

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

**Oak Park Elementary School
District 97**

Oak Park, Illinois

Annual Financial Report
June 30, 2016

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Independent Auditor's Report

To the Board of Education
Oak Park Elementary School District 97

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Park Elementary School District 97, Illinois (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Park Elementary School District 97, Illinois, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis (pages 3-12), schedules of net pension liabilities, employer contributions, and schedule of funding progress (pages 47-50), and budgetary comparison information (pages 51-52) and the related note (page 53), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual fund financial statements, and other schedules as 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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chicago, Illinois
October XX, 2016

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Required Supplementary Information

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**Management's Discussion
and Analysis (MD&A)**

Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

The discussion and analysis of Oak Park Elementary School District 97's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$63.5 million. Of this amount, \$1.3 million may be used to meet the District's ongoing obligations to citizens and creditors.
- In total, net position increased by approximately \$0.5 million. This represents a decrease of 1.0 percent from 2015.
- General revenues were \$74.3 million or 68.6 percent of all revenues. Program specific revenues, in the form of charges for services and grants, were \$34.0 million or 31.4 percent of total revenues of \$105.5 million.

Overview of the Financial Statements

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

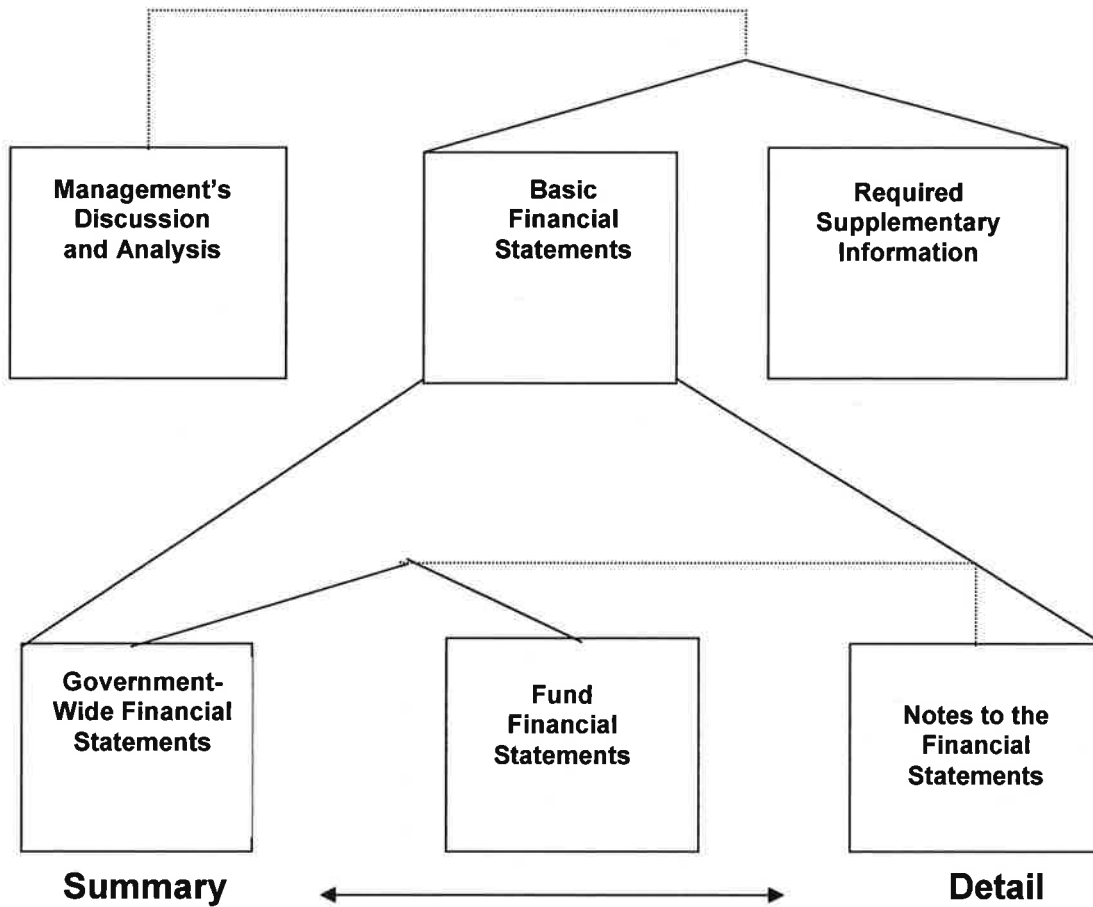
- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

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

Oak Park Elementary School District 97

Management's Discussion and Analysis
For the Year Ended June 30, 2016

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.

Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position 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 position 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.

Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

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 position. The District's net position increased by 1.0 percent compared to the prior year. At year-end, total net position was \$63.5 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 decreased approximately \$8.6 million due largely to a decrease in cash and investments.
- Total liabilities decreased approximately \$2.1 million due largely to the District paying down \$6.2 million in general obligation debt.

| | | Table 1 | |
|----------------------------------|--|--|---------------|
| | | Condensed Statement of Net Position | |
| | | <i>(in millions of dollars)</i> | |
| | | <u>2016</u> | <u>2015</u> |
| Current assets | | \$59.4 | \$68.0 |
| Noncurrent assets | | <u>66.2</u> | <u>61.0</u> |
| Total assets | | <u>125.6</u> | <u>129.0</u> |
| Deferred outflows of resources | | <u>4.2</u> | <u>2.5</u> |
| Current liabilities | | 9.6 | 8.8 |
| Long-term liabilities | | <u>28.8</u> | <u>31.7</u> |
| Total liabilities | | <u>38.4</u> | <u>40.5</u> |
| Deferred inflows of resources | | <u>27.8</u> | <u>28.0</u> |
| Net position: | | | |
| Net investment in capital assets | | 54.8 | 46.2 |
| Restricted | | 7.4 | 7.4 |
| Unrestricted | | <u>1.3</u> | <u>9.4</u> |
| Total net position | | <u>\$63.5</u> | <u>\$63.0</u> |

Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

| Table 2 Changes in Net Position (in millions of dollars) | | |
|---|---------------|---------------|
| | <u>2016</u> | <u>2015</u> |
| Revenues: | | |
| Program Revenues: | | |
| Charges for services | \$1.6 | \$1.6 |
| Operating grants & contributions | 32.4 | 29.1 |
| General Revenues: | | |
| Taxes | 62.3 | 60.9 |
| General state aid | 8.7 | 8.8 |
| Other | 3.3 | 1.8 |
| Total revenues | <u>108.3</u> | <u>102.2</u> |
| Expenses: | | |
| Instruction | 68.8 | 67.2 |
| Support Services | 37.5 | 35.0 |
| Community Services | 0.1 | 0.1 |
| Non-programmed Charges | 0.2 | 0.1 |
| Other | 1.2 | 2.3 |
| Total expenses | <u>107.8</u> | <u>104.7</u> |
| Change in net position | 0.5 | (2.5) |
| Net Position – Beginning | <u>63.0</u> | <u>65.5</u> |
| Net Position – Ending | <u>\$63.5</u> | <u>\$63.0</u> |

Changes in net position. The District's total revenues were \$108.3 million. Taxes and general state aid were 65.7 percent of the total or \$71.0 million. Real estate taxes increased by 0.1 percent from the prior year for a total increase of \$1.6 million.

State and federal aid for specific programs brought in an additional \$32.4 million of the total revenues, which is an increase over the prior year, due to an increase in state retirement contributions.

The remaining \$4.9 million came from fees charged for services and other miscellaneous sources.

The total cost of all programs and services was \$107.8 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 98.7 percent of the total (see Figure 3). The District's other activities were 1.3 percent of total costs. The overall increase in expenditures from the prior year is due to increased costs for salaries and related costs.

Total expenses exceeded revenues, resulting in an increase in net position of 1.0 percent from the prior year net position ending balance.

