

**OAK PARK ELEMENTARY
SCHOOL DISTRICT 97**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2017

AND

INDEPENDENT AUDITORS' REPORT

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

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OAK PARK ELEMENTARY SCHOOL DISTRICT 97

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oak Park Elementary School District 97, Illinois, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Oak Park Elementary School District 97'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to Oak Park Elementary School District 97'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 Oak Park Elementary School District 97'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.

To the Board of Education
Oak Park Elementary School District 97

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 Oak Park Elementary School District 97, Illinois, as of June 30, 2017 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, fund balance and net position as of June 30, 2016 have been restated to correct a material misstatement. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of Oak Park Elementary School District 97 as of June 30, 2016, prior to restatement, were audited by other auditors whose report dated October 18, 2016, expressed an unmodified opinion on those statements.

As part of the audit of the June 30, 2017 financial statements, we also audited the adjustment described in Note 14 that was applied to restate the June 30, 2016 financial statements. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the June 30, 2016 financial statements of Oak Park Elementary School District 97 other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2016 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

To the Board of Education
Oak Park Elementary School District 97

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oak Park Elementary School District 97's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oak Park Elementary School District 97's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of Oak Park Elementary School District 97's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oak Park Elementary School District 97's internal control over financial reporting and compliance.

Baker Tilly Veitchau Krause, LLP

Oak Brook, Illinois
November 30, 2017

Oak Park Elementary School District 97

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

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 as of and for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position increased by \$1.4. This represents a 2.3% increase when compared to 2016. Overall revenues increased by 14% overall, while expenditures increased 13% overall when compared to last year.
- General revenues accounted for \$77.6 in revenue or 63% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$45.9 or 37% of total revenues of \$123.5.
- The District had \$122.1 in expenses related to government activities. However, only \$45.9 of these expenses were offset by program specific charges and grants.
- During the year, the construction projects included the completion of the administration building. The building was occupied in October 2017. The partnership with the Village of Oak Park helped to offset the construction costs. Overall, \$6.3 in TIF proceeds was transferred to the District to complete the project. In addition, professional service fees for the Holmes expansion and summer 2017 life safety projects were expended during fiscal 17.
- The District continued to pay down its long-term debt retiring \$6.6 million in principal during fiscal 2017.
- Student fees were reevaluated and it was determined that rates would remain the same for the school year.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with PMA Financial to obtain the best rates possible.
- The District approved a three year contract with the OPRF for food service beginning with the 2016-2017 school year.
- The transportation contract is in the second year of a three year contract that includes very minimal increases.

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, and

Oak Park Elementary School District 97

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

- Notes to basic financial statements.

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/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 as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District 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, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (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 balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Oak Park Elementary School District 97

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Bond and Interest Fund, Site and Construction Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule 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 School 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. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic 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

The District's combined net position was higher on June 30, 2017, than it was the year before, increasing 2.3% to \$64.3.

Oak Park Elementary School District 97
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

| Table 1 | | |
|---|----------------|----------------|
| Condensed Statements of Net Position | | |
| (in millions of dollars) | | |
| | <u>2016*</u> | <u>2017</u> |
| Assets: | | |
| Current and other assets | \$ 59.4 | \$ 74.7 |
| Capital Assets | <u>66.2</u> | <u>67.0</u> |
| Total assets | <u>125.6</u> | <u>141.7</u> |
| Total deferred outflows of resources | <u>4.2</u> | <u>3.8</u> |
| Liabilities: | | |
| Current liabilities | 9.6 | 3.6 |
| Long-term debt outstanding | <u>28.9</u> | <u>34.6</u> |
| Total liabilities | <u>38.5</u> | <u>38.2</u> |
| Total deferred inflows of resources | <u>27.8</u> | <u>43.0</u> |
| Net position: | | |
| Net investment in capital assets | 54.8 | 53.1 |
| Restricted | 7.4 | 9.0 |
| Unrestricted | <u>1.3</u> | <u>2.2</u> |
| Total net position | <u>\$ 63.5</u> | <u>\$ 64.3</u> |

*Balances are shown prior to restatement of 2016 net position.

Oak Park Elementary School District 97
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

Revenues in the governmental activities of the District of \$123.5 exceeded expenditures by \$1.4. This was mostly due to the increase in operating grants and contributions.

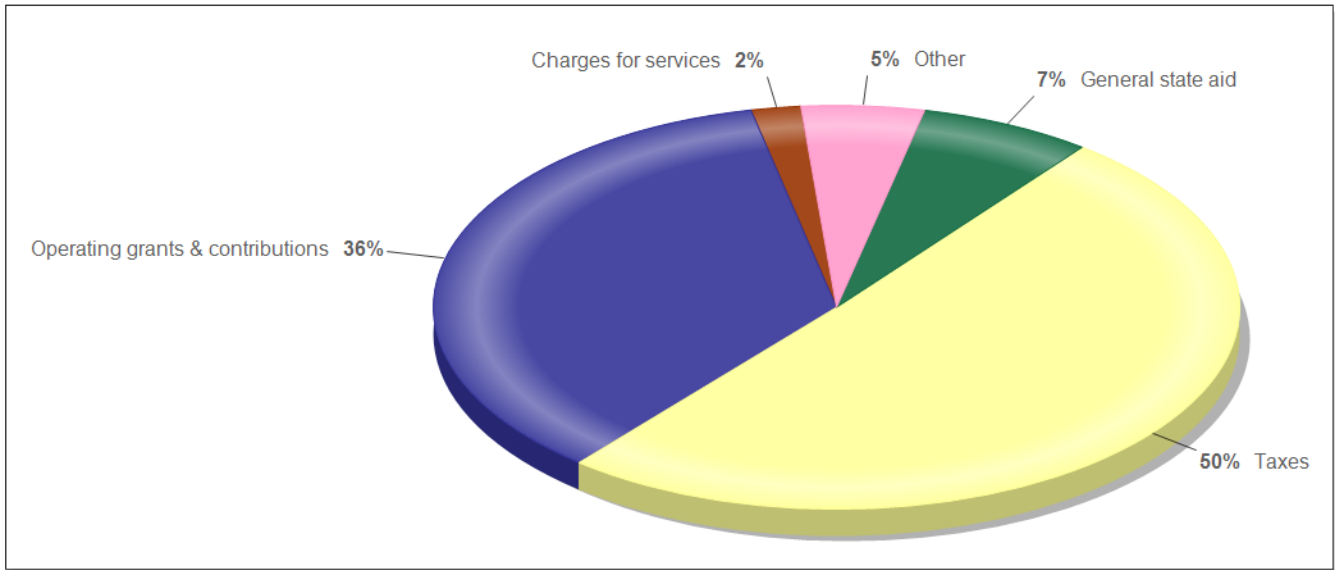
| Table 2 | | |
|--|---------------|---------------|
| Changes in Net Position | | |
| (in millions of dollars) | | |
| | <u>2016*</u> | <u>2017</u> |
| Revenues: | | |
| <i>Program revenues:</i> | | |
| Charges for services | \$ 1.5 | \$ 2.0 |
| Operating grants & contributions | 32.4 | 43.9 |
| <i>General revenues:</i> | | |
| Taxes | 62.3 | 62.4 |
| General state aid | 8.7 | 9.1 |
| Other | 3.4 | 6.1 |
| Total revenues | <u>108.3</u> | <u>123.5</u> |
| Expenses: | | |
| Instruction | 68.8 | 86.5 |
| Pupil & instructional staff services | 8.6 | 9.2 |
| Administration & business | 10.2 | 9.4 |
| Transportation | 3.5 | 4.0 |
| Operations & maintenance | 11.6 | 7.8 |
| Other | 5.1 | 5.2 |
| Total expenses | <u>107.8</u> | <u>122.1</u> |
| Excess (deficiency) of revenues over expenses before special items | <u>0.5</u> | <u>1.4</u> |
| Increase (decrease) in net position | <u>\$ 0.5</u> | <u>\$ 1.4</u> |

* Fiscal year 2016 column was not adjusted for the restatement identified during fiscal year 2017.

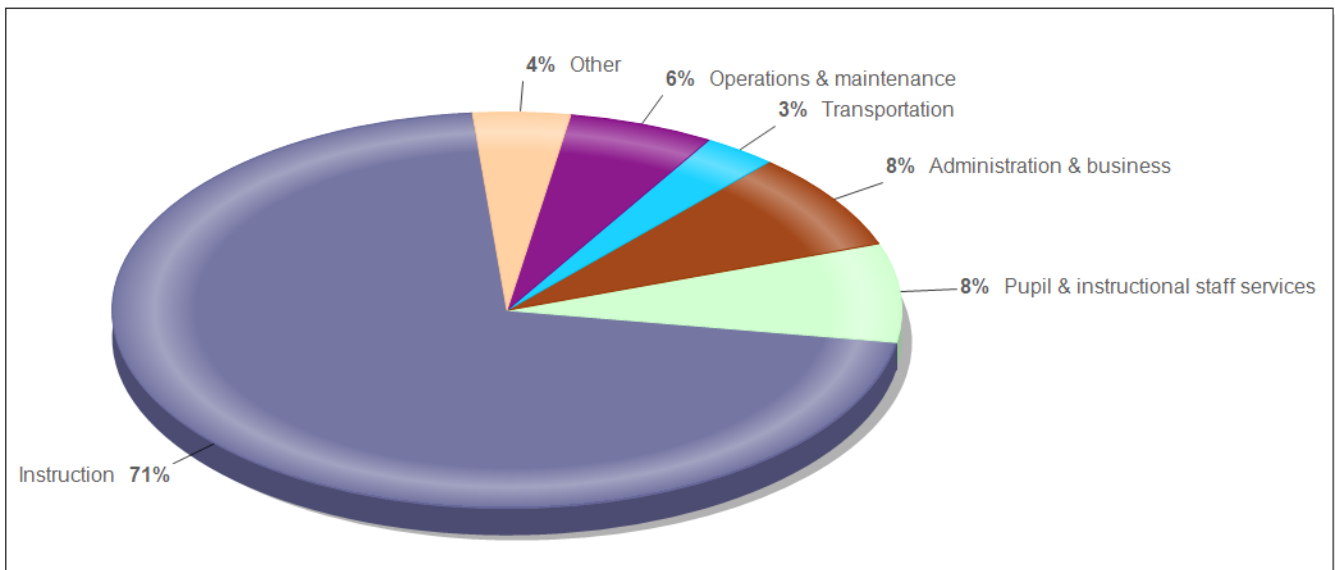
Property taxes accounted for the largest portion of the District's revenues, contributing 50% overall. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$122.1, 79% of expenditures were on instruction and pupil and instruction services. Administration & business and operations and maintenance were 14% of expenditures.

Oak Park Elementary School District 97
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

Overall, the District's fund balances increased by \$0.5. This was mostly due to the \$6.0 working cash bond that was issued in December 2016 for the purposes of completing the summer 2017 health life safety work. However, the general fund had a deficit of \$8.7, but other funds surpluses offset the general fund's deficit.

The District attained appropriate yearend fund balance to provide 63.77 days of cash on hand, but short of the 180 days of cash on hand recommended by the Illinois State Board of Education. The District's overall financial profile designation is review with a profile score of 3.10.

Oak Park Elementary School District 97
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2017

General Fund Budgetary Highlights

Most of the District's revenues are derived from local sources. However, revenues from total local sources were under budget by \$.2 in the general fund.

The District was under budget in general programs, but over budget in special education programs.

Capital Assets and Debt Administration

Capital assets

By the end of 2017, the District had compiled a total investment of \$107.5 (\$67.0 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.3. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

| Table 3 | | |
|---|----------------|----------------|
| Capital Assets (net of depreciation) | | |
| (in millions of dollars) | | |
| | <u>2016</u> | <u>2017</u> |
| Land | \$ 3.0 | \$ 3.0 |
| Construction in progress | - | 1.1 |
| Land improvements | 4.0 | 3.8 |
| Building improvements | 57.8 | 57.2 |
| Equipment | 1.3 | 1.9 |
| Total | <u>\$ 66.1</u> | <u>\$ 67.0</u> |

Long-term debt

The District retired \$6.6 in bonds and issued \$6.1 in bonds in 2017. At the end of fiscal 2017, the District had a debt margin of \$79.1. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

| Table 4 | | |
|-----------------------------------|----------------|----------------|
| Outstanding Long-Term Debt | | |
| (in millions of dollars) | | |
| | <u>2016</u> | <u>2017</u> |
| General Obligation Bonds | \$ 17.2 | \$ 16.6 |
| Other post-employment benefits | 7.6 | 7.5 |
| Compensated absences | 0.2 | 0.4 |
| Net pension liability | 10.5 | 11.0 |
| Total | <u>\$ 35.5</u> | <u>\$ 35.5</u> |

Oak Park Elementary School District 97

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2017

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

In April 2017, Oak Park voters approved two referenda questions. The questions related to increasing operating revenues and capital improvements. Specifically, a \$1.00 limiting rate increase and additional capital expansion bonds were approved. The \$1.00 limiting rate increase will generate an additional \$15.8 million in property tax revenues annually. The capital expansion bonds will add \$57.5 million to make building improvements and expansions of two elementary schools. The capital expansion bonds will be issued over time and will be timed to begin when the middle school bonds expire. The District will strive to preserve the goal of maintaining a 25% fund balance.

