PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE—
NOT TO BE REPRODUCED

Oak Park Elementary School District 97

Financial Report
June 30, 2012

Prepared by:
Administration Center
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Superintendent

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Independent Auditor's Report

To the Board of Education
Oak Park Elementary School District 97
Oak Park, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Oak Park Elementary School District 97 (“District”) as of and for the year ended June 30, 2012, which collectively comprise the District’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Oak Park Elementary School District 97, as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedules of funding progress, budgetary comparison information and related note on pages 3-12 and 43-47 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Chicago, Illinois
Report Date

Required Supplementary Information

Management's Discussion and Analysis (MD&A)

The discussion and analysis of Oak Park Elementary School District 97's ("District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2012. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by $64.9 million. Of this amount, $31.3 million may be used to meet the District's ongoing obligations to citizens and creditors.

- In total, net assets increased by approximately $11.3 million. This represents an increase of 21.1 percent from 2011.

- General revenues were $73.2 million or 78.4 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were $20.2 million or 21.6 percent of total revenues of $93.4 million.

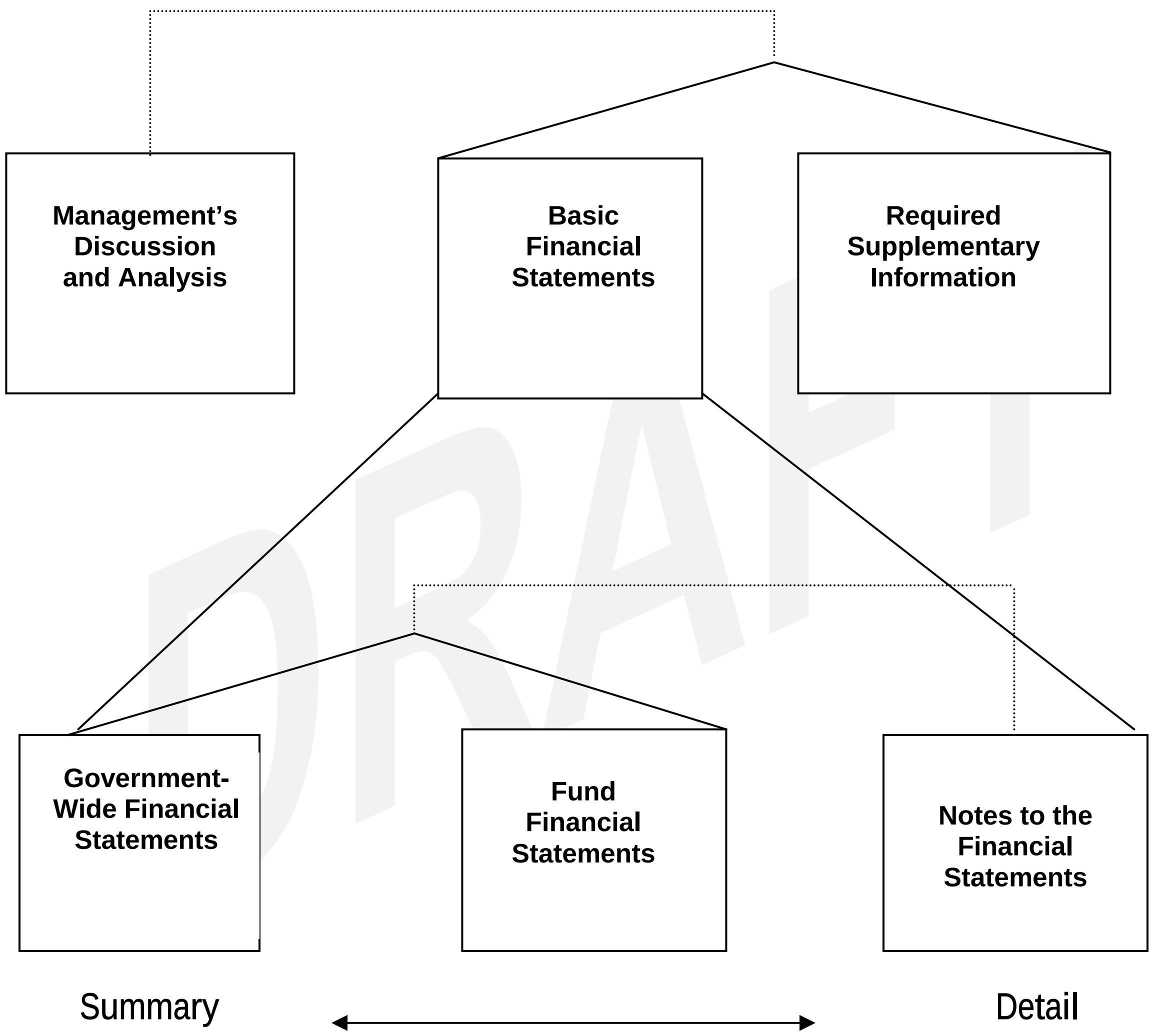
Overview of the Financial Statements

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

- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Organization of Oak Park Elementary School District 97 Annual Financial Report



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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported when revenues are earned and expenses are incurred.

The government-wide financial statements present the District functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services and non-programmed charges.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund statement of net assets 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 funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances of the General Fund and the Debt Service Fund, both of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements

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

Other information

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

Government-Wide Financial Analysis

Net assets. The District's net assets increased by 21.1 percent compared to the prior year. At year-end, total net assets were $64.9 million (see Table 1).

The District's financial position is the product of many factors. However, several events of the last year stand out:

- Current assets increased approximately $12.7 million due largely to an increase in cash and investments.
- Current liabilities increased approximately $1.9 million due largely to a increase in deferred revenue.
- The District paid down approximately $5.2 million and issued approximately $5.1 million in general obligation debt in the current year.

Table 1
Condensed Statement of Net Assets
(in millions of dollars)

	2012	2011
Current assets	$69.2	$ 56.5
Noncurrent assets	59.3	58.1
Total assets	128.5	114.6
Current liabilities	34.4	32.5
Long-term liabilities	29.2	28.5
Total liabilities	63.6	61.0
Net assets:		
Invested in capital assets, net of related debt	33.6	27.1
Unrestricted & restricted	31.3	26.5
Total net assets	$64.9	$53.6

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

	2012	2011
Revenues:		
Program Revenues:		
Charges for services	$1.4	$1.5
Operating grants & contributions	18.8	18.3
General Revenues:		
Taxes	60.8	49.7
General state aid	9.1	9.1
Other	3.3	4.4
Total revenues	93.4	83.0
Expenses:		
Instruction	52.1	51.9
Support Services	27.0	27.9
Community Services	0.1	0.1
Non-programmed Charges	0.2	0.0
Other	2.7	2.7
Total expenses	82.1	82.6
Change in net assets	11.3	0.4
Net Assets – Beginning	53.6	53.2
Net Assets – Ending	$64.9	$53.6

Changes in net assets. The District's total revenues were $93.4 million. Taxes and general state aid were 74.8 percent of the total or $69.9 million. Real estate taxes increased by 23.4 percent from the prior year for a total increase of $11.3 million. This increase is due to an increase in the property tax collections as well as rebates from TIF districts of approximately $1.9 million.

State and federal aid for specific programs brought in an additional $18.8 million of the total revenues, which is an increase over the prior year, due to an increased amount of State aid received.

The remaining $4.7 million came from fees charged for services and other miscellaneous sources.

The total cost of all programs and services was $82.1 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.) These expenses accounted for 96.4 percent of the total (see Figure 3). The District's other activities were 3.6 percent of total costs. The overall decrease in expenditures from the prior year is due to decreased costs of special education tuition and associated transportation costs.

Total revenues exceeded expenses, resulting in a change in net assets of 21.1 percent over the prior year net asset ending balance.

