefit Payments: 0.00% for all years

Retiree Contribution Trend Same as Health Care Trend

Mortality

IMRF Employees and Retirees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report

TRS Employees and Retirees: Rates from the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report

IMRF Employees: Rates from the December 31, 2017 IMRF Actuarial Valuation Report.

Retirement, Withdrawal and Disability Rates

No Early Retirement Rates Assumed. TRS Employees: Rates from the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report.

NOTES TO FINANCIAL STATEMENTS (Continued)

Starting Per Capita Costs

		HMO plan		PPO Plan	
Age	Retiree	Spouse	Age	Retiree	Spouse
55 - 85+	\$11,695 - \$8,294	\$19,041 - \$8,300	55 - 85+	\$13,985 - \$8,823	\$19,231 - \$8,823
Dental Plan (all ages)	\$ 432	\$ 644	Dental Plan (all ages)	\$ 432	\$ 644
Vision Plan (all ages)	\$ 41	\$ 80	Vision Plan (all ages)	\$ 41	\$ 80
Pre-Medicare			Medicare Eligible		
	Retiree	Spouse		Retiree	Spouse
PPO Plan	\$ 9,006	\$ 12,384	PPO Plan	\$ 6,754	\$ 6,754
HMO Plan	7,531	12,261	HMO Plan	6,349	6,354
Dental Plan	432	644	Dental Plan	432	644
Vision Plan	41	80	Vision Plan	41	80

Retiree Contributions

Morbidity

Age	Rate Per Age
Under 65	4.50%
65 - 69	3.00%
70 - 74	2.50%
75 - 85	2.00%
86 & Older	0.00%

Coverage Status

Election at Retirement

Marital Status

Active employees are assumed to continue into retirement in their current plan and coverage level
 100% of active employees are assumed to elect coverage at retirement
 60% of active employees electing retiree coverage are assumed to elect spousal coverage with males three years older than females. Actual spouse data is used for current retirees.

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

Discount Rate

The District does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	\$ 8,289,117	\$ -	\$ 8,289,117
Changes for the year:			
Service Cost	\$ 244,004	\$ -	\$ 244,004
Interest on Total OPEB Liability	235,223	-	235,223
Actuarial Experience	241,655	-	241,655
Assumption Changes	248,978	-	248,978
Benefit Payments	(1,033,044)	-	(1,033,044)
Other Changes	183,970	-	183,970
Net Changes	\$ 120,786	\$ -	\$ 120,786
Balances at June 30, 2018	\$ 8,409,903	\$ -	\$ 8,409,903

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Plan's Total OPEB Liability/(Asset)		
Discount		
1% Increase	Valuation Rate	1% Decrease
\$ 7,954,323	\$ 8,409,903	\$ 8,902,890

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

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

Plan's Total OPEB Liability/(Asset)		
Healthcare		
Trend Valuation		
1% Increase	Rate	1% Decrease
\$ 8,623,424	\$ 8,409,903	\$ 8,227,110

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

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$577,955. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ 206,289	\$ -	\$ 206,289
Changes of Assumptions	373,637	4,052	369,585
Total	\$ 579,926	\$ 4,052	\$ 575,874

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (11.74 years, active and retired) in the postretirement plan.

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

Year ending June 30	Outflows	Inflows
2019	\$ 99,423	\$ 695
2020	99,423	695
2021	99,423	695
2022	99,423	695
2023	99,423	695
2024	82,811	577
	\$ 579,926	\$ 4,052

NOTE 11 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2018 were as follows:

Transfer From	Transfer To	Amount
General Fund	Debt Services Fund	\$ 132,187
Operations and Maintenance Fund	Debt Services Fund	541,255

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - 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, 2017 (most recent information available) is as follows:

Assets	\$ 5,258,737
Liabilities	\$ 1,012,057
Net Position	4,246,680
	<u>\$ 5,258,737</u>
Revenues Received	\$ 15,052,349
Expenditures Disbursed	15,968,687
Net Increase/(Decrease) in Net Position	<u>\$ (916,338)</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, 2017 (most recent information available) is as follows:

Assets	\$ 18,098,597
Deferred Outflows	873,940
	<u>\$ 18,972,537</u>
Liabilities	\$ 2,349,387
Deferred Inflows	562,753
Net Position	16,060,397
	<u>\$ 18,972,537</u>
Revenues	\$ 10,849,362
Expenditures	10,941,350
Net Increase/(Decrease) in Net Position	<u>\$ (91,988)</u>

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

NOTE 13 - 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 2018 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2018, 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 14 for more information.

NOTE 14 - 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, 2018, the liability for unpaid claims was \$34,394 and \$2,661 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, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Claims Liabilities - Beginning of the Year	\$ 46,077	\$ 48,674	\$ 41,979
Incurred Claims	360,097	373,798	363,628
Payment on Claims	(369,119)	(376,395)	(356,933)
Claims Liabilities - End of the Year	<u>\$ 37,055</u>	<u>\$ 46,077</u>	<u>\$ 48,674</u>

NOTE 15 - CONSTRUCTION COMMITMENTS

The District has multiple on-going construction projects which are anticipated to be completed in the following fiscal year. There will be additional costs to complete each of these projects.

NOTE 16 - 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 17 - LEGAL DEBT LIMITATION

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

NOTES TO FINANCIAL STATEMENTS (Continued)

2017 EAV	\$ 2,087,279,069
Rate	<u>6.90%</u>
Debt Margin	\$ 144,022,256
Current Debt	<u>26,627,199</u>
Remaining Debt Margin	<u>\$ 117,395,057</u>

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2018, the District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the District. The Statements also require additional disclosures about the postemployment benefits other than pensions offered by the District. (See Note 10).

NOTE 19 - NET POSITION ADJUSTMENT

The District had the following net position adjustments related to the change in accounting principle noted above:

	<u>Net Position</u>
Change in accounting principle for	
Teacher's Health Insurance OPEB Liability	\$ (37,867,730)
Illinois Municipal Retirement Fund / Teacher's Retirement System OPEB Liability	<u>(10,096,444)</u>
Total change in accounting principle adjustment	<u>\$ (47,964,174)</u>