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 Business Office:

Dr. Alicia Evans
Oak Park Elementary School District 97
260 West Madison Street
Oak Park, Illinois 60302

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

STATEMENT OF NET POSITION

AS OF JUNE 30, 2017

| | GOVERNMENTAL ACTIVITIES |
|--|----------------------------|
| Assets | |
| Cash and investments | \$ 26,990,361 |
| Receivables (net of allowance for uncollectibles): | |
| Property taxes | 42,922,155 |
| Replacement taxes | 250,054 |
| Intergovernmental | 4,478,205 |
| Accounts | 31,411 |
| Prepaid items | 65,831 |
| Capital assets: | |
| Land | 3,046,678 |
| Construction in progress | 1,117,780 |
| Depreciable buildings, property and equipment, net | <u>62,857,886</u> |
| Total assets | <u>141,760,361</u> |
| Deferred outflows of resources | |
| Deferred outflows related to pensions | <u>3,807,354</u> |
| Total deferred outflows of resources | <u>3,807,354</u> |
| Liabilities | |
| Accounts payable | 2,400,338 |
| Salaries and wages payable | 255,855 |
| Payroll deductions payable | 95,521 |
| Interest payable | 19,725 |
| Health claims payable | 807,152 |
| Long-term liabilities: | |
| Other long-term liabilities - due within one year | 7,055,869 |
| Other long-term liabilities - due after one year | <u>27,586,761</u> |
| Total liabilities | <u>38,221,221</u> |
| Deferred inflows of resources | |
| Property taxes levied for a future period | 42,351,228 |
| Deferred inflows related to pensions | <u>705,352</u> |
| Total deferred inflows of resources | <u>43,056,580</u> |
| Net position | |
| Net investment in capital assets | 53,132,344 |
| Restricted for: | |
| Operations and maintenance | 1,581,788 |
| Student transportation | 1,933,545 |
| Debt service | 5,290,059 |
| Capital projects | 113,467 |
| Unrestricted | <u>2,238,711</u> |
| Total net position | <u>\$ 64,289,914</u> |

See Notes to Basic Financial Statements

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUE | | NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION |
|--------------------------------------|-----------------------|-------------------------|--|---|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES |
| Governmental activities | | | | |
| Instruction: | | | | |
| Regular programs | \$ 35,983,849 | \$ 1,312,728 | \$ 67,733 | \$ (34,603,388) |
| Special programs | 14,238,727 | - | 6,306,727 | (7,932,000) |
| Other instructional programs | 1,787,503 | 3,605 | 12,868 | (1,771,030) |
| State retirement contributions | 34,548,406 | - | 34,548,406 | - |
| Support Services: | | | | |
| Pupils | 4,294,306 | - | - | (4,294,306) |
| Instructional staff | 4,887,667 | - | 125,359 | (4,762,308) |
| General administration | 2,362,424 | - | - | (2,362,424) |
| School administration | 4,174,401 | - | - | (4,174,401) |
| Business | 2,866,190 | 662,578 | 717,397 | (1,486,215) |
| Transportation | 3,972,333 | - | 2,122,122 | (1,850,211) |
| Operations and maintenance | 7,778,170 | 69,401 | - | (7,708,769) |
| Central | 3,931,013 | - | - | (3,931,013) |
| Other supporting services | 147,318 | - | - | (147,318) |
| Community services | 102,456 | - | - | (102,456) |
| Interest and fees | 1,038,493 | - | - | (1,038,493) |
| Total governmental activities | \$ 122,113,256 | \$ 2,048,312 | \$ 43,900,612 | (76,164,332) |

General revenues:

Taxes:

| | |
|---|-------------------|
| Real estate taxes, levied for general purposes | 42,825,450 |
| Real estate taxes, levied for specific purposes | 10,743,953 |
| Real estate taxes, levied for debt service | 7,284,701 |
| Personal property replacement taxes | 1,582,529 |
| State aid-formula grants | 9,100,235 |
| Investment income | 215,837 |
| Miscellaneous | 5,860,640 |
| Total general revenues | 77,613,345 |

| | |
|---|----------------------|
| Change in net position | 1,449,013 |
| Net position, beginning of year (as restated) | 62,840,901 |
| Net position, end of year | \$ 64,289,914 |

See Notes to Basic Financial Statements

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017

| | GENERAL FUND | OPERATIONS AND MAINTENANCE FUND | TRANSPORTATION FUND | MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND |
|---|-----------------------------|---------------------------------------|----------------------------|---|
| Assets | | | | |
| Cash and investments | \$ 11,512,215 | \$ 1,656,230 | \$ 972,142 | \$ 1,332,101 |
| Receivables (net allowance for uncollectibles): | | | | |
| Property taxes | 30,116,277 | 4,023,408 | 1,812,419 | 2,354,056 |
| Replacement taxes | 195,300 | 48,104 | - | 6,650 |
| Intergovernmental | 3,414,679 | - | 1,063,526 | - |
| Accounts | 6,336 | 25,075 | - | - |
| Prepaid items | 65,831 | - | - | - |
| Total assets | <u>\$ 45,310,638</u> | <u>\$ 5,752,817</u> | <u>\$ 3,848,087</u> | <u>\$ 3,692,807</u> |
| Liabilities, deferred inflows of resources, and fund balance | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 871,281 | \$ 189,117 | \$ 126,231 | \$ (30) |
| Salaries and wages payable | 243,834 | 12,021 | - | - |
| Payroll deductions payable | 95,521 | - | - | - |
| Total liabilities | <u>1,210,636</u> | <u>201,138</u> | <u>126,231</u> | <u>(30)</u> |
| Deferred inflows of resources | | | | |
| Property taxes levied for a future period | 29,715,686 | 3,969,891 | 1,788,311 | 2,322,744 |
| Unavailable state and federal aid receivable | 1,321,723 | - | 531,763 | - |
| Total deferred inflows of resources | <u>31,037,409</u> | <u>3,969,891</u> | <u>2,320,074</u> | <u>2,322,744</u> |
| Fund balance | | | | |
| Nonspendable | 65,831 | - | - | - |
| Restricted | - | 1,581,788 | 1,401,782 | 1,370,093 |
| Assigned | - | - | - | - |
| Unassigned | 12,996,762 | - | - | - |
| Total fund balance | <u>13,062,593</u> | <u>1,581,788</u> | <u>1,401,782</u> | <u>1,370,093</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 45,310,638</u> | <u>\$ 5,752,817</u> | <u>\$ 3,848,087</u> | <u>\$ 3,692,807</u> |

See Notes to Basic Financial Statements

| DEBT SERVICE FUND | CAPITAL PROJECTS FUND | FIRE PREVENTION AND LIFE SAFETY FUND | TOTAL |
|----------------------|--------------------------|--|----------------------|
| \$ 5,254,553 | \$ 6,149,653 | \$ 113,467 | \$ 26,990,361 |
| 4,615,995 | - | - | 42,922,155 |
| - | - | - | 250,054 |
| - | - | - | 4,478,205 |
| - | - | - | 31,411 |
| 60,666 | - | - | 126,497 |
| <u>\$ 9,931,214</u> | <u>\$ 6,149,653</u> | <u>\$ 113,467</u> | <u>\$ 74,798,683</u> |

| | | | |
|--------------|------------------|----------|------------------|
| \$ 6,168 | \$ 1,207,571 | \$ - | \$ 2,400,338 |
| - | - | - | 255,855 |
| - | - | - | 95,521 |
| <u>6,168</u> | <u>1,207,571</u> | <u>-</u> | <u>2,751,714</u> |

| | | | |
|------------------|----------|----------|-------------------|
| 4,554,596 | - | - | 42,351,228 |
| - | - | - | 1,853,486 |
| <u>4,554,596</u> | <u>-</u> | <u>-</u> | <u>44,204,714</u> |

| | | | |
|------------------|------------------|----------------|-------------------|
| 60,666 | - | - | 126,497 |
| 5,309,784 | - | 113,467 | 9,776,914 |
| - | 4,942,082 | - | 4,942,082 |
| - | - | - | 12,996,762 |
| <u>5,370,450</u> | <u>4,942,082</u> | <u>113,467</u> | <u>27,842,255</u> |

| | | | |
|---------------------|---------------------|-------------------|----------------------|
| <u>\$ 9,931,214</u> | <u>\$ 6,149,653</u> | <u>\$ 113,467</u> | <u>\$ 74,798,683</u> |
|---------------------|---------------------|-------------------|----------------------|

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2017

| | | |
|--|------------------|----------------------|
| Total fund balances - governmental funds | | \$ 27,842,255 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. | | 67,022,344 |
| Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows: | | - |
| State and federal aid | \$ 1,853,486 | 1,853,486 |
| Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. | | 3,807,356 |
| Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet. | | (705,352) |
| Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. | | |
| Balances at June 30, 2017 are: | | |
| Bonds payable | \$ (16,520,000) | |
| Interest Payable | (19,725) | |
| Unamortized bond premium | (72,050) | |
| Health care claims payable | (807,152) | |
| Net other post employment obligation | (6,612,464) | |
| Net pension liability | (11,082,180) | |
| Compensated absences | <u>(355,938)</u> | |
| | | (35,469,509) |
| Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet. | | <u>(60,666)</u> |
| Net position of governmental activities | | <u>\$ 64,289,914</u> |

See Notes to Basic Financial Statements

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

| | GENERAL FUND | OPERATIONS AND MAINTENANCE FUND | TRANSPORTATION FUND | MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND |
|--|----------------------|---------------------------------------|------------------------|---|
| Revenues | | | | |
| Property taxes | \$ 43,836,329 | \$ 5,053,693 | \$ 1,880,459 | \$ 2,798,922 |
| Corporate personal property replacement taxes | 1,187,843 | 354,069 | - | 40,617 |
| State aid | 45,228,082 | 2,600,706 | 2,141,996 | - |
| Federal aid | 3,073,711 | - | - | - |
| Investment income | 226,770 | 11,076 | (7,032) | 1 |
| Other | 4,381,289 | 90,053 | - | - |
| Total revenues | <u>97,934,024</u> | <u>8,109,597</u> | <u>4,015,423</u> | <u>2,839,540</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 34,842,736 | - | - | 491,693 |
| Special programs | 9,561,107 | - | - | 501,093 |
| Other instructional programs | 1,748,584 | - | - | 49,765 |
| State retirement contributions | 34,548,406 | - | - | - |
| Support Services: | | | | |
| Pupils | 4,217,242 | - | - | 87,932 |
| Instructional staff | 4,531,907 | - | - | 83,714 |
| General administration | 2,254,296 | - | - | 17,749 |
| School administration | 3,711,951 | - | - | 212,132 |
| Business | 2,538,364 | 47,050 | - | 122,650 |
| Transportation | 3,855 | - | 3,803,103 | 425 |
| Operations and maintenance | 125,013 | 6,215,444 | - | 592,700 |
| Central | 2,989,547 | - | - | 151,548 |
| Other supporting services | 4,479 | - | - | - |
| Community services | 97,822 | - | - | 522 |
| Payments to other districts and gov't units | 2,785,767 | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest and other | - | - | - | - |
| Capital outlay | <u>301,336</u> | <u>44,935</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>104,262,412</u> | <u>6,307,429</u> | <u>3,803,103</u> | <u>2,311,923</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,328,388)</u> | <u>1,802,168</u> | <u>212,320</u> | <u>527,617</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | 8,438,492 | - | - |
| Transfers (out) | (8,438,492) | (8,438,492) | - | - |
| Principal on bonds sold | <u>6,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(2,438,492)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (8,766,880) | 1,802,168 | 212,320 | 527,617 |
| Fund balance (deficit), beginning of year (as restated) | <u>21,829,473</u> | <u>(220,380)</u> | <u>1,189,462</u> | <u>842,476</u> |
| Fund balance, end of year | <u>\$ 13,062,593</u> | <u>\$ 1,581,788</u> | <u>\$ 1,401,782</u> | <u>\$ 1,370,093</u> |

See Notes to Basic Financial Statements

| DEBT SERVICE FUND | CAPITAL PROJECTS FUND | FIRE PREVENTION AND LIFE SAFETY FUND | TOTAL |
|----------------------|--------------------------|--|----------------------|
| \$ 7,284,701 | \$ - | \$ - | \$ 60,854,104 |
| - | - | - | 1,582,529 |
| - | - | - | 49,970,784 |
| - | - | - | 3,073,711 |
| 1,796 | - | 762 | 233,373 |
| <u>2,464</u> | <u>3,435,146</u> | <u>-</u> | <u>7,908,952</u> |
| <u>7,288,961</u> | <u>3,435,146</u> | <u>762</u> | <u>123,623,453</u> |
| - | - | - | 35,334,429 |
| - | - | - | 10,062,200 |
| - | - | - | 1,798,349 |
| - | - | - | 34,548,406 |
| - | - | - | 4,305,174 |
| - | - | - | 4,615,621 |
| - | - | - | 2,272,045 |
| - | - | - | 3,924,083 |
| - | - | - | 2,708,064 |
| - | - | - | 3,807,383 |
| - | - | - | 6,933,157 |
| - | - | - | 3,141,095 |
| - | - | - | 4,479 |
| - | - | - | 98,344 |
| - | - | - | 2,785,767 |
| 6,630,000 | - | - | 6,630,000 |
| 1,114,754 | - | - | 1,114,754 |
| <u>-</u> | <u>4,663,228</u> | <u>-</u> | <u>5,009,499</u> |
| <u>7,744,754</u> | <u>4,663,228</u> | <u>-</u> | <u>129,092,849</u> |
| <u>(455,793)</u> | <u>(1,228,082)</u> | <u>762</u> | <u>(5,469,396)</u> |
| - | 8,438,492 | - | 16,876,984 |
| - | - | - | (16,876,984) |
| <u>50,000</u> | <u>-</u> | <u>-</u> | <u>6,050,000</u> |
| <u>50,000</u> | <u>8,438,492</u> | <u>-</u> | <u>6,050,000</u> |
| (405,793) | 7,210,410 | 762 | 580,604 |
| <u>5,776,243</u> | <u>(2,268,328)</u> | <u>112,705</u> | <u>27,261,651</u> |
| <u>\$ 5,370,450</u> | <u>\$ 4,942,082</u> | <u>\$ 113,467</u> | <u>\$ 27,842,255</u> |

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
FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|--|----|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 580,604 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation in the current period. | | |
| | | 2,019,724 |
| The net effect of various miscellaneous transactions involving capital assets (sale, disposal, appraisal adjustments, etc.) is to decrease net position. | | |
| | | (1,184,804) |
| Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements: | | |
| Interest revenue | \$ | (17,536) |
| Grant revenue | | <u>(43,648)</u> |
| | | (61,184) |
| The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal payments exceeded proceeds from current year long-term financing arrangements. | | |
| | | 580,000 |
| Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences. | | |
| | | 72,051 |
| In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources: | | |
| Interest payable | \$ | 64,876 |
| Compensated absences | | (140,830) |
| Other post employment benefits | | 939,849 |
| Health claims payable | | (446,296) |
| Net pension liability | | (618,248) |
| Deferred outflows of resources due to pensions | | (387,714) |
| Deferred inflows of resources due to pensions | | <u>91,651</u> |
| | | (496,712) |
| Interest expense paid and incurred by the District and recognized in the Statement of Activities is not due and payable in the current period, and accordingly is not recognized as an expenditure in the Governmental Funds Income Statement. | | |
| | | <u>(60,666)</u> |
| Change in net position of governmental activities | \$ | <u><u>1,449,013</u></u> |

See Notes to Basic Financial Statements

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017

| | AGENCY STUDENT ACTIVITY FUND |
|-----------------------|---------------------------------------|
| Assets | |
| Cash | \$ <u>782,968</u> |
| Liabilities | |
| Due to student groups | \$ <u>782,968</u> |

See Notes to Basic Financial Statements

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement / Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through bond issues and surplus TIF payments.