Oak Park Elementary School District 97

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Figure 2

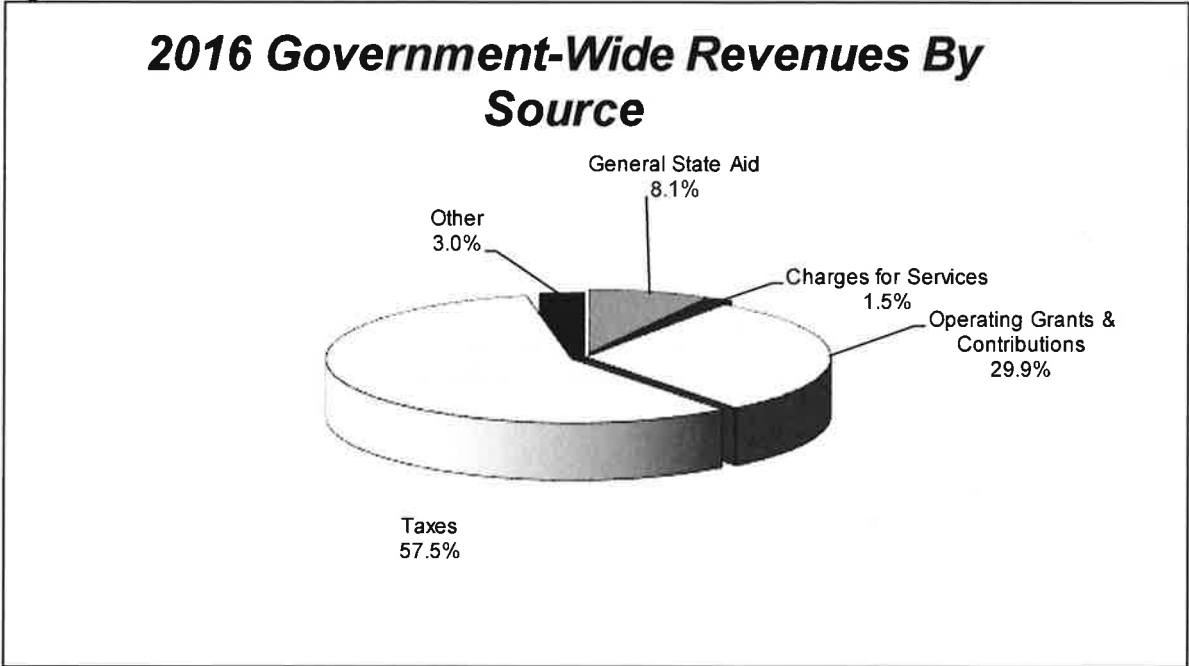
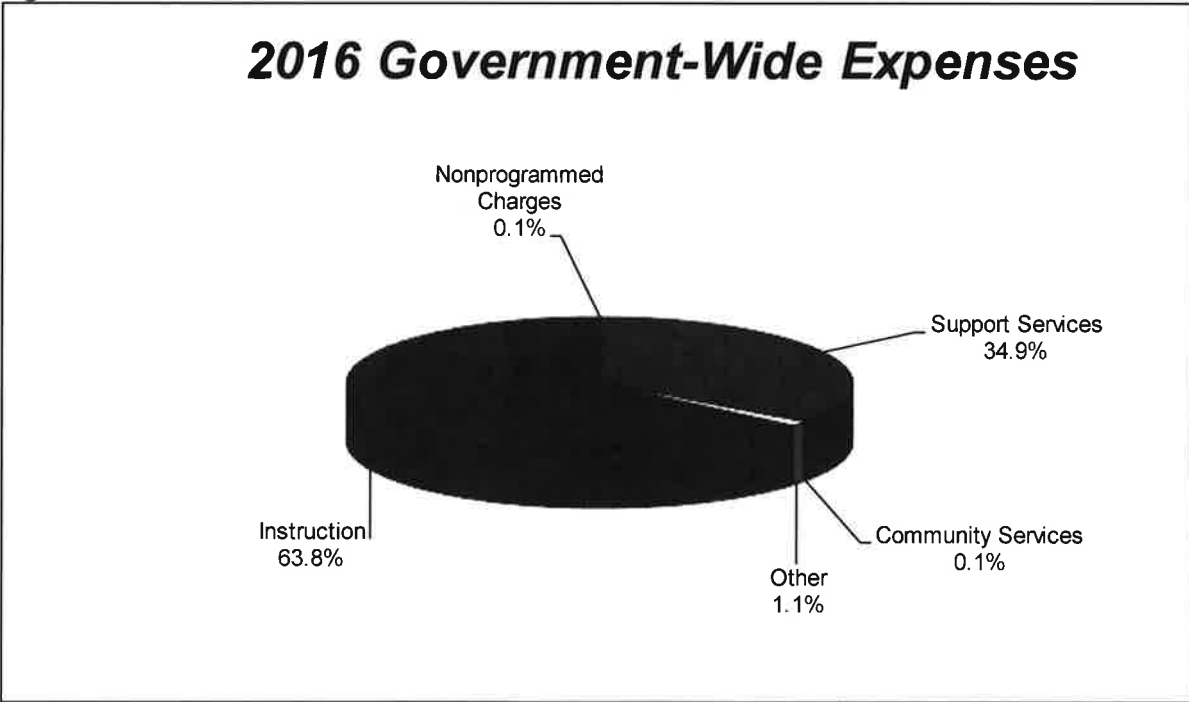


Figure 3



Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$27.9 million. Revenues for the District's governmental funds were \$106.4 million, while total expenditures were \$117.3 million.

The General Fund experienced a current year deficit of \$7.9 million. This deficit resulted in a year-end fund balance of \$22.3 million.

The Debt Service Fund increased its fund balance by \$0.7 million. The entire year-end fund balance of \$5.8 million is restricted for principal and interest payments on outstanding debt.

The Nonmajor Governmental Funds fund balances decreased by \$3.6 million from the prior year. This decrease can be mainly attributed to an increase in fund expenditures.

General Fund Budgetary Highlights

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by \$5.0 million before other financing sources, the actual result for the year was a \$5.7 million deficit.

Oak Park Elementary School District 97

Management's Discussion and Analysis
 For the Year Ended June 30, 2016

Capital Asset and Debt Administration

Capital Assets

By the end of 2016, the District had invested \$101.3 million (before accumulated depreciation of \$38.1 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 \$3.5 million, and additions to building improvements, equipment and furniture were \$8.8 million.

| Table 3 | | | |
|--|----------------|----------------|-------------------------------|
| <i>Capital Assets (net of depreciation)</i> | | | |
| <i>(in millions of dollars)</i> | | | |
| | 2016 | 2015 | Total Percentage Change |
| Land | \$ 3.1 | \$ 3.1 | 0.0% |
| Depreciable land improvements and buildings | 61.8 | 57.0 | 8.4% |
| Equipment | 1.3 | 0.9 | 44.4% |
| TOTAL | \$ 66.2 | \$ 61.0 | |

Oak Park Elementary School District 97

Management's Discussion and Analysis
 For the Year Ended June 30, 2016

Long-Term Debt

At year-end, the District had \$17.1 million in general obligation bonds 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.

| | 2016 | 2015 | Total Percentage Change |
|--------------------------|----------------|----------------|-------------------------------|
| General obligation bonds | <u>\$ 17.1</u> | <u>\$ 23.3</u> | -26.6% |

- The District continued to pay down its debt, retiring \$6.2 million of outstanding 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 \$92.1 million.

Oak Park Elementary School District 97

**Management's Discussion and Analysis
For the Year Ended June 30, 2016**

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 its 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 Illinois General Assembly has not come to final resolution on two major pieces of legislation: pension reform and potential property tax freezes for tax years 2016 and 2017 and the respective impact on school district finances.
- The current national and state budgetary concerns continue to affect the District's funding levels and timing of 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 60302.

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Basic Financial Statements

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

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Oak Park Elementary School District 97

**Statement of Net Position
June 30, 2016**

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Current Assets | |
| Cash and investments | \$ 28,116,099 |
| Receivables: | |
| Property taxes, net of allowance for uncollectible accounts | 27,574,599 |
| Replacement taxes | 257,983 |
| Intergovernmental | 3,224,060 |
| Interest | 17,536 |
| Prepaid asset | 205,865 |
| Total current assets | <u>59,396,142</u> |
| Noncurrent Assets | |
| Capital assets not being depreciated | 3,046,678 |
| Capital assets being depreciated, net | 63,140,746 |
| Total noncurrent assets | <u>66,187,424</u> |
| Total assets | <u>125,583,566</u> |
| Deferred Outflows of Resources | |
| Pension actuarial adjustments | 4,195,070 |
| Total assets and deferred outflows of resources | <u>\$ 129,778,636</u> |
| Liabilities | |
| Current Liabilities | |
| Accounts payable | \$ 2,278,974 |
| Accrued liabilities | 598,220 |
| Accrued interest | 84,601 |
| General obligation bonds | 6,630,000 |
| Compensated absences | 19,133 |
| Total current liabilities | <u>9,610,928</u> |
| Long-Term Liabilities, net of current maturities | |
| Unamortized premium on bonds | 144,101 |
| General obligation bonds | 10,470,000 |
| Net pension obligation | 10,463,932 |
| Postemployment benefits | 7,552,313 |
| Compensated absences | 215,108 |
| Total long-term liabilities | <u>28,845,454</u> |
| Total liabilities | <u>38,456,382</u> |
| Deferred Inflows of Resources | |
| Pension actuarial adjustments | 797,003 |
| Deferred revenue | 27,013,666 |
| Total deferred inflows of resources | <u>27,810,669</u> |
| Net Position | |
| Net investment in capital assets | 54,763,323 |
| Restricted for: | |
| Debt Service | 5,644,961 |
| Transportation | 1,729,755 |
| Capital improvements and maintenance | 112,705 |
| Unrestricted | 1,260,841 |
| Total net position | <u>63,511,585</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 129,778,636</u> |

See Notes to Basic Financial Statements.

**PRELIMINARY DRAFT
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Oak Park Elementary School District 97

**Statement of Activities
Year Ended June 30, 2016**

| Functions/Programs | Expenses | Program Revenues | | Net (Expense), Revenue and Changes in Net Position |
|--------------------------------------|-----------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular programs | \$ 32,768,265 | \$ 485,892 | \$ - | \$ (32,282,373) |
| Special programs | 11,647,848 | - | 6,335,665 | (5,312,183) |
| Other instructional programs | 1,715,920 | - | 383,076 | (1,332,844) |
| State retirement contributions | 22,686,571 | - | 22,686,571 | - |
| Support services: | | | | |
| Pupils | 3,897,785 | - | - | (3,897,785) |
| Instructional staff | 4,706,301 | - | 137,332 | (4,568,969) |
| General administration | 1,959,091 | - | - | (1,959,091) |
| School administration | 4,939,024 | - | - | (4,939,024) |
| Business | 3,318,969 | 1,092,064 | 736,696 | (1,490,209) |
| Transportation | 3,497,099 | - | 2,152,796 | (1,344,303) |
| Operations and maintenance | 11,663,306 | - | - | (11,663,306) |
| Central | 3,368,705 | - | - | (3,368,705) |
| Other | 244,082 | - | - | (244,082) |
| Community services | 88,926 | - | - | (88,926) |
| Non-programmed charges | 155,433 | - | - | (155,433) |
| Interest and fees | 1,197,833 | - | - | (1,197,833) |
| Total governmental activities | <u>\$ 107,855,160</u> | <u>\$ 1,577,956</u> | <u>\$ 32,432,136</u> | <u>(73,845,068)</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| Real estate taxes, general purposes | | | | 52,677,715 |
| Real estate taxes, debt service | | | | 8,168,587 |
| Corporate property replacement taxes | | | | 1,432,854 |
| State aid-formula grants | | | | 8,746,340 |
| Interest | | | | 95,608 |
| Miscellaneous | | | | 3,213,680 |
| Total general revenues | | | | <u>74,334,784</u> |
| Change in net position | | | | 489,716 |
| Net position: | | | | |
| July 1, 2015 | | | | <u>63,021,869</u> |
| June 30, 2016 | | | | <u>\$ 63,511,585</u> |

See Notes to Basic Financial Statements.