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, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY				
Service Cost	\$ 582,449	\$ 590,879	\$ 604,588	\$ 642,799
Interest on the Total Pension Liability	2,817,066	2,704,959	2,576,198	2,368,115
Differences Between Expected and Actual Experience	415,518	305,172	534,107	44,782
Changes of Assumptions	(1,258,484)	(159,862)	115,679	1,502,563
Benefit Payments, Including Refunds of Member Contributions	(2,239,768)	(2,031,358)	(1,887,395)	(1,550,327)
Net Change in Total Pension Liability	<u>\$ 316,781</u>	<u>\$ 1,409,790</u>	<u>\$ 1,943,177</u>	<u>\$ 3,007,932</u>
Total Pension Liability - Beginning	<u>38,389,534</u>	<u>36,979,744</u>	<u>35,036,567</u>	<u>32,028,635</u>
Total Pension Liability - Ending	<u>\$ 38,706,315</u>	<u>\$ 38,389,534</u>	<u>\$ 36,979,744</u>	<u>\$ 35,036,567</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 747,026	\$ 709,496	\$ 748,864	\$ 705,638
Contributions - Member	239,778	251,388	297,764	247,222
Net Investment Income	5,870,571	2,167,377	158,433	1,860,616
Benefit Payments, Including Refunds of Member Contributions	(2,239,768)	(2,031,358)	(1,887,395)	(1,550,327)
Other (Net Transfers)	(751,929)	194,108	183,909	43,219
Net Change in Plan Fiduciary Net Position	<u>\$ 3,865,678</u>	<u>\$ 1,291,011</u>	<u>\$ (498,425)</u>	<u>\$ 1,306,368</u>
Plan Net Position - Beginning	<u>32,899,589</u>	<u>31,608,578</u>	<u>32,107,003</u>	<u>30,800,635</u>
Plan Net Position - Ending	<u>\$ 36,765,267</u>	<u>\$ 32,899,589</u>	<u>\$ 31,608,578</u>	<u>\$ 32,107,003</u>
District's Net Pension Liability	<u>\$ 1,941,048</u>	<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	94.99%	85.70%	85.48%	91.64%
Covered-Valuation Payroll	\$ 5,308,209	\$ 5,340,686	\$ 5,435,323	\$ 5,470,062
Employer's Net Pension Liability as a percentage of Covered-Valuation Payroll	36.57%	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, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 687,944	\$ 687,880	\$ 677,785	\$ 705,638
Contributions in relation to Actuarially-Determined Contribution	<u>747,026</u>	<u>709,496</u>	<u>748,864</u>	<u>705,638</u>
Contribution deficiency/(excess)	<u>\$ (59,082)</u>	<u>\$ (21,616)</u>	<u>\$ (71,079)</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 5,261,010	\$ 5,340,686	\$ 5,435,323	\$ 5,470,062
Contributions as a percentage of Covered-Valuation Payroll	14.20%	13.28%	13.78%	12.90%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 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: 26-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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2015 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, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0031310%	0.0030615%	0.0035151%	0.0033648%
Employer's proportionate share of the Net Pension Liability	\$ 2,391,999	\$ 2,416,600	\$ 2,302,724	\$ 2,047,786
State's proportionate share of the Net Pension Liability associated with the employer	<u>146,565,865</u>	<u>162,254,928</u>	<u>128,151,310</u>	<u>118,466,381</u>
Total	<u>\$ 148,957,864</u>	<u>\$ 164,671,528</u>	<u>\$ 130,454,034</u>	<u>\$ 120,514,167</u>
Employer's Covered-Employee Payroll	\$ 20,675,999	\$ 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	11.57%	11.82%	11.62%	10.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	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 2017 and 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.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 128,995	\$ 118,562	\$ 123,168	\$ 120,056
Contributions in relation to the Statutorily-Required Contribution	<u>128,995</u>	<u>118,562</u>	<u>123,168</u>	<u>120,056</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 21,249,526	\$ 20,446,541	\$ 19,818,720	\$ 19,288,273
Contributions as a percentage of Covered-Employee Payroll	0.61%	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
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 JUNE 30, 2018

	6/30/2018 *
Employer's proportion of the Net OPEB Liability	0.1461200%
Employer's proportionate share of the Net OPEB Liability	\$ 37,917,410
State's proportionate share of the Net OPEB Liability associated with the employer	41,291,429
Total	\$ 79,208,839
Employer's Covered Payroll	\$ 20,675,999
Employer's proportionate share of the Net OPEB Liability as a percentage of Covered Payroll	183.39%
OPEB Plan Net Position as a percentage of the Total OPEB Liability	0.31%

* - 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 2017 measurement year, the assumed investment rate of return was 0%, including an inflation rate of 2.75%, and the healthcare cost trend rates used the actual trend. Salary increases include a 3.25% wage inflation.

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 TEACHER HEALTH INSURANCE SECURITY FUND OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	6/30/2018 *
Statutorily-Required Contribution	\$ 307,497
Contributions in relation to the Statutorily-Required Contribution	307,497
Contribution deficiency/(excess)	\$ -
Employer's Covered Payroll	\$ 21,249,526
Contributions as a percentage of Covered Payroll	1.45%

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
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2018

	6/30/2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 244,004
Interest	235,223
Differences Between Expected and Actual Experience	241,655
Benefit Payments	(1,033,044)
Changes in Assumptions	248,978
Other Changes	183,970
Net Change in Total OPEB Liability	\$ 120,786
 Total OPEB Liability - Beginning	 8,289,117
Total OPEB Liability - Ending	\$ 8,409,903
 OPEB PLAN FIDUCIARY NET POSITION	
Net Change in OPEB Plan Net Position	\$ -
OPEB Plan Net Position - Beginning	-
OPEB Net Position - Ending	\$ -
District's Net OPEB Plan Liability	\$ 8,409,903
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
 Covered-Employee Payroll	\$ 24,521,685
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	34.30%

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
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2018

	6/30/2018
Actuarially-Determined Contribution	N/A
Contributions in relation to Actuarially-Determined Contribution	-
Contribution deficiency/(excess)	N/A
Covered-Employee Payroll	\$ 26,559,108
Contributions as a percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

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

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

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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 33,534,484	\$ 33,505,092
Payments in Lieu of Taxes	50,000	98,689
Tuition	31,500	46,374
Earnings on Investments	260,000	368,933
Food Service	1,072,175	1,056,150
District/School Activity Income	1,259,806	1,322,482
Textbooks	7,500	5,948
Other Local Sources	367,979	463,293
State Aid		
General State Aid	1,055,150	1,059,189
Special Education	617,703	567,901
Career and Technical Education	42,573	42,423
Bilingual	7,400	7,389
State Free Lunch and Breakfast	3,000	2,734
Driver Education	95,500	99,615
Other State Aid	-	1,678
Federal Aid		
Title I	320,919	229,215
Title IV	25,000	14,500
Federal Special Education	622,229	636,843
CTE - Perkins	27,232	27,232
Title II - Teacher Quality	62,751	58,217
Medicaid Matching Funds - Administrative Outreach	27,103	42,699
Medicaid Matching Funds - Fee-for-Service Program	30,000	84,954
On-Behalf Payments	16,000,000	14,759,169
Total Revenues	\$ 55,520,004	\$ 54,500,719
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 10,987,205	\$ 10,961,641
Employee Benefits	1,878,655	1,873,908
Purchased Services	83,166	75,851
Supplies and Materials	695,374	534,145
Other Objects	19,275	19,782
Non-Capitalized Equipment	99,221	53,427
	<u>\$ 13,762,896</u>	<u>\$ 13,518,754</u>
Special Education Programs		
Salaries	\$ 2,499,220	\$ 2,510,819
Employee Benefits	554,240	542,213
Purchased Services	22,858	6,218
Supplies and Materials	45,870	26,006
Other Objects	540	26
Non-Capitalized Equipment	500	550
	<u>\$ 3,123,228</u>	<u>\$ 3,085,832</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 449,197	\$ 389,765
Employee Benefits	99,006	118,134
Purchased Services	44,397	27,377
Supplies and Materials	20,000	19,170
Non-Capitalized Equipment	2,202	(2,202)
	<u>\$ 614,802</u>	<u>\$ 552,244</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,378,010	\$ 1,389,987
Employee Benefits	239,220	238,387
Purchased Services	11,110	1,975
Supplies and Materials	151,589	103,504
Other Objects	508	3,000
Non-Capitalized Equipment	-	31,303
	<u>\$ 1,780,437</u>	<u>\$ 1,768,156</u>
Interscholastic Programs		
Salaries	\$ 1,331,512	\$ 1,312,963
Employee Benefits	12,382	12,350
Purchased Services	333,591	324,820
Supplies and Materials	139,139	160,083
Other Objects	62,396	62,146
Non-Capitalized Equipment	25,000	19,219
	<u>\$ 1,904,020</u>	<u>\$ 1,891,581</u>
Summer School Programs		
Salaries	\$ 66,971	\$ 57,108
Employee Benefits	2,414	828
Other Objects	6,805	519
	<u>\$ 76,190</u>	<u>\$ 58,455</u>
Driver's Education Programs		
Salaries	\$ 280,222	\$ 216,938
Employee Benefits	83,058	84,731
Purchased Services	18,135	23,481
Supplies and Materials	4,837	11,151
Other Objects	775	653
Non-Capitalized Equipment	1,468	-
	<u>\$ 388,495</u>	<u>\$ 336,954</u>
Bilingual Programs		
Salaries	\$ 91,642	\$ 123,404
Employee Benefits	20,635	22,883
Purchased Services	4,000	-
Supplies and Materials	253	-
	<u>\$ 116,530</u>	<u>\$ 146,287</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 5,000	\$ 13,500
Special Education Programs K-12	1,183,739	823,632
	<u>\$ 1,188,739</u>	<u>\$ 837,132</u>
Total Instruction	<u>\$ 22,955,337</u>	<u>\$ 22,195,395</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,072,848	\$ 1,065,304
Employee Benefits	271,083	270,040
Purchased Services	13,867	11,849
Supplies and Materials	22,212	10,863
Other Objects	1,008	-
Non-Capitalized Equipment	9,600	-
	<u>\$ 1,390,618</u>	<u>\$ 1,358,056</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, 2018