Figure 2

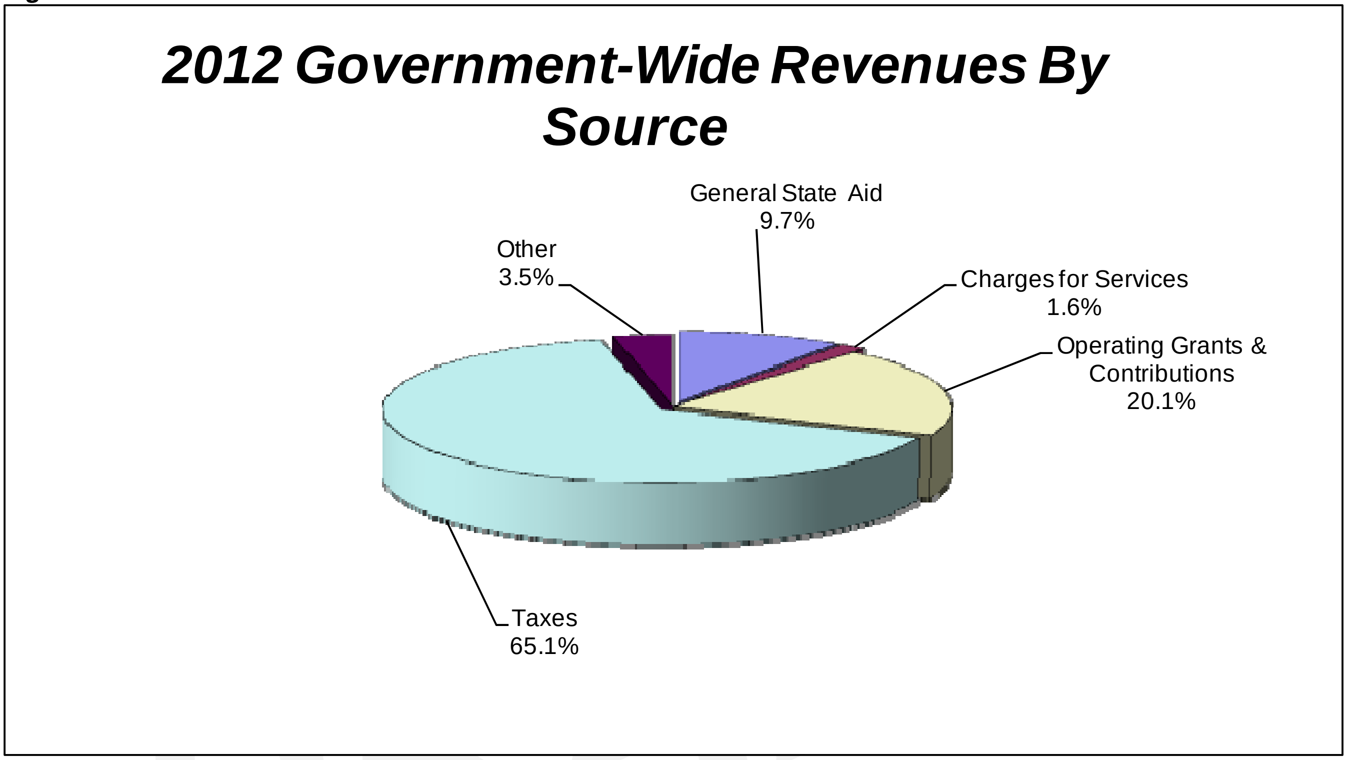
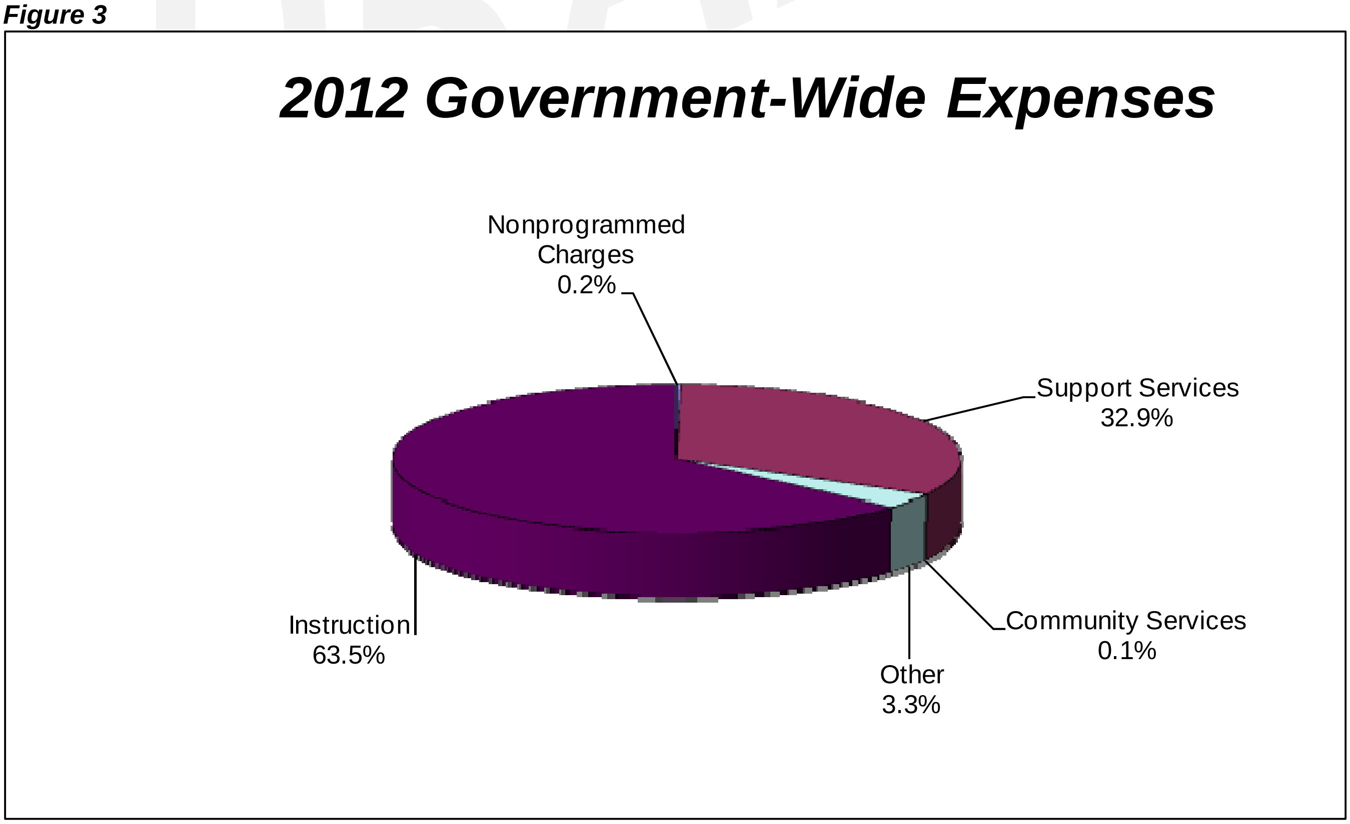


Figure 3



Financial Analysis of The District's Funds

As the District completed the year, its governmental funds reported combined fund balances of $39.3 million. Revenues for the District's governmental activities were $93.7 million, while total expenditures were $87.8 million.

The General Fund experienced a current year surplus of $8.5 million. This surplus resulted in a year-end fund balance of $29.4 million. The surplus is largely due to an increase in property tax revenues in the current year.

The Debt Service Fund increased its fund balance by $0.5 million. The entire year-end fund balance of $4.2 million is restricted for principal and interest payments on outstanding debt.

The Other Governmental Funds fund balances increased by $2.2 million over the prior year. This increase can be mainly attributed to the District's issuance of debt during the year.

General Fund Budgetary Highlights

While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by $4.9 million before other financing sources, the actual result for the year was a $9.0 million surplus.

Capital Asset and Debt Administration

Capital Assets

By the end of 2012, the District had invested $99.1 million (before accumulated depreciation of $39.9 million) in a broad range of capital assets, including buildings (both school and administration facilities) equipment (computer, audio-visual, transportation and maintenance equipment and furniture), and land as shown in Table 3. More detailed information about capital assets can be found in Note 3 to the financial statements.

Depreciation expense for the year was $2.9 million, and additions to building improvements and equipment and furniture amounted to $4.1 million.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	2012	2011	Total Percentage Change
Land	$ 3.1	$ 3.1	0.0%
Depreciable land improvements and buildings	55.1	53.6	2.8%
Equipment	1.0	1.3	-23.1%
TOTAL	$ 59.2	$ 58.0	

Long–Term Debt

At year-end, the District had $30.6 million in general obligation bonds and other long-term obligations outstanding, as shown in Table 4. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

Table 4
Outstanding Long-Term Obligations (in millions of dollars)

	2012	2011	Total Percentage Change
General obligation bonds	$ 30.5	$ 30.5	0.0%
Capital lease obligations	0.1	0.2	-33.3%
TOTAL	$ 30.6	$ 30.7	

- The District continued to pay down its debt, retiring $5.2 million of outstanding bonds.
- The District issued approximately $5.1 million in new bonds.
- The state limits the amount of general obligation debt the District can issue to 6.9 percent of the assessed value of all taxable property within the District's limits. Outstanding debt is significantly below the current limit of $110.2 million.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect it financial health in the future.

- The Illinois General Assembly has imposed property tax legislation on school districts to give property taxpayers some relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or five percent and mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" continues to limit the District's tax collection ability.