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Fund Financial Statements (FFS)

PRELIMINARY DRAFT
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Oak Park Elementary School District 97

Balance Sheet
Governmental Funds
June 30, 2016

| | Major Funds | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|-----------------------------------|--------------------------------|
| | General Fund | Debt Service Fund | | |
| Assets | | | | |
| Cash and investments | \$ 20,155,482 | \$ 5,268,278 | \$ 2,692,339 | \$ 28,116,099 |
| Receivables: | | | | |
| Property taxes | 22,410,021 | 3,690,998 | 1,473,580 | 27,574,599 |
| Replacement taxes | 249,650 | - | 8,333 | 257,983 |
| Intergovernmental | 2,683,766 | - | 540,294 | 3,224,060 |
| Prepaid asset | 159,184 | 46,681 | - | 205,865 |
| Due from other funds | 3,590,533 | 386,579 | 1,804,872 | 5,781,984 |
| Total assets | \$ 49,248,636 | \$ 9,392,536 | \$ 6,519,418 | \$ 65,160,590 |
| Liabilities | | | | |
| Accounts payable | \$ 878,908 | \$ 375 | \$ 1,399,691 | \$ 2,278,974 |
| Accrued liabilities | 237,364 | - | - | 237,364 |
| Compensated absences | 19,133 | - | - | 19,133 |
| Due to other funds | 2,522,472 | - | 3,259,512 | 5,781,984 |
| Total liabilities | 3,657,877 | 375 | 4,659,203 | 8,317,455 |
| Deferred Inflows of Resources | | | | |
| Deferred revenue | 23,310,982 | 3,615,918 | 1,983,900 | 28,910,800 |
| Fund balances (deficits) | | | | |
| Nonspendable | 159,184 | 46,681 | - | 205,865 |
| Restricted for: | | | | |
| Debt service | - | 5,729,562 | - | 5,729,562 |
| Transportation | - | - | 1,189,462 | 1,189,462 |
| Capital improvements and maintenance | - | - | 112,705 | 112,705 |
| Retirement contributions - IMRF | - | - | 842,476 | 842,476 |
| Unassigned | 22,120,593 | - | (2,268,328) | 19,852,265 |
| Total fund balances (deficits) | 22,279,777 | 5,776,243 | (123,685) | 27,932,335 |
| Total liabilities, deferred inflows of resources, and fund balances | | | | |
| | \$ 49,248,636 | \$ 9,392,536 | \$ 6,519,418 | \$ 65,160,590 |

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2016**

| | |
|---|----------------------|
| Total fund balances - governmental funds | \$ 27,932,335 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. | 66,187,424 |
| Interest receivable is recognized in the government-wide financial statements but not in the fund financial statements because it is not available. | 17,536 |
| Certain grant revenue is reported as deferred inflows of resources in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements. | |
| State grants | 1,897,134 |
| 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. | (144,101) |
| Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements | 4,195,070 |
| Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements | (797,003) |
| Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. | |
| These liabilities consist of: | |
| Accrued interest | (84,601) |
| Health insurance claims incurred but not reported | (360,856) |
| Net pension obligation | (10,463,932) |
| Postemployment benefits | (7,552,313) |
| Compensated absences | (215,108) |
| General obligation bonds | (17,100,000) |
| Net position of governmental activities | <u>\$ 63,511,585</u> |

See Notes to Basic Financial Statements.

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

Oak Park Elementary School District 97

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2016

| | Major Funds | | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|-----------------------------------|--------------------------------|
| | General Fund | Debt Service Fund | | |
| Revenues: | | | | |
| Property taxes | \$ 49,506,356 | \$ 8,168,587 | \$ 3,171,359 | \$ 60,846,302 |
| Corporate property replacement taxes | 1,386,573 | - | 46,281 | 1,432,854 |
| Charges for services | 1,577,956 | - | - | 1,577,956 |
| Unrestricted state aid | 8,746,340 | - | - | 8,746,340 |
| Restricted state aid | 26,223,774 | - | 1,612,502 | 27,836,276 |
| Restricted federal aid | 2,698,914 | - | - | 2,698,914 |
| Interest | 93,225 | 624 | 1,759 | 95,608 |
| Other | 306,885 | - | 2,906,795 | 3,213,680 |
| Total revenues | 90,540,023 | 8,169,211 | 7,738,696 | 106,447,930 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 33,314,913 | - | 462,290 | 33,777,203 |
| Special programs | 11,536,111 | - | 470,376 | 12,006,487 |
| Other instructional programs | 1,722,921 | - | 45,832 | 1,768,753 |
| State retirement contributions | 22,686,571 | - | - | 22,686,571 |
| Support services: | | | | |
| Pupils | 3,930,596 | - | 87,202 | 4,017,798 |
| Instructional staff | 3,827,993 | - | 91,372 | 3,919,365 |
| General administration | 2,000,773 | - | 18,639 | 2,019,412 |
| School administration | 3,603,039 | - | 200,369 | 3,803,408 |
| Business | 3,290,240 | - | 130,921 | 3,421,161 |
| Transportation | 4,397 | - | 3,492,702 | 3,497,099 |
| Operations and maintenance | 5,896,445 | - | 6,125,976 | 12,022,421 |
| Central | 3,291,856 | - | 180,572 | 3,472,428 |
| Other | 4,977 | - | 786 | 5,763 |
| Community services | 91,461 | - | 203 | 91,664 |
| Non-programmed charges | 160,220 | - | - | 160,220 |
| Capital outlay | 867,603 | - | 1,833,605 | 2,701,208 |
| Debt service: | | | | |
| Principal | - | 6,240,000 | - | 6,240,000 |
| Interest and fees | - | 1,407,638 | - | 1,407,638 |
| Leases and other | - | 238,492 | - | 238,492 |
| Total expenditures | 96,230,116 | 7,886,130 | 13,140,845 | 117,257,091 |
| (Deficiency) of revenues (under) expenditures | (5,690,093) | 283,081 | (5,402,149) | (10,809,161) |
| Other financing sources (uses): | | | | |
| Transfers in | 3,349,016 | 387,257 | 1,803,403 | 5,539,676 |
| Transfers (out) | (5,538,998) | (678) | - | (5,539,676) |
| Total other financing sources (uses) | (2,189,982) | 386,579 | 1,803,403 | - |
| Net change in fund balances | (7,880,075) | 669,660 | (3,598,746) | (10,809,161) |
| Fund balances: | | | | |
| July 1, 2015 | 30,159,852 | 5,106,583 | 3,475,061 | 38,741,496 |
| June 30, 2016 | \$ 22,279,777 | \$ 5,776,243 | \$ (123,685) | \$ 27,932,335 |

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, 2016**

Net change in fund balances—total governmental funds \$ (10,809,161)

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

Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide statement of activities:

State grants 1,896,947

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 | \$ 8,754,263 | |
| Depreciation expense | <u>(3,525,117)</u> | 5,229,146 |

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 position and is amortized over the life of the bonds.

Amortization of bond premium 186,143

Items related to pension expense and revenue are reported as deferred inflows and outflows on the government wide financial statements, but not on the fund statements.

| | |
|--|-----------|
| Deferred outflows related to pension expense | 1,735,570 |
| Deferred inflows related to pension expense | 140,541 |

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 position.

General obligation bonds 6,240,000

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 | (123,787) | |
| Decrease in accrued interest | 23,662 | |
| (Increase) in net pension obligation | (2,780,120) | |
| (Increase) in postemployment benefits | (1,323,930) | |
| Decrease in compensated absences | 74,705 | |
| | <u>74,705</u> | <u>(4,129,470)</u> |

| | | |
|---|--|-------------------|
| Change in net position of governmental activities | | <u>\$ 489,716</u> |
|---|--|-------------------|

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2016

| | <u>Agency Student Activity Fund</u> |
|---|---|
| Assets, cash | <u>\$ 682,321</u> |
| Liabilities, due to student groups | <u>\$ 682,321</u> |

See Notes to Basic Financial Statements.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Operations

Oak Park Elementary School District 97 (the 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 (the School Code), 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 (the 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:

- 1) 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
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

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

Basis of Presentation

Government-Wide Financial Statements: The government-wide Statement of Net Position 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.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of 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: 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.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of 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.

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 2015 tax levy was passed by the Board of Education in December 2015, and attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in March and August 2016 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 inflows of resources 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, 2016, the allowance for uncollectible amounts was approximately 3 percent of the total levy, or \$1,840,228.

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.

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 position.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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 Position. 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.

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.

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 Position 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 Inflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financials statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the "measureable" and "available" criteria for recognition in the current period.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, as well as pension payments made subsequent to the pension liability measurement date are reported as deferred outflows or inflows of resources on the government-wide financial statements. See note 8 for pension related disclosures.

Unearned revenues arise when resources are received by the District before it has a legal claim to them, in subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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, 2016 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.