	<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	\$ 1,261,183	\$ 1,263,009
Employee Benefits	240,731	227,795
Purchased Services	17,369	6,923
Supplies and Materials	1,837	2,787
Non-Capitalized Equipment	10,100	-
	<u>\$ 1,531,220</u>	<u>\$ 1,500,514</u>
Health Services		
Salaries	\$ 194,224	\$ 190,330
Employee Benefits	61,889	61,165
Purchased Services	84,239	103,959
Supplies and Materials	4,379	3,279
Non-Capitalized Equipment	1,600	-
	<u>\$ 346,331</u>	<u>\$ 358,733</u>
Psychological Services		
Salaries	\$ 151,023	\$ 157,750
Employee Benefits	28,080	27,813
Purchased Services	1,350	576
Supplies and Materials	650	-
	<u>\$ 181,103</u>	<u>\$ 186,139</u>
Speech Pathology and Audiology Services		
Salaries	\$ 81,657	\$ 84,814
Employee Benefits	23,052	22,880
Purchased Services	225	179
Supplies and Materials	784	418
	<u>\$ 105,718</u>	<u>\$ 108,291</u>
Other Support Services - Pupils		
Salaries	\$ 14,595	\$ 9,592
Employee Benefits	14	8
Purchased Services	37,718	66,805
Supplies and Materials	35,780	38,828
Non-Capitalized Equipment	1,500	-
	<u>\$ 89,607</u>	<u>\$ 115,233</u>
Total Support Services - Pupils	<u>\$ 3,644,597</u>	<u>\$ 3,626,966</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 815,825	\$ 790,045
Employee Benefits	103,807	100,065
Purchased Services	165,838	108,405
Supplies and Materials	20,516	5,785
Other Objects	450	2,012
Non-Capitalized Equipment	2,326	1,101
	<u>\$ 1,108,762</u>	<u>\$ 1,007,413</u>
Educational Media Services		
Salaries	\$ 767,328	\$ 760,783
Employee Benefits	207,940	207,443
Purchased Services	172,517	166,035
Supplies and Materials	71,631	65,003
Other Objects	-	98
Non-Capitalized Equipment	8,054	50,420
	<u>\$ 1,227,470</u>	<u>\$ 1,249,782</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, 2018

	<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	\$ 31,040	\$ 20,056
Employee Benefits	48	55
Purchased Services	161,225	209,420
Supplies and Materials	1,500	140
	<u>\$ 193,813</u>	<u>\$ 229,671</u>
Total Support Services - Instructional Staff	<u>\$ 2,530,045</u>	<u>\$ 2,486,866</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 9,000	\$ 5,243
Purchased Services	199,206	242,990
Supplies and Materials	3,000	1,778
Other Objects	22,633	23,326
Other Objects	10,829	10,829
	<u>\$ 244,668</u>	<u>\$ 284,166</u>
Executive Administration Services		
Salaries	\$ 511,324	\$ 515,596
Employee Benefits	79,072	90,854
Purchased Services	14,602	9,275
Supplies and Materials	1,728	193
Other Objects	3,561	3,872
Non-Capitalized Equipment	1,500	-
Termination Benefits	-	6,752
	<u>\$ 611,787</u>	<u>\$ 626,542</u>
Special Area Administration Services		
Salaries	\$ 38,750	\$ 38,720
Employee Benefits	4,876	4,873
	<u>\$ 43,626</u>	<u>\$ 43,593</u>
Tort Immunity Services		
Purchased Services	\$ 335,636	\$ 335,633
	<u>\$ 335,636</u>	<u>\$ 335,633</u>
Total Support Services - General Administration	<u>\$ 1,235,717</u>	<u>\$ 1,289,934</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 1,054,829	\$ 1,047,525
Employee Benefits	268,796	269,181
Purchased Services	18,317	9,339
Supplies and Materials	4,654	9,959
Other Objects	3,679	1,798
Non-Capitalized Equipment	500	-
	<u>\$ 1,350,775</u>	<u>\$ 1,337,802</u>
Other Support Services - School Administration		
Salaries	\$ 701,304	\$ 705,290
Employee Benefits	147,179	156,831
	<u>\$ 848,483</u>	<u>\$ 862,121</u>
Total Support Services - School Administration	<u>\$ 2,199,258</u>	<u>\$ 2,199,923</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, 2018

	<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	\$ 286,546	\$ 286,262
Employee Benefits	43,517	43,438
Purchased Services	10,671	10,099
Supplies and Materials	400	881
Other Objects	1,000	855
	<u>\$ 342,134</u>	<u>\$ 341,535</u>
Fiscal Services		
Salaries	\$ 297,443	\$ 294,194
Employee Benefits	67,150	66,952
Purchased Services	6,491	11,560
Supplies and Materials	4,793	933
	<u>\$ 375,877</u>	<u>\$ 373,639</u>
Internal Services		
Salaries	\$ 111,338	\$ 110,963
Employee Benefits	45,303	44,996
Purchased Services	102,611	65,856
Supplies and Materials	31,693	20,173
Non-Capitalized Equipment	800	-
	<u>\$ 291,745</u>	<u>\$ 241,988</u>
Total Support Services - Business	<u>\$ 1,009,756</u>	<u>\$ 957,162</u>
Operations and Maintenance		
Salaries	\$ 180,109	\$ 167,055
Employee Benefits	26,094	26,016
Purchased Services	262,866	239,436
Supplies and Materials	2,137	666
Non-Capitalized Equipment	2,936	-
Total Support Services - Operations and Maintenance	<u>\$ 474,142</u>	<u>\$ 433,173</u>
Food Services		
Purchased Services	\$ 1,510,242	\$ 1,405,168
Supplies and Materials	8,172	10,939
Other Objects	1,902	2,693
Non-Capitalized Equipment	6,147	535
Total Support Services - Food Services	<u>\$ 1,526,463</u>	<u>\$ 1,419,335</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 61,818	\$ 59,880
Employee Benefits	17,432	17,379
Purchased Services	254	229
Supplies and Materials	200	-
	<u>\$ 79,704</u>	<u>\$ 77,488</u>
Information Services		
Salaries	\$ 124,434	\$ 124,375
Employee Benefits	8,479	8,474
Purchased Services	40,511	13,090
Supplies and Materials	2,250	31
Other Objects	1,800	1,667
	<u>\$ 177,474</u>	<u>\$ 147,637</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, 2018