- The current weak economy, in both the nation and the state, continues to affect the District's state funding levels and timing of state receipts.

- The successful passage of the April 2011 limiting-rate referendum also affects the future financial health of the District.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Assistant Superintendent for Finance and Operations, Oak Park Elementary School District 97, 970 West Madison Street, Oak Park, Illinois 60632.

Basic Financial Statements

**Government-Wide
Financial Statements (GWFS)**

Oak Park Elementary School District 97

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Statement of Net Assets
June 30, 2012

	Governmental Activities
Assets	
Current Assets	
Cash and investments	$ 39,170,626
Receivables:	
Property taxes, net of allowance for uncollectible accounts	26,525,067
Replacement taxes	256,916
Intergovernmental	2,745,165
Interest	19,588
Prepaid asset	477,550
Total current assets	69,194,912
Noncurrent Assets	
Unamortized bond issuance costs	92,693
Capital assets not being depreciated	3,046,678
Capital assets being depreciated, net	56,186,247
Total noncurrent assets	59,325,618
Total assets	$ 128,520,530
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 2,326,720
Accrued liabilities	632,805
Accrued interest	168,188
Unearned revenue	25,756,735
Capital lease obligations	75,903
General obligation bonds	5,430,000
Compensated absences	12,700
Total current liabilities	34,403,051
Long-Term Liabilities, net of current maturities	
Unamortized premium on bonds	275,389
Capital lease obligations	9,026
General obligation bonds	25,045,000
Net pension obligation	416,788
Postemployment benefits	3,229,891
Compensated absences	205,853
Total long-term liabilities	29,181,947
Total liabilities	63,584,998
Net Assets	
Invested in capital assets, net of related debt	33,676,302
Restricted for:	
Debt Service	4,053,209
Working cash	891,937
Transportation	2,436,810
Capital improvements and maintenance	4,212,613
Retirement contributions	130,757
Unrestricted	19,533,904
Total net assets	64,935,532
Total liabilities and net assets	$ 128,520,530

See Notes to Basic Financial Statements.

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Oak Park Elementary School District 97

Statement of Activities
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense), Revenue and Changes in Net Assets: Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	$ 28,810,694	$ 375,018	$ -	$ (28,435,676)
Special programs	12,397,995	-	6,478,747	(5,919,248)
Other instructional programs	1,713,665	-	422,614	(1,291,051)
State retirement contributions	9,228,671	-	9,228,671	-
Support services:				
Pupils	3,539,453	-	-	(3,539,453)
Instructional staff	2,210,666	-	3,998	(2,206,668)
General administration	2,247,022	-	-	(2,247,022)
School administration	4,643,623	-	-	(4,643,623)
Business	2,554,049	1,032,327	497,989	(1,023,733)
Transportation	2,893,159	-	2,140,999	(752,160)
Operations and maintenance	5,999,053	-		(5,999,053)
Central	2,702,145	-	-	(2,702,145)
Other	187,407	-	-	(187,407)
Community services	106,583	-	-	(106,583)
Non-programmed charges	197,575	-	-	(197,575)
Interest and fees	2,682,625	-	-	(2,682,625)
Total governmental activities	$ 82,114,384	$ 1,407,345	$ 18,773,018	(61,934,021)
General revenues:				
Taxes:				
Real estate taxes, general purposes				51,325,549
Real estate taxes, debt service				8,131,694
Corporate property replacement taxes				1,408,582
State aid-formula grants				9,060,114
Interest				49,472
Miscellaneous				3,253,658
Total general revenues				73,229,069
Change in net assets				11,295,048
Net assets:				
July 1, 2011				53,640,484
June 30, 2012				$ 64,935,532

See Notes to Basic Financial Statements.

Fund Financial Statements (FFS)

Oak Park Elementary School District 97

Balance Sheet
Governmental Funds
June 30, 2012

	Major Funds		Nonmajor	Total
	General Fund	Debt Service Fund	Governmental Funds	Governmental Funds
Assets				
Cash and investments	$ 27,921,861	$ 4,078,827	$ 7,169,938	$ 39,170,626
Receivables:				
Property taxes	21,102,098	3,724,888	1,698,081	26,525,067
Replacement taxes, net of allowance for uncollectible accounts	248,618	-	8,298	256,916
Intergovernmental	2,019,282	-	725,883	2,745,165
Prepaid asset	477,550	-	-	477,550
Due from other funds	-	-	-	-
Total assets	$ 51,769,409	$ 7,803,715	$ 9,602,200	$ 69,175,324
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 796,958	$ 7,195	$ 1,522,567	$ 2,326,720
Accrued liabilities	291,515	-	-	291,515
Deferred revenue	21,277,276	3,575,123	2,386,357	27,238,756
Compensated absences	12,700	-	-	12,700
Due to other funds	-	-	-	-
Total liabilities	22,378,449	3,582,318	3,908,924	29,869,691
Fund balances				
Restricted for:				
Debt service	-	4,221,397	-	4,221,397
Working cash	6,077,939	-	-	6,077,939
Transportation	-	-	1,722,677	1,722,677
Capital improvements and maintenance	789,559	-	3,423,054	4,212,613
Retirement contributions	-	-	547,545	547,545
Unassigned	22,523,462	-	-	22,523,462
Total fund balances	29,390,960	4,221,397	5,693,276	39,305,633
Total liabilities and fund balances	$ 51,769,409	$ 7,803,715	$ 9,602,200	$ 69,175,324

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2012

Total fund balances - governmental funds	$ 39,305,633
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	59,232,925
Interest receivable is recognized in the government-wide financial statements but not in the fund financial statements because it is not available.	19,588
Certain grant revenue is deferred in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements.	
State grants	1,482,021
Premiums on bonds that are other financing sources in the fund financial statements are liabilities that are amortized over the life of the bonds in the government-wide financial statements.	(275,389)
Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statementments.	92,693
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	
These liabilities consist of:	
Accrued interest	(168,188)
Health insurance claims incurred but not reported	(341,290)
Net pension obligation	(416,788)
Postemployment benefits	(3,229,891)
Compensated absences	(205,853)
Capital lease obligations	(84,929)
General obligation bonds	(30,475,000)
Net assets of governmental activities	$ 64,935,532

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2012

	Major Funds		Nonmajor	Total
	General Fund	Debt Service Fund	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	$ 47,727,360	$ 8,131,694	$ 3,598,189	$ 59,457,243
Corporate property replacement taxes	1,363,085	-	45,497	1,408,582
Charges for services	1,423,901	-	-	1,423,901
Unrestricted state aid	9,060,114	-	-	9,060,114
Restricted state aid	13,158,656	-	1,928,586	15,087,242
Restricted federal aid	3,964,599	-	115,778	4,080,377
Interest	31,869	26	966	32,861
Other	3,164,050	1,406	41,988	3,207,444
Total revenues	79,893,634	8,133,126	5,731,004	93,757,764
Expenditures:				
Current:				
Instruction:				
Regular programs	27,136,372	-	351,705	27,488,077
Special programs	11,356,239	-	472,599	11,828,838
Other instructional programs	1,597,010	-	37,985	1,634,995
State retirement contributions	9,228,671	-	-	9,228,671
Support services:				
Pupils	3,347,396	-	29,571	3,376,967
Instructional staff	2,012,190	-	96,990	2,109,180
General administration	2,127,785	-	16,082	2,143,867
School administration	3,234,526	-	178,695	3,413,221
Business	2,345,377	-	91,423	2,436,800
Transportation	4,420	-	2,888,739	2,893,159
Operations and maintenance	5,210,608	-	513,045	5,723,653
Central	2,377,668	-	200,429	2,578,097
Community services	101,287	-	403	101,690
Non-programmed charges	188,504	-	-	188,504
Capital outlay	529,418	-	3,845,531	4,374,949
Debt service:				
Principal	-	5,160,000	-	5,160,000
Interest and fees	-	2,770,373	-	2,770,373
Bond issuance costs	67,564	-	-	67,564
Capital leases	-	258,195	-	258,195
Total expenditures	70,865,035	8,188,568	8,723,197	87,776,800
Excess (deficiency) of revenues over (under) expenditures	9,028,599	(55,442)	(2,992,193)	5,980,964
Other financing sources:				
Transfers in	-	543,695	5,200,000	5,743,695
Transfers (out)	(5,743,695)	-	-	(5,743,695)
Bond proceeds	5,060,000	-	-	5,060,000
Premium on bonds	207,564	-	-	207,564
Total other financing sources	(476,131)	543,695	5,200,000	5,267,564
Net change in fund balances	8,552,468	488,253	2,207,807	11,248,528
Fund balances:				
July 1, 2011	20,838,492	3,733,144	3,485,469	28,057,105
June 30, 2012	$ 29,390,960	$ 4,221,397	$ 5,693,276	$ 39,305,633