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds - includes Student Activity Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

All Financial Statements

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, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2016 levy resolution was approved during the December 6, 2016 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2016 and 2015 tax levies were 0.7% and 0.8%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2016 property tax levy is recognized as a receivable in fiscal 2017, net of estimated uncollectible amounts approximating 3% and less amounts already received. The District considers that the first installment of the 2016 levy, provided that it is collected within 60 days after year end, is to be used to finance operations in fiscal 2017. The District has determined that the second installment of the 2016 levy is to be used to finance operations in fiscal 2018 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Assets

Capital assets, which include land, buildings, and other equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

| <i>Assets</i> | <i>Years</i> |
|-------------------|---------------|
| Land improvements | 15 - 20 years |
| Buildings | 20 - 75 years |
| Other equipment | 5 - 25 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

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 governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

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, 2017 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 days accumulate to a maximum of 236 days. When a teacher retires from the District and receives Teacher's Retirement System annuities, he/she will be reimbursed for any remaining unused sick days at a rate of \$15 per day.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. The Board of Education may take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2017 are as follows:

The nonspendable fund balance in the General Fund and the Debt Service Fund is comprised of \$65,831 and \$60,666, respectively, for prepaid items. The remaining restricted and assigned fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2017, expenditures exceeded budget in the General Fund, Transportation Fund, the Municipal Retirement/Social Security Fund, and the Capital Projects Fund by \$8,686,196, \$387,735, \$128,136, and \$279,597, respectively. These excesses were funded by available financial resources.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

| | Government- wide | Fiduciary | Total |
|----------------------|-----------------------------|-------------------|----------------------|
| Cash and investments | \$ 26,990,361 | \$ 782,968 | \$ 27,773,329 |
| Total | <u>\$ 26,990,361</u> | <u>\$ 782,968</u> | <u>\$ 27,773,329</u> |

For disclosure purposes, this amount is segregated into the following components:

| | Cash | Investments | Total |
|--------------------------------------|-------------------|----------------------|----------------------|
| Deposits with financial institutions | \$ 868,840 | \$ 992,200 | \$ 1,861,040 |
| ISDLAF + | - | 13,258,923 | 13,258,923 |
| IMET Convenience Fund | - | 253,366 | 253,366 |
| Other investments | - | 12,400,000 | 12,400,000 |
| Total | <u>\$ 868,840</u> | <u>\$ 26,904,489</u> | <u>\$ 27,773,329</u> |

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and Level 2 valuation inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy does not limit its investment portfolio to specific maturities.

At year end, the District had the following investments subject to interest rate risk:

| | Fair Value | Investment Maturity (In Years) | | | |
|----------------------|----------------------|---------------------------------------|-------------|-------------|---------------------|
| | | Less than one | 1-5 | 5-10 | More than 10 |
| ISDLAF + Term Series | \$ 12,400,000 | \$ 12,400,000 | \$ - | \$ - | \$ - |
| Total | <u>\$ 12,400,000</u> | <u>\$ 12,400,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Redemption Notice Period. Investments in ISDLAF's Term Series may be redeemed upon seven days advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's).

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the IMET Convenience Fund are not-for-profit investment trusts formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are each rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. None of the District's investments are exposed to concentration of credit risk.

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the even of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred \$87,780 in interest earned in the General Fund (Working Cash Accounts) to the Operations and Maintenance Fund.

During the year, the Board transferred \$8,350,712 from the General Fund (Working Cash Accounts) to the Operations and Maintenance Fund.

Lastly the Board approved a transfer of \$8,438,492 from the Operations and Maintenance Fund to the Capital Projects Fund for the purposes of funding multiple facility projects.

State law allows for the above transfers.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - CAPITAL ASSETS

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

| | <i>Beginning Balance</i> | <i>Increases</i> | <i>Decreases</i> | <i>Appraisal Adjustments</i> | <i>Ending Balance</i> |
|---|------------------------------|---------------------|------------------|----------------------------------|---------------------------|
| <u>Capital assets not being depreciated:</u> | | | | | |
| Land | \$ 3,046,678 | \$ - | \$ - | \$ - | \$ 3,046,678 |
| Construction in progress | <u>-</u> | <u>1,117,780</u> | <u>-</u> | <u>-</u> | <u>1,117,780</u> |
| Total capital assets not being depreciated | <u>3,046,678</u> | <u>1,117,780</u> | <u>-</u> | <u>-</u> | <u>4,164,458</u> |
| <u>Capital assets being depreciated:</u> | | | | | |
| Land improvements | 5,154,318 | - | 12,595 | - | 5,141,723 |
| Building improvements | 89,770,815 | 3,208,050 | 18,342 | (1,051,228) | 91,909,295 |
| Equipment | <u>6,341,339</u> | <u>1,025,317</u> | <u>997,535</u> | <u>(94,373)</u> | <u>6,274,748</u> |
| Total capital assets being depreciated | <u>101,266,472</u> | <u>4,233,367</u> | <u>1,028,472</u> | <u>(1,145,601)</u> | <u>103,325,766</u> |
| <u>Less Accumulated Depreciation for:</u> | | | | | |
| Land improvements | 1,130,171 | 263,619 | 12,595 | - | 1,381,195 |
| Building improvements | 31,948,198 | 2,809,712 | 15,365 | (10,512) | 34,732,033 |
| Equipment | <u>5,047,357</u> | <u>258,092</u> | <u>941,324</u> | <u>(9,473)</u> | <u>4,354,652</u> |
| Total accumulated depreciation | <u>38,125,726</u> | <u>3,331,423</u> | <u>969,284</u> | <u>(19,985)</u> | <u>40,467,880</u> |
| Net capital assets being depreciated | <u>63,140,746</u> | <u>901,944</u> | <u>59,188</u> | <u>(1,125,616)</u> | <u>62,857,886</u> |
| Net governmental activities capital assets | <u>\$ 66,187,424</u> | <u>\$ 2,019,724</u> | <u>\$ 59,188</u> | <u>\$ (1,125,616)</u> | <u>\$ 67,022,344</u> |

During the year the District engaged an appraisal company to review estimates used for capital asset historical costs, useful lives and accumulated depreciation. As a result of this appraisal process, adjustments were identified and are reflected in the previous table.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - CAPITAL ASSETS - (CONTINUED)

Depreciation expense was recognized in the operating activities of the District as follows:

| <i>Governmental Activities</i> | <i>Depreciation</i> |
|--|---------------------|
| Regular programs | \$ 1,404,714 |
| Special programs | 496,964 |
| Other instructional programs | 73,211 |
| Pupils | 166,302 |
| Instructional staff | 162,228 |
| General administration | 83,586 |
| School administration | 157,428 |
| Business | 141,606 |
| Operations and maintenance | 238 |
| Central | 497,624 |
| Other | 143,728 |
| Community services | <u>3,794</u> |
| Total depreciation expense - governmental activities | <u>\$ 3,331,423</u> |

NOTE 6 - OPERATING LEASES

The District leases building and office facilities and other equipment under noncancelable operating leases. Total costs for such leases were \$179,674 for the year ended June 30, 2017. At June 30, 2017, future minimum lease payments for these leases are as follows:

| <i>Year Ending June 30,</i> | <i>Amount</i> |
|-----------------------------|-------------------|
| 2018 | \$ 153,419 |
| 2019 | 153,419 |
| 2020 | 153,419 |
| 2021 | 153,419 |
| 2022 | 23,171 |
| 2023-2027 | <u>11,586</u> |
| Total | <u>\$ 648,433</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2017:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|--|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| General obligation bonds | \$ 17,100,000 | \$ 6,050,000 | \$ 6,630,000 | \$ 16,520,000 | \$ 7,025,000 |
| Unamortized premium | <u>144,101</u> | <u>-</u> | <u>72,051</u> | <u>72,050</u> | <u>-</u> |
| Total bonds payable | <u>17,244,101</u> | <u>6,050,000</u> | <u>6,702,051</u> | <u>16,592,050</u> | <u>7,025,000</u> |
| OPEB liability | 7,552,313 | 554,411 | 1,494,260 | 6,612,464 | - |
| Compensated absences | 234,241 | 152,566 | 30,869 | 355,938 | 30,869 |
| Net pension liability | <u>10,463,932</u> | <u>2,324,545</u> | <u>1,706,297</u> | <u>11,082,180</u> | <u>-</u> |
| Total long-term liabilities - governmental activities | <u>\$ 35,494,587</u> | <u>\$ 9,081,522</u> | <u>\$ 9,933,477</u> | <u>\$ 34,642,632</u> | <u>\$ 7,055,869</u> |

The obligations for the compensated absences and OPEB liability will be repaid from the General Fund. The net pension liability associated with the Teachers' Retirement System will be repaid from the General Fund and the net pension liability associated with the IMRF pension plan will be repaid from the Illinois Municipal Retirement Fund.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

| Purpose | Interest Rates | Original Indebtedness | Carrying Amount |
|---|-----------------------|----------------------------------|----------------------------|
| Series 1999B General Obligation Bonds dated May 1, 1999 are due in annual installments through December 31, 2018 | 4.05 - 9.00% | \$ 38,345,000 | \$ 7,840,000 |
| Series 2014 General Obligation Bonds dated December 17, 2014 are due in annual installments through January 1, 2018 | 3.00% | 3,475,000 | 2,630,000 |
| Series 2016 General Obligation Bonds dated December 20, 2016 are due in annual installments through January 1, 2022 | 1.89% | <u>6,050,000</u> | <u>6,050,000</u> |
| Total | | <u>\$ 47,870,000</u> | <u>\$ 16,520,000</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

| | Principal | Interest | Total |
|-------|----------------------|---------------------|----------------------|
| 2018 | \$ 7,025,000 | \$ 633,473 | \$ 7,658,473 |
| 2019 | 5,405,000 | 286,204 | 5,691,204 |
| 2020 | 1,335,000 | 77,301 | 1,412,301 |
| 2021 | 1,365,000 | 52,070 | 1,417,070 |
| 2022 | <u>1,390,000</u> | <u>26,271</u> | <u>1,416,271</u> |
| Total | <u>\$ 16,520,000</u> | <u>\$ 1,075,319</u> | <u>\$ 17,595,319</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$95,679,093, providing a debt margin of \$79,087,043.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss 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 worker's compensation claims, and Collective Liability Insurance Cooperative ("CLIC") for property damages 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. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

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 stop-loss provisions incorporated in the plan. The District's aggregate stop loss insurance for the HMO and PPO plans can fluctuate during the year based upon enrollment, however the minimum aggregate stop loss insurance amount was \$3,336,990 for the HMO plan and \$3,604,986 for the PPO plan.

At June 30, 2017, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$807,152. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2016 and June 30, 2017, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

| | <i>Claims Payable Beginning of Year</i> | <i>Current Year Claims and Changes in Estimates</i> | <i>Claims Payments</i> | <i>Claims Payable End of Year</i> |
|------------------|---|---|----------------------------|---------------------------------------|
| Fiscal Year 2016 | <u>\$ 237,069</u> | <u>\$ 5,883,481</u> | <u>\$ 5,759,694</u> | <u>\$ 360,856</u> |
| Fiscal Year 2017 | <u>\$ 360,856</u> | <u>\$ 7,755,742</u> | <u>\$ 7,309,446</u> | <u>\$ 807,152</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

The 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 THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$497,318, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$464,428 and \$427,651, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.84 percent during the year ended June 30, 2017 and 0.80 and 0.76 percent during the years ended June 30, 2016 and 2015, respectively. For the years ended June 30, 2017, 2016 and 2015 the District paid \$372,988, \$347,236 and \$318,642 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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."

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Retirees' Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. The Retirees' Health Plan does not issue a publicly available financial report. The summary of principal plan provisions are as follows:

Eligibility:

Educational support employees who contribute to the Illinois Municipal Retirement Fund (IMRF) are eligible for post-retirement medical coverage. The member must have worked at least 10 years at retirement and be at least 55 years old. Effective starting in 2013, there is no special subsidy.

Certified employees and Administrators who contribute to the Teachers' Retirement Service (TRS) are eligible for post-retirement medical coverage if they have worked at least 10 years at retirement and are at least 55 years old.

Benefit Provisions:

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

IMRF and SEIU retirees may elect to cover themselves and their spouses or families. Effective in 2013, these retirees may continue in the District's group health insurance plans through age 65, but must pay the full blended rate for such coverage.

For the 2016-17 Plan Year, for certified staff and administrators, the District will pay up to (approximately) \$7,500 toward PPO or BAHMO for single coverage and up to (approximately) \$13,500 for any option which includes a family member. The subsidy remains for up to 4 years or until age 65, whichever occurs first. After the four years has expired, the certified retiree may continue in the District's group health insurance plans through age 65, but must pay the full blended rate for such coverage.

Educational Support Personnel who have worked for District 97 for at least 10 years, and who have indicated, by February 29, 2016, their intent to retire, are eligible for a severance of \$3,000 annually for up to four years.

An SEIU employee retiring after the age of 55 with at least 20 years of service in District 97, shall receive \$800 from the Board; for fifteen years of service, \$600; and for five years of service, \$200.

Funding Policy

The current funding policy is to pay for post-retirement medical and insurance premiums as they occur. There is an implicit subsidy for early retirees which this study accounts for. The funding policy of District 97 may be amended by the School Board.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union.. The District makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. For fiscal year 2017, the District contributed \$307,351 to the plan.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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 parameters of GASB Statement No. 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 thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Retirees' Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

| | |
|---|----------------------------|
| Annual required contribution | \$ 872,306 |
| Interest on net OPEB obligation | 254,616 |
| Adjustment to annual required contribution | <u>(572,511)</u> |
| Annual OPEB cost | 554,411 |
| Adjustment for plan assumption changes | (1,186,909) |
| Contributions made | <u>(307,351)</u> |
| Decrease in net OPEB obligation (asset) | (939,849) |
| Net OPEB Obligation (Asset) - Beginning of Year | <u>7,552,313</u> |
| Net OPEB Obligation (Asset) - End of Year | <u><u>\$ 6,612,464</u></u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2017 and the two preceding years are as follows:

| <i>Fiscal Year Ended</i> | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|---------------------------------|---------------------|---|-----------------------------------|
| June 30, 2017 | \$ 554,411 | 55.44 % | \$ 6,612,464 |
| June 30, 2016 | 1,823,097 | 27.00 % | 7,552,313 |
| June 30, 2015 | 818,896 | 24.00 % | 6,228,383 |

The funded status of the Retirees' Health Plan as of July 1, 2016, the most recent actuarial valuation date, is as follows:

| | |
|---|-------------------------------|
| Actuarial accrued liability (AAL) | \$ - |
| Actuarial value of plan assets | <u>10,105,528</u> |
| Unfunded Actuarial Accrued Liability (UAAL) | <u><u>\$ (10,105,528)</u></u> |
| Funded ratio (actuarial value of plan assets/AAL) | DIV/0 |
| Covered payroll (active plan members) | \$ 44,131,831 |
| UAAL as a percentage of covered payroll | 22.90% |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The projection of future benefit payments for an ongoing plan involves estimates for the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce 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, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4 percent investment rate of return and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 3 percent after 7 years. Both rates include a 2 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017 is 30 years.

NOTE 10 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Teachers' Retirement System

Plan Description. The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active 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.

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

Benefits Provided. TRS provides retirement, disability, and death benefits. *Tier I* members have TRS or reciprocal system service prior to January 1, 2011. *Tier I* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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. On July 1, 2016 the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$34,051,088 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, 2017, were \$260,364, and are deferred because they were paid after the June 30, 2016 measurement date.

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

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2017, were \$315,795, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Salary increases over 6 percent. The District 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. For the year ended June 30, 2017, the District paid \$20,931 to TRS for employer contributions due on salary increases in excess of 6 percent.

Excess sick leave. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$15,624 to TRS for sick leave days granted in excess of the normal annual allotment.