	<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	\$ 193,349	\$ 189,605
Employee Benefits	57,233	50,749
Purchased Services	27,329	22,172
Supplies and Materials	11,268	8,174
Termination Benefits	10,000	-
	<u>\$ 299,179</u>	<u>\$ 270,700</u>
Data Processing Services		
Salaries	\$ 109,293	\$ 109,088
Employee Benefits	17,582	19,936
Purchased Services	92,382	102,271
Supplies and Materials	12,480	903
Other Objects	200	200
Non-Capitalized Equipment	647	-
	<u>\$ 232,584</u>	<u>\$ 232,398</u>
Total Support Services - Central	<u>\$ 788,941</u>	<u>\$ 728,223</u>
Total Support Services	<u>\$ 13,408,919</u>	<u>\$ 13,141,582</u>
Community Services		
Purchased Services	\$ 1,047	\$ 369
Supplies and Materials	1,350	-
Other Objects	3,600	-
Total Community Services	<u>\$ 5,997</u>	<u>\$ 369</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	\$ 2,156
	<u>\$ 3,700</u>	<u>\$ 2,156</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 6,700</u>	<u>\$ 2,156</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 3,300	\$ 15,165
Payments for Special Education Programs		
Other Objects	1,314,227	1,350,557
Payment for CTE Programs		
Other Objects	453,200	385,603
Payments for Other Programs		
Other Objects	1,600	-
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,772,327</u>	<u>\$ 1,751,325</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,779,027</u>	<u>\$ 1,753,481</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Capital Outlay		
Instruction		
Regular Programs	\$ 41,383	\$ 42,727
Special Education Programs	12,500	8,161
Other Instructional Programs	162,640	210,829
Support Services		
Pupils	4,346	-
Instructional Staff	48,647	32,192
General Administration	14,610	14,610
Business	4,708	8,847
Central	11,500	270
Total Capital Outlay	<u>\$ 300,334</u>	<u>\$ 317,636</u>
On-Behalf Payments	<u>\$ 16,000,000</u>	<u>\$ 14,759,169</u>
Total Expenditures	<u>\$ 54,449,614</u>	<u>\$ 52,167,632</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,070,390	\$ 2,333,087
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(132,187)</u>	<u>(132,187)</u>
NET CHANGE IN FUND BALANCE	\$ 938,203	\$ 2,200,900
FUND BALANCE - JULY 1, 2017	<u>33,002,635</u>	<u>13,172,691</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 33,940,838</u>	<u>\$ 15,373,591</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 5,138,730	\$ 5,134,205
Earnings on Investments	40,000	44,336
Other Local Sources	429,320	325,778
Total Revenues	<u>\$ 5,608,050</u>	<u>\$ 5,504,319</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 1,110	\$ -
Total Support Services - Facilities Acquisition and Construction	<u>\$ 1,110</u>	<u>\$ -</u>
Operations and Maintenance		
Salaries	\$ 2,047,361	\$ 1,972,412
Employee Benefits	603,349	578,643
Purchased Services	934,403	905,743
Supplies and Materials	1,119,271	903,060
Other Objects	2,000	728
Non-Capitalized Equipment	4,945	3,049
Termination Benefits	10,000	3,162
Total Support Services - Operations and Maintenance	<u>\$ 4,721,329</u>	<u>\$ 4,366,797</u>
Food Services		
Non-Capitalized Equipment	\$ 500	\$ -
Total Support Services - Food Services	<u>\$ 500</u>	<u>\$ -</u>
Other Support Services		
Purchased Services	\$ 1,600	\$ 1,840
Total Support Services - Other Support Services	<u>\$ 1,600</u>	<u>\$ 1,840</u>
Total Support Services	<u>\$ 4,724,539</u>	<u>\$ 4,368,637</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 14,000	\$ 12,875
Operations and Maintenance	17,465	44,726
Food Services	16,000	8,181
Total Capital Outlay	<u>\$ 47,465</u>	<u>\$ 65,782</u>
Total Expenditures	<u>\$ 4,772,004</u>	<u>\$ 4,434,419</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 836,046</u>	<u>\$ 1,069,900</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(541,255)</u>	<u>(541,255)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 294,791</u>	<u>\$ 528,645</u>
FUND BALANCE - JULY 1, 2017	<u>4,456,868</u>	<u>1,809,668</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 4,751,659</u>	<u>\$ 2,338,313</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, 2018

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 1,809,898	\$ 1,808,310
Transportation Fees	15,295	16,746
Earnings on Investments	25,000	18,650
State Aid		
Transportation	345,000	345,637
Total Revenues	\$ 2,195,193	\$ 2,189,343
EXPENDITURES		
Support Services		
Transportation		
Purchased Services	\$ 2,126,251	\$ 1,969,060
Other Objects	1,500	366
Total Support Services - Transportation	\$ 2,127,751	\$ 1,969,426
Total Support Services	\$ 2,127,751	\$ 1,969,426
Debt Services		
Interest		
Interest on Long-Term Debt		
Other Objects	\$ -	\$ 6,870
Payments of Principal on Long-Term Debt		
Other Objects	-	42,834
Total Debt Services	\$ -	\$ 49,704
Total Expenditures	\$ 2,127,751	\$ 2,019,130
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 67,442	\$ 170,213
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 67,442	\$ 170,213
FUND BALANCE - JULY 1, 2017	1,776,422	944,263
FUND BALANCE - JUNE 30, 2018	\$ 1,843,864	\$ 1,114,476

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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 709,991	\$ 709,369
FICA/Medicare Only Purposes Levies	711,931	711,307
Payments in Lieu of Taxes	105,230	105,230
Earnings on Investments	10,000	10,586
Total Revenues	<u>\$ 1,537,152</u>	<u>\$ 1,536,492</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 188,535	\$ 189,373
Special Education Programs		
Employee Benefits	127,542	120,206
Remedial and Supplemental Programs - K-12		
Employee Benefits	35,568	27,761
CTE Programs		
Employee Benefits	19,143	19,434
Interscholastic Programs		
Employee Benefits	62,426	61,353
Summer School Programs		
Employee Benefits	1,369	811
Driver's Education Programs		
Employee Benefits	4,261	4,270
Bilingual Programs		
Employee Benefits	3,072	3,993
	<u>\$ 441,916</u>	<u>\$ 427,201</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 58,461	\$ 56,528
Guidance Services		
Employee Benefits	62,563	62,486
Health Services		
Employee Benefits	12,904	12,322
Psychological Services		
Employee Benefits	2,099	2,212
Speech Pathology and Audiology Services		
Employee Benefits	1,116	1,162
Other Support Services - Pupils		
Employee Benefits	1,959	1,726
	<u>\$ 139,102</u>	<u>\$ 136,436</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 11,724	\$ 11,217
Educational Media Services		
Employee Benefits	130,072	98,313
Assessment and Testing		
Employee Benefits	1,774	1,082
	<u>\$ 143,570</u>	<u>\$ 110,612</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, 2018

	<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	\$ 32,527	\$ 42,825
Special Area Administrative Services		
Employee Benefits	560	560
	<u>\$ 33,087</u>	<u>\$ 43,385</u>
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 69,899	\$ 68,577
Other Support Services - School Administration		
Employee Benefits	38,403	39,555
	<u>\$ 108,302</u>	<u>\$ 108,132</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 17,378	\$ 17,394
Fiscal Services		
Employee Benefits	67,584	67,029
Internal Services		
Employee Benefits	22,484	22,407
	<u>\$ 107,446</u>	<u>\$ 106,830</u>
Operations and Maintenance		
Employee Benefits	\$ 449,318	\$ 429,675
	<u>\$ 449,318</u>	<u>\$ 429,675</u>
Central		
Planning, Research, Development and Evaluation Services		
Employee Benefits	\$ 11,942	\$ 11,715
Information Services		
Employee Benefits	25,854	25,856
Staff Services		
Employee Benefits	27,699	27,434
Data Processing Services		
Employee Benefits	27,900	27,908
	<u>\$ 93,395</u>	<u>\$ 92,913</u>
Total Support Services	<u>\$ 1,074,220</u>	<u>\$ 1,027,983</u>
Provision for Contingencies	\$ 50,000	\$ -
Total Expenditures	<u>\$ 1,566,136</u>	<u>\$ 1,455,184</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (28,984)	\$ 81,308
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (28,984)	\$ 81,308
FUND BALANCE - JULY 1, 2017	<u>883,162</u>	<u>69,321</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 854,178</u>	<u>\$ 150,629</u>

See Accompanying Independent Auditor's Opinion

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 25, 2017 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.