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2012

Net change in fund balances—total governmental funds		$ 11,248,528
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that are deferred in the fund financial statements because they are not available but are recognized as revenue in the government-wide statement of activities:		
State grants		(364,943)
Interest		16,611
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlays	$ 4,117,528	
Depreciation expense	(2,875,807)	1,241,721
In governmental funds, long-term debt issued is considered an other financing source but in the statement of net assets, long-term debt is reported as a liability.		
General obligation bonds issued		(5,060,000)
Premiums on bonds are recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net asets and is amortized over the life of the bonds.		
Premium on bonds issued		(207,564)
Amortization of bond premium		109,277
Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the statement of net assets and is amortized over the life of the bonds.		
Bond issuance costs		67,564
Amortization of bond issuance costs		(38,640)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General obligation bonds		5,160,000
Capital leases		70,788
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. These activities consist of:		
Decrease in health insurance claims incurred but not reported	100,766	
Decrease in accrued interest	17,111	
(Increase) in net pension obligation	(219,201)	
(Increase) in postemployment benefits	(822,480)	
(Increase) in compensated absences	(24,490)	(948,294)
Change in net assets of governmental activities		$ 11,295,048

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Statement of Fiduciary Net Assets
Agency Fund
June 30, 2012

	Agency Student Activity Fund
Assets, cash	$ 596,990
Liabilities, due to student groups	$ 596,990

See Notes to Basic Financial Statements.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies

Nature of Operations

Oak Park Elementary School District 97 ("District") operates as a public school system under the direction of its Board of Education. The District is organized under The School Code of the State of Illinois, as amended. The District also operates a school lunch and breakfast program and provides student transportation services.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

- Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

Basis of Presentation

Government-Wide Financial Statements ("GWFS"): The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Basis of Presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements ("FFS"): Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The District has the following governmental funds - General, Special Revenue, Debt Service, and Capital Projects. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District administers the following major governmental funds:

> **General Fund –** This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **Debt Service Fund –** This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Additionally, the District administers an agency fund that is used to account for assets held by the District in an agency capacity. These funds are held on behalf of the students of the District.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the District has a legal claim to the resources and for property taxes in the year for which they are levied (i.e., intended to finance). Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, in the governmental fund financial statements, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Significant Accounting Policies

Property taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2011 tax levy was passed by the Board of Education in December 2011, and attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in March and December 2012 and are collected by the county collector who in turn remits to the District its respective share. The District receives these remittances within one month of the collection dates. For all funds, the District recognizes property tax revenue in the year for which they are levied (i.e. intended to finance) provided they are collected within 60 days after year-end with the remaining portion of the levy to be recognized in the following fiscal year. Property taxes not collected within 60 days after year-end or collected prior to the year they are intended to finance are reflected as deferred (unearned) revenue in the current year. This methodology conforms to the measurable and available criteria for revenue recognition. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amounts to be collected. At June 30, 2012, the allowance for uncollectible amounts was approximately 3 percent of the total levy, or $1,722,500.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of five percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Cash and Investments

Cash resources from all governmental funds are combined to form a pool of cash and temporary investments. Interest income earned is allocated based on each fund's proportionate share of the total funds invested. State law requires that all deposits of the Student Activity Fund be kept separate and apart from all other funds of the District. The District's investments are reported at fair values.

Interfund Receivables, Payables, and Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are eliminated in the government-wide statement of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Capital Assets

Capital assets which include land, buildings, and other equipment, are reported in the government-wide Statement of Net Assets. Capital assets are defined as assets with an initial individual cost of more than $2,500, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized in the government-wide financial statements. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. The District also has various capital leases for copy machines included within the capital assets balance.

These assets have been valued at historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

Land improvements	15 - 20 years
Buildings	20 - 75 years
Other equipment	5 - 25 years

Deferred and Unearned Revenue

In the government-wide statement of net assets, the District reports unearned revenue in connection with resources that have been billed or received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and for revenue that is unearned.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid from.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2012 are determined on the basis of current salary rates and include salary-related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year, but are allowed to be carried over for a period of six months after year-end. The entire compensated balances liability is reported on the government-wide financial statements.

All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the Education Association. Unused sick leave days accumulate to a maximum of 240 days. When an employee with 10 or more years of service resigns from the District, he/she will be reimbursed for any remaining unused sick days at a rate of $15 per day. Upon notifying the District of retirement, a certified employee will gain an additional 220 sick days in their final year of employment which will not be paid out, but may be applied toward service credit for TRS.

The General Fund is typically used to liquidate these liabilities.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, including compensated absences and postemployment benefits, are reported as liabilities in the Statement of Net Assets. Items such as premiums, discounts, bond issuance costs and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

In the fund financial statements, 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.

Restricted Net Assets

The District's government-wide net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

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

Fund Balances

Within the governmental fund types, the District's fund balances are reported in one of the following classifications:

> ***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2012, the District has no nonspendable fund balance amounts.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances. At June 30, 2012, the District has no committed fund balance amounts.

Assigned – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. At June 30, 2012, the District has no assigned fund balance amounts.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

In other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District first utilizes any assigned amounts, followed by committed and then restricted amounts.

Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all time sufficient money to meet demands thereon. These funds may be lent to other District governmental funds in need, but may not only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish or abate the fund. At June 30, 2012, the District had fund balances of $6,077,939 that have been restricted pursuant to the School Code as working cash stabilization funds.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

Note 2. Cash and Investments

Deposits

State statutes authorize the District to make deposits directly to interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations and credit unions. As of June 30, 2012, the District had deposits with federally insured financial institutions of $20,140,268 with bank balances totaling $20,019,759.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy limits exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2012, the District's entire bank balance was fully insured and/or collateralized.

Investments

As of June 30, 2012, the District had the following investments:

	Fair Value, weighted average maturity less less than 1 year
Illinois School District Liquid Asset Fund Plus - Liquid Class	$ 3,955,940
Illinois School District Liquid Asset Fund Plus - Max Class	5,414,768
Illinois Metropolitan Investment Fund	10,256,640
	$ 19,627,348

Note 2. Cash and Investments (continued)

Interest Rate Risk – The District's investment policy does not limit its investment portfolio to specific maturities.

Illinois School District Liquid Asset Fund Plus is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Directors elected from the participating members. Illinois School District Liquid Asset Fund Plus is not registered with the SEC as an investment company. Investments in Illinois School District Liquid Asset Fund Plus are valued at Illinois School District Liquid Asset Fund Plus's share price, which is the price the investment could be sold for.

Illinois Metropolitan Investment Fund is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code. The investment fund is controlled by and for Illinois public funds managers and finance officers to enhance investment opportunity. Investments in Illinois Metropolitan Investment Fund are valued at Illinois Metropolitan Investment Fund's share price, which is the price the investment could be sold for.

Credit Risk – State statutes authorize the District to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States and short-term obligations of corporations organized in the United States with assets exceeding $500,000,000. The District is also authorized to invest in the Illinois School District Liquid Asset Fund Plus. The District restricted its investments to only those investments described above.

As of June 30, 2012, the District's investments in the Illinois School District Liquid Asset Fund Plus were rated AAAm by Standard & Poor's.

Concentration of Credit Risk – The District's investment policy does not restrict the amount of investment in any one issuer. None of the District's investments are exposed to concentration of credit risk.

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

The above deposits of $20,140,268 and investments of $19,627,348 that total $39,767,616 are presented in the basic financial statements as cash and investments as follows:

Statement of Net Assets, governmental activities	$ 39,170,626
Statement of Fiduciary Net Assets, agency fund	596,990
	$ 39,767,616

Note 3. Capital Assets

Capital asset balances and activity for the year ended June 30, 2012, are as follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	$ 3,046,678	$ -	$ -	$ 3,046,678
Total capital assets not being depreciated	3,046,678	-	-	3,046,678
Capital Assets, being depreciated:				
Land improvements	847,237	234,183	-	1,081,420
Buildings	83,341,724	3,710,021	-	87,051,745
Other equipment	7,774,120	173,324	-	7,947,444
Total capital assets being depreciated	91,963,081	4,117,528	-	96,080,609
Less accumulated depreciation:				
Land improvements	(436,900)	(46,779)	-	(483,679)
Buildings	(30,172,193)	(2,388,740)	-	(32,560,933)
Other equipment	(6,409,462)	(440,288)	-	(6,849,750)
Total accumulated depreciation	(37,018,555)	(2,875,807)	-	(39,894,362)
Total capital assets being depreciated, net	54,944,526	1,241,721	-	56,186,247
Governmental activities Capital assets, net	$ 57,991,204	$ 1,241,721	$ -	$ 59,232,925

Note 3. Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular programs	$ 1,254,291
Special education	539,755
Other instructional programs	74,606
Support services:	
Pupils	154,092
Instructional staff	96,243
General administration	97,826
School administration	155,747
Business	111,192
Central	117,640
Operations and maintenance	261,173
Community services	4,640
Non-programmed charges	8,602
	$ 2,875,807

The District also has various capital leases for copy machines. As of June 30, 2012, the cost and related accumulated depreciation for those assets are approximately $223,000 and $179,000, respectively.