The General Fund is typically used to liquidate these liabilities.

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 Position. Items such as premiums, discounts 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.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Net Position

The District's government-wide net position is reported in three categories:

Net investment in capital assets 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 and the associated deferred outflows of resources.

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

Unrestricted net position consists of net position 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, 2016, the District had nonspendable fund balance amounts totaling \$205,865.

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. At June 30, 2016, the District had restricted fund balance amounts totaling \$7,874,205.

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, 2016, the District had 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, 2016, the District has no assigned fund balance amounts.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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. At June 30, 2016, the District had unassigned fund balance amounts totaling \$19,852,265.

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.

The General Fund includes the Working Cash stabilization account. 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 times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2016, the District had working cash stabilization fund balances of \$4,380,932 that have been classified as unassigned fund balances in the General Fund.

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.

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, deferred outflows of resources, liabilities, deferred inflows of resources 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.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

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, 2016, the District had deposits with federally insured financial institutions of \$815,402 with bank balances totaling \$631,979.

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, 2016, the District's entire bank balance was fully insured and/or collateralized.

Investments Measured at Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The District has the following as of June 30, 2016:

| | June 30, 2016 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------|---|--|---|
| Investments by fair value level | | | | |
| Certificates of deposit | \$ 17,329,956 | \$ - | \$ 17,329,956 | \$ - |
| Investments measured at the net asset value (NAV) | | | | |
| Money market funds | 10,836,485 | | | |
| Total investments measured at fair value | <u>\$ 28,166,441</u> | | | |

Certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments measured at the NAV

| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|------------------------|----------------------|-------------------------|--|--------------------------------|
| Money market funds (1) | <u>\$ 10,836,485</u> | \$ - | Daily | 1 day |

¹ *Money market funds.* Funds are valued at share price, which is the price the investment could be sold for.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

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 (IMET) 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 and the Illinois Metropolitan Investment Fund. The District restricted its investments to only those investments described above.

As of June 30, 2016, the District’s investments in the Illinois School District Liquid Asset Fund Plus were rated AAAM by Standard & Poor’s, and the District’s investments in IMET were rated Aaa by Moody’s.

Concentration of Credit Risk – The District’s investment policy restricts 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 and IMET investments are 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 \$631,979 and investments of \$28,166,441 that total \$28,798,420 are presented in the basic financial statements as cash and investments as follows:

| | |
|--|----------------------|
| Statement of Net Position, governmental activities | \$ 28,116,099 |
| Statement of Fiduciary Assets and Liabilities, agency fund | 682,321 |
| | <u>\$ 28,798,420</u> |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 3. Capital Assets

Capital asset balances and activity for the year ended June 30, 2016, are as follows:

| | Balance July 1, 2015 | Additions | Retirements | Balance June 30, 2016 |
|--|-------------------------|--------------|-------------|--------------------------|
| 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 | 5,122,855 | 31,463 | - | 5,154,318 |
| Buildings | 82,046,820 | 7,723,996 | - | 89,770,816 |
| Other equipment | 5,377,920 | 998,804 | (35,385) | 6,341,339 |
| Total capital assets being depreciated | 92,547,595 | 8,754,263 | (35,385) | 101,266,473 |
| Less accumulated depreciation: | | | | |
| Land improvements | (867,338) | (262,833) | - | (1,130,171) |
| Buildings | (29,285,764) | (2,662,435) | - | (31,948,198) |
| Other equipment | (4,482,893) | (599,849) | 35,385 | (5,047,357) |
| Total accumulated depreciation | (34,635,995) | (3,525,117) | 35,385 | (38,125,727) |
| Total capital assets being depreciated, net | 57,911,600 | 5,229,146 | - | 63,140,746 |
| Governmental activities Capital assets, net | \$ 60,958,278 | \$ 5,229,146 | \$ - | \$ 66,187,424 |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 3. Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------|--------------|
| Instruction: | |
| Regular programs | \$ 1,479,369 |
| Special education | 525,858 |
| Other instructional programs | 77,468 |
| Support services: | |
| Pupils | 175,971 |
| Instructional staff | 171,660 |
| General administration | 88,446 |
| School administration | 166,581 |
| Business | 149,839 |
| Central | 526,556 |
| Other | 152,085 |
| Operations and maintenance | 252 |
| Community services | 4,015 |
| Non-programmed charges | 7,016 |
| | \$ 3,525,116 |
| | \$ 3,525,116 |

Note 4. Lease Commitments

The District leases equipment under noncancelable operating leases. The total expenditures related to such leases was \$209,474 for the year ended June 30, 2016. At June 30, 2016, future minimum lease payments on these leases are as follows:

| | |
|-----------------------------|------------|
| <u>Year Ending June 30:</u> | |
| 2017 | \$ 124,499 |
| 2018 | 58,761 |
| 2019 | 12,506 |
| Total | \$ 195,766 |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 5. Long-Term Obligations

Long-term obligation balances and activity for the year ended June 30, 2016, as well as obligations due within one year are as follows:

| | General Obligation Bonds | Compensated Absences | Totals |
|------------------------------------|--------------------------------|-------------------------|----------------------|
| Balance, July 1, 2015 | \$ 23,340,000 | \$ 302,513 | \$ 23,642,513 |
| Retirements | (6,240,000) | (302,483) | (6,542,483) |
| Additions | - | 234,211 | 234,211 |
| Balance, June 30, 2016 | \$ 17,100,000 | \$ 234,241 | \$ 17,334,241 |
| Amounts due within one year | \$ 6,630,000 | \$ 19,133 | \$ 6,649,133 |

As of June 30, 2016, the District has unamortized premium on bonds of \$144,101 which is recorded as a liability on the statement of net position.

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, 2016, \$3,789,731 of bonds outstanding are considered defeased.

Interest rates on the outstanding bonds and capital leases range from 1.00 percent to 5.30 percent. As of June 30, 2016, 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 | Interest | Total |
| 2017 | \$ 6,630,000 | \$ 987,150 | \$ 7,617,150 |
| 2018 | 6,380,000 | 576,300 | 6,956,300 |
| 2019 | 4,090,000 | 184,050 | 4,274,050 |
| | \$ 17,100,000 | \$ 1,747,500 | \$ 18,847,500 |

The District's estimated legal debt limitation of \$92,076,464 based on 6.9 percent of the estimated 2015 equalized assessed valuation of \$1,334,441,513, less the outstanding general obligation bonds of \$17,100,000, results in a legal debt margin of \$74,976,464.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

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, of which the District has none.

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 \$180,000 per employee, as provided by the stop-loss provisions incorporated in the plan. The District's aggregate HMO limit is \$8,084 per employee but no less than \$3,070,283. The aggregate PPO limit is \$17,223 per employee but no less than \$3,286,223 in the aggregate for PPO coverage.

At June 30, 2016, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$360,856. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other non-incremental costs to the claims liability.

For the two years ended June 30, 2016 and June 30, 2015, 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 2016 | \$ 237,069 | \$ 6,120,550 | \$ 5,759,694 | \$ 360,856 |
| Fiscal Year 2015 | \$ 278,282 | \$ 2,254,891 | \$ 2,296,104 | \$ 237,069 |

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

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).

Oak Park Elementary School District 97

Notes to Basic Financial Statements

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 2016, the District contributed \$499,167 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, 2016 is included as a liability on the Statement of Net Position as "postemployment benefits."

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the plan:

| | | |
|---------------------------------------|----|-----------|
| Annual required contribution | \$ | 1,542,820 |
| Interest on net OPEB obligation | | 280,277 |
| Annual OPEB cost | | 1,823,097 |
| Contributions made | | (499,167) |
| Increase in net OPEB obligation | | 1,323,930 |
| Net OPEB obligation beginning of year | | 6,228,383 |
| Net OPEB obligation end of year | \$ | 7,552,313 |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

| Fiscal Year Ending | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|---------------------|---|------------------------|
| June 30, 2016 | \$ 1,823,097 | 27% | \$ 7,552,313 |
| June 30, 2015 | 818,896 | 24% | 6,228,383 |
| June 30, 2014 | 1,524,029 | 15% | 5,605,231 |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 7. Postemployment Benefits (continued)

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$14,219,502, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$14,219,502. The covered payroll (annual payroll of active employees covered by the plan) was \$47,481,603 and the ratio of the UAAL to covered payroll was 30.0 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, 2014 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, $AAL = PVB \times \text{ratio of the participant's credited service to the total credited service at the anticipated retirement date}$.

The actuarial assumptions included a 4.5 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 5.0 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, 2016 was 29 years.

Note 8. Retirement Fund Commitments

Teachers' Retirement System

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

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

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

Benefits Provided. TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$22,222,143 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$252,294, and are deferred because they were paid after the June 30, 2015 measurement date.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

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

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$99,581 were paid from federal and special trust funds that required employer contributions of \$35,909. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option ("ERO"). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer paid \$70,122 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the employer paid \$7,026 to TRS for employer contributions due on salary increases in excess of 6 percent and \$28,531 for sick leave days granted in excess of the normal annual allotment.