SUPPLEMENTAL FINANCIAL INFORMATION

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
 COMBINING BALANCE SHEET
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Educational Fund	Working Cash Fund	General Fund Total
ASSETS			
Cash and Cash Equivalents	\$ 2,109,875	\$ 346,432	\$ 2,456,307
Investments, at Fair Value	29,352,738	4,819,586	34,172,324
Accrued Interest Receivable, net of allowance of \$0	172,806	33,319	206,125
Other Accounts Receivable, net of allowance of \$0	19,995	-	19,995
Property Taxes Receivable, net of allowance of \$154,697	16,275,461	-	16,275,461
Due from Other Governments, net of allowance of \$0	359,771	-	359,771
Prepaid Expenses	352,567	-	352,567
Total Assets	\$ 48,643,213	\$ 5,199,337	\$ 53,842,550
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 459,264	\$ -	\$ 459,264
Accrued Payroll and Payroll Liabilities	2,977,405	-	2,977,405
Unearned Revenue - Registration Fees	353,114	-	353,114
Total Liabilities	\$ 3,789,783	\$ -	\$ 3,789,783
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 34,293,757	\$ -	\$ 34,293,757
Unavailable Revenue - Grants	213,533	-	213,533
Unavailable Revenue - Interest	138,567	33,319	171,886
Total Deferred Inflows of Resources	\$ 34,645,857	\$ 33,319	\$ 34,679,176
FUND BALANCE			
Nonspendable			
Prepaid Expenses	\$ 352,567	\$ -	\$ 352,567
Unassigned	9,855,006	5,166,018	15,021,024
Total Fund Balance	\$ 10,207,573	\$ 5,166,018	\$ 15,373,591
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 48,643,213	\$ 5,199,337	\$ 53,842,550

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, 2018

	Educational Fund	Working Cash Fund	General Fund Total
REVENUES			
Property Taxes	\$ 33,505,092	\$ -	\$ 33,505,092
Payments in Lieu of Taxes	98,689	-	98,689
Tuition	46,374	-	46,374
Earnings on Investments	313,529	55,404	368,933
Food Service	1,056,150	-	1,056,150
District/School Activity Income	1,322,482	-	1,322,482
Textbooks	5,948	-	5,948
Other Local Sources	463,293	-	463,293
State Aid	1,780,929	-	1,780,929
Federal Aid	1,093,660	-	1,093,660
On-Behalf Payments	14,759,169	-	14,759,169
	<u>\$ 54,445,315</u>	<u>\$ 55,404</u>	<u>\$ 54,500,719</u>
EXPENDITURES			
Current			
Instruction			
Regular Programs	\$ 13,518,754	\$ -	\$ 13,518,754
Special Education Programs	3,085,832	-	3,085,832
Other Instructional Programs	5,590,809	-	5,590,809
Support Services			
Pupils	3,626,966	-	3,626,966
Instructional Staff	2,486,866	-	2,486,866
General Administration	1,289,934	-	1,289,934
School Administration	2,199,923	-	2,199,923
Business	957,162	-	957,162
Operations and Maintenance	433,173	-	433,173
Food Services	1,419,335	-	1,419,335
Central	728,223	-	728,223
Community Services	369	-	369
Payments to Other Districts and Governmental Units	1,753,481	-	1,753,481
Capital Outlay	317,636	-	317,636
On-Behalf Payments	14,759,169	-	14,759,169
	<u>\$ 52,167,632</u>	<u>\$ -</u>	<u>\$ 52,167,632</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,277,683	\$ 55,404	\$ 2,333,087
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	(132,187)	-	(132,187)
NET CHANGE IN FUND BALANCES	\$ 2,145,496	\$ 55,404	\$ 2,200,900
FUND BALANCES - JULY 1, 2017	8,062,077	5,110,614	13,172,691
FUND BALANCES - JUNE 30, 2018	<u>\$ 10,207,573</u>	<u>\$ 5,166,018</u>	<u>\$ 15,373,591</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 33,534,484	\$ 33,505,092
Payments in Lieu of Taxes	50,000	98,689
Tuition	31,500	46,374
Earnings on Investments	200,000	313,529
Food Service	1,072,175	1,056,150
District/School Activity Income	1,259,806	1,322,482
Textbooks	7,500	5,948
Other Local Sources	367,979	463,293
State Aid		
General State Aid	1,055,150	1,059,189
Special Education	617,703	567,901
Career and Technical Education	42,573	42,423
Bilingual	7,400	7,389
State Free Lunch and Breakfast	3,000	2,734
Driver Education	95,500	99,615
Other State Aid	-	1,678
Federal Aid		
Title I	320,919	229,215
Title IV	25,000	14,500
Federal Special Education	622,229	636,843
CTE - Perkins	27,232	27,232
Title II - Teacher Quality	62,751	58,217
Medicaid Matching Funds - Administrative Outreach	27,103	42,699
Medicaid Matching Funds - Fee-for-Service Program	30,000	84,954
On-Behalf Payments	16,000,000	14,759,169
Total Revenues	\$ 55,460,004	\$ 54,445,315
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 10,987,205	\$ 10,961,641
Employee Benefits	1,878,655	1,873,908
Purchased Services	83,166	75,851
Supplies and Materials	695,374	534,145
Other Objects	19,275	19,782
Non-Capitalized Equipment	99,221	53,427
	<u>\$ 13,762,896</u>	<u>\$ 13,518,754</u>
Special Education Programs		
Salaries	\$ 2,499,220	\$ 2,510,819
Employee Benefits	554,240	542,213
Purchased Services	22,858	6,218
Supplies and Materials	45,870	26,006
Other Objects	540	26
Non-Capitalized Equipment	500	550
	<u>\$ 3,123,228</u>	<u>\$ 3,085,832</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 449,197	\$ 389,765
Employee Benefits	99,006	118,134
Purchased Services	44,397	27,377
Supplies and Materials	20,000	19,170
Non-Capitalized Equipment	2,202	(2,202)
	<u>\$ 614,802</u>	<u>\$ 552,244</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,378,010	\$ 1,389,987
Employee Benefits	239,220	238,387
Purchased Services	11,110	1,975
Supplies and Materials	151,589	103,504
Other Objects	508	3,000
Non-Capitalized Equipment	-	31,303
	<u>\$ 1,780,437</u>	<u>\$ 1,768,156</u>
Interscholastic Programs		
Salaries	\$ 1,331,512	\$ 1,312,963
Employee Benefits	12,382	12,350
Purchased Services	333,591	324,820
Supplies and Materials	139,139	160,083
Other Objects	62,396	62,146
Non-Capitalized Equipment	25,000	19,219
	<u>\$ 1,904,020</u>	<u>\$ 1,891,581</u>
Summer School Programs		
Salaries	\$ 66,971	\$ 57,108
Employee Benefits	2,414	828
Other Objects	6,805	519
	<u>\$ 76,190</u>	<u>\$ 58,455</u>
Driver's Education Programs		
Salaries	\$ 280,222	\$ 216,938
Employee Benefits	83,058	84,731
Purchased Services	18,135	23,481
Supplies and Materials	4,837	11,151
Other Objects	775	653
Non-Capitalized Equipment	1,468	-
	<u>\$ 388,495</u>	<u>\$ 336,954</u>
Bilingual Programs		
Salaries	\$ 91,642	\$ 123,404
Employee Benefits	20,635	22,883
Purchased Services	4,000	-
Supplies and Materials	253	-
	<u>\$ 116,530</u>	<u>\$ 146,287</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 5,000	\$ 13,500
Special Education Programs K-12	1,183,739	823,632
	<u>\$ 1,188,739</u>	<u>\$ 837,132</u>
Total Instruction	<u>\$ 22,955,337</u>	<u>\$ 22,195,395</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,072,848	\$ 1,065,304
Employee Benefits	271,083	270,040
Purchased Services	13,867	11,849
Supplies and Materials	22,212	10,863
Other Objects	1,008	-
Non-Capitalized Equipment	9,600	-
	<u>\$ 1,390,618</u>	<u>\$ 1,358,056</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, 2018