Note 4. Lease Commitments

The District leases equipment under noncancelable operating leases. The total expenditures related to such leases was $386,740 for the year ended June 30, 2012. At June 30, 2012, future minimum lease payments on these leases are as follows:

Year Ending June 30:	
2013	$ 381,015
2014	213,527
2015	33,532
2016	13,964
Total	$ 642,038

Note 5. Long-Term Obligations

Long-term obligation balances and activity for the year ended June 30, 2012, as well as obligations due within one year are as follows:

	General Obligation Bonds	Capital Leases	Compensated Absences	Totals
Balance, July 1, 2011	$ 30,575,000	$ 155,717	$ 192,566	$ 30,923,283
Debt issued	5,060,000	-	-	5,060,000
Retirements	(5,160,000)	(70,788)	(179,866)	(5,410,654)
Additions	-	-	205,853	205,853
Balance, June 30, 2012	$ 30,475,000	$ 84,929	$ 218,553	$ 30,778,482
Amounts due within one year	$ 5,430,000	$ 75,903	$ 12,700	$ 5,518,603

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2012, $5,418,900 of bonds outstanding are considered defeased.

Interest rates on the outstanding bonds and capital leases range from 1.00 percent to 11.54 percent. As of June 30, 2012, the future annual debt service requirements on the outstanding long-term debt excluding employment benefits and compensated absences are as follows:

Year Ending June 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	Capital Lease Principal	Capital Lease Interest	Total
2013	$ 5,430,000	$ 2,147,285	$ 75,903	$ 3,971	$ 7,657,159
2014	4,060,000	1,797,425	9,026	148	5,866,599
2015	5,025,000	1,519,575	-	-	6,544,575
2016	4,260,000	1,202,925	-	-	5,462,925
2017	3,860,000	873,000	-	-	4,733,000
2018 - 2019	7,840,000	720,900	-	-	8,560,900
	$ 30,475,000	$ 8,261,110	$ 84,929	$ 4,119	$ 38,825,158

The District's estimated legal debt limitation of $110,186,362 based on 6.9 percent of the estimated 2011 equalized assessed valuation of $1,596,903,799, less the outstanding general obligation bonds of $30,475,000, results in a legal debt margin of $79,711,362.

Note 6. Risk Management

The District is exposed to various risks related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: School Employee Loss Fund (SELF) for workers' compensation claims, and Collective Liability Insurance Cooperative (CLIC) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

The District is self-insured for medical coverage that is provided to District personnel. A third-party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third-party administrator for payment of employee health claims and administration fees. The District's liability will not exceed $130,000 per employee or $3,720,187 in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2012, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled $341,290. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability.

For the two years ended June 30, 2012 and June 30, 2011, changes in the liability reported in the Government-Wide Financial Statements for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2012	$ 442,056	$ 4,564,223	$ 4,664,989	$ 341,290
Fiscal Year 2011	$ 354,350	$ 4,340,549	$ 4,252,843	$ 442,056

Year-end amounts are included in accrued liabilities in the Statement of Net Assets.

Note 7. Postemployment Benefits

Plan Description. The District provides postemployment medical and dental healthcare benefits to educational support employees who contribute to the Illinois Municipal Retirement Fund (IMRF). For the special District subsidy, the member must have worked at least 10 years at retirement. Certified employees and Administrators who contribute to the Teachers' Retirement service (TRS) are eligible for post-retirement medical and dental coverage if they have worked at least 10 years prior to retirement.

This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report.

Both certified and support staff may elect coverage for medical plans (whether PPO or HMO) or dental plans (PPO or HMO).

Note 7. Postemployment Benefits (continued)

Funding Policy. The required contribution is based on projected pay-as-you-go financing requirements. The funding policy of the District may be amended by the School Board. For fiscal year 2012, the District contributed $399,254 to the plan.

Retirees may elect to cover themselves and their spouses or families. For most staff, the District will pay 60 percent of the cost of the HMO employee-only rate. Administrators are subsidized at 89 percent of the HMO employee-only rate. Retirees from the lunchroom are only allowed to retain coverage for themselves. The subsidies are the same for the dental plan.

The subsidy remains for up to 4 years or until age 65, whichever occurs first.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The District's net OPEB obligation at June 30, 2012 is included as a liability on the Statement of Net Assets as "postemployment benefits."

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2012, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the plan:

Annual required contribution	$ 1,101,363
Interest on net OPEB obligation	120,371
Adjustment to annual required contribution	-
Annual OPEB cost	1,221,734
Contributions made	(399,254)
Increase in net OPEB obligation	822,480
Net OPEB obligation beginning of year	2,407,411
Net OPEB obligation end of year	$ 3,229,891

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	$ 1,221,734	33%	$ 3,229,891
6/30/2011	1,459,876	36%	2,407,411
6/30/2010	1,244,673	40%	1,477,978

Note 7. Postemployment Benefits (continued)

Funded Status and Funding Progress. As of July 1, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $8,595,272, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $8,595,272. The covered payroll (annual payroll of active employees covered by the plan) was $37,057,924, and the ratio of the UAAL to covered payroll was 23 percent.

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

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

In the July 1, 2010 actuarial valuation (most recent available), the projected unit credit (PUC) method was used. This cost method produces an explicit normal cost and actuarial accrued liability. The normal cost represents the portion of the present value which is allocated to the valuation year by the actuarial cost method. Under PUC, the current year's portion is equal to the present value of benefit (PVB) divided by the total credited service at the anticipated retirement date. The actuarial accrued liability (AAL) represents the present value of past service liability of the employee's total PVB. Under PUC, AAL= PVB times the ratio of the participant's credited service to the total credited service at the anticipated retirement date.

The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), a general inflation rate of 3.0 percent, annual projected salary increases of 3.0 percent, and an annual healthcare cost trend rate of 7.0 percent initially, reduced by decrements to an ultimate rate of 4.0 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was 27 years.

Note 8. Retirement Fund Commitments

<u>Teachers' Retirement System</u>

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.

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 State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

Note 8. Retirement Fund Commitments (continued)

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the District, are submitted to TRS by the District. The active member contribution rate was also 9.4 percent for each of the years ended June 30, 2011 and 2010.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

- **On-behalf contributions to TRS**
  The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of $8,910,557 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent ($8,270,481) and 23.38 percent ($8,620,146), respectively.

The District makes other types of employer contributions directly to TRS.

- **2.2 formula contributions**
  Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012, were $209,666. Contributions for the years ended June 30, 2011 and June 30, 2010, were $210,182 and $216,673, respectively.

- **Federal and special trust fund contributions**
  When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

  For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling $378,291 were paid from federal and special trust funds that required employer contributions of $94,232. For the years ended June 30, 2011 and 2010, required District contributions were $100,547 and $114,035, respectively.

- **Early Retirement Option**.
  The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

Note 8. Retirement Fund Commitments (continued)

The maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the District was not required to pay TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the District paid $144,994 and $72,635, in employer ERO contributions, respectively.

- **Salary increased over 6 percent and excess sick leave**

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2012, the District paid $10,407 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and 2010, the District paid $1,901 and $10,000, respectively, to TRS for employer contributions due on salary increase in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012, 2011, and 2010, the District was required to pay no amounts to TRS for sick leave days granted in excess of the normal annual allotment.

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.illinois.gov.

Teachers' Health Insurance Security Fund

The District participates in the Teachers' Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

Note 8. Retirement Fund Commitments (continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State to make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On behalf contributions to THIS Fund**
  The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were $318,114, and the District recognized revenue and expenditures of this amount during the year.

  State contributions intended to match active member contributions during the years ended June 30, 2011 and 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of district employees were $318,896 and $313,803, respectively.