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

Net Pension Liability. At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

| | | |
|--|----|--------------------|
| District's proportionate share of the collective net pension liability | \$ | 5,853,621 |
| State's proportionate share of the collective net pension liability associated with the District | | <u>346,730,903</u> |
| Total | \$ | <u>352,584,524</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016 and 2015, the District's proportion was 0.00741565 percent and 0.00784716 percent, respectively.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2016 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

Mortality. 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.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return 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. equities large cap | 14.40 % | 6.94 % |
| U.S. equities small/mid cap | 3.60 % | 8.09 % |
| International equities developed | 14.40 % | 7.46 % |
| Emerging market equities | 3.60 % | 10.15 % |
| U.S. bonds core | 10.70 % | 2.44 % |
| International debt developed | 5.30 % | 1.70 % |
| Real estate | 15.00 % | 5.44 % |
| Commodities (real return) | 11.00 % | 4.28 % |
| Hedge funds (absolute return) | 8.00 % | 4.16 % |
| Private equity | 14.00 % | 10.63 % |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 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, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--|--------------|--------------------------|--------------|
| District's proportionate share of the collective net pension liability | \$ 7,159,216 | \$ 5,853,621 | \$ 4,787,296 |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2017, the District recognized pension expense of \$498,676 and on-behalf revenue and expenditures of \$34,051,088 for support provided by the state. At June 30, 2017, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 43,282 | \$ 3,970 |
| Net difference between projected and actual earnings on pension plan investments | 165,375 | - |
| Assumption changes | 502,739 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 179,807 | 595,282 |
| District contributions subsequent to the measurement date | <u>382,072</u> | <u>-</u> |
| Total | <u>\$ 1,273,275</u> | <u>\$ 599,252</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$291,951) will be recognized in pension expense as follows:

| | <u>Year Ending June 30,</u> | <u>Amount</u> |
|-------|-----------------------------|-------------------|
| 2018 | | \$ (12,993) |
| 2019 | | (12,993) |
| 2020 | | 189,885 |
| 2021 | | 114,793 |
| 2022 | | <u>13,259</u> |
| Total | | <u>\$ 291,951</u> |

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 pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Plan Membership. At December 31, 2016, the measurement date, membership of the plan was as follows:

| | |
|-------------------------------|-------------------|
| Retirees and beneficiaries | 243 |
| Inactive, non-retired members | 306 |
| Active members | 226 |
| Total | <u><u>775</u></u> |

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2016 was 10.94 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2016 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

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

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

| Asset Class | Target Allocation | Projected Returns/Risk | |
|------------------------|-------------------|------------------------|--------------------|
| | | One Year Arithmetic | Ten Year Geometric |
| Equities | 38.00 % | 8.30 % | 6.85 % |
| International equities | 17.00 % | 8.45 % | 6.75 % |
| Fixed income | 27.00 % | 3.05 % | 3.00 % |
| Real estate | 8.00 % | 6.90 % | 5.75 % |
| Alternatives | 9.00 % | | |
| Private equity | | 12.45 % | 7.35 % |
| Hedge funds | | 5.35 % | 5.25 % |
| Commodities | | 4.25 % | 2.65 % |
| Cash equivalents | 1.00 % | 2.25 % | 2.25 % |

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2015 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.78% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2016 to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2115 is the last year in the 2017 to 2116 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|----------------------|-----------------------|-------------------|
| Total pension liability | \$ 47,171,628 | \$ 41,767,522 | \$ 37,337,644 |
| Plan fiduciary net position | <u>36,538,963</u> | <u>36,538,963</u> | <u>36,538,963</u> |
| Net pension liability/(asset) | <u>\$ 10,632,665</u> | <u>\$ 5,228,559</u> | <u>\$ 798,681</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2016 was as follows:

| | Total Pension Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (a) - (b) |
|---|-----------------------------------|--|---|
| Balances at December 31, 2015 | \$ 39,823,828 | \$ 34,500,574 | \$ 5,323,254 |
| Service cost | 1,018,418 | - | 1,018,418 |
| Interest on total pension liability | 2,939,277 | - | 2,939,277 |
| Changes in benefit terms | 161,803 | - | 161,803 |
| Change of assumptions | (100,024) | - | (100,024) |
| Benefit payments, including refunds of employee contributions | (2,075,780) | (2,075,780) | - |
| Contributions - employer | - | 1,013,419 | (1,013,419) |
| Contributions - employee | - | 429,505 | (429,505) |
| Net investment income | - | 2,372,518 | (2,372,518) |
| Other (net transfer) | - | 298,727 | (298,727) |
| Balances at December 31, 2016 | <u>\$ 41,767,522</u> | <u>\$ 36,538,963</u> | <u>\$ 5,228,559</u> |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2017, the District recognized pension expense of \$1,856,719. The District's deferred outflows and inflows of resources related to pension were from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 132,285 | \$ 38,429 |
| Assumption changes | 103,409 | 67,671 |
| Net difference between projected and actual earnings on pension plan investments | 1,801,263 | - |
| Contributions subsequent to the measurement date | <u>497,117</u> | <u>-</u> |
| Total | <u>\$ 2,534,074</u> | <u>\$ 106,100</u> |

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,930,857) will be recognized in pension expense as follows:

| <i>Year Ending December 31,</i> | <i>Amount</i> |
|---------------------------------|---------------------|
| 2017 | \$ 728,274 |
| 2018 | 635,346 |
| 2019 | 526,738 |
| 2020 | <u>40,499</u> |
| Total | <u>\$ 1,930,857</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

NOTE 11 - CONSTRUCTION COMMITMENTS

As of June 30, 2017, the District is committed to approximately \$4,054,657 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 12 - CONTINGENT LIABILITIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 13 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

NOTE 14 - RESTATEMENT

Fund balance and net position were restated to correct an error in the prior year in relation to an overstatement of state grant receivable/revenue.

| | General Fund | Governmental Activities |
|---|----------------------|------------------------------------|
| Fund balance/net position as previously reported, June 30, 2016 | \$ 22,500,157 | \$ 63,511,585 |
| Adjustment to intergovernmental receivable | <u>(670,684)</u> | <u>(670,684)</u> |
| Fund balance/net position as restated, June 30, 2016 | <u>\$ 21,829,473</u> | <u>\$ 62,840,901</u> |

Net income in the General Fund and the Statement of Activities would have been increased by \$670,684 in the prior year.

NOTE 15 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, and GASB Statement No. 87, *Leases*. Application of these standards may restate portions of these financial statements.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Three Most Recent Fiscal Years

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|
| Total pension liability | | | |
| Service cost | \$ 1,018,418 | \$ 1,016,794 | \$ 1,015,645 |
| Interest | 2,939,277 | 2,813,748 | 2,556,755 |
| Differences between expected and actual experience | 161,803 | (105,895) | 389,493 |
| Changes of assumptions | (100,024) | 48,003 | 1,467,716 |
| Benefit payments, including refunds of member contributions | <u>(2,075,780)</u> | <u>(2,014,304)</u> | <u>(1,892,733)</u> |
| Net change in total pension liability | 1,943,694 | 1,758,346 | 3,536,876 |
| Total pension liability - beginning | <u>39,823,828</u> | <u>38,065,482</u> | <u>34,528,606</u> |
| Total pension liability - ending (a) | <u>\$ 41,767,522</u> | <u>\$ 39,823,828</u> | <u>\$ 38,065,482</u> |
| Plan fiduciary net position | | | |
| Employer contributions | \$ 1,013,419 | \$ 994,811 | \$ 986,041 |
| Employee contributions | 429,505 | 417,306 | 413,225 |
| Net investment income | 2,372,518 | 172,840 | 2,014,783 |
| Benefit payments, including refunds of member contributions | (2,075,780) | (2,014,304) | (1,892,733) |
| Other (net transfer) | <u>298,727</u> | <u>60,817</u> | <u>71,832</u> |
| Net change in plan fiduciary net position | 2,038,389 | (368,530) | 1,593,148 |
| Plan fiduciary net position - beginning | <u>34,500,574</u> | <u>34,869,104</u> | <u>33,275,956</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 36,538,963</u> | <u>\$ 34,500,574</u> | <u>\$ 34,869,104</u> |
| Employer's net pension liability - ending (a) - (b) | <u>\$ 5,228,559</u> | <u>\$ 5,323,254</u> | <u>\$ 3,196,378</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 87.48% | 86.63% | 91.60% |
| Covered-employee payroll | \$ 9,262,412 | \$ 9,143,478 | \$ 8,812,931 |
| Employer's net pension liability as a percentage of covered-employee payroll | 56.45% | 58.22% | 36.27% |

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Three Most Recent Fiscal Years

| | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 1,013,308 | \$ 994,810 | \$ 954,440 |
| Contributions in relation to the actuarially determined contribution | (1,013,419) | (994,811) | (986,041) |
| Contribution deficiency (excess) | \$ (111) | \$ (1) | \$ (31,601) |
| Covered-employee payroll | \$ 9,262,412 | \$ 9,143,478 | \$ 8,812,931 |
| Contributions as a percentage of covered-employee payroll | 10.94% | 10.88% | 11.19% |

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Aggregate Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 27 years |
| Asset valuation method | 5-Year Smoothed Market, 20% corridor |
| Inflation | 3.50% |
| Salary increases | 3.75% to 14.50%, including inflation |
| Investment rate of return | 7.50% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | RP-2014 Employee Mortality Table, adjusted to match current IMRF experience |

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Three Most Recent Fiscal Years

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability | 0.0074156500% | 0.0078000000% | 0.0074000000% |
| District's proportionate share of the net pension liability | \$ 5,853,621 | \$ 5,140,678 | \$ 4,487,434 |
| State's proportionate share of the net pension liability | <u>346,730,903</u> | <u>271,238,470</u> | <u>243,652,095</u> |
| Total net pension liability | <u>\$ 352,584,524</u> | <u>\$ 276,379,148</u> | <u>\$ 248,139,529</u> |
| Covered-employee payroll | \$ 44,403,376 | \$ 43,404,463 | \$ 41,926,589 |
| District's proportionate share of the net pension liability as a percentage of covered payroll | 13.18% | 11.84% | 10.70% |
| Plan fiduciary net position as a percentage of the total pension liability | 36.40% | 41.50% | 43.00% |
| Contractually required contribution | \$ 379,247 | \$ 287,655 | \$ 273,093 |
| Contributions in relation to the contractually required contribution | <u>(382,072)</u> | <u>(288,204)</u> | <u>(274,948)</u> |
| Contribution deficiency (excess) | <u>\$ (2,825)</u> | <u>\$ (549)</u> | <u>\$ (1,855)</u> |
| Contributions as a percentage of covered employee payroll | 0.8605% | 0.6640% | 0.6558% |

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

| | | | |
|-----------------------------------|--------------------|--------------------|-------|
| Long-term expected rate of return | 7.00% | 7.50% | 7.50% |
| Municipal bond index | 2.85% | 3.73% | N/A |
| Single equivalent discount rate | 6.83% | 7.47% | 7.50% |
| Inflation rate | 2.50% | 3.00% | 3.00% |
| Projected salary increases | 3.25% to 9.25% | 3.75% to 9.75% | 5.75% |
| | varying by service | varying by service | |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN
AS OF JUNE 30, 2017

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 7/1/16 | \$ - | \$ 10,105,528 | \$ 10,105,528 | N/A | \$ 44,131,831 | 22.90% |
| 7/1/14 | - | 14,219,502 | 14,219,502 | N/A | 47,481,603 | 29.95% |
| 7/1/12 | - | 12,247,398 | 12,247,398 | N/A | 43,287,776 | 28.29% |

Valuations must be performed every two years for OPEB plans with more than 200 members. Decrease in AAL for July 1, 2016 valuation attributable to change in plan benefits offered.