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

| | | |
|---|----|-------------|
| Employer's proportionate share of the net pension liability | \$ | 5,140,678 |
| State's proportionate share of the net pension liability associated with the employer | | 271,238,470 |
| | \$ | 276,379,148 |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was 0.007 percent, which was the same as its proportion measured as of June 30, 2014.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

For the year ended June 30, 2016, the employer recognized pension expense of \$22,312,684 and revenue of \$22,222,143 for support provided by the state. At June 30, 2016, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,910 | \$ 5,637 |
| Net difference between projected and actual earnings on pension plan investments | 101,808 | 180,009 |
| Changes of assumptions | 71,090 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 241,175 | 539,197 |
| Employer contribution subsequent to the measurement date | 288,203 | - |
| | \$ 704,186 | \$ 724,843 |

The District reported \$288,203 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred inflows or outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|---------------------|--------------|
| Year ended June 30: | |
| 2017 | \$ (128,736) |
| 2018 | (128,736) |
| 2019 | (128,736) |
| 2020 | 77,348 |
| | \$ (308,860) |

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

- **Inflation** 3.00 percent
- **Salary increases** Varies by amount of service credit
- **Investment rate of return** 7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------|----------------------|--|
| U.S. large cap | 18 % | 7.53 |
| Global equity excluding U.S. | 18 | 7.88 |
| Aggregate bonds | 16 | 1.57 |
| U.S. TIPS | 2 | 2.82 |
| NCREIF | 11 | 5.11 |
| Opportunistic real estate | 4 | 9.09 |
| ARS | 8 | 2.57 |
| Risk parity | 8 | 4.87 |
| Diversified inflation strategy | 1 | 3.26 |
| Private equity | 14 | 12.33 |
| | <u>100 %</u> | |

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

| | 1% Decrease 6.47% | Current Discount Rate 7.47% | 1% Increase 8.47% |
|---|----------------------|-----------------------------------|----------------------|
| Employer's proportionate share of the net pension liability | \$ 6,352,617 | \$ 5,140,678 | \$ 4,146,855 |

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

Teachers' Health Insurance Security Fund

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

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

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

- **On behalf contributions to the THIS Fund**
The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$464,428, and the employer recognized revenue and expenditures of this amount during the year.
- **Employer contributions to the THIS Fund**
The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the employer paid \$347,236 to the THIS Fund, which was 100 percent of the required contribution.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Illinois Municipal Retirement Fund

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

Benefits Provided. The District participates in the Regular Plan ("RP").

Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms. As of December 31, 2015, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Retirees and Beneficiaries currently receiving benefits | 230 |
| Inactive Plan Members entitled to but not yet receiving benefits | 317 |
| Active Plan Members | 222 |
| Total | 769 |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5 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 District's annual contribution rates for calendar years 2015 and 2014 were 10.88 percent and 11.45 percent, respectively. For the fiscal year ended June 30, 2016, the District contributed \$1,008,996 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75 percent.
- **Salary Increases** were expected to be 3.75 percent to 14.50 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.48 percent.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|----------------------|--|
| Domestic equity | 38 % | 7.40 |
| International equity | 17 | 7.60 |
| Fixed income | 27 | 3.00 |
| Real estate | 8 | 6.00 |
| Alternative investments | 9 | 5.25 - 8.50 |
| Cash equivalents | 1 | 2.25 |
| | 100 % | |

Discount Rate. A Single Discount Rate of 7.50 percent was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50 percent, the municipal bond rate is 3.57 percent, and the resulting single discount rate is 7.48 percent.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

Changes in the Net Pension Liability. The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the calendar year ended December 31, 2015:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|--|-------------------------------|--------------------------------|--------------------------|
| Balances at December 31, 2014 | \$ 38,065,482 | \$ 34,869,104 | \$ 3,196,378 |
| Changes for the year: | | | |
| Service Cost | 1,016,794 | - | 1,016,794 |
| Interest on the Total Pension Liability | 2,813,748 | - | 2,813,748 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (105,895) | - | (105,895) |
| Changes of Assumptions | 48,003 | - | 48,003 |
| Contributions - Employer | - | 994,811 | (994,811) |
| Contributions - Employees | - | 417,306 | (417,306) |
| Net Investment Income | - | 172,840 | (172,840) |
| Benefit Payments, including Refunds of Employee Contributions | (2,014,304) | (2,014,304) | - |
| Other (Net Transfer) | - | 60,817 | (60,817) |
| Net Changes | 1,758,346 | (368,530) | 2,126,876 |
| Balances at December 31, 2015 | \$ 39,823,828 | \$ 34,500,574 | \$ 5,323,254 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48 percent, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

| | 1% Lower 6.48% | Current Discount Rate 7.48% | 1% Higher 8.48% |
|-------------------------------|-------------------|-----------------------------------|--------------------|
| Net Pension Liability (Asset) | \$ 10,534,699 | \$ 5,323,254 | \$ 1,053,712 |

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 8. Retirement Fund Commitments (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$904,514. At June 30, 2016, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 145,043 | \$ 72,162 |
| Net difference between projected and actual earnings on pension plan investments | 579,276 | - |
| Changes of assumptions | 2,216,695 | - |
| Total deferred amounts to be recognized in pension expense in future periods | 2,941,014 | 72,162 |
| Employer contribution subsequent to the measurement date | 549,870 | - |
| Total deferred amounts related to pensions | \$ 3,490,884 | \$ 72,162 |

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

| | Net Deferred Outflows of Resources |
|-------------------------|---------------------------------------|
| Year ended December 31: | |
| 2017 | \$ 1,141,787 |
| 2018 | 667,792 |
| 2019 | 574,864 |
| 2020 | 484,409 |
| | \$ 2,868,852 |

Note 9. Contingent Liabilities and Commitments

As of June 30, 2016, the District is committed under construction contracts of approximately \$3,000,000.

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, 2016.

The District is a defendant in a lawsuit relating to prior years' property assessments. Although the outcome of this proceeding is not presently determinable, in the opinion of the District's management through consultation with legal counsel, the resolution of this matter does not impose a material commitment of the District's net position at June 30, 2016.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

Note 10. Other Financial Disclosures (FFS Level Only)

Interfund Transfers and Loan

Transfers for the year ended June 30, 2016 were as follows:

| Fund | Transfers In |
|-----------------------------|---------------|
| General Fund | |
| Education Fund | \$ 678 |
| Debt Service | 387,257 |
| Nonmajor Governmental Funds | |
| Capital Projects Fund | 1,803,403 |
| Total | \$ 2,191,338 |
| | |
| Fund | Transfers Out |
| General Fund | |
| Education Fund | \$ 387,257 |
| Operations and maintenance | 1,803,403 |
| Debt Service | 678 |
| Total | \$ 2,191,338 |

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

At June 30, 2016, the Capital Projects Fund owed the General - Working Cash account \$2,753,961 to offset cash deficits. This amount will be repaid in fiscal year 2017.

Expenditures Exceeding Budget

For the year ended June 30, 2016 the Transportation fund's expenditures exceeded budget by \$67,731.

Deficit Fund Balance

For the year ended June 30, 2016, the Capital Projects Fund had a deficit fund balance in the amount of \$2,268,328. The District intends to finance this deficit through a transfer of cash from the Education Fund in 2017 and incremental property taxes expected to be received starting in 2017.

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. 73, Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statement Nos. 67 and 68, will be effective for the District beginning with its year ended June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the District beginning with its year ending June 30, 2017. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, will be effective for the District beginning with its year ending June 30, 2017. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

Oak Park Elementary School District 97

Notes to Basic Financial Statements

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

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the District beginning with its year ending June 30, 2018. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the District beginning with its year ending June 30, 2017. This statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, will be effective for the District beginning with its year ended June 30, 2016, except for the provisions in paragraphs 18, 19, 23-36 and 40, which are effective for the District beginning with its year ending June 30, 2017. This statement addresses accounting and financial reporting for certain external investment pools and pool participants.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, will be effective for the District beginning with its year ending June 30, 2017. This statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the District beginning with its year ending June 30, 2018. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective for the District beginning with its year ending June 30, 2018 except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

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

Required Supplementary Information

Oak Park Elementary School District 97

**Schedule of the Employer's Proportionate Share of the Net Pension Liability
Teachers' Retirement System
Fiscal Year 2016**

| | 2015 | 2014 |
|---|-----------------------|-----------------------|
| Employer's proportion of the net pension liability | 0.0078% | 0.0074% |
| Employer's proportion share of the net pension liability | \$ 5,140,678 | \$ 4,487,434 |
| State's proportionate share of the net pension liability associated with the employer | 271,238,470 | 243,652,095 |
| Total | <u>\$ 276,379,148</u> | <u>\$ 248,139,529</u> |
| Employer's covered-employee payroll | \$ 43,404,463 | \$ 41,926,589 |
| Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll | 11.8% | 10.7% |
| Plan fiduciary net position as a percentage of the total pension liability | 41.5% | 43.0% |

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

**Schedule of Employer Contributions
Teachers' Retirement System
Fiscal Year 2016**

| | 2015 | 2014 |
|--|-----------------|-------------------|
| Contractually-required contribution | \$ 287,655 | \$ 273,093 |
| Contributions in relation to the contractually-required contribution | 288,204 | 274,948 |
| Contribution deficiency (excess) | <u>\$ (549)</u> | <u>\$ (1,855)</u> |
| Employer's covered-employee payroll | \$ 43,404,463 | \$ 41,926,589 |
| Contributions as a percentage covered-employee payroll | 0.66% | 0.66% |

Notes to Schedules

The information on the schedules will accumulate until a full 10-year trend is presented as required by GASB Statement No. 68. Information is presented for those years for which information is available.

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to the actuarial assumptions was not calculated or allocated.