- **Employer contributions to THIS Fund**
  The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2012, and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid $238,585 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid $239,172 and $235,352 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Note 8. Retirement Fund Commitments (continued)

Funding Policy. As set by statute, the District's regular plan members are required to contribute 4.50 percent 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 employer contribution rates for calendar years ended December 31, 2012 and 2011 used by the District were 10.29 percent and 9.35 percent, respectively, of annual covered payroll. The District's annual required contribution rates for calendar years ended December 31, 2012 and 2011 were 11.60 percent and 11.16 percent, respectively. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The required contributions for 2012 and 2011 were determined as part of the December 31, 2010 and 2009, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 and 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The District's regular plan's unfunded actuarial accrued liability at the December 31, 2010 and 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Annual Pension Cost. The following table shows the components of the District's annual pension costs for the fiscal year ended June 30, 2012, the amount actually contributed to the plan, and changes in the District's net pension obligation to the plan:

Annual required contribution	$ 978,708
Interest on net pension obligation	20,744
Adjustment to annual required contribution	64,173
Annual pension cost	1,063,625
Contributions made	(844,424)
Increase in net pension obligation	219,201
Net pension obligation beginning of year	197,587
Net pension obligation end of year	$ 416,788

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	$ 1,063,625	79%	$ 416,788
June 30, 2011	874,885	89%	197,587
June 30, 2010	807,330	87%	101,276

Note 8. Retirement Fund Commitments (continued)

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 67.45 percent funded. The actuarial accrued liability for benefits was $15,553,313 and the actuarial value of assets was $10,490,355, resulting in an underfunded actuarial accrued liability (UAAL) of $5,062,958. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was $8,689,398 and the ratio of UAAL to covered payroll was 58 percent.

The schedule of funding progress, presented as required supplementary following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 9. Contingent Liabilities and Commitments

As of June 30, 2012, the District is committed under construction contracts of approximately $2,719,000.

The District received financial awards from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2012.

Note 10. Other Financial Disclosures (FFS Level Only)

Interfund transfers
Transfers for the year ended June 30, 2012 were as follows:

Governmental Funds	Transfers In	Transfers Out
Major Funds:		
General - Educational Accounts	$ -	$ 543,695
General - Working Cash Accounts	-	5,200,000
Debt Service Fund	543,695	-
Nonmajor Fund:		
Capital Projects Fund	5,200,000	-
	$ 5,743,695	$ 5,743,695

Interfund transfers are to assist with costs of operations, construction, and debt service purposes.

Budget Overexpenditures
The following funds overexpended their budgets for the year ended June 30, 2012:

Nonmajor governmental fund:	
Capital Projects Fund	621,543

Note 11. Pronouncements Issued But Not Yet Adopted

The following is a description of GASB authoritative pronouncements which have been issued but not yet adopted by the District.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows or Resources, and Net Position*, will be effective for the District beginning with its year ending June 30, 2013. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the District beginning with its year ending June 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

Note 11. Pronouncements Issued But Not Yet Adopted (continued)

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the District beginning with its year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

GASB Statement No. 67, *Financial Reporting for Pension Plans,* will be effective for the District beginning with its year ended June 30, 2014. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* will be effective for the District beginning with its year ended June 30, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management of the District is still in the process of determining what effect, if any, the above standards will have on the basic financial statements and related disclosures.

Note 12. Litigation

The District is occasionally party to lawsuits and claims arising out of the conduct of its business. The District is of the opinion that its liability, if any, will not have a material effect on its financial statements.

Note 13. Sales-Leaseback Transaction

In April 2007, the District approved a sale-leaseback with the Village of Oak Park. Under the terms of this agreement, the District agreed to sell its Administration Building to the Village for $2,370,000, to be paid in two installments of $1,185,000. Title to the building transferred to the Village within 30 days of the second installment, paid in 2008. In return, the District leased the building from the Village for $1 per year beginning August 1, 2008. The building is included with capital assets on the government wide financial statements. At the conclusion of the lease term on August 1, 2012, the title to the Administration Building reverts back to the District.

Required Supplementary Information

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE—
NOT TO BE REPRODUCED

Oak Park Elementary School District 97

Schedule of Funding Progress
Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	$ 10,490,355	$ 15,553,313	$ 5,062,958	67.45 %	$ 8,689,398	58.27 %
12/31/10	10,210,828	15,493,479	5,282,651	65.90	9,040,069	58.44
12/31/09	9,888,123	14,076,795	4,188,672	70.24	8,363,119	50.09

On a market value basis, the actuarial value of assets as of December 31, 2011 is $9,726,166. On a market basis, the funded ratio would be 62.53 percent.

Oak Park Elementary School District 97

Schedule of Funding Progress
Postretirement Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/10	$ -	$ 8,595,272	$ 8,595,272	-	$ 37,057,924	23.19 %
07/01/08	-	9,442,338	9,442,338	-	37,318,040	25.30

The District has elected to have biennial valuations performed. Information has been presented for as many years as is available.

Oak Park Elementary School District 97

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis
General Fund, by Accounts
Year Ended June 30, 2012

	Educational Account			Operations and Maintenance Account		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues:						
Property taxes	$ 42,392,612	$ 42,392,612	$ 44,680,849	$ 4,029,309	$ 4,029,309	$ 3,046,511
Corporate property replacement taxes	1,281,528	1,281,528	1,363,085	-	-	-
Charges for services	1,461,722	1,461,722	1,383,415	56,556	56,556	40,486
Unrestricted state aid	7,056,872	7,056,872	7,060,114	-	-	-
Restricted state aid	3,561,436	4,279,583	3,929,985	2,000,000	2,000,000	2,000,000
Restricted federal aid	3,303,724	3,800,182	3,964,599	-	-	-
Interest	10,000	10,000	30,301	8,000	8,000	158
Other	2,204,544	2,917,474	3,164,050	-	-	-
Total revenues	61,272,438	63,199,973	65,576,398	6,093,865	6,093,865	5,087,155
Expenditures:						
Current:						
Instruction:						
Regular programs	26,078,320	26,074,870	27,096,298	40,000	40,000	40,074
Special programs	12,946,966	12,902,814	11,356,239	-	-	-
Other instructional programs	1,517,662	1,524,418	1,467,255	330,065	330,065	129,755
Support services:						
Pupils	3,317,619	3,327,835	3,347,396	-	-	-
Instructional staff	2,683,495	2,801,943	2,012,190	-	-	-
General administration	2,045,857	2,266,073	2,127,785	-	-	-
School administration	3,235,836	3,240,544	3,234,526	-	-	-
Business	2,130,691	2,134,191	2,035,770	303,815	303,815	309,607
Transportation	8,348	8,348	4,420			
Operations and maintenance	233,804	234,774	156,912	5,364,052	5,380,245	5,053,696
Central	2,925,073	2,936,967	2,377,668	-	-	-
Community services	119,563	119,997	101,287	-	-	-
Non-programmed charges	150,000	150,000	188,504	-	-	-
Debt service						
Bond issuance costs	-	-	-	-	-	-
Capital outlay	480,721	498,159	425,069	148,500	132,307	104,349
Total expenditures	57,873,955	58,220,933	55,931,319	6,186,432	6,186,432	5,637,481
Excess (deficiency) of revenues over (under) expenditures	3,398,483	4,979,040	9,645,079	(92,567)	(92,567)	(550,326)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-
Transfers in	5,200,000	5,200,000	-	5,200,000	5,515,000	5,200,000
Transfers (out)	(5,743,695)	(6,058,695)	(543,695)	(3,362,288)	(5,515,000)	(5,200,000)
Total other financing sources	(543,695)	(858,695)	(543,695)	1,837,712	-	-
Change in fund balance	$ 2,854,788	$ 4,120,345	$ 9,101,384	$ 1,745,145	$ (92,567)	$ (550,326)

See Note to Required Supplementary Information.