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|-------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 45,277,602 | \$ 40,530,946 | \$ (4,746,656) |
| Tort immunity levy | - | 767,515 | 767,515 |
| Special education levy | 329,603 | 2,537,868 | 2,208,265 |
| Corporate personal property replacement taxes | 1,117,974 | 1,187,843 | 69,869 |
| Summer school - tuition from other sources (in state) | 4,000 | 2,330 | (1,670) |
| Summer school - tuition from other sources (out of state) | - | 1,275 | 1,275 |
| Investment income | 138,000 | 226,770 | 88,770 |
| Sales to pupils - lunch | 628,700 | 652,309 | 23,609 |
| Sales to pupils - breakfast | 12,050 | 4,211 | (7,839) |
| Sales to adults | 4,825 | 5,253 | 428 |
| Other food service | 414,300 | - | (414,300) |
| Fees | 29,500 | 70,212 | 40,712 |
| Other pupil activity revenue | 1,600 | 33,895 | 32,295 |
| Rentals - regular textbook | 356,700 | 363,172 | 6,472 |
| Other - textbooks | 63,300 | - | (63,300) |
| Contributions and donations from private sources | 68,600 | - | (68,600) |
| Services provided other LEA's | 10,000 | 805 | (9,195) |
| Refund of prior years' expenditures | - | 50,848 | 50,848 |
| Payments of surplus monies from TIF districts | 1,200,000 | 2,351,285 | 1,151,285 |
| Proceed's from vendor contracts | 146,000 | 2,867 | (143,133) |
| Other local fees | 19,875 | 26,936 | 7,061 |
| Other | 97,371 | 815,891 | 718,520 |
| Total local sources | <u>49,920,000</u> | <u>49,632,231</u> | <u>(287,769)</u> |
| State sources | | | |
| General state aid | 6,217,000 | 6,217,000 | - |
| General state aid hold harmless/supplemental | 314,000 | 282,529 | (31,471) |
| Special education - private facility tuition | 762,860 | 1,030,474 | 267,614 |
| Special education - extraordinary | 677,688 | 728,406 | 50,718 |
| Special education - personnel | 573,934 | 1,031,525 | 457,591 |
| Special education - orphanage - individual | 244,860 | 1,066,076 | 821,216 |
| Special education - orphanage - summer | 40,108 | - | (40,108) |
| Special education - summer school | 29,595 | - | (29,595) |
| CTE - Other | - | 5,744 | 5,744 |
| Bilingual education - downstate - TPI | 11,240 | 421 | (10,819) |
| State free lunch & breakfast | 5,400 | 2,533 | (2,867) |
| Early childhood - block grant | 701,856 | 296,640 | (405,216) |
| Other restricted revenue from state sources | 42,004 | 18,328 | (23,676) |
| On behalf payment to TRS from the state | <u>22,686,571</u> | <u>34,548,406</u> | <u>11,861,835</u> |
| Total state sources | <u>32,307,116</u> | <u>45,228,082</u> | <u>12,920,966</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|-------------------|-------------------------------|
| Federal sources | | | |
| National school lunch program | \$ 586,049 | \$ 481,183 | \$ (104,866) |
| School breakfast program | 50,500 | 36,671 | (13,829) |
| Fresh fruits & vegetables | - | 194,922 | 194,922 |
| Title I - Low income | 530,162 | 399,954 | (130,208) |
| Title I - Low income - neglected, private | 32,716 | 34,968 | 2,252 |
| Federal - special education - preschool flow-through | 94,791 | 49,010 | (45,781) |
| Federal - special education - IDEA - flow-through/low incident | 1,366,875 | 1,425,774 | 58,899 |
| Federal - special education - IDEA - room & board | 12,676 | - | (12,676) |
| Race to the top program | 400,000 | - | (400,000) |
| Title II - Teacher quality | 125,041 | 125,359 | 318 |
| Medicaid matching funds - administrative outreach | - | 94,434 | 94,434 |
| Medicaid matching funds - fee-for-service program | - | 231,436 | 231,436 |
| | <u>3,198,810</u> | <u>3,073,711</u> | <u>(125,099)</u> |
| Total federal sources | | | |
| Total revenues | <u>85,425,926</u> | <u>97,934,024</u> | <u>12,508,098</u> |
| Expenditures | | | |
| Instruction | | | |
| Regular programs | | | |
| Salaries | 30,299,150 | 29,063,020 | 1,236,130 |
| Employee benefits | 4,594,943 | 5,123,043 | (528,100) |
| On-behalf payments to TRS from the state | 22,686,571 | 34,548,406 | (11,861,835) |
| Purchased services | 243,676 | 166,382 | 77,294 |
| Supplies and materials | 571,953 | 488,449 | 83,504 |
| Capital outlay | 5,000 | 33,213 | (28,213) |
| Non-capitalized equipment | - | 1,842 | (1,842) |
| | <u>58,401,293</u> | <u>69,424,355</u> | <u>(11,023,062)</u> |
| Total | | | |
| Pre-K programs | | | |
| Supplies and materials | - | 1,273 | (1,273) |
| | <u>-</u> | <u>1,273</u> | <u>(1,273)</u> |
| Total | | | |
| Special education programs | | | |
| Salaries | 6,989,707 | 7,572,485 | (582,778) |
| Employee benefits | 1,215,721 | 1,267,997 | (52,276) |
| Purchased services | 171,637 | 127,979 | 43,658 |
| Supplies and materials | 314,389 | 139,416 | 174,973 |
| Capital outlay | 60,000 | 13,627 | 46,373 |
| Other objects | 7,000 | 6,111 | 889 |
| Termination benefits | - | 38,404 | (38,404) |
| | <u>8,758,454</u> | <u>9,166,019</u> | <u>(407,565)</u> |
| Total | | | |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|-------------------|-------------------------------|
| Remedial and supplemental programs K - 12 | | | |
| Salaries | \$ 297,000 | \$ 250,256 | \$ 46,744 |
| Employee benefits | - | 96,514 | (96,514) |
| Purchased services | 9,425 | 11,034 | (1,609) |
| Supplies and materials | - | 50,911 | (50,911) |
| Capital outlay | <u>166,068</u> | <u>-</u> | <u>166,068</u> |
| Total | <u>472,493</u> | <u>408,715</u> | <u>63,778</u> |
| Interscholastic programs | | | |
| Salaries | 233,435 | 293,324 | (59,889) |
| Employee benefits | 52,984 | 43,534 | 9,450 |
| Purchased services | <u>56,000</u> | <u>11,103</u> | <u>44,897</u> |
| Total | <u>342,419</u> | <u>347,961</u> | <u>(5,542)</u> |
| Summer school programs | | | |
| Salaries | 137,700 | 137,827 | (127) |
| Employee benefits | 2,225 | 43 | 2,182 |
| Purchased services | 4,200 | 388 | 3,812 |
| Supplies and materials | <u>4,800</u> | <u>5,688</u> | <u>(888)</u> |
| Total | <u>148,925</u> | <u>143,946</u> | <u>4,979</u> |
| Gifted programs | | | |
| Salaries | 875,155 | 880,981 | (5,826) |
| Employee benefits | 110,038 | 120,780 | (10,742) |
| Supplies and materials | <u>6,869</u> | <u>3,112</u> | <u>3,757</u> |
| Total | <u>992,062</u> | <u>1,004,873</u> | <u>(12,811)</u> |
| Bilingual programs | | | |
| Salaries | 229,872 | 231,622 | (1,750) |
| Employee benefits | <u>19,083</u> | <u>18,909</u> | <u>174</u> |
| Total | <u>248,955</u> | <u>250,531</u> | <u>(1,576)</u> |
| Total instruction | <u>69,364,601</u> | <u>80,747,673</u> | <u>(11,383,072)</u> |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | | | |
| Salaries | 1,127,479 | 1,108,525 | 18,954 |
| Employee benefits | 114,389 | 156,620 | (42,231) |
| Purchased services | 74,000 | 24,000 | 50,000 |
| Supplies and materials | <u>2,750</u> | <u>2,613</u> | <u>137</u> |
| Total | <u>1,318,618</u> | <u>1,291,758</u> | <u>26,860</u> |
| Guidance services | | | |
| Supplies and materials | <u>5,755</u> | <u>979</u> | <u>4,776</u> |
| Total | <u>5,755</u> | <u>979</u> | <u>4,776</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|------------------|-------------------------------|
| Health services | | | |
| Salaries | \$ 592,528 | \$ 595,027 | \$ (2,499) |
| Employee benefits | 37,768 | 59,595 | (21,827) |
| Purchased services | 119,300 | 237,215 | (117,915) |
| Supplies and materials | <u>10,000</u> | <u>9,316</u> | <u>684</u> |
| Total | <u>759,596</u> | <u>901,153</u> | <u>(141,557)</u> |
| Psychological services | | | |
| Salaries | 448,840 | 490,225 | (41,385) |
| Employee benefits | 56,762 | 69,046 | (12,284) |
| Supplies and materials | <u>1,500</u> | <u>-</u> | <u>1,500</u> |
| Total | <u>507,102</u> | <u>559,271</u> | <u>(52,169)</u> |
| Speech pathology and audiology services | | | |
| Salaries | 1,299,340 | 1,300,066 | (726) |
| Employee benefits | 134,448 | 163,984 | (29,536) |
| Purchased services | 100,000 | 31 | 99,969 |
| Supplies and materials | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total | <u>1,534,788</u> | <u>1,464,081</u> | <u>70,707</u> |
| Total pupils | <u>4,125,859</u> | <u>4,217,242</u> | <u>(91,383)</u> |
| Instructional staff | | | |
| Improvement of instructional services | | | |
| Salaries | 804,318 | 765,896 | 38,422 |
| Employee benefits | 260,926 | 246,698 | 14,228 |
| Purchased services | 1,331,010 | 971,900 | 359,110 |
| Supplies and materials | 632,669 | 556,842 | 75,827 |
| Capital outlay | 60,000 | - | 60,000 |
| Other objects | <u>25,000</u> | <u>5,710</u> | <u>19,290</u> |
| Total | <u>3,113,923</u> | <u>2,547,046</u> | <u>566,877</u> |
| Educational media services | | | |
| Salaries | 981,933 | 966,758 | 15,175 |
| Employee benefits | 103,162 | 102,009 | 1,153 |
| Purchased services | 14,899 | 6,677 | 8,222 |
| Supplies and materials | <u>57,950</u> | <u>50,268</u> | <u>7,682</u> |
| Total | <u>1,157,944</u> | <u>1,125,712</u> | <u>32,232</u> |
| Assessment and testing | | | |
| Salaries | 769,047 | 647,482 | 121,565 |
| Employee benefits | 98,247 | 81,824 | 16,423 |
| Purchased services | <u>223,670</u> | <u>129,843</u> | <u>93,827</u> |
| Total | <u>1,090,964</u> | <u>859,149</u> | <u>231,815</u> |
| Total instructional staff | <u>5,362,831</u> | <u>4,531,907</u> | <u>830,924</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|------------------|-------------------------------|
| General administration | | | |
| Board of education services | | | |
| Salaries | \$ 107,976 | \$ 17,945 | \$ 90,031 |
| Employee benefits | 216,239 | 35,422 | 180,817 |
| Purchased services | 1,972,094 | 1,695,356 | 276,738 |
| Supplies and materials | 78,180 | 74,896 | 3,284 |
| Other objects | <u>80,000</u> | <u>55,905</u> | <u>24,095</u> |
| Total | <u>2,454,489</u> | <u>1,879,524</u> | <u>574,965</u> |
| Executive administration services | | | |
| Salaries | 284,677 | 290,595 | (5,918) |
| Employee benefits | 50,403 | 39,425 | 10,978 |
| Purchased services | 25,000 | 4,764 | 20,236 |
| Supplies and materials | <u>12,000</u> | <u>9,732</u> | <u>2,268</u> |
| Total | <u>372,080</u> | <u>344,516</u> | <u>27,564</u> |
| Special area administration services | | | |
| Salaries | 3,843 | 24,339 | (20,496) |
| Employee benefits | <u>2,331</u> | <u>5,917</u> | <u>(3,586)</u> |
| Total | <u>6,174</u> | <u>30,256</u> | <u>(24,082)</u> |
| Total general administration | <u>2,832,743</u> | <u>2,254,296</u> | <u>578,447</u> |
| School administration | | | |
| Office of the principal services | | | |
| Salaries | 3,008,134 | 2,972,130 | 36,004 |
| Employee benefits | 546,794 | 636,406 | (89,612) |
| Purchased services | 123,875 | 92,625 | 31,250 |
| Supplies and materials | <u>20,004</u> | <u>10,790</u> | <u>9,214</u> |
| Total | <u>3,698,807</u> | <u>3,711,951</u> | <u>(13,144)</u> |
| Total school administration | <u>3,698,807</u> | <u>3,711,951</u> | <u>(13,144)</u> |
| Business | | | |
| Direction of business support services | | | |
| Salaries | 74,179 | 74,179 | - |
| Employee benefits | 21,899 | 19,656 | 2,243 |
| Purchased services | 26,000 | 5,520 | 20,480 |
| Supplies and materials | 4,500 | 1,143 | 3,357 |
| Capital outlay | 104,000 | - | 104,000 |
| Other objects | <u>-</u> | <u>70,927</u> | <u>(70,927)</u> |
| Total | <u>230,578</u> | <u>171,425</u> | <u>59,153</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|------------------|-------------------------------|
| Fiscal services | | | |
| Salaries | \$ 348,936 | \$ 338,897 | \$ 10,039 |
| Employee benefits | 46,888 | 40,756 | 6,132 |
| Purchased services | 118,600 | 70,404 | 48,196 |
| Supplies and materials | 3,000 | 2,244 | 756 |
| Capital outlay | <u>2,500</u> | <u>9,590</u> | <u>(7,090)</u> |
| Total | <u>519,924</u> | <u>461,891</u> | <u>58,033</u> |
| Operation and maintenance of plant services | | | |
| Salaries | 3,400 | 2,391 | 1,009 |
| Employee benefits | 131 | - | 131 |
| Purchased services | 91,600 | 110,949 | (19,349) |
| Supplies and materials | 12,000 | 11,673 | 327 |
| Capital outlay | <u>280,000</u> | <u>3,065</u> | <u>276,935</u> |
| Total | <u>387,131</u> | <u>128,078</u> | <u>259,053</u> |
| Pupil transportation services | | | |
| Employee benefits | <u>4,420</u> | <u>3,855</u> | <u>565</u> |
| Total | <u>4,420</u> | <u>3,855</u> | <u>565</u> |
| Food services | | | |
| Salaries | 890,368 | 844,108 | 46,260 |
| Employee benefits | 55,102 | 41,060 | 14,042 |
| Purchased services | 19,750 | 39,130 | (19,380) |
| Supplies and materials | 849,294 | 990,340 | (141,046) |
| Capital outlay | <u>3,100</u> | <u>-</u> | <u>3,100</u> |
| Total | <u>1,817,614</u> | <u>1,914,638</u> | <u>(97,024)</u> |
| Total business | <u>2,959,667</u> | <u>2,679,887</u> | <u>279,780</u> |
| Central | | | |
| Direction of central support services | | | |
| Salaries | 272,865 | 275,972 | (3,107) |
| Employee benefits | 63,036 | 59,283 | 3,753 |
| Purchased services | 16,000 | 34,397 | (18,397) |
| Supplies and materials | <u>5,500</u> | <u>3,985</u> | <u>1,515</u> |
| Total | <u>357,401</u> | <u>373,637</u> | <u>(16,236)</u> |
| Planning, research, development and evaluation services | | | |
| Purchased services | <u>-</u> | <u>6,000</u> | <u>(6,000)</u> |
| Total | <u>-</u> | <u>6,000</u> | <u>(6,000)</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|-------------------|-------------------------------|
| Information services | | | |
| Salaries | \$ 206,655 | \$ 151,367 | \$ 55,288 |
| Employee benefits | 144 | - | 144 |
| Purchased services | 100,000 | 77,983 | 22,017 |
| Supplies and materials | 2,000 | - | 2,000 |
| Capital outlay | 2,000 | - | 2,000 |
| Other objects | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total | <u>311,799</u> | <u>229,350</u> | <u>82,449</u> |
| Staff services | | | |
| Salaries | 405,405 | 268,914 | 136,491 |
| Employee benefits | 345,124 | 296,872 | 48,252 |
| Purchased services | 573,600 | 277,714 | 295,886 |
| Supplies and materials | 14,000 | 4,435 | 9,565 |
| Other objects | <u>2,500</u> | <u>328</u> | <u>2,172</u> |
| Total | <u>1,340,629</u> | <u>848,263</u> | <u>492,366</u> |
| Data processing services | | | |
| Salaries | 673,008 | 547,365 | 125,643 |
| Employee benefits | 72,193 | 78,447 | (6,254) |
| Purchased services | 1,265,837 | 878,750 | 387,087 |
| Supplies and materials | 77,733 | 27,735 | 49,998 |
| Capital outlay | <u>90,000</u> | <u>241,841</u> | <u>(151,841)</u> |
| Total | <u>2,178,771</u> | <u>1,774,138</u> | <u>404,633</u> |
| Total central | <u>4,188,600</u> | <u>3,231,388</u> | <u>957,212</u> |
| Other supporting services | | | |
| Salaries | <u>5,500</u> | <u>4,479</u> | <u>1,021</u> |
| Total | <u>5,500</u> | <u>4,479</u> | <u>1,021</u> |
| Total support services | <u>23,174,007</u> | <u>20,631,150</u> | <u>2,542,857</u> |
| Community services | | | |
| Salaries | 6,567 | 20,584 | (14,017) |
| Employee benefits | 1,666 | 297 | 1,369 |
| Purchased services | 127,635 | 74,180 | 53,455 |
| Supplies and materials | 1,740 | 898 | 842 |
| Other objects | <u>-</u> | <u>1,863</u> | <u>(1,863)</u> |
| Total community services | <u>137,608</u> | <u>97,822</u> | <u>39,786</u> |
| Payments to other districts and governmental units | | | |
| Payments for regular programs | | | |
| Other objects | <u>150,000</u> | <u>-</u> | <u>150,000</u> |
| Total | <u>150,000</u> | <u>-</u> | <u>150,000</u> |
| Payments for special education programs | | | |
| Other objects | <u>2,425,000</u> | <u>(6,899)</u> | <u>2,431,899</u> |
| Total | <u>2,425,000</u> | <u>(6,899)</u> | <u>2,431,899</u> |