Oak Park Elementary School District 97

Schedule of Changes in the Net Pension Liability and Related Ratios - IMRF

| Calendar Year Ended December 31, 2015 | 2015 | 2014 |
|---|----------------------|----------------------|
| Total Pension Liability | | |
| Service Cost | \$ 1,016,794 | \$ 1,015,645 |
| Interest on the Total Pension Liability | 2,813,748 | 2,556,755 |
| Differences Between Expected and Actual Experience of the Total Pension Liability | (105,895) | 389,493 |
| Changes of Assumptions | 48,003 | 1,467,716 |
| Benefit Payments, including Refunds of Employee Contributions | (2,014,304) | (1,892,733) |
| Net Change in Total Pension Liability | 1,758,346 | 3,536,876 |
| Total Pension Liability - Beginning | 38,065,482 | 34,528,606 |
| Total Pension Liability - Ending | \$ 39,823,828 | \$ 38,065,482 |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 994,811 | \$ 986,041 |
| Contributions - Employees | 417,306 | 413,225 |
| Net Investment Income | 172,840 | 2,014,783 |
| Benefit Payments, including Refunds of Employee Contributions | (2,014,304) | (1,892,733) |
| Other (Net Transfer) | 60,817 | 71,832 |
| Net Change in Plan Fiduciary Net Position | (368,530) | 1,593,148 |
| Plan Fiduciary Net Position - Beginning | 34,869,104 | 33,275,956 |
| Plan Fiduciary Net Position - Ending | \$ 34,500,574 | \$ 34,869,104 |
| Net Pension Liability | \$ 5,323,254 | \$ 3,196,378 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | |
| | 86.63% | 91.60% |
| Covered Valuation Payroll | \$ 9,143,478 | \$ 9,103,391 |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | | |
| | 58.22% | 35.11% |

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Oak Park Elementary School District 97

**Schedule of Employer Contributions - IMRF
Most Recent Calendar Year**

| Calendar Year Ended December 31, | Actuarially Determined Contribution* | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a Percentage of Covered Valuation Payroll |
|---|--|------------------------|--|---------------------------------|---|
| 2015 | \$ 994,810 | \$ 994,811 | \$ (1) | \$ 9,143,478 | 10.88% |
| 2014 | 954,440 | 986,041 | (31,601) | 8,812,931 | 11.19% |

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate**

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

| | |
|--------------------------------|---|
| Actuarial Cost Method: | Aggregate entry age normal |
| Amortization Method: | Level percentage of payroll, closed |
| Remaining Amortization Period: | 28-year closed period until remaining period reaches 15 years (then 15-year rolling period) |
| Asset Valuation Method: | 5-year smoothed market; 20% corridor |
| Wage Growth: | 4% |
| Price Inflation: | 3%, approximate; No explicit price inflation assumption is used in this valuation. |
| Salary Increases: | 4.40% to 16%, including inflation |
| Investment Rate of Return: | 7.50% |
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010. |
| Mortality: | RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years. |

Other Information:

Notes:

There were no benefit changes during the year.

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

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) |
|--------------------------------|--|--|--------------------------|--------------------------|---------------------------|--|
| 06/30/14 | \$ - | \$ 14,219,502 | \$ 14,219,502 | - | % \$ 47,481,603 | 29.95 % |
| 06/30/12 | - | 12,247,398 | 12,247,398 | - | 43,287,776 | 28.29 |
| 06/30/10 | - | 8,595,272 | 8,595,272 | - | 37,057,924 | 23.19 |

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

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

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, 2016**

| | Educational Account | | Operations and Maintenance Account | |
|--|---------------------------------|-----------------------|---------------------------------------|------------------|
| | Original and Final Budget | Actual | Original and Final Budget | Actual |
| | | | | |
| Revenues: | | | | |
| Property taxes | \$ 45,200,733 | \$ 45,205,216 | \$ 4,413,910 | \$ 4,301,140 |
| Corporate property replacement taxes | 1,014,600 | 1,386,573 | 300,000 | - |
| Charges for services | 1,500,250 | 1,548,229 | 72,000 | 29,727 |
| Unrestricted state aid | 6,191,570 | 6,146,340 | 2,600,000 | 2,600,000 |
| Restricted state aid | 3,822,117 | 3,537,203 | - | - |
| Restricted federal aid | 4,642,777 | 2,698,914 | - | - |
| Interest | - | 54,998 | 4,200 | 3,854 |
| TIF rebate | 1,830,000 | - | - | - |
| Other | 333,981 | 306,610 | - | 275 |
| Total revenues | 64,536,028 | 60,884,083 | 7,390,110 | 6,934,996 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 34,640,017 | 33,314,913 | - | - |
| Special programs | 11,254,499 | 11,536,111 | - | - |
| Other instructional programs | 1,675,393 | 1,722,921 | - | - |
| Support services: | | | | |
| Pupils | 3,942,569 | 3,930,596 | - | - |
| Instructional staff | 4,385,381 | 3,827,993 | - | - |
| General administration | 2,603,800 | 2,000,773 | - | - |
| School administration | 3,648,539 | 3,603,039 | - | - |
| Business | 2,675,591 | 2,666,730 | 53,942 | 623,510 |
| Transportation | 4,362 | 4,397 | - | - |
| Operations and maintenance | 152,917 | 181,850 | 6,592,807 | 5,714,595 |
| Central | 3,670,423 | 3,291,856 | - | - |
| Other | 4,977 | 4,977 | - | - |
| Community services | 164,311 | 91,461 | - | - |
| Non-programmed charges | 150,000 | 160,220 | - | - |
| Capital outlay | 913,642 | 499,413 | 408,000 | 368,190 |
| Total expenditures | 69,886,421 | 66,837,250 | 7,054,749 | 6,706,295 |
| Excess (deficiency) of revenues over (under) expenditures | (5,350,393) | (5,953,167) | 335,361 | 228,701 |
| Other financing sources (uses): | | | | |
| Transfers in | 1,653,403 | 1,695,613 | 1,653,403 | 1,653,403 |
| Transfers (out) | (2,040,660) | (2,040,660) | (1,803,403) | (1,807,590) |
| Total other financing sources (uses) | (387,257) | (345,047) | (150,000) | (154,187) |
| Change in fund balance | \$ (5,737,650) | \$ (6,298,214) | \$ 185,361 | \$ 74,514 |

See Note to Required Supplementary Information.

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

| Working Cash Account | | Total | |
|---------------------------------|-----------------------|---------------------------------|-----------------------|
| Original and Final Budget | Actual | Original and Final Budget | Actual |
| \$ - | \$ - | \$ 49,614,643 | \$ 49,506,356 |
| - | - | 1,314,600 | 1,386,573 |
| - | - | 1,572,250 | 1,577,956 |
| - | - | 8,791,570 | 8,746,340 |
| - | - | 3,822,117 | 3,537,203 |
| - | - | 4,642,777 | 2,698,914 |
| 38,000 | 34,373 | 42,200 | 93,225 |
| - | - | 1,830,000 | - |
| - | - | 333,981 | 306,885 |
| <u>38,000</u> | <u>34,373</u> | <u>71,964,138</u> | <u>67,853,452</u> |
| - | - | 34,640,017 | 33,314,913 |
| - | - | 11,254,499 | 11,536,111 |
| - | - | 1,675,393 | 1,722,921 |
| - | - | 3,942,569 | 3,930,596 |
| - | - | 4,365,381 | 3,827,993 |
| - | - | 2,603,800 | 2,000,773 |
| - | - | 3,648,539 | 3,603,039 |
| - | - | 2,729,533 | 3,290,240 |
| - | - | 4,362 | 4,397 |
| - | - | 6,745,724 | 5,896,445 |
| - | - | 3,670,423 | 3,291,856 |
| - | - | 4,977 | 4,977 |
| - | - | 164,311 | 91,461 |
| - | - | 150,000 | 160,220 |
| - | - | 1,321,642 | 867,603 |
| - | - | <u>76,941,170</u> | <u>73,543,545</u> |
| <u>38,000</u> | <u>34,373</u> | <u>(4,977,032)</u> | <u>(5,690,093)</u> |
| - | - | 3,306,806 | 3,349,016 |
| <u>(1,653,403)</u> | <u>(1,690,748)</u> | <u>(5,497,466)</u> | <u>(5,538,998)</u> |
| <u>(1,653,403)</u> | <u>(1,690,748)</u> | <u>(2,190,660)</u> | <u>(2,189,982)</u> |
| <u>\$ (1,615,403)</u> | <u>\$ (1,656,375)</u> | <u>\$ (7,167,692)</u> | <u>\$ (7,880,075)</u> |

Oak Park Elementary School District 97

Note to Required Supplementary Information

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.

For budgetary purposes, the District does not recognize as revenues received the retirement contributions made by the State to the TRS and the 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 | \$ 67,853,452 |
| Unbudgeted retirement contributions from TRS and THIS | 22,686,571 |
| Revenues - GAAP basis | \$ 90,540,023 |
| Expenditures - Budgetary basis | \$ 73,543,545 |
| Unbudgeted retirement contributions to TRS and THIS | 22,686,571 |
| Expenditures - GAAP basis | \$ 96,230,116 |

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

Supplementary Information

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

Oak Park Elementary School District 97

Combining Balance Sheet
General Fund, by Accounts
June 30, 2016

| | Educational Account | Operations and Maintenance Account | Working Cash Account | Total |
|--|------------------------|---|-------------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 16,855,928 | \$ 456,043 | \$ 2,843,511 | \$ 20,155,482 |
| Receivables: | | | | |
| Property taxes, net | 20,463,100 | 1,946,921 | - | 22,410,021 |
| Replacement taxes | 249,650 | - | - | 249,650 |
| Intergovernmental | 2,683,766 | - | - | 2,683,766 |
| Prepaid asset | 159,184 | - | - | 159,184 |
| Due from other funds | 362,364 | - | 3,228,169 | 3,590,533 |
| Total assets | \$ 40,773,992 | \$ 2,402,964 | \$ 6,071,680 | \$ 49,248,636 |
| Liabilities | | | | |
| Accounts payable | \$ 714,638 | \$ 164,270 | \$ - | \$ 878,908 |
| Accrued liabilities | 206,069 | 31,295 | - | 237,364 |
| Compensated absences | 19,133 | - | - | 19,133 |
| Due to other funds | 311,228 | 520,496 | 1,690,748 | 2,522,472 |
| Total liabilities | 1,251,068 | 716,061 | 1,690,748 | 3,657,877 |
| Deferred Inflows of Resources | | | | |
| Deferred revenue | 21,403,699 | 1,907,283 | - | 23,310,982 |
| Fund balance (deficit): | | | | |
| Nonspendable | 159,184 | - | - | 159,184 |
| Unassigned | 17,960,041 | (220,380) | 4,380,932 | 22,120,593 |
| Total fund balance (deficit) | 18,119,225 | (220,380) | 4,380,932 | 22,279,777 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 40,773,992 | \$ 2,402,964 | \$ 6,071,680 | \$ 49,248,636 |