	<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	\$ 1,261,183	\$ 1,263,009
Employee Benefits	240,731	227,795
Purchased Services	17,369	6,923
Supplies and Materials	1,837	2,787
Non-Capitalized Equipment	10,100	-
	<u>\$ 1,531,220</u>	<u>\$ 1,500,514</u>
Health Services		
Salaries	\$ 194,224	\$ 190,330
Employee Benefits	61,889	61,165
Purchased Services	84,239	103,959
Supplies and Materials	4,379	3,279
Non-Capitalized Equipment	1,600	-
	<u>\$ 346,331</u>	<u>\$ 358,733</u>
Psychological Services		
Salaries	\$ 151,023	\$ 157,750
Employee Benefits	28,080	27,813
Purchased Services	1,350	576
Supplies and Materials	650	-
	<u>\$ 181,103</u>	<u>\$ 186,139</u>
Speech Pathology and Audiology Services		
Salaries	\$ 81,657	\$ 84,814
Employee Benefits	23,052	22,880
Purchased Services	225	179
Supplies and Materials	784	418
	<u>\$ 105,718</u>	<u>\$ 108,291</u>
Other Support Services - Pupils		
Salaries	\$ 14,595	\$ 9,592
Employee Benefits	14	8
Purchased Services	37,718	66,805
Supplies and Materials	35,780	38,828
Non-Capitalized Equipment	1,500	-
	<u>\$ 89,607</u>	<u>\$ 115,233</u>
Total Support Services - Pupils	<u>\$ 3,644,597</u>	<u>\$ 3,626,966</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 815,825	\$ 790,045
Employee Benefits	103,807	100,065
Purchased Services	165,838	108,405
Supplies and Materials	20,516	5,785
Other Objects	450	2,012
Non-Capitalized Equipment	2,326	1,101
	<u>\$ 1,108,762</u>	<u>\$ 1,007,413</u>
Educational Media Services		
Salaries	\$ 767,328	\$ 760,783
Employee Benefits	207,940	207,443
Purchased Services	172,517	166,035
Supplies and Materials	71,631	65,003
Other Objects	-	98
Non-Capitalized Equipment	8,054	50,420
	<u>\$ 1,227,470</u>	<u>\$ 1,249,782</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Assessment and Testing		
Salaries	\$ 31,040	\$ 20,056
Employee Benefits	48	55
Purchased Services	161,225	209,420
Supplies and Materials	1,500	140
	<u>\$ 193,813</u>	<u>\$ 229,671</u>
 Total Support Services - Instructional Staff	 <u>\$ 2,530,045</u>	 <u>\$ 2,486,866</u>
 General Administration		
Board of Education Services		
Employee Benefits	\$ 9,000	\$ 5,243
Purchased Services	199,206	242,990
Supplies and Materials	3,000	1,778
Other Objects	22,633	23,326
Non-Capitalized Equipment	10,829	10,829
	<u>\$ 244,668</u>	<u>\$ 284,166</u>
Executive Administration Services		
Salaries	\$ 511,324	\$ 515,596
Employee Benefits	79,072	90,854
Purchased Services	14,602	9,275
Supplies and Materials	1,728	193
Other Objects	3,561	3,872
Non-Capitalized Equipment	1,500	-
Termination Benefits	-	6,752
	<u>\$ 611,787</u>	<u>\$ 626,542</u>
Special Area Administration Services		
Salaries	\$ 38,750	\$ 38,720
Employee Benefits	4,876	4,873
	<u>\$ 43,626</u>	<u>\$ 43,593</u>
Tort Immunity Services		
Purchased Services	\$ 335,636	\$ 335,633
	<u>\$ 335,636</u>	<u>\$ 335,633</u>
 Total Support Services - General Administration	 <u>\$ 1,235,717</u>	 <u>\$ 1,289,934</u>
 School Administration		
Office of the Principal Services		
Salaries	\$ 1,054,829	\$ 1,047,525
Employee Benefits	268,796	269,181
Purchased Services	18,317	9,339
Supplies and Materials	4,654	9,959
Other Objects	3,679	1,798
Non-Capitalized Equipment	500	-
	<u>\$ 1,350,775</u>	<u>\$ 1,337,802</u>
Other Support Services - School Administration		
Salaries	\$ 701,304	\$ 705,290
Employee Benefits	147,179	156,831
	<u>\$ 848,483</u>	<u>\$ 862,121</u>
 Total Support Services - School Administration	 <u>\$ 2,199,258</u>	 <u>\$ 2,199,923</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, 2018

	<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	\$ 286,546	\$ 286,262
Employee Benefits	43,517	43,438
Purchased Services	10,671	10,099
Supplies and Materials	400	881
Other Objects	1,000	855
	<u>\$ 342,134</u>	<u>\$ 341,535</u>
Fiscal Services		
Salaries	\$ 297,443	\$ 294,194
Employee Benefits	67,150	66,952
Purchased Services	6,491	11,560
Supplies and Materials	4,793	933
	<u>\$ 375,877</u>	<u>\$ 373,639</u>
Internal Services		
Salaries	\$ 111,338	\$ 110,963
Employee Benefits	45,303	44,996
Purchased Services	102,611	65,856
Supplies and Materials	31,693	20,173
Non-Capitalized Equipment	800	-
	<u>\$ 291,745</u>	<u>\$ 241,988</u>
Total Support Services - Business	<u>\$ 1,009,756</u>	<u>\$ 957,162</u>
Operations and Maintenance		
Salaries	\$ 180,109	\$ 167,055
Employee Benefits	26,094	26,016
Purchased Services	262,866	239,436
Supplies and Materials	2,137	666
Non-Capitalized Equipment	2,936	-
Total Support Services - Operations and Maintenance	<u>\$ 474,142</u>	<u>\$ 433,173</u>
Food Services		
Purchased Services	\$ 1,510,242	\$ 1,405,168
Supplies and Materials	8,172	10,939
Other Objects	1,902	2,693
Non-Capitalized Equipment	6,147	535
Total Support Services - Food Services	<u>\$ 1,526,463</u>	<u>\$ 1,419,335</u>
Central		
Planning, Research, Development and Evaluation Services		
Salaries	\$ 61,818	\$ 59,880
Employee Benefits	17,432	17,379
Purchased Services	254	229
Supplies and Materials	200	-
	<u>\$ 79,704</u>	<u>\$ 77,488</u>
Information Services		
Salaries	\$ 124,434	\$ 124,375
Employee Benefits	8,479	8,474
Purchased Services	40,511	13,090
Supplies and Materials	2,250	31
Other Objects	1,800	1,667
	<u>\$ 177,474</u>	<u>\$ 147,637</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, 2018