See Auditors' Report and Notes to Required Supplementary Information

**OAK PARK ELEMENTARY SCHOOL DISTRICT 97
GENERAL FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|----------------------|-------------------------------|
| Payments for special education programs - tuition | | | |
| Other objects | \$ 325,000 | \$ 2,792,666 | \$ (2,467,666) |
| Total | <u>325,000</u> | <u>2,792,666</u> | <u>(2,467,666)</u> |
| Total payments to other districts and governmental units | <u>2,900,000</u> | <u>2,785,767</u> | <u>114,233</u> |
| Total expenditures | <u>95,576,216</u> | <u>104,262,412</u> | <u>(8,686,196)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,150,290)</u> | <u>(6,328,388)</u> | <u>3,821,902</u> |
| Other financing sources (uses) | | | |
| Transfer among funds | 3,500,000 | - | (3,500,000) |
| Principal on bonds sold | - | 6,000,000 | 6,000,000 |
| Permanent transfer from working cash accounts - abatement | (2,650,000) | (8,350,712) | (5,700,712) |
| Permanent transfer from working cash accounts - interest | - | (87,780) | (87,780) |
| Transfer among funds | <u>(3,500,000)</u> | <u>-</u> | <u>3,500,000</u> |
| Total other financing sources (uses) | <u>(2,650,000)</u> | <u>(2,438,492)</u> | <u>211,508</u> |
| Net change in fund balance | <u>\$ (12,800,290)</u> | (8,766,880) | <u>\$ 4,033,410</u> |
| Fund balance, beginning of year (as restated) | | <u>21,829,473</u> | |
| Fund balance, end of year | | <u>\$ 13,062,593</u> | |

See Auditors' Report and Notes to Required Supplementary Information

**OAK PARK ELEMENTARY SCHOOL DISTRICT 97
OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 4,430,833 | \$ 5,053,693 | \$ 622,860 |
| Corporate personal property replacement taxes | 300,000 | 354,069 | 54,069 |
| Investment income | 4,200 | 11,076 | 6,876 |
| Rentals | 30,000 | 69,401 | 39,401 |
| Refund of prior years' expenditures | - | 20,494 | 20,494 |
| Proceed's from vendor contracts | 18,000 | - | (18,000) |
| Other | - | 158 | 158 |
| Total local sources | <u>4,783,033</u> | <u>5,508,891</u> | <u>725,858</u> |
| State sources | | | |
| General state aid | <u>2,600,000</u> | <u>2,600,706</u> | <u>706</u> |
| Total state sources | <u>2,600,000</u> | <u>2,600,706</u> | <u>706</u> |
| Total revenues | <u>7,383,033</u> | <u>8,109,597</u> | <u>726,564</u> |
| Expenditures | | | |
| Support services | | | |
| Business | | | |
| Direction of business support services | | | |
| Salaries | 44,507 | 44,507 | - |
| Employee benefits | <u>2,559</u> | <u>2,543</u> | <u>16</u> |
| Total | <u>47,066</u> | <u>47,050</u> | <u>16</u> |
| Operation and maintenance of plant services | | | |
| Salaries | 3,486,458 | 3,289,320 | 197,138 |
| Employee benefits | 557,722 | 561,871 | (4,149) |
| Purchased services | 964,572 | 822,162 | 142,410 |
| Supplies and materials | 1,709,560 | 1,537,133 | 172,427 |
| Capital outlay | 104,500 | 44,935 | 59,565 |
| Non-capitalized equipment | - | <u>4,958</u> | <u>(4,958)</u> |
| Total | <u>6,822,812</u> | <u>6,260,379</u> | <u>562,433</u> |
| Total business | <u>6,869,878</u> | <u>6,307,429</u> | <u>562,449</u> |
| Total support services | <u>6,869,878</u> | <u>6,307,429</u> | <u>562,449</u> |
| Total expenditures | <u>6,869,878</u> | <u>6,307,429</u> | <u>562,449</u> |
| Excess of revenues over expenditures | <u>513,155</u> | <u>1,802,168</u> | <u>1,289,013</u> |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|---------------------|-------------------------------|
| Other financing sources (uses) | | | |
| Permanent transfer from working cash accounts - abatement | \$ - | \$ 8,350,712 | \$ 8,350,712 |
| Permanent transfer from working cash accounts - interest | - | 87,780 | 87,780 |
| Transfer among funds | 3,500,000 | - | (3,500,000) |
| Transfer among funds | (3,500,000) | - | 3,500,000 |
| Transfer to capital projects fund | - | (8,438,492) | (8,438,492) |
| Net change in fund balance | <u>\$ 513,155</u> | 1,802,168 | <u>\$ 1,289,013</u> |
| Fund balance (deficit), beginning of year | | <u>(220,380)</u> | |
| Fund balance, end of year | | <u>\$ 1,581,788</u> | |

See Auditors' Report and Notes to Required Supplementary Information

**OAK PARK ELEMENTARY SCHOOL DISTRICT 97
TRANSPORTATION FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|---------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 1,174,421 | \$ 1,880,459 | \$ 706,038 |
| Investment income | <u>1,600</u> | <u>(7,032)</u> | <u>(8,632)</u> |
| Total local sources | <u>1,176,021</u> | <u>1,873,427</u> | <u>697,406</u> |
| State sources | | | |
| Transportation - regular/vocational | 14,108 | 14,531 | 423 |
| Transportation - special education | 1,602,044 | 2,116,122 | 514,078 |
| Other restricted revenue from state sources | <u>-</u> | <u>11,343</u> | <u>11,343</u> |
| Total state sources | <u>1,616,152</u> | <u>2,141,996</u> | <u>525,844</u> |
| Total revenues | <u>2,792,173</u> | <u>4,015,423</u> | <u>1,223,250</u> |
| Expenditures | | | |
| Support Services | | | |
| Business | | | |
| Pupil transportation services | | | |
| Salaries | 31,672 | 29,671 | 2,001 |
| Employee benefits | 1,436 | 1,695 | (259) |
| Purchased services | 3,381,260 | 3,770,934 | (389,674) |
| Supplies and materials | <u>1,000</u> | <u>803</u> | <u>197</u> |
| Total | <u>3,415,368</u> | <u>3,803,103</u> | <u>(387,735)</u> |
| Total business | <u>3,415,368</u> | <u>3,803,103</u> | <u>(387,735)</u> |
| Total support services | <u>3,415,368</u> | <u>3,803,103</u> | <u>(387,735)</u> |
| Total expenditures | <u>3,415,368</u> | <u>3,803,103</u> | <u>(387,735)</u> |
| Net change in fund balance | <u>\$ (623,195)</u> | 212,320 | <u>\$ 835,515</u> |
| Fund balance, beginning of year | | <u>1,189,462</u> | |
| Fund balance, end of year | | <u>\$ 1,401,782</u> | |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 1,139,452 | \$ 1,399,461 | \$ 260,009 |
| Social security/medicare only levy | 1,139,452 | 1,399,461 | 260,009 |
| Corporate personal property replacement taxes | 42,300 | 40,617 | (1,683) |
| Investment income | <u>-</u> | <u>1</u> | <u>1</u> |
| Total local sources | <u>2,321,204</u> | <u>2,839,540</u> | <u>518,336</u> |
| Total revenues | <u>2,321,204</u> | <u>2,839,540</u> | <u>518,336</u> |
| Expenditures | | | |
| Instruction | | | |
| Regular programs | 394,366 | 491,693 | (97,327) |
| Special education programs | 421,565 | 498,073 | (76,508) |
| Remedial and supplemental programs K - 12 | 3,040 | 3,020 | 20 |
| Interscholastic programs | 27,877 | 34,031 | (6,154) |
| Summer school programs | 2,007 | 44 | 1,963 |
| Gifted programs | 9,734 | 12,211 | (2,477) |
| Bilingual programs | <u>2,707</u> | <u>3,479</u> | <u>(772)</u> |
| Total instruction | <u>861,296</u> | <u>1,042,551</u> | <u>(181,255)</u> |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | 24,808 | 30,335 | (5,527) |
| Health services | 29,550 | 31,653 | (2,103) |
| Psychological services | 6,029 | 7,424 | (1,395) |
| Speech pathology and audiology services | <u>15,077</u> | <u>18,520</u> | <u>(3,443)</u> |
| Total pupils | <u>75,464</u> | <u>87,932</u> | <u>(12,468)</u> |
| Instructional staff | | | |
| Improvement of instructional staff | 39,317 | 38,333 | 984 |
| Educational media services | 38,307 | 35,988 | 2,319 |
| Assessment and testing | <u>9,589</u> | <u>9,393</u> | <u>196</u> |
| Total instructional staff | <u>87,213</u> | <u>83,714</u> | <u>3,499</u> |
| General administration | | | |
| Board of education services | 1,293 | 48 | 1,245 |
| Executive administration services | 17,711 | 17,365 | 346 |
| Special area administration services | <u>78</u> | <u>336</u> | <u>(258)</u> |
| Total general administration | <u>19,082</u> | <u>17,749</u> | <u>1,333</u> |

See Auditors' Report and Notes to Required Supplementary Information

**OAK PARK ELEMENTARY SCHOOL DISTRICT 97
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|---------------------|-------------------------------|
| School administration | | | |
| Office of the principal services | \$ 190,351 | \$ 212,132 | \$ (21,781) |
| Total school administration | <u>190,351</u> | <u>212,132</u> | <u>(21,781)</u> |
| Business | | | |
| Direction of business support services | 1,965 | 1,702 | 263 |
| Fiscal services | 60,816 | 62,423 | (1,607) |
| Operations and maintenance of plant services | 632,496 | 592,700 | 39,796 |
| Pupil transportation services | 491 | 425 | 66 |
| Food services | <u>66,864</u> | <u>58,525</u> | <u>8,339</u> |
| Total business | <u>762,632</u> | <u>715,775</u> | <u>46,857</u> |
| Central | | | |
| Direction of central support services | 20,376 | 23,319 | (2,943) |
| Information services | 31,790 | 24,687 | 7,103 |
| Staff services | 56,983 | 27,251 | 29,732 |
| Data processing services | <u>77,546</u> | <u>76,291</u> | <u>1,255</u> |
| Total central | <u>186,695</u> | <u>151,548</u> | <u>35,147</u> |
| Other supporting services | | | |
| Total support services | <u>869</u> | <u>-</u> | <u>869</u> |
| Community services | | | |
| Total expenditures | <u>185</u> | <u>522</u> | <u>(337)</u> |
| Total expenditures | <u>2,183,787</u> | <u>2,311,923</u> | <u>(128,136)</u> |
| Net change in fund balance | <u>\$ 137,417</u> | 527,617 | <u>\$ 390,200</u> |
| Fund balance, beginning of year | | <u>842,476</u> | |
| Fund balance, end of year | | <u>\$ 1,370,093</u> | |

See Auditors' Report and Notes to Required Supplementary Information

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Excess of Expenditures over Budget

For the year ended June 30, 2017, expenditures exceeded budget in the General Fund, Transportation Fund and the Municipal Retirement/Social Security Fund by \$8,686,196 \$387,735 and \$128,136, respectively. These excess were funded by available financial resources.

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|---------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 7,776,284 | \$ 7,284,701 | \$ (491,583) |
| Investment income | - | 1,796 | 1,796 |
| Other | - | <u>2,464</u> | <u>2,464</u> |
| Total local sources | <u>7,776,284</u> | <u>7,288,961</u> | <u>(487,323)</u> |
| Total revenues | <u>7,776,284</u> | <u>7,288,961</u> | <u>(487,323)</u> |
| Expenditures | | | |
| Debt services | | | |
| Payments on long term debt | | | |
| Interest on long term debt | 987,150 | 1,033,831 | (46,681) |
| Principal payments on long term debt | <u>6,630,000</u> | <u>6,630,000</u> | <u>-</u> |
| Total | <u>7,617,150</u> | <u>7,663,831</u> | <u>(46,681)</u> |
| Other debt service | | | |
| Purchased services | - | 74,755 | (74,755) |
| Other objects | <u>318,371</u> | <u>6,168</u> | <u>312,203</u> |
| Total | <u>318,371</u> | <u>80,923</u> | <u>237,448</u> |
| Total debt services | <u>7,935,521</u> | <u>7,744,754</u> | <u>190,767</u> |
| Total expenditures | <u>7,935,521</u> | <u>7,744,754</u> | <u>190,767</u> |
| Excess (deficiency) of revenues over expenditures | <u>(159,237)</u> | <u>(455,793)</u> | <u>(296,556)</u> |
| Other financing sources | | | |
| Principal on bonds sold | - | <u>50,000</u> | <u>50,000</u> |
| Total other financing sources | <u>-</u> | <u>50,000</u> | <u>50,000</u> |
| Net change in fund balance | <u>\$ (159,237)</u> | (405,793) | <u>\$ (246,556)</u> |
| Fund balance, beginning of year | | <u>5,776,243</u> | |
| Fund balance, end of year | | <u>\$ 5,370,450</u> | |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|---------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| Refund of prior years' expenditures | \$ - | \$ 36,803 | \$ 36,803 |
| Payments of surplus monies from TIF districts | 3,395,404 | 3,398,343 | 2,939 |
| Other | <u>800,000</u> | <u>-</u> | <u>(800,000)</u> |
| Total local sources | <u>4,195,404</u> | <u>3,435,146</u> | <u>(760,258)</u> |
| Total revenues | <u>4,195,404</u> | <u>3,435,146</u> | <u>(760,258)</u> |
| Expenditures | | | |
| Support services | | | |
| Business | | | |
| Facilities acquisition and construction service | | | |
| Purchased services | 792,505 | - | 792,505 |
| Capital outlay | <u>3,591,126</u> | <u>4,663,228</u> | <u>(1,072,102)</u> |
| Total | <u>4,383,631</u> | <u>4,663,228</u> | <u>(279,597)</u> |
| Total business | <u>4,383,631</u> | <u>4,663,228</u> | <u>(279,597)</u> |
| Total support services | <u>4,383,631</u> | <u>4,663,228</u> | <u>(279,597)</u> |
| Total expenditures | <u>4,383,631</u> | <u>4,663,228</u> | <u>(279,597)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(188,227)</u> | <u>(1,228,082)</u> | <u>(1,039,855)</u> |
| Other financing sources | | | |
| Permanent transfer from working cash fund - abatement | 2,650,000 | - | (2,650,000) |
| Transfer from operations and maintenance fund | <u>-</u> | <u>8,438,492</u> | <u>8,438,492</u> |
| Total other financing sources | <u>2,650,000</u> | <u>8,438,492</u> | <u>5,788,492</u> |
| Net change in fund balance | <u>\$ 2,461,773</u> | 7,210,410 | <u>\$ 4,748,637</u> |
| Fund balance (deficit), beginning of year | | <u>(2,268,328)</u> | |
| Fund balance, end of year | | <u>\$ 4,942,082</u> | |