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

Oak Park Elementary School District 97

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund, by Accounts
Year Ended June 30, 2016**

| | Educational Account | Operations and Maintenance Account | Working Cash Account | Total |
|--|------------------------|---|-------------------------|--------------------|
| Revenues: | | | | |
| Property taxes | \$ 45,205,216 | \$ 4,301,140 | \$ - | \$ 49,506,356 |
| Corporate property replacement taxes | 1,386,573 | - | - | 1,386,573 |
| Charges for services | 1,548,229 | 29,727 | - | 1,577,956 |
| Unrestricted state aid | 6,146,340 | 2,600,000 | - | 8,746,340 |
| Restricted state aid | 26,223,774 | - | - | 26,223,774 |
| Restricted federal aid | 2,698,914 | - | - | 2,698,914 |
| Interest | 54,998 | 3,854 | 34,373 | 93,225 |
| Other | 306,610 | 275 | - | 306,885 |
| Total revenues | 83,570,654 | 6,934,996 | 34,373 | 90,540,023 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 33,314,913 | - | - | 33,314,913 |
| Special programs | 11,536,111 | - | - | 11,536,111 |
| Other instructional programs | 1,722,921 | - | - | 1,722,921 |
| State retirement contributions | 22,686,571 | - | - | 22,686,571 |
| Support services: | | | | |
| Pupils | 3,930,596 | - | - | 3,930,596 |
| Instructional staff | 3,827,993 | - | - | 3,827,993 |
| General administration | 2,000,773 | - | - | 2,000,773 |
| School administration | 3,603,039 | - | - | 3,603,039 |
| Business | 2,666,730 | 623,510 | - | 3,290,240 |
| Transportation | 4,397 | - | - | 4,397 |
| Operations and maintenance | 181,850 | 5,714,595 | - | 5,896,445 |
| Central | 3,291,856 | - | - | 3,291,856 |
| Other | 4,977 | - | - | 4,977 |
| Community services | 91,461 | - | - | 91,461 |
| Non-programmed charges | 160,220 | - | - | 160,220 |
| Capital outlay | 499,413 | 368,190 | - | 867,603 |
| Total expenditures | 89,523,821 | 6,706,295 | - | 96,230,116 |
| Excess (deficiency) of revenues over (under) expenditures | (5,953,167) | 228,701 | 34,373 | (5,690,093) |
| Other financing sources (uses): | | | | |
| Transfers in | 1,695,613 | 1,653,403 | - | 3,349,016 |
| Transfers (out) | (2,040,660) | (1,807,590) | (1,690,748) | (5,538,998) |
| Total other financing sources (uses) | (345,047) | (154,187) | (1,690,748) | (2,189,982) |
| Change in fund balance | (6,298,214) | 74,514 | (1,656,375) | (7,880,075) |
| Fund balance (deficit): | | | | |
| July 1, 2015 | 24,417,439 | (294,894) | 6,037,307 | 30,159,852 |
| June 30, 2016 | \$ 18,119,225 | \$ (220,380) | \$ 4,380,932 | \$ 22,279,777 |

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

Oak Park Elementary School District 97

**Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
June 30, 2016**

| | Special Revenue Funds | | Capital Projects Funds | | Total Nonmajor Governmental Funds |
|--|------------------------|---------------------------------|---|-----------------------------|--|
| | Transportation Fund | Municipal Retirement Fund | Fire Preven- tion and Safety Fund | Capital Projects Fund | |
| Assets | | | | | |
| Cash and investments | \$ 1,259,977 | \$ 1,319,657 | \$ 112,705 | \$ - | \$ 2,692,339 |
| Receivables: | | | | | |
| Property taxes, net | 489,004 | 984,576 | - | - | 1,473,580 |
| Intergovernmental | 540,294 | - | - | - | 540,294 |
| Replacement taxes | - | 8,333 | - | - | 8,333 |
| Due from other funds | 1,494 | - | - | 1,803,378 | 1,804,872 |
| Total assets | \$ 2,290,769 | \$ 2,312,566 | \$ 112,705 | \$ 1,803,378 | \$ 6,519,418 |
| Liabilities | | | | | |
| Accounts payable | \$ 81,956 | \$ (10) | \$ - | \$ 1,317,745 | \$ 1,399,691 |
| Due to other funds | - | 505,551 | - | 2,753,961 | 3,259,512 |
| Total liabilities | 81,956 | 505,541 | - | 4,071,706 | 4,659,203 |
| Deferred Inflows of Resources | | | | | |
| Deferred revenue | 1,019,351 | 964,549 | - | - | 1,983,900 |
| Fund balance (deficit) | | | | | |
| Restricted for: | | | | | |
| Transportation | 1,189,462 | - | - | - | 1,189,462 |
| Capital projects | - | - | 112,705 | - | 112,705 |
| Retirement contributions - IMRF | - | 842,476 | - | - | 842,476 |
| Unassigned | - | - | - | (2,268,328) | (2,268,328) |
| Total fund balances (deficits) | 1,189,462 | 842,476 | 112,705 | (2,268,328) | (123,685) |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,290,769 | \$ 2,312,566 | \$ 112,705 | \$ 1,803,378 | \$ 6,519,418 |

**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 Balances -
by Fund Type
Nonmajor Governmental Funds
Year Ended June 30, 2016**

| | Special Revenue Funds | | Capital Projects Funds | | Total Nonmajor Governmental Funds |
|--|------------------------|---------------------------------|---|-----------------------------|--|
| | Transportation Fund | Municipal Retirement Fund | Fire Preven- tion and Safety Fund | Capital Projects Fund | |
| Revenues: | | | | | |
| Property taxes | \$ 1,041,119 | \$ 2,130,240 | \$ - | \$ - | \$ 3,171,359 |
| Corporate property replacement taxes | - | 46,281 | - | - | 46,281 |
| Restricted state aid | 1,612,502 | - | - | - | 1,612,502 |
| Other | - | - | - | 2,906,795 | 2,906,795 |
| Interest | 1,495 | - | 264 | - | 1,759 |
| Total revenues | 2,655,116 | 2,176,521 | 264 | 2,906,795 | 7,738,696 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | - | 462,290 | - | - | 462,290 |
| Special programs | - | 470,376 | - | - | 470,376 |
| Other instructional programs | - | 45,832 | - | - | 45,832 |
| Support services: | | | | | |
| Pupils | - | 87,202 | - | - | 87,202 |
| Instructional staff | - | 91,372 | - | - | 91,372 |
| General administration | - | 18,639 | - | - | 18,639 |
| School administration | - | 200,369 | - | - | 200,369 |
| Business | - | 130,921 | - | - | 130,921 |
| Transportation | 3,492,211 | 491 | - | - | 3,492,702 |
| Operations and maintenance | - | 605,568 | - | 5,520,408 | 6,125,976 |
| Central | - | 180,572 | - | - | 180,572 |
| Other | - | 786 | - | - | 786 |
| Community services | - | 203 | - | - | 203 |
| Capital outlay | - | - | - | 1,833,605 | 1,833,605 |
| Total expenditures | 3,492,211 | 2,294,621 | - | 7,354,013 | 13,140,845 |
| Excess (deficiency) of revenues over (under) expenditures | (837,095) | (118,100) | 264 | (4,447,218) | (5,402,149) |
| Other financing sources, Transfers in | - | - | - | 1,803,403 | 1,803,403 |
| Change in fund balances | (837,095) | (118,100) | 264 | (2,643,815) | (3,598,746) |
| Fund balances: | | | | | |
| July 1, 2015 | 2,026,557 | 960,576 | 112,441 | 375,487 | 3,475,061 |
| June 30, 2016 | \$ 1,189,462 | \$ 842,476 | \$ 112,705 | \$ (2,268,328) | \$ (123,685) |

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, 2016**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|---------------------|-------------------|
| Revenues: | | | |
| Property taxes | \$ 8,121,494 | \$ 8,168,587 | \$ 47,093 |
| Interest | 2,000 | 624 | (1,376) |
| Total revenues | <u>8,123,494</u> | <u>8,169,211</u> | <u>45,717</u> |
| Expenditures: | | | |
| Debt service: | | | |
| Principal | 6,240,000 | 6,240,000 | - |
| Interest and fees | 1,410,077 | 1,407,638 | 2,439 |
| Other | 368,237 | 238,492 | 129,745 |
| Total expenditures | <u>8,018,314</u> | <u>7,886,130</u> | <u>132,184</u> |
| Excess of revenues over expenditures | <u>105,180</u> | <u>283,081</u> | <u>177,901</u> |
| Other financing sources (uses): | | | |
| Transfers in | 387,257 | 387,257 | - |
| Transfers (out) | - | (678) | (678) |
| Total other financing sources (uses) | <u>387,257</u> | <u>386,579</u> | <u>(678)</u> |
| Change in fund balance | <u>\$ 492,437</u> | <u>669,660</u> | <u>\$ 177,223</u> |
| Fund balance: | | | |
| July 1, 2015 | | <u>5,106,583</u> | |
| June 30, 2016 | | <u>\$ 5,776,243</u> | |