	<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	\$ 193,349	\$ 189,605
Employee Benefits	57,233	50,749
Purchased Services	27,329	22,172
Supplies and Materials	11,268	8,174
Termination Benefits	10,000	-
	<u>\$ 299,179</u>	<u>\$ 270,700</u>
Data Processing Services		
Salaries	\$ 109,293	\$ 109,088
Employee Benefits	17,582	19,936
Purchased Services	92,382	102,271
Supplies and Materials	12,480	903
Other Objects	200	200
Non-Capitalized Equipment	647	-
	<u>\$ 232,584</u>	<u>\$ 232,398</u>
Total Support Services - Central	<u>\$ 788,941</u>	<u>\$ 728,223</u>
Total Support Services	<u>\$ 13,408,919</u>	<u>\$ 13,141,582</u>
Community Services		
Purchased Services	\$ 1,047	\$ 369
Supplies and Materials	1,350	-
Other Objects	3,600	-
Total Community Services	<u>\$ 5,997</u>	<u>\$ 369</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>\$ 2,156</u>
	<u>\$ 3,700</u>	<u>\$ 2,156</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 6,700</u>	<u>\$ 2,156</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Regular Programs		
Other Objects	\$ 3,300	\$ 15,165
Payments for Special Education Programs		
Other Objects	1,314,227	1,350,557
Payment for CTE Programs		
Other Objects	453,200	385,603
Payments for Other Programs		
Other Objects	1,600	-
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,772,327</u>	<u>\$ 1,751,325</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,779,027</u>	<u>\$ 1,753,481</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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Capital Outlay		
Instruction		
Regular Programs	\$ 41,383	\$ 42,727
Special Education Programs	12,500	8,161
Other Instructional Programs	162,640	210,829
Support Services		
Pupils	4,346	-
Instructional Staff	48,647	32,192
General Administration	14,610	14,610
Business	4,708	8,847
Central	11,500	270
Total Capital Outlay	\$ 300,334	\$ 317,636
On-Behalf Payments	\$ 16,000,000	\$ 14,759,169
Total Expenditures	\$ 54,449,614	\$ 52,167,632
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,010,390	\$ 2,277,683
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	(132,187)	(132,187)
NET CHANGE IN FUND BALANCE	\$ 878,203	\$ 2,145,496
FUND BALANCE - JULY 1, 2017	27,892,021	8,062,077
FUND BALANCE - JUNE 30, 2018	\$ 28,770,224	\$ 10,207,573

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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ 60,000	\$ 55,404
Total Revenues	\$ 60,000	\$ 55,404
EXPENDITURES	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 60,000	\$ 55,404
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ 60,000	\$ 55,404
FUND BALANCE - JULY 1, 2017	5,110,614	5,110,614
FUND BALANCE - JUNE 30, 2018	\$ 5,170,614	\$ 5,166,018

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, 2018

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 6,005,929	\$ 6,000,574
Earnings on Investments	15,000	30,902
Total Revenues	\$ 6,020,929	\$ 6,031,476
EXPENDITURES		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 1,161,952	\$ 1,161,952
Total Debt Services - Interest	\$ 1,161,952	\$ 1,161,952
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 5,473,765	\$ 5,473,765
Total Debt Services - Payment of Principal on Long-Term Debt	\$ 5,473,765	\$ 5,473,765
Debt Services - Other		
Other Objects	\$ 1,100	\$ 1,425
Total Debt Services - Debt Services - Other	\$ 1,100	\$ 1,425
Total Debt Services	\$ 6,636,817	\$ 6,637,142
Total Expenditures	\$ 6,636,817	\$ 6,637,142
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (615,888)	\$ (605,666)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	673,442	673,442
NET CHANGE IN FUND BALANCE	\$ 57,554	\$ 67,776
FUND BALANCE - JULY 1, 2017	3,202,749	173,490
FUND BALANCE - JUNE 30, 2018	\$ 3,260,303	\$ 241,266

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, 2018

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Payments in Lieu of Taxes	\$ 389,909	\$ 452,923
Earnings on Investments	10,000	18,744
Other Local Sources	4,964	4,964
State Aid		
General State Aid	1,000,000	1,000,000
Total Revenues	<u>\$ 1,404,873</u>	<u>\$ 1,476,631</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 58,294	\$ 58,287
Non-Capitalized Equipment	1,100	-
Total Support Services - Facilities Acquisition and Construction	<u>\$ 59,394</u>	<u>\$ 58,287</u>
Total Support Services	<u>\$ 59,394</u>	<u>\$ 58,287</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 508,892	\$ 790,170
Total Capital Outlay	<u>\$ 508,892</u>	<u>\$ 790,170</u>
Total Expenditures	<u>\$ 568,286</u>	<u>\$ 848,457</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 836,587</u>	<u>\$ 628,174</u>
OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	\$ 836,587	\$ 628,174
FUND BALANCE - JULY 1, 2017	<u>1,089,685</u>	<u>966,758</u>
FUND BALANCE - JUNE 30, 2018	<u><u>\$ 1,926,272</u></u>	<u><u>\$ 1,594,932</u></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, 2018

ASSETS	<u>BALANCE JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2018</u>
Cash and Cash Equivalents	\$ 600,853	\$ 1,691,712	\$ 1,800,364	\$ 492,201
Investments	150,926	79,929	-	230,855
	<u>\$ 751,779</u>	<u>\$ 1,771,641</u>	<u>\$ 1,800,364</u>	<u>\$ 723,056</u>
 LIABILITIES				
Due to:				
Lake Park High School	<u>\$ 751,779</u>	<u>\$ 1,771,641</u>	<u>\$ 1,800,364</u>	<u>\$ 723,056</u>
	<u>\$ 751,779</u>	<u>\$ 1,771,641</u>	<u>\$ 1,800,364</u>	<u>\$ 723,056</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
YEAR ENDED JUNE 30, 2018

OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Total Expenditures	\$	37,408,463
O&M	Total Expenditures		4,434,419
DS	Total Expenditures		6,637,142
TR	Total Expenditures		2,019,130
MR/SS	Total Expenditures		1,455,184
	Total Expenditures	\$	51,954,338

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)	\$	5,144
ED	1600	Summer School Programs		58,455
ED	1911	Regular K-12 Programs - Private Tuition		13,500
ED	1912	Special Education Programs K-12 - Private Tuition		813,037
ED	3000	Community Services		369
ED	4000	Total Payments to Other Govt Units		1,753,481
ED	-	Capital Outlay		317,636
ED	-	Non-Capitalized Equipment		165,182
O&M	-	Capital Outlay		65,782
O&M	-	Non-Capitalized Equipment		3,049
DS	5300	Debt Service - Payments of Principal on Long-Term Debt		5,473,765
TR	5300	Debt Service - Payments of Principal on Long-Term Debt		42,834
MR/SS	1600	Summer School Programs		811
		Total Deductions for OEPP Computation (Sum of Lines 18 - 74)	\$	8,713,045
		Total Operating Expenses Regular K-12 (Line 14 minus Line 76)		43,241,293
		9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018		2,353.64
		Estimated OEPP (Line 77 divided by Line 78)	\$	18,372.09

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

LESS OFFSETTING RECEIPTS/REVENUES:

TR	1411	Regular - Transp Fees from Pupils or Parents (In State)	\$	11,602
ED	1600	Total Food Service		1,056,150
ED-O&M	1700	Total District/School Activity Income		1,322,482
ED	1829	Sales - Other (Describe & Itemize)		2,225
ED-O&M	1910	Rentals		156,099
ED	1993	Other Local Fees (Describe & Itemize)		10,079
ED-O&M-TR	3100	Total Special Education		567,901
ED-O&M-MR/SS	3200	Total Career and Technical Education		42,423
ED-MR/SS	3300	Total Bilingual Ed		7,389
ED	3360	State Free Lunch & Breakfast		2,734
ED-O&M	3370	Driver Education		99,615
ED-O&M-TR-MR/SS	3500	Total Transportation		345,637
ED-O&M-DS-TR-MR/SS-Tort	3999	Other Restricted Revenue from State Sources		1,678
ED-O&M-TR-MR/SS	4300	Total Title I		229,215
ED-O&M-TR-MR/SS	4400	Total Title IV		14,500
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through		477,225
ED-O&M-TR-MR/SS	4625	Fed - Spec Education - IDEA - Room & Board		159,618
ED-O&M-MR/SS	4700	Total CTE - Perkins		27,232
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality		58,217
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach		42,699
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program		84,954
ED-TR-MR/SS	3100	Special Education Contributions from EBF Funds **		672,572
ED-MR/SS	3300	English Learning (Bilingual) Contributions from EBF Funds ***		7,418
		Total Deductions for PCTC Computation Line 84 through Line 174	\$	5,399,664
		Net Operating Expense for Tuition Computation (Line 77 minus Line 176)		37,841,629
		Total Depreciation Allowance (from page 26, Line 18, Col I)		2,468,066
		Total Allowance for PCTC Computation (Line 177 plus Line 178)		40,309,695
		9 Month ADA from District Average Daily Attendance/Prior General State Aid Inquiry 2017-2018		2,353.64
		Total Estimated PCTC (Line 179 divided by Line 180) * \$		17,126.53