**OAK PARK ELEMENTARY SCHOOL DISTRICT 97
FIRE PREVENTION AND LIFE SAFETY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---------------------------------|------------------------------|-------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| Investment income | \$ 275 | \$ 762 | \$ 487 |
| Total local sources | <u>275</u> | <u>762</u> | <u>487</u> |
| Total revenues | <u>275</u> | <u>762</u> | <u>487</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | \$ 275 | 762 | \$ 487 |
| Fund balance, beginning of year | | <u>112,705</u> | |
| Fund balance, end of year | | <u>\$ 113,467</u> | |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2017

| | EDUCATIONAL ACCOUNTS | WORKING CASH ACCOUNTS | TOTAL |
|---|-------------------------|--------------------------|----------------------|
| Assets | | | |
| Cash and investments | \$ 9,231,536 | \$ 2,280,679 | \$ 11,512,215 |
| Receivables (net allowance for uncollectibles): | | | |
| Property taxes | 29,797,084 | 319,193 | 30,116,277 |
| Replacement taxes | 195,300 | - | 195,300 |
| Intergovernmental | 3,414,679 | - | 3,414,679 |
| Accounts | 6,336 | - | 6,336 |
| Prepaid items | <u>65,831</u> | <u>-</u> | <u>65,831</u> |
| Total assets | <u>\$ 42,710,766</u> | <u>\$ 2,599,872</u> | <u>\$ 45,310,638</u> |
| Liabilities, deferred inflows of resources, and fund balance | | | |
| Liabilities | | | |
| Accounts payable | \$ 871,281 | \$ - | \$ 871,281 |
| Salaries and wages payable | 243,834 | - | 243,834 |
| Payroll deductions payable | <u>95,521</u> | <u>-</u> | <u>95,521</u> |
| Total liabilities | <u>1,210,636</u> | <u>-</u> | <u>1,210,636</u> |
| Deferred inflows of resources | | | |
| Property taxes levied for a future period | 29,400,739 | 314,947 | 29,715,686 |
| Unavailable state and federal aid receivable | <u>1,321,723</u> | <u>-</u> | <u>1,321,723</u> |
| Total deferred inflows of resources | <u>30,722,462</u> | <u>314,947</u> | <u>31,037,409</u> |
| Fund balance | | | |
| Nonspendable | 65,831 | - | 65,831 |
| Unassigned | <u>10,711,837</u> | <u>2,284,925</u> | <u>12,996,762</u> |
| Total fund balance | <u>10,777,668</u> | <u>2,284,925</u> | <u>13,062,593</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 42,710,766</u> | <u>\$ 2,599,872</u> | <u>\$ 45,310,638</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

| | EDUCATIONAL ACCOUNTS | WORKING CASH ACCOUNTS | ELIMINATIONS | TOTAL |
|--|-------------------------|--------------------------|--------------|----------------------|
| Revenues | | | | |
| Property taxes | \$ 43,592,965 | \$ 243,364 | \$ - | \$ 43,836,329 |
| Corporate personal property replacement taxes | 1,187,843 | - | - | 1,187,843 |
| State aid | 45,228,082 | - | - | 45,228,082 |
| Federal aid | 3,073,711 | - | - | 3,073,711 |
| Investment income | 127,649 | 99,121 | - | 226,770 |
| Other | 4,381,289 | - | - | 4,381,289 |
| Total revenues | <u>97,591,539</u> | <u>342,485</u> | <u>-</u> | <u>97,934,024</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 34,842,736 | - | - | 34,842,736 |
| Special programs | 9,561,107 | - | - | 9,561,107 |
| Other instructional programs | 1,748,584 | - | - | 1,748,584 |
| State retirement contributions | 34,548,406 | - | - | 34,548,406 |
| Support Services: | | | | |
| Pupils | 4,217,242 | - | - | 4,217,242 |
| Instructional staff | 4,531,907 | - | - | 4,531,907 |
| General administration | 2,254,296 | - | - | 2,254,296 |
| School administration | 3,711,951 | - | - | 3,711,951 |
| Business | 2,538,364 | - | - | 2,538,364 |
| Transportation | 3,855 | - | - | 3,855 |
| Operations and maintenance | 125,013 | - | - | 125,013 |
| Central | 2,989,547 | - | - | 2,989,547 |
| Other supporting services | 4,479 | - | - | 4,479 |
| Community services | 97,822 | - | - | 97,822 |
| Payments to other districts and gov't units | 2,785,767 | - | - | 2,785,767 |
| Capital outlay | 301,336 | - | - | 301,336 |
| Total expenditures | <u>104,262,412</u> | <u>-</u> | <u>-</u> | <u>104,262,412</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,670,873)</u> | <u>342,485</u> | <u>-</u> | <u>(6,328,388)</u> |
| Other financing sources (uses) | | | | |
| Transfers (out) | - | (8,438,492) | - | (8,438,492) |
| Principal on bonds sold | - | 6,000,000 | - | 6,000,000 |
| Total other financing sources (uses) | <u>-</u> | <u>(2,438,492)</u> | <u>-</u> | <u>(2,438,492)</u> |
| Net change in fund balance | (6,670,873) | (2,096,007) | - | (8,766,880) |
| Fund balance, beginning of year (as restated) | 17,448,541 | 4,380,932 | - | 21,829,473 |
| Fund balance, end of year | <u>\$ 10,777,668</u> | <u>\$ 2,284,925</u> | <u>\$ -</u> | <u>\$ 13,062,593</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|-------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ 45,277,602 | \$ 40,287,582 | \$ (4,990,020) |
| Tort immunity levy | - | 767,515 | 767,515 |
| Special education levy | 329,603 | 2,537,868 | 2,208,265 |
| Corporate personal property replacement taxes | 1,117,974 | 1,187,843 | 69,869 |
| Summer school - tuition from other sources (in state) | 4,000 | 2,330 | (1,670) |
| Summer school - tuition from other sources (out of state) | - | 1,275 | 1,275 |
| Investment income | 100,000 | 127,649 | 27,649 |
| Sales to pupils - lunch | 628,700 | 652,309 | 23,609 |
| Sales to pupils - breakfast | 12,050 | 4,211 | (7,839) |
| Sales to adults | 4,825 | 5,253 | 428 |
| Other food service | 414,300 | - | (414,300) |
| Fees | 29,500 | 70,212 | 40,712 |
| Other pupil activity revenue | 1,600 | 33,895 | 32,295 |
| Rentals - regular textbook | 356,700 | 363,172 | 6,472 |
| Other - textbooks | 63,300 | - | (63,300) |
| Contributions and donations from private sources | 68,600 | - | (68,600) |
| Services provided other LEA's | 10,000 | 805 | (9,195) |
| Refund of prior years' expenditures | - | 50,848 | 50,848 |
| Payments of surplus monies from TIF districts | 1,200,000 | 2,351,285 | 1,151,285 |
| Proceed's from vendor contracts | 146,000 | 2,867 | (143,133) |
| Other local fees | 19,875 | 26,936 | 7,061 |
| Other | 97,371 | 815,891 | 718,520 |
| Total local sources | <u>49,882,000</u> | <u>49,289,746</u> | <u>(592,254)</u> |
| State sources | | | |
| General state aid | 6,217,000 | 6,217,000 | - |
| General state aid hold harmless/supplemental | 314,000 | 282,529 | (31,471) |
| Special education - private facility tuition | 762,860 | 1,030,474 | 267,614 |
| Special education - extraordinary | 677,688 | 728,406 | 50,718 |
| Special education - personnel | 573,934 | 1,031,525 | 457,591 |
| Special education - orphanage - individual | 244,860 | 1,066,076 | 821,216 |
| Special education - orphanage - summer | 40,108 | - | (40,108) |
| Special education - summer school | 29,595 | - | (29,595) |
| CTE - Other | - | 5,744 | 5,744 |
| Bilingual education - downstate - TPI | 11,240 | 421 | (10,819) |
| State free lunch & breakfast | 5,400 | 2,533 | (2,867) |
| Early childhood - block grant | 701,856 | 296,640 | (405,216) |
| Other restricted revenue from state sources | 42,004 | 18,328 | (23,676) |
| On behalf payment to TRS from the state | <u>22,686,571</u> | <u>34,548,406</u> | <u>11,861,835</u> |
| Total state sources | <u>32,307,116</u> | <u>45,228,082</u> | <u>12,920,966</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|-------------------|-------------------------------|
| Federal sources | | | |
| National school lunch program | \$ 586,049 | \$ 481,183 | \$ (104,866) |
| School breakfast program | 50,500 | 36,671 | (13,829) |
| Fresh fruits & vegetables | - | 194,922 | 194,922 |
| Title I - Low income | 530,162 | 399,954 | (130,208) |
| Title I - Low income - neglected, private | 32,716 | 34,968 | 2,252 |
| Federal - special education - preschool flow-through | 94,791 | 49,010 | (45,781) |
| Federal - special education - IDEA - flow-through/low incident | 1,366,875 | 1,425,774 | 58,899 |
| Federal - special education - IDEA - room & board | 12,676 | - | (12,676) |
| Race to the top program | 400,000 | - | (400,000) |
| Title II - Teacher quality | 125,041 | 125,359 | 318 |
| Medicaid matching funds - administrative outreach | - | 94,434 | 94,434 |
| Medicaid matching funds - fee-for-service program | - | <u>231,436</u> | <u>231,436</u> |
| Total federal sources | <u>3,198,810</u> | <u>3,073,711</u> | <u>(125,099)</u> |
| Total revenues | <u>85,387,926</u> | <u>97,591,539</u> | <u>12,203,613</u> |
| Expenditures | | | |
| Instruction | | | |
| Regular programs | | | |
| Salaries | 30,299,150 | 29,063,020 | 1,236,130 |
| Employee benefits | 4,594,943 | 5,123,043 | (528,100) |
| On-behalf payments to TRS from the state | 22,686,571 | 34,548,406 | (11,861,835) |
| Purchased services | 243,676 | 166,382 | 77,294 |
| Supplies and materials | 571,953 | 488,449 | 83,504 |
| Capital outlay | 5,000 | 33,213 | (28,213) |
| Non-capitalized equipment | - | <u>1,842</u> | <u>(1,842)</u> |
| Total | <u>58,401,293</u> | <u>69,424,355</u> | <u>(11,023,062)</u> |
| Pre-K programs | | | |
| Supplies and materials | - | <u>1,273</u> | <u>(1,273)</u> |
| Total | <u>-</u> | <u>1,273</u> | <u>(1,273)</u> |
| Special education programs | | | |
| Salaries | 6,989,707 | 7,572,485 | (582,778) |
| Employee benefits | 1,215,721 | 1,267,997 | (52,276) |
| Purchased services | 171,637 | 127,979 | 43,658 |
| Supplies and materials | 314,389 | 139,416 | 174,973 |
| Capital outlay | 60,000 | 13,627 | 46,373 |
| Other objects | 7,000 | 6,111 | 889 |
| Termination benefits | - | <u>38,404</u> | <u>(38,404)</u> |
| Total | <u>8,758,454</u> | <u>9,166,019</u> | <u>(407,565)</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|-------------------|-------------------------------|
| Remedial and supplemental programs K - 12 | | | |
| Salaries | \$ 297,000 | \$ 250,256 | \$ 46,744 |
| Employee benefits | - | 96,514 | (96,514) |
| Purchased services | 9,425 | 11,034 | (1,609) |
| Supplies and materials | - | 50,911 | (50,911) |
| Capital outlay | <u>166,068</u> | <u>-</u> | <u>166,068</u> |
| Total | <u>472,493</u> | <u>408,715</u> | <u>63,778</u> |
| Interscholastic programs | | | |
| Salaries | 233,435 | 293,324 | (59,889) |
| Employee benefits | 52,984 | 43,534 | 9,450 |
| Purchased services | <u>56,000</u> | <u>11,103</u> | <u>44,897</u> |
| Total | <u>342,419</u> | <u>347,961</u> | <u>(5,542)</u> |
| Summer school programs | | | |
| Salaries | 137,700 | 137,827 | (127) |
| Employee benefits | 2,225 | 43 | 2,182 |
| Purchased services | 4,200 | 388 | 3,812 |
| Supplies and materials | <u>4,800</u> | <u>5,688</u> | <u>(888)</u> |
| Total | <u>148,925</u> | <u>143,946</u> | <u>4,979</u> |
| Gifted programs | | | |
| Salaries | 875,155 | 880,981 | (5,826) |
| Employee benefits | 110,038 | 120,780 | (10,742) |
| Supplies and materials | <u>6,869</u> | <u>3,112</u> | <u>3,757</u> |
| Total | <u>992,062</u> | <u>1,004,873</u> | <u>(12,811)</u> |
| Bilingual programs | | | |
| Salaries | 229,872 | 231,622 | (1,750) |
| Employee benefits | <u>19,083</u> | <u>18,909</u> | <u>174</u> |
| Total | <u>248,955</u> | <u>250,531</u> | <u>(1,576)</u> |
| Total instruction | <u>69,364,601</u> | <u>80,747,673</u> | <u>(11,383,072)</u> |
| Support services | | | |
| Pupils | | | |
| Attendance and social work services | | | |
| Salaries | 1,127,479 | 1,108,525 | 18,954 |
| Employee benefits | 114,389 | 156,620 | (42,231) |
| Purchased services | 74,000 | 24,000 | 50,000 |
| Supplies and materials | <u>2,750</u> | <u>2,613</u> | <u>137</u> |
| Total | <u>1,318,618</u> | <u>1,291,758</u> | <u>26,860</u> |
| Guidance services | | | |
| Supplies and materials | <u>5,755</u> | <u>979</u> | <u>4,776</u> |
| Total | <u>5,755</u> | <u>979</u> | <u>4,776</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|------------------|-------------------------------|
| Health services | | | |
| Salaries | \$ 592,528 | \$ 595,027 | \$ (2,499) |
| Employee benefits | 37,768 | 59,595 | (21,827) |
| Purchased services | 119,300 | 237,215 | (117,915) |
| Supplies and materials | <u>10,000</u> | <u>9,316</u> | <u>684</u> |
| Total | <u>759,596</u> | <u>901,153</u> | <u>(141,557)</u> |
| Psychological services | | | |
| Salaries | 448,840 | 490,225 | (41,385) |
| Employee benefits | 56,762 | 69,046 | (12,284) |
| Supplies and materials | <u>1,500</u> | <u>-</u> | <u>1,500</u> |
| Total | <u>507,102</u> | <u>559,271</u> | <u>(52,169)</u> |
| Speech pathology and audiology services | | | |
| Salaries | 1,299,340 | 1,300,066 | (726) |
| Employee benefits | 134,448 | 163,984 | (29,536) |
| Purchased services | 100,000 | 31 | 99,969 |
| Supplies and materials | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total | <u>1,534,788</u> | <u>1,464,081</u> | <u>70,707</u> |
| Total pupils | <u>4,125,859</u> | <u>4,217,242</u> | <u>(91,383)</u> |
| Instructional staff | | | |
| Improvement of instructional services | | | |
| Salaries | 804,318 | 765,896 | 38,422 |
| Employee benefits | 260,926 | 246,698 | 14,228 |
| Purchased services | 1,331,010 | 971,900 | 359,110 |
| Supplies and materials | 632,669 | 556,842 | 75,827 |
| Capital outlay | 60,000 | - | 60,000 |
| Other objects | <u>25,000</u> | <u>5,710</u> | <u>19,290</u> |
| Total | <u>3,113,923</u> | <u>2,547,046</u> | <u>566,877</u> |
| Educational media services | | | |
| Salaries | 981,933 | 966,758 | 15,175 |
| Employee benefits | 103,162 | 102,009 | 1,153 |
| Purchased services | 14,899 | 6,677 | 8,222 |
| Supplies and materials | <u>57,950</u> | <u>50,268</u> | <u>7,682</u> |
| Total | <u>1,157,944</u> | <u>1,125,712</u> | <u>32,232</u> |
| Assessment and testing | | | |
| Salaries | 769,047 | 647,482 | 121,565 |
| Employee benefits | 98,247 | 81,824 | 16,423 |
| Purchased services | <u>223,670</u> | <u>129,843</u> | <u>93,827</u> |
| Total | <u>1,090,964</u> | <u>859,149</u> | <u>231,815</u> |
| Total instructional staff | <u>5,362,831</u> | <u>4,531,907</u> | <u>830,924</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|------------------|-------------------------------|
| General administration | | | |
| Board of education services | | | |
| Salaries | \$ 107,976 | \$ 17,945 | \$ 90,031 |
| Employee benefits | 216,239 | 35,422 | 180,817 |
| Purchased services | 1,972,094 | 1,695,356 | 276,738 |
| Supplies and materials | 78,180 | 74,896 | 3,284 |
| Other objects | <u>80,000</u> | <u>55,905</u> | <u>24,095</u> |
| Total | <u>2,454,489</u> | <u>1,879,524</u> | <u>574,965</u> |
| Executive administration services | | | |
| Salaries | 284,677 | 290,595 | (5,918) |
| Employee benefits | 50,403 | 39,425 | 10,978 |
| Purchased services | 25,000 | 4,764 | 20,236 |
| Supplies and materials | <u>12,000</u> | <u>9,732</u> | <u>2,268</u> |
| Total | <u>372,080</u> | <u>344,516</u> | <u>27,564</u> |
| Special area administration services | | | |
| Salaries | 3,843 | 24,339 | (20,496) |
| Employee benefits | <u>2,331</u> | <u>5,917</u> | <u>(3,586)</u> |
| Total | <u>6,174</u> | <u>30,256</u> | <u>(24,082)</u> |
| Total general administration | <u>2,832,743</u> | <u>2,254,296</u> | <u>578,447</u> |
| School administration | | | |
| Office of the principal services | | | |
| Salaries | 3,008,134 | 2,972,130 | 36,004 |
| Employee benefits | 546,794 | 636,406 | (89,612) |
| Purchased services | 123,875 | 92,625 | 31,250 |
| Supplies and materials | <u>20,004</u> | <u>10,790</u> | <u>9,214</u> |
| Total | <u>3,698,807</u> | <u>3,711,951</u> | <u>(13,144)</u> |
| Total school administration | <u>3,698,807</u> | <u>3,711,951</u> | <u>(13,144)</u> |
| Business | | | |
| Direction of business support services | | | |
| Salaries | 74,179 | 74,179 | - |
| Employee benefits | 21,899 | 19,656 | 2,243 |
| Purchased services | 26,000 | 5,520 | 20,480 |
| Supplies and materials | 4,500 | 1,143 | 3,357 |
| Capital outlay | 104,000 | - | 104,000 |
| Other objects | <u>-</u> | <u>70,927</u> | <u>(70,927)</u> |
| Total | <u>230,578</u> | <u>171,425</u> | <u>59,153</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|------------------|-------------------------------|
| Fiscal services | | | |
| Salaries | \$ 348,936 | \$ 338,897 | \$ 10,039 |
| Employee benefits | 46,888 | 40,756 | 6,132 |
| Purchased services | 118,600 | 70,404 | 48,196 |
| Supplies and materials | 3,000 | 2,244 | 756 |
| Capital outlay | <u>2,500</u> | <u>9,590</u> | <u>(7,090)</u> |
| Total | <u>519,924</u> | <u>461,891</u> | <u>58,033</u> |
| Operation and maintenance of plant services | | | |
| Salaries | 3,400 | 2,391 | 1,009 |
| Employee benefits | 131 | - | 131 |
| Purchased services | 91,600 | 110,949 | (19,349) |
| Supplies and materials | 12,000 | 11,673 | 327 |
| Capital outlay | <u>280,000</u> | <u>3,065</u> | <u>276,935</u> |
| Total | <u>387,131</u> | <u>128,078</u> | <u>259,053</u> |
| Pupil transportation services | | | |
| Employee benefits | <u>4,420</u> | <u>3,855</u> | <u>565</u> |
| Total | <u>4,420</u> | <u>3,855</u> | <u>565</u> |
| Food services | | | |
| Salaries | 890,368 | 844,108 | 46,260 |
| Employee benefits | 55,102 | 41,060 | 14,042 |
| Purchased services | 19,750 | 39,130 | (19,380) |
| Supplies and materials | 849,294 | 990,340 | (141,046) |
| Capital outlay | <u>3,100</u> | <u>-</u> | <u>3,100</u> |
| Total | <u>1,817,614</u> | <u>1,914,638</u> | <u>(97,024)</u> |
| Total business | <u>2,959,667</u> | <u>2,679,887</u> | <u>279,780</u> |
| Central | | | |
| Direction of central support services | | | |
| Salaries | 272,865 | 275,972 | (3,107) |
| Employee benefits | 63,036 | 59,283 | 3,753 |
| Purchased services | 16,000 | 34,397 | (18,397) |
| Supplies and materials | <u>5,500</u> | <u>3,985</u> | <u>1,515</u> |
| Total | <u>357,401</u> | <u>373,637</u> | <u>(16,236)</u> |
| Planning, research, development and evaluation services | | | |
| Purchased services | <u>-</u> | <u>6,000</u> | <u>(6,000)</u> |
| Total | <u>-</u> | <u>6,000</u> | <u>(6,000)</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|-------------------|-------------------------------|
| Information services | | | |
| Salaries | \$ 206,655 | \$ 151,367 | \$ 55,288 |
| Employee benefits | 144 | - | 144 |
| Purchased services | 100,000 | 77,983 | 22,017 |
| Supplies and materials | 2,000 | - | 2,000 |
| Capital outlay | 2,000 | - | 2,000 |
| Other objects | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total | <u>311,799</u> | <u>229,350</u> | <u>82,449</u> |
| Staff services | | | |
| Salaries | 405,405 | 268,914 | 136,491 |
| Employee benefits | 345,124 | 296,872 | 48,252 |
| Purchased services | 573,600 | 277,714 | 295,886 |
| Supplies and materials | 14,000 | 4,435 | 9,565 |
| Other objects | <u>2,500</u> | <u>328</u> | <u>2,172</u> |
| Total | <u>1,340,629</u> | <u>848,263</u> | <u>492,366</u> |
| Data processing services | | | |
| Salaries | 673,008 | 547,365 | 125,643 |
| Employee benefits | 72,193 | 78,447 | (6,254) |
| Purchased services | 1,265,837 | 878,750 | 387,087 |
| Supplies and materials | 77,733 | 27,735 | 49,998 |
| Capital outlay | <u>90,000</u> | <u>241,841</u> | <u>(151,841)</u> |
| Total | <u>2,178,771</u> | <u>1,774,138</u> | <u>404,633</u> |
| Total central | <u>4,188,600</u> | <u>3,231,388</u> | <u>957,212</u> |
| Other supporting services | | | |
| Salaries | <u>5,500</u> | <u>4,479</u> | <u>1,021</u> |
| Total | <u>5,500</u> | <u>4,479</u> | <u>1,021</u> |
| Total support services | <u>23,174,007</u> | <u>20,631,150</u> | <u>2,542,857</u> |
| Community services | | | |
| Salaries | 6,567 | 20,584 | (14,017) |
| Employee benefits | 1,666 | 297 | 1,369 |
| Purchased services | 127,635 | 74,180 | 53,455 |
| Supplies and materials | 1,740 | 898 | 842 |
| Other objects | <u>-</u> | <u>1,863</u> | <u>(1,863)</u> |
| Total community services | <u>137,608</u> | <u>97,822</u> | <u>39,786</u> |
| Payments to other districts and governmental units | | | |
| Payments for regular programs | | | |
| Other objects | <u>150,000</u> | <u>-</u> | <u>150,000</u> |
| Total | <u>150,000</u> | <u>-</u> | <u>150,000</u> |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|--|------------------------------|----------------------|-------------------------------|
| Payments for special education programs | | | |
| Other objects | <u>\$ 2,425,000</u> | <u>\$ (6,899)</u> | <u>\$ 2,431,899</u> |
| Total | <u>2,425,000</u> | <u>(6,899)</u> | <u>2,431,899</u> |
| Payments for special education programs - tuition | | | |
| Other objects | <u>325,000</u> | <u>2,792,666</u> | <u>(2,467,666)</u> |
| Total | <u>325,000</u> | <u>2,792,666</u> | <u>(2,467,666)</u> |
| Total payments to other districts and governmental units | <u>2,900,000</u> | <u>2,785,767</u> | <u>114,233</u> |
| Total expenditures | <u>95,576,216</u> | <u>104,262,412</u> | <u>(8,686,196)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,188,290)</u> | <u>(6,670,873)</u> | <u>3,517,417</u> |
| Other financing sources (uses) | | | |
| Transfer among funds | 3,500,000 | - | (3,500,000) |
| Transfer among funds | <u>(3,500,000)</u> | <u>-</u> | <u>3,500,000</u> |
| Net change in fund balance | <u>\$ (10,188,290)</u> | <u>(6,670,873)</u> | <u>\$ 3,517,417</u> |
| Fund balance, beginning of year (as restated) | | <u>17,448,541</u> | |
| Fund balance, end of year | | <u>\$ 10,777,668</u> | |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|---|------------------------------|---------------------|-------------------------------|
| Revenues | | | |
| Local sources | | | |
| General levy | \$ - | \$ 243,364 | \$ 243,364 |
| Investment income | <u>38,000</u> | <u>99,121</u> | <u>61,121</u> |
| Total local sources | <u>38,000</u> | <u>342,485</u> | <u>304,485</u> |
| Total revenues | <u>38,000</u> | <u>342,485</u> | <u>304,485</u> |
| Expenditures | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>38,000</u> | <u>342,485</u> | <u>304,485</u> |
| Other financing sources (uses) | | | |
| Principal on bonds sold | - | 6,000,000 | 6,000,000 |
| Permanent transfer from working cash fund - abatement | (2,650,000) | (8,350,712) | (5,700,712) |
| Permanent transfer from working cash fund - interest | <u>-</u> | <u>(87,780)</u> | <u>(87,780)</u> |
| Total other financing sources (uses) | <u>(2,650,000)</u> | <u>(2,438,492)</u> | <u>211,508</u> |
| Net change in fund balance | <u>\$ (2,612,000)</u> | (2,096,007) | <u>\$ 515,993</u> |
| Fund balance, beginning of year | | <u>4,380,932</u> | |
| Fund balance, end of year | | <u>\$ 2,284,925</u> | |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
LAST FIVE YEARS