Oak Park Elementary School District 97

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Transportation Fund
 Year Ended June 30, 2016**

| | Original and Final Budget | Actual | Variance |
|-------------------------------|---------------------------------|---------------------|---------------------|
| Revenues: | | | |
| Property taxes | \$ 1,107,867 | \$ 1,041,119 | \$ (66,748) |
| Restricted state aid | 1,726,908 | 1,612,502 | (114,406) |
| Interest | 1,650 | 1,495 | (155) |
| Total revenues | <u>2,836,425</u> | <u>2,655,116</u> | <u>(181,309)</u> |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Transportation | <u>3,424,480</u> | <u>3,492,211</u> | <u>(67,731)</u> |
| Change in fund balance | <u>\$ (588,055)</u> | <u>(837,095)</u> | <u>\$ (249,040)</u> |
| Fund balance: | | | |
| July 1, 2015 | | <u>2,026,557</u> | |
| June 30, 2016 | | <u>\$ 1,189,462</u> | |

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, 2016**

| | Original and Final Budget | Actual | Variance |
|--------------------------------------|---------------------------------|-------------------|------------------|
| Revenues: | | | |
| Property taxes | \$ 2,219,190 | \$ 2,130,240 | \$ (88,950) |
| Corporate property replacement taxes | 42,300 | 46,281 | 3,981 |
| Total revenues | <u>2,261,490</u> | <u>2,176,521</u> | <u>(84,969)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 467,512 | 462,290 | 5,222 |
| Special programs | 524,138 | 470,376 | 53,762 |
| Other instructional programs | 52,587 | 45,832 | 6,755 |
| Support services: | | | |
| Pupils | 77,369 | 87,202 | (9,833) |
| Instructional staff | 110,874 | 91,372 | 19,502 |
| General administration | 20,886 | 18,639 | 2,247 |
| School administration | 217,975 | 200,369 | 17,606 |
| Business | 119,015 | 130,921 | (11,906) |
| Transportation | 628 | 491 | 137 |
| Operations and maintenance | 626,611 | 605,568 | 21,043 |
| Central | 191,159 | 180,572 | 10,587 |
| Other | 575 | 786 | (211) |
| Community services | 542 | 203 | 339 |
| Total expenditures | <u>2,409,871</u> | <u>2,294,621</u> | <u>115,250</u> |
| Change in fund balance | <u>\$ (148,381)</u> | <u>(118,100)</u> | <u>\$ 30,281</u> |
| Fund balance: | | | |
| June 30, 2015 | | <u>960,576</u> | |
| June 30, 2016 | | <u>\$ 842,476</u> | |

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, 2016

| | Original and Final Budget | Actual | Variance |
|-------------------------------|---------------------------------|-------------------|----------------|
| Revenues, interest | \$ 275 | \$ 264 | \$ (11) |
| Expenditures | - | - | - |
| Change in fund balance | <u>\$ 275</u> | 264 | <u>\$ (11)</u> |
| Fund balance: | | | |
| July 1, 2015 | | <u>112,441</u> | |
| June 30, 2016 | | <u>\$ 112,705</u> | |

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, 2016**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|-----------------------|-----------------------|
| Revenues: | | | |
| Other revenue | \$ 6,300,000 | \$ 2,906,795 | \$ (3,393,205) |
| Expenditures, | | | |
| Current: | | | |
| Support services: | | | |
| Operations and maintenance | 40,000 | 5,520,408 | (5,480,408) |
| Capital outlay | 9,151,786 | 1,833,605 | 7,318,181 |
| Total expenditures | <u>9,191,786</u> | <u>7,354,013</u> | <u>1,837,773</u> |
| (Deficiency) of revenues (under) expenditures | (2,891,786) | (4,447,218) | (1,555,432) |
| Other financing sources, | | | |
| Transfers in | 1,803,403 | 1,803,403 | - |
| Change in fund balance | <u>\$ (1,088,383)</u> | <u>(2,643,815)</u> | <u>\$ (1,555,432)</u> |
| Fund balance (deficit): | | | |
| July 1, 2015 | | <u>375,487</u> | |
| June 30, 2016 | | <u>\$ (2,268,328)</u> | |

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

Oak Park Elementary School District 97

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

| | Tax Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Assessed Valuations | \$ 1,334,441,513 | \$ 1,383,005,873 | \$ 1,369,216,060 | \$ 1,470,162,652 | \$ 1,596,903,799 |
| Tax Rates: | | | | | |
| General Fund: | | | | | |
| Educational Accounts: | | | | | |
| Standard | 3.4112 | 3.2752 | 3.2772 | 2.9881 | 2.6528 |
| Special Education | | | | | |
| Operations and Main- tenance Accounts: | | | | | |
| Standard | 0.3246 | 0.3124 | 0.2493 | 0.2281 | 0.2075 |
| Transportation Fund | 0.0815 | 0.0720 | 0.0830 | 0.0844 | 0.0804 |
| Municipal Retirement Fund: | | | | | |
| Illinois Municipal Retirement Fund | 0.0821 | 0.0752 | 0.0858 | 0.0799 | 0.0749 |
| Social Security | 0.0821 | 0.0752 | 0.0858 | 0.0799 | 0.0749 |
| Debt Service Fund | 0.6153 | 0.5930 | 0.5996 | 0.5547 | 0.5049 |
| Total | 4.5968 | 4.4030 | 4.3807 | 4.0151 | 3.5954 |
| Extended Tax Rate | 4.597 | 4.403 | 4.381 | 4.015 | 3.595 |
| Tax Extensions: | | | | | |
| General Fund: | | | | | |
| Educational Accounts: | | | | | |
| Standard | \$ 45,521,088 | \$ 45,296,291 | \$ 44,871,948 | \$ 43,930,159 | \$ 42,363,373 |
| Special Education | | | | | |
| Operations and Main- tenance Accounts, | | | | | |
| Standard | 4,331,014 | 4,320,884 | 3,413,455 | 3,353,823 | 3,313,912 |
| Transportation Fund | 1,087,812 | 996,450 | 1,141,926 | 1,241,390 | 1,283,312 |
| Municipal Retirement Fund: | | | | | |
| Illinois Municipal Retirement Fund | 1,095,117 | 1,039,805 | 1,174,787 | 1,174,142 | 1,196,165 |
| Social Security | 1,095,117 | 1,039,805 | 1,174,787 | 1,174,142 | 1,196,165 |
| Debt Service Fund | 8,210,790 | 8,200,872 | 8,210,657 | 8,154,091 | 8,062,835 |
| Totals | \$ 61,340,938 | \$ 60,894,107 | \$ 59,987,560 | \$ 59,027,747 | \$ 57,415,762 |

**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, 2016**

| | Year Ending June 30, | Total Principal | Total Interest | Total Principal and Interest |
|--|----------------------------|----------------------|---------------------|------------------------------------|
| <hr/> | | | | |
| Total general obligation bonds debt service requirements | 2017 | \$ 6,630,000 | \$ 987,150 | \$ 7,617,150 |
| | 2018 | 6,380,000 | 576,300 | 6,956,300 |
| | 2019 | 4,090,000 | 184,050 | 4,274,050 |
| | | <u>\$ 17,100,000</u> | <u>\$ 1,747,500</u> | <u>\$ 18,847,500</u> |
| | | | | |
| General Obligation Bond issue, Series 1999B | | | | |
| Interest payable June 1 and December 1 of each year | 2017 | \$ 3,440,000 | \$ 860,400 | \$ 4,300,400 |
| | 2018 | 3,750,000 | 536,850 | 4,286,850 |
| Principal payable December 1 of each year | 2019 | 4,090,000 | 184,050 | 4,274,050 |
| Interest rates 3.15% - 5.30% | | | | |
| Paying agent: US Bank | | <u>\$ 11,280,000</u> | <u>\$ 1,581,300</u> | <u>\$ 12,861,300</u> |

(continued)

Oak Park Elementary School District 97

Schedule of Debt Service Requirements (continued)
 Year Ended June 30, 2016

| | Year Ending June 30, | Total Principal | Total Interest | Total Principal and Interest |
|---|----------------------------|--------------------|-------------------|------------------------------------|
| General Obligation Limited School Bond issue, Series 2011 | | | | |
| Interest payable January 1 and July 1 of each year | 2017 | \$ 420,000 | \$ 6,300 | \$ 426,300 |
| Principal payable January 1 of each year | | | | |
| Interest rates 2.00% - 3.00% | | | | |
| Paying agent: Amalgamated Bank | | | | |
| | | | | |
| General Obligation Limited School Bond issue, Series 2013 | | | | |
| Interest payable January 1 and July 1 of each year | 2017 | \$ 1,925,000 | \$ 28,875 | \$ 1,953,875 |
| Principal payable January 1 of each year | | | | |
| Interest rates 1.00% - 3.00% | | | | |
| Paying agent: Amalgamated Bank | | | | |
| | | | | |
| General Obligation Limited School Bond issue, Series 2014 | | | | |
| Interest payable January 1 and July 1 of each year | 2017 | \$ 845,000 | \$ 91,575 | \$ 936,575 |
| | 2018 | 2,630,000 | 39,450 | 2,669,450 |
| Principal payable January 1 of each year | | | | |
| Interest rate 3.00% | | \$ 3,475,000 | \$ 131,025 | \$ 3,606,025 |
| Paying agent: Amalgamated Bank | | | | |