Working Cash Account		Total		
Original and Final Budget	Actual	Original Budget	Final Budget	Actual
$ -	$ -	$ 46,421,921	$ 46,421,921	$ 47,727,360
-	-	1,281,528	1,281,528	1,363,085
-	-	1,518,278	1,518,278	1,423,901
-	-	7,056,872	7,056,872	7,060,114
-	-	5,561,436	6,279,583	5,929,985
-		3,303,724	3,800,182	3,964,599
22,000	1,410	40,000	40,000	31,869
-	-	2,204,544	2,917,474	3,164,050
22,000	1,410	67,388,303	69,315,838	70,664,963
-	-	26,118,320	26,114,870	27,136,372
-	-	12,946,966	12,902,814	11,356,239
-	-	1,847,727	1,854,483	1,597,010
-	-	3,317,619	3,327,835	3,347,396
-	-	2,683,495	2,801,943	2,012,190
-	-	2,045,857	2,266,073	2,127,785
-	-	3,235,836	3,240,544	3,234,526
-	-	2,434,506	2,438,006	2,345,377
	-	8,348	8,348	4,420
-	-	5,597,856	5,615,019	5,210,608
-	-	2,925,073	2,936,967	2,377,668
-	-	119,563	119,997	101,287
-	-	150,000	150,000	188,504
-	67,564	-	-	67,564
-	-	629,221	630,466	529,418
-	67,564	64,060,387	64,407,365	61,636,364
22,000	(66,154)	3,327,916	4,908,473	9,028,599
5,200,000	5,060,000	5,200,000	5,200,000	5,060,000
-	207,564	-	-	207,564
-	-	10,400,000	10,715,000	5,200,000
(5,200,000)	(5,200,000)	(14,305,983)	(16,773,695)	(10,943,695)
-	67,564	1,294,017	(858,695)	(476,131)
$ 22,000	$ 1,410	$ 4,621,933	$ 4,049,778	$ 8,552,468

Note 1. Budgetary Basis of Accounting

Annual budgets are adopted for all governmental fund types except for the Student Activity Fund, an agency fund. The annual budgets are adopted on a basis consistent with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. All budgets lapse at fiscal year-end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and function. The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10 percent of the total of each fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. In 2012, the general fund, capital projects fund, and transportation fund had budget amendments.

For budgetary purposes, the District does not recognize as revenues received the retirement contributions made by the State to the Teachers' Retirement System of the State of Illinois (TRS) and the Teachers' Health Insurance Security Fund (THIS) on behalf of the District as well as the related expenditures paid.

The following schedule reconciles the revenues and expenditures on the budgetary basis with the amounts presented in accordance with accounting principles generally accepted in the United States of America for the District's General Fund.

	General Fund
Revenues - Budgetary basis	$ 70,664,963
Unbudgeted retirement contributions from TRS and THIS	9,228,671
Revenues - GAAP basis	$ 79,893,634
Expenditures - Budgetary basis	$ 61,636,364
Unbudgeted retirement contributions to TRS and THIS	9,228,671
Expenditures - GAAP basis	$ 70,865,035

Supplementary Information

Oak Park Elementary School District 97

Combining Balance Sheet
General Fund, by Accounts
June 30, 2012

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Assets				
Cash and investments	$ 20,873,026	$ 970,896	$ 6,077,939	$ 27,921,861
Receivables:				
Property taxes	19,571,129	1,530,969	-	21,102,098
Replacement taxes	248,618	-	-	248,618
Intergovernmental	2,019,282	-	-	2,019,282
Prepaid asset	477,550	-	-	477,550
Total assets	$ 43,189,605	$ 2,501,865	$ 6,077,939	$ 51,769,409
Liabilities and Fund Balance				
Liabilities				
Accounts payable	$ 598,735	$ 198,223	$ -	$ 796,958
Accrued liabilities	265,569	25,946	-	291,515
Compensated absences	12,700	-	-	12,700
Deferred revenue	19,789,139	1,488,137	-	21,277,276
Total liabilities	20,666,143	1,712,306	-	22,378,449
Fund balance:				
Restricted	-	789,559	6,077,939	6,867,498
Unassigned	22,523,462	-	-	22,523,462
Total fund balance	22,523,462	789,559	6,077,939	29,390,960
Total liabilities and fund balance	$ 43,189,605	$ 2,501,865	$ 6,077,939	$ 51,769,409

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE—
NOT TO BE REPRODUCED

Oak Park Elementary School District 97

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund, by Accounts
Year Ended June 30, 2012

	Educational Account	Operations and Maintenance Account	Working Cash Account	Total
Revenues:				
Property taxes	$ 44,680,849	$ 3,046,511	$ -	$ 47,727,360
Corporate property replacement taxes	1,363,085	-	-	1,363,085
Charges for services	1,383,415	40,486	-	1,423,901
Unrestricted state aid	7,060,114	2,000,000	-	9,060,114
Restricted state aid	13,158,656	-	-	13,158,656
Restricted federal aid	3,964,599	-	-	3,964,599
Interest	30,301	158	1,410	31,869
Other	3,164,050	-	-	3,164,050
Total revenues	74,805,069	5,087,155	1,410	79,893,634
Expenditures:				
Current:				
Instruction:				
Regular programs	27,096,298	40,074	-	27,136,372
Special programs	11,356,239	-	-	11,356,239
Other instructional programs	1,467,255	129,755	-	1,597,010
State retirement contributions	9,228,671	-	-	9,228,671
Support services:				
Pupils	3,347,396	-	-	3,347,396
Instructional staff	2,012,190	-	-	2,012,190
General administration	2,127,785	-	-	2,127,785
School administration	3,234,526	-	-	3,234,526
Business	2,035,770	309,607	-	2,345,377
Transportation	4,420	-	-	4,420
Operations and maintenance	156,912	5,053,696	-	5,210,608
Central	2,377,668	-	-	2,377,668
Community services	101,287	-	-	101,287
Non-programmed charges	188,504	-	-	188,504
Debt service:				
Bond issuance costs	-	-	67,564	67,564
Capital outlay	425,069	104,349	-	529,418
Total expenditures	65,159,990	5,637,481	67,564	70,865,035
Excess (deficiency) of revenues over (under) expenditures	9,645,079	(550,326)	(66,154)	9,028,599
Other financing sources,				
Bond proceeds	-	-	5,060,000	5,060,000
Premium on bonds	-	-	207,564	207,564
Transfers in	-	5,200,000	-	5,200,000
Transfers (out)	(543,695)	(5,200,000)	(5,200,000)	(10,943,695)
Total other financing sources	(543,695)	-	67,564	(476,131)
Change in fund balance	9,101,384	(550,326)	1,410	8,552,468
Fund balance:				
July 1, 2011	13,422,078	1,339,885	6,076,529	20,838,492
June 30, 2012	$ 22,523,462	$ 789,559	$ 6,077,939	$ 29,390,960

Oak Park Elementary School District 97

Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation Fund	Municipal Retirement Fund	Fire Prevention and Safety Fund	Capital Projects Fund	Nonmajor Governmental Funds
Assets					
Cash and investments	$ 1,816,312	$ 553,746	$ 111,588	$ 4,688,292	$ 7,169,938
Receivables:					
Property taxes	592,867	1,105,214	-	-	1,698,081
Intergovernmental	725,883	-	-	-	725,883
Replacement taxes	-	8,298	-	-	8,298
Total assets	$ 3,135,062	$ 1,667,258	$ 111,588	$ 4,688,292	$ 9,602,200
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 123,284	$ 22,457	$ -	$ 1,376,826	$ 1,522,567
Deferred revenue	1,289,101	1,097,256	-	-	2,386,357
Total liabilities	1,412,385	1,119,713	-	1,376,826	3,908,924
Fund balance					
Restricted for:					
Transportation	1,722,677	-	-	-	1,722,677
Capital projects	-	-	111,588	3,311,466	3,423,054
Retirement contributions	-	547,545	-	-	547,545
Total fund balances	1,722,677	547,545	111,588	3,311,466	5,693,276
Total liabilities and fund balances	$ 3,135,062	$ 1,667,258	$ 111,588	$ 4,688,292	$ 9,602,200

Oak Park Elementary School District 97

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type
Nonmajor Governmental Funds
Year Ended June 30, 2012

	Special Revenue Funds		Capital Projects Funds		Total
	Transportation Fund	Municipal Retirement Fund	Fire Prevention and Safety Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	$ 1,279,390	$ 2,318,799	$ -	$ -	$ 3,598,189
Corporate property replacement taxes	-	45,497	-	-	45,497
Restricted state aid	1,928,586	-	-	-	1,928,586
Restricted federal aid	-	-	-	115,778	115,778
Other	-	-	-	41,988	41,988
Interest	700	28	104	134	966
Total revenues	3,208,676	2,364,324	104	157,900	5,731,004
Expenditures:					
Current:					
Instruction:					
Regular programs	-	351,705	-	-	351,705
Special programs	-	472,599	-	-	472,599
Other instructional programs	-	37,985	-	-	37,985
Support services:					
Pupils	-	29,571	-	-	29,571
Instructional staff	-	96,990	-	-	96,990
General administration	-	16,082	-	-	16,082
School administration	-	178,695	-	-	178,695
Business	-	91,423	-	-	91,423
Transportation	2,888,188	551	-	-	2,888,739
Operations and maintenance	-	513,045	-	-	513,045
Central	-	200,429	-	-	200,429
Community services	-	403	-	-	403
Capital outlay	-	-	-	3,845,531	3,845,531
Total expenditures	2,888,188	1,989,478	-	3,845,531	8,723,197
Excess (deficiency) of revenues over (under) expenditures	320,488	374,846	104	(3,687,631)	(2,992,193)
Other financing sources, Transfers in	-	-	-	5,200,000	5,200,000
Change in fund balances	320,488	374,846	104	1,512,369	2,207,807
Fund balances:					
July 1, 2011	1,402,189	172,699	111,484	1,799,097	3,485,469
June 30, 2012	$ 1,722,677	$ 547,545	$ 111,588	$ 3,311,466	$ 5,693,276