| | Tax Year | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Assessed Valuations | \$ 1,386,653,517 | \$ 1,334,441,513 | \$ 1,383,005,873 | \$ 1,369,216,060 | \$ 1,470,162,652 |
| Tax Rates: | | | | | |
| General Fund: | | | | | |
| Educational Accounts: | | | | | |
| Standard | 3.3653 | 3.3594 | 3.2175 | 3.2772 | 2.9881 |
| Special Education | 0.3787 | 0.0518 | 0.0577 | - | - |
| Working Cash Account: | 0.0415 | - | - | - | - |
| Tort Account | 0.1309 | - | - | - | - |
| Operations and Maintenance Fund | 0.5232 | 0.3246 | 0.3124 | 0.2493 | 0.2281 |
| Transportation Fund | 0.2357 | 0.0815 | 0.0720 | 0.0830 | 0.0844 |
| Municipal Retirement Fund | | | | | |
| Illinois Municipal Retirement Fund | 0.1531 | 0.0821 | 0.0752 | 0.0858 | 0.0799 |
| Social Security | 0.1531 | 0.0821 | 0.0752 | 0.0858 | 0.0799 |
| Debt Service Fund | 0.6003 | 0.6153 | 0.5930 | 0.5996 | 0.5547 |
| Total | 5.5818 | 4.5968 | 4.4030 | 4.3807 | 4.0151 |
| Extended Tax Rate | 5.582 | 4.597 | 4.403 | 4.381 | 4.015 |
| Tax Extensions: | | | | | |
| General Fund: | | | | | |
| Educational Accounts: | | | | | |
| Standard | \$ 46,664,521 | \$ 44,829,269 | \$ 44,497,724 | \$ 44,871,948 | \$ 43,930,159 |
| Special Education | 5,251,270 | 691,819 | 798,567 | - | - |
| Working Cash Account | 575,578 | - | - | - | - |
| Tort Account | 1,815,245 | - | - | - | - |
| Operations and Maintenance Fund | 7,255,135 | 4,331,014 | 4,320,884 | 3,413,455 | 3,353,823 |
| Transportation Fund | 3,268,211 | 1,087,812 | 996,450 | 1,141,926 | 1,241,390 |
| Municipal Retirement Fund | | | | | |
| Illinois Municipal Retirement Fund | 2,122,455 | 1,095,117 | 1,039,805 | 1,174,787 | 1,174,142 |
| Social Security | 2,122,455 | 1,095,117 | 1,039,805 | 1,174,787 | 1,174,142 |
| Debt Service Fund | 8,323,706 | 8,210,790 | 8,200,872 | 8,210,657 | 8,154,091 |
| Total | \$ 77,398,576 | \$ 61,340,938 | \$ 60,894,107 | \$ 59,987,560 | \$ 59,027,747 |

OAK PARK ELEMENTARY SCHOOL DISTRICT 97
SCHEDULE OF DEBT SERVICE REQUIREMENTS
AS OF JUNE 30, 2017

| | Year Ending June 30, | Total Principal | Total Interest | Total Principal and Interest |
|--|-------------------------|----------------------|---------------------|---------------------------------|
| Total general obligation bonds debt service requirements | | | | |
| | 2018 | \$ 7,025,000 | \$ 633,473 | \$ 7,658,473 |
| | 2019 | 5,405,000 | 286,204 | 5,691,204 |
| | 2020 | 1,335,000 | 77,301 | 1,412,301 |
| | 2021 | 1,365,000 | 52,070 | 1,417,070 |
| | 2022 | 1,390,000 | 26,281 | 1,416,281 |
| | | <u>\$ 16,520,000</u> | <u>\$ 1,075,329</u> | <u>\$ 17,595,329</u> |
| | | | | |
| General Obligation Bond Issue, Series 1999B | | | | |
| Interest Payable June 1 and December 1 of each year | 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% | | <u>\$ 7,840,000</u> | <u>\$ 720,900</u> | <u>\$ 8,560,900</u> |
| Paying agent: US Bank | | | | |
| | | | | |
| General Obligation Limited School Bond Issue, Series 2014 | | | | |
| Interest Payable January 1 and July 1 of each year | 2018 | \$ 2,630,000 | \$ 39,450 | \$ 2,669,450 |
| Principal payable January 1 of each year | | | | |
| Interest rates 3.00% | | | | |
| Paying agent: Amalgamated Bank | | | | |
| | | | | |
| General Obligation Limited School Bond Issue, Series 2016 | | | | |
| Interest Payable January 1 and July 1 of each year | 2018 | \$ 645,000 | \$ 57,173 | \$ 702,173 |
| Principal payable January 1 of each year | 2019 | 1,315,000 | 102,154 | 1,417,154 |
| Interest rates 1.890% | 2020 | 1,335,000 | 77,301 | 1,412,301 |
| | 2021 | 1,365,000 | 52,070 | 1,417,070 |
| Paying agent: Amalgamated Bank | 2022 | 1,390,000 | 26,281 | 1,416,281 |
| | | <u>\$ 6,050,000</u> | <u>\$ 314,979</u> | <u>\$ 6,364,979</u> |