* 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, 2018

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Total Governmental Funds
Revenues							
Property Taxes	\$ 33,505,092	\$ 5,134,205	\$ 6,000,574	\$ 1,808,310	\$ 1,420,676	\$ -	\$ 47,868,857
Payments in Lieu of Taxes	98,689	-	-	-	105,230	452,923	656,842
Tuition	46,374	-	-	-	-	-	46,374
Transportation Fees	-	-	-	16,746	-	-	16,746
Earnings on Investments	368,933	44,336	30,902	18,650	10,586	18,744	492,151
Food Service	1,056,150	-	-	-	-	-	1,056,150
District/School Activity Income	1,322,482	-	-	-	-	-	1,322,482
Textbooks	5,948	-	-	-	-	-	5,948
Other Local Sources	463,293	325,778	-	-	-	4,964	794,035
State Aid	1,780,929	-	-	345,637	-	1,000,000	3,126,566
Federal Aid	1,093,660	-	-	-	-	-	1,093,660
On-Behalf Payments	14,759,169	-	-	-	-	-	14,759,169
Total Revenues	\$ 54,500,719	\$ 5,504,319	\$ 6,031,476	\$ 2,189,343	\$ 1,536,492	\$ 1,476,631	\$ 71,238,980
Expenditures	\$ 52,167,632	\$ 4,434,419	\$ 6,637,142	\$ 2,019,130	\$ 1,455,184	\$ 848,457	\$ 67,561,964
Excess/(Deficiency) of Revenues over Expenditures	\$ 2,333,087	\$ 1,069,900	\$ (605,666)	\$ 170,213	\$ 81,308	\$ 628,174	\$ 3,677,016
Other Financing Sources/(Uses)	(132,187)	(541,255)	673,442	-	-	-	-
Net Change in Fund Balances	\$ 2,200,900	\$ 528,645	\$ 67,776	\$ 170,213	\$ 81,308	\$ 628,174	\$ 3,677,016
Modified Accrual Fund Balances - July 1, 2017	13,172,691	1,809,668	173,490	944,263	69,321	966,758	17,136,191
Modified Accrual Fund Balances - June 30, 2018	\$ 15,373,591	\$ 2,338,313	\$ 241,266	\$ 1,114,476	\$ 150,629	\$ 1,594,932	\$ 20,813,207
Add:							
Accounts Payable and Accrued Expenses	\$ 459,264	\$ 150,810	\$ -	\$ 34,985	\$ -	\$ 291,073	\$ 936,132
Accrued Payroll and Payroll Liabilities	2,977,405	26,653	-	-	78,857	-	3,082,915
Deferred Revenue	353,114	-	-	1,920	-	-	355,034
Unavailable Revenue - Property Taxes	34,293,757	5,304,893	5,996,837	1,793,233	1,419,209	-	48,807,929
Unavailable Revenue - Grants	213,533	-	-	83,883	-	11,840	309,256
Unavailable Revenue - Interest	171,886	21,176	6,412	13,123	1,426	2,038	216,061
Subtract:							
Accrued Interest Receivable, net of allowance of \$0	206,125	28,795	6,412	13,376	4,045	13,984	272,737
Other Accounts Receivable, net of allowance of \$0	19,995	-	-	-	-	-	19,995
Property Taxes Receivable, net of allowance of \$220,169	16,275,461	2,517,647	2,846,037	851,051	673,542	-	23,163,738
Due from Other Governments, net of allowance of \$0	359,771	-	-	83,883	10,914	91,657	546,225
Prepaid Expenses	352,567	41,626	-	-	-	-	394,193
Cash Basis Fund Balance, End of Year	\$ 36,628,631	\$ 5,253,777	\$ 3,392,066	\$ 2,093,310	\$ 961,620	\$ 1,794,242	\$ 50,123,646

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, 2018. 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, 2018.

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 10, 2018

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues			Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year	Year	Year	Year	Year	Year			
			7/1/16-6/30/17 (C)	7/1/17-6/30/18 (D)	7/1/16-6/30/17 (E)	7/1/17-6/30/18 (F)	7/1/17-6/30/18 (F)	7/1/17-6/30/18 (G)			
U.S. Department of Education Passed Through Illinois											
State Board of Education											
Title I - Low Income*	84.010	18-4300-00		229,215			229,215		229,215	281,598	
Special Education - IDEA Room & Board (M)*	84.027A	17-4625-00	133,683	45,247	133,683		45,247		178,930	334,205	
Special Education - IDEA Room & Board (M)*	84.027A	17-4625-XC		7,600			7,600		7,600	N/A	
Special Education - IDEA Room & Board (M)*	84.027A	18-4625-00		106,770			133,683		133,683	N/A	
Title II - Teacher Quality*	84.367	18-4932-00		58,217			58,217		58,217	N/A	
Title IV - Student Support & Academic Enrichment*	84.424	18-4400-00		14,500			14,500		14,500	57,398	
U.S. Department of Education Passed Through North											
Dupage Special Education Cooperative											
Special Education - IDEA - Flow-Through (M)	84.027A	18-4620-00		477,225			477,225		477,225	477,225	

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

*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.

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

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

³ When awards are received as a subrecipient, the 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)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in 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, 2018

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴			Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year	Year	Year	Year	Year			
			7/1/16-6/30/17 (C)	7/1/17-6/30/18 (D)	7/1/16-6/30/17 (E)	7/1/17-6/30/18 (F)	7/1/17-6/30/18 (D)			
U.S. Department of Education Passed Through DuPage										
Area Occupational Education System:										
Perkins - Title III	84.048	18-4799-00		27,232			27,232		27,232	27,232
Total CFDA "84"			133,683	966,006	133,683	0	992,919	0	0	1,126,602
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	18,963	37,049				37,049	N/A
Medicaid Admin Outreach	93.778	18-4991-00		25,515			25,515		25,515	N/A
Total CFDA "93"			18,086	44,478	37,049	0	25,515	0	0	62,564
Total Federal Assistance			151,769	1,010,484	170,732	0	1,018,434	0	0	1,189,166
* Project year Ends 8/31										

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

*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.

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

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

³ When awards are received as a subrecipient, the 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)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in 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, 2018

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, 2018 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, 2018.

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, 2018

- 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, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NL 2018- N/A 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2018 would be assigned a reference number of 2018-001, 2018-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

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

¹³ See §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, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2018- N/A 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

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

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

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

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

LAKE PARK HIGH SCHOOL DISTRICT NO. 108
19-022-1080-16
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2018

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

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

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

¹⁹ Explanation of this schedule - §200.511 (b)

²⁰ Current Status should include one of the following:

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



LAKE PARK HIGH SCHOOL DISTRICT 108
590 S. MEDINAH ROAD, ROSELLE, IL 60172-1978
PHONE: 630-529-4500 | FAX: 630-295-5414

LAKE PARK

WWW.LPHS.ORG

19-022-1080-16

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹

Year Ending June 30, 2018

Corrective Action Plan

Finding No.: **2018- N/A**

Condition:

Plan:

Anticipated Date of Completion:

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

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

²¹ Must address **each** audit finding - §200.511 (c)