Oak Park Elementary School District 97

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 8,084,435	$ 8,131,694	$ 47,259
Interest	8,000	26	(7,974)
Other revenue	-	1,406	1,406
Total revenues	8,092,435	8,133,126	40,691
Expenditures:			
Debt service:			
Principal	5,160,000	5,160,000	-
Interest and fees	2,815,038	2,770,373	44,665
Other	264,172	258,195	5,977
Total expenditures	8,239,210	8,188,568	50,642
Excess (deficiency) of revenues over (under) expenditures	(146,775)	(55,442)	91,333
Other financing sources,			
Transfers in	543,695	543,695	-
Total other financing sources	543,695	543,695	-
Change in fund balance	$ 396,920	488,253	$ 91,333
Fund balance:			
July 1, 2011		3,733,144	
June 30, 2012		$ 4,221,397	

Oak Park Elementary School District 97

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Transportation Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Property taxes	$ 1,229,489	$ 1,226,289	$ 1,279,390	$ 53,101
Restricted state aid	1,472,922	1,723,640	1,928,586	204,946
Interest	-	3,200	700	(2,500)
Total revenues	2,702,411	2,953,129	3,208,676	255,547
Expenditures:				
Current:				
Support services:				
Transportation	3,201,335	3,201,335	2,888,188	313,147
Change in fund balance	$ (498,924)	$ (248,206)	320,488	$ 568,694
Fund balance:				
July 1, 2011			1,402,189	
June 30, 2012			$ 1,722,677	

Oak Park Elementary School District 97

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Municipal Retirement Fund
Year Ended June 30, 2012

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	$ 2,388,380	$ 2,318,799	$ (69,581)
Corporate property replacement taxes	42,365	45,497	3,132
Interest	150	28	(122)
Total revenues	2,430,895	2,364,324	(66,571)
Expenditures:			
Current:			
Instruction:			
Regular programs	365,425	351,705	13,720
Special programs	471,258	472,599	(1,341)
Other instructional programs	38,032	37,985	47
Support services:			
Pupils	28,286	29,571	(1,285)
Instructional staff	123,285	96,990	26,295
General administration	15,375	16,082	(707)
School administration	166,472	178,695	(12,223)
Business	91,765	91,423	342
Transportation	469	551	(82)
Operations and maintenance	505,048	513,045	(7,997)
Central	223,878	200,429	23,449
Community services	299	403	(104)
Total expenditures	2,029,592	1,989,478	40,114
Change in fund balance	$ 401,303	374,846	$ (26,457)
Fund balance:			
July 1, 2011		172,699	
June 30, 2012		$ 547,545	

Oak Park Elementary School District 97

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Fire Prevention and Safety Fund
Year Ended June 30, 2012**

	Original and Final Budget	Actual	Variance
Revenues,			
interest	$ 500	$ 104	$ (396)
Expenditures,			
capital outlay	-	-	-
Change in fund balance	$ 500	104	$ (396)
Fund balance:			
July 1, 2011		111,484	
June 30, 2012		$ 111,588	

Oak Park Elementary School District 97

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	$ 1,000	$ 1,000	$ 134	$ (866)
Restricted federal aid	185,000	185,000	115,778	(69,222)
Other revenue	-	41,663	41,988	325
Total revenues	186,000	227,663	157,900	(69,763)
Expenditures,				
Capital outlay	3,223,988	3,223,988	3,845,531	(621,543)
(Deficiency) of revenues (under) expenditures	(3,037,988)	(2,996,325)	(3,687,631)	(691,306)
Other financing sources,				
Transfers in	3,362,228	5,515,000	5,200,000	(315,000)
Change in fund balance	$ 324,240	$ 2,518,675	1,512,369	$ (1,006,306)
Fund balance:				
July 1, 2011			1,799,097	
June 30, 2012			$ 3,311,466	

Oak Park Elementary School District 97

Schedule of Assessed Valuations, Tax Rates and Tax Extensions
Last Five Years

	Tax Year 2011	2010	2009	2008	2007
Assessed Valuations	$ 1,596,903,799	$ 1,850,649,808	$ 1,740,601,475	$ 1,537,939,260	$ 1,537,939,260
Tax Rates:					
General Fund:					
Educational Accounts:					
Standard	2.6528	2.2344	2.0088	2.2735	2.1187
Special Education	-	-	-	-	-
Operations and Maintenance Accounts:					
Standard	0.2075	0.1748	0.2293	0.2595	0.2439
Transportation Fund	0.0804	0.0679	0.0769	0.0871	0.0821
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	0.0749	0.0612	0.0473	0.0536	0.0352
Social Security	0.0749	0.0612	0.0473	0.0536	0.0636
Bond and Interest Fund	0.5049	0.4325	0.4549	0.5149	0.5147
Total	3.5954	3.0320	2.8645	3.2421	3.0582
Extended Tax Rate	3.595	3.032	2.865	3.242	3.058
Tax Extensions:					
General Fund:					
Educational Accounts:					
Standard	$ 42,363,373	$ 41,351,518	$ 36,049,976	$ 34,965,012	$ 32,584,618
Special Education	-	-	-	-	-
Operations and Maintenance Accounts,					
Standard	3,313,912	3,234,210	3,540,323	3,991,250	3,750,584
Transportation Fund	1,283,312	1,256,384	1,187,722	1,339,000	1,263,333
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	1,196,165	1,133,000	730,906	824,000	540,750
Social Security	1,196,165	1,133,000	730,906	824,000	978,500
Bond and Interest Fund	8,062,835	8,005,393	7,917,525	7,918,381	7,914,447
Totals	$ 57,415,762	$ 56,113,505	$ 50,157,358	$ 49,861,643	$ 47,032,232

PRELIMINARY DRAFT
FOR REVIEW AND DISCUSSION
--SUBJECT TO CHANGE—
NOT TO BE REPRODUCED

Oak Park Elementary School District 97

Schedule of Debt Service Requirements
Year Ended June 30, 2012

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Total general obligation bonds and capital leases debt service requirements	2013	$ 5,505,903	$ 2,151,256	$ 7,657,159
	2014	4,069,026	1,797,573	5,866,599
	2015	5,025,000	1,519,575	6,544,575
	2016	4,260,000	1,202,925	5,462,925
	2017	3,860,000	873,000	4,733,000
	2018	3,750,000	536,850	4,286,850
	2019	4,090,000	184,050	4,274,050
		$ 30,559,929	$ 8,265,229	$ 38,825,158

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
General Obligation Bond issue, Series 1999B				
Interest payable June 1 and	2013	$ 2,440,000	$ 1,908,450	$ 4,348,450
December 1 of each year	2014	2,655,000	1,679,175	4,334,175
Principal payable December 1 of each year	2015	2,895,000	1,429,425	4,324,425
Interest rates 3.15% - 5.30%	2016	3,155,000	1,157,175	4,312,175
Paying agent: US Bank	2017	3,440,000	860,400	4,300,400
	2018	3,750,000	536,850	4,286,850
	2019	4,090,000	184,050	4,274,050
		$ 22,425,000	$ 7,755,525	$ 30,180,525

(continued)

Oak Park Elementary School District 97

Schedule of Debt Service Requirements (continued)
Year Ended June 30, 2012

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
General Obligation Bond issue, Series 2010C				
Interest payable January 1 and	2013	$ 2,990,000	$ 119,600	$ 3,109,600
July 1 of each year				
Principal payable January 1 of each year				
Interest rates 1.00% - 4.00%				
Paying agent: Amalgamated Bank				
General Obligation Limited School Bond issue, Series 2011				
Interest payable January 1 and	2013	$ -	$ 119,235	$ 119,235
July 1 of each year	2014	1,405,000	118,250	1,523,250
Principal payable January 1 of each year	2015	2,130,000	90,150	2,220,150
Interest rates 1.50% - 3.00%	2016	1,105,000	45,750	1,150,750
Paying agent: Amalgamated Bank	2017	420,000	12,600	432,600
		$ 5,060,000	$ 385,985	$ 5,445,985
Capital lease with Oce Leasing				
Copy machines	2013	$ 75,903	$ 3,971	$ 79,874
Dated October 30, 2008	2014	9,026	148	9,174
Interest rates 4.39% - 11.54%				
		$ 84,929	$ 4,119	$ 89,048