

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
[Lisle, Illinois]

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2017

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INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

Board of Education
Lisle Community Unit School District 202
Lisle, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lisle Community Unit School District 202 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules, management's discussion and analysis and other financial information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's discussion and analysis and other financial information have 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 them.

Report of Comparative Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's modified cash basis financial statements for the year ended June 30, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial schedules, for the year ended June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2016 individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017 on our consideration of the District'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 the District's internal control over financial reporting and compliance.

Matheson, Mozpki, Austin & Co. LLP

Wheaton, Illinois
December 6, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

This discussion and analysis is intended to be an easily readable overview of the financial activities of Lisle Community Unit School District 202 (the District) for the year ended June 30, 2017, based on currently known facts, decisions and conditions. The District's financial statements are being reported in compliance with provisions of the Governmental Accounting Standards Board. *Management's Discussion and Analysis* (MD&A) provides an overview of the District's financial activities for the fiscal year ended June 30, 2017 with comparative data to the fiscal year ended June 30, 2016. This discussion and analysis should be read in conjunction with the basic financial statements that follow.

The District continues to report its financial statements on a modified cash basis. Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$74.3 million (net position). Unrestricted net position was \$32.6 million as of June 30, 2017.
- The District's financial condition continues to improve as total net position increased by \$2.3 million during fiscal year 2017 as reported in the Statement of Activities.
- The School District had \$42.5 million of expenses related to governmental activities; \$13.8 million of these expenses were offset by program specific charges for services or operating grants and contributions. General revenues (primarily property taxes) of \$31.0 million were adequate to provide for these programs.
- As of the close of fiscal year 2017, the District's governmental funds reported combined ending fund balances of \$53.2 million, an increase of \$1.2 million in comparison to the prior year.
- At the end of fiscal year 2017, the District's governmental funds combined unassigned fund balance was \$32.6 million, which is 83.2% of the total governmental funds expenditures disbursed.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Using the Report / Report Layout

This Report consists of government-wide financial statements, fund financial statements, notes to the financial statements, supplementary and other financial information. The statements are organized so the reader can understand the District finances as a whole, and then proceed to provide an increasingly detailed look at specific financial activities. The government-wide statements are highly condensed and present information about the District's finances and operations as a whole, with a longer-term view. Within this view, all District operations are categorized and reported as governmental activities.

The fund financial statements tell how the District financed its governmental activities in the short-term, as well as identifying what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide financial statements by providing information about the District's significant funds.

Reporting the District as a Whole

An important question asked about the District's finances at the conclusion of each fiscal year is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question.

These two statements report the District's net position and change in net position. The change in net position provides the reader with a tool to assist in determining whether the District's financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the District's property tax base or the condition of the District's buildings to accurately assess the overall health of the District.

The Statement of Net Position presents the assets, liabilities and resulting net position of the District's governmental activities. Governmental activities reflect capital assets and long-term liabilities.

The Statement of Activities presents expenses of major programs (functions) and matches direct program revenues with each. To the extent that direct charges and grants do not recover a program's cost, it is paid from general taxes and other resources. The statement simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 18. These statements reinforce information in the government-wide financial statements or in provided supplementary financial information. Each of the District's major funds is presented in a separate column in the fund financial statements and the remaining funds (considered nonmajor funds) are combined into a column titled "Nonmajor Governmental Funds."

The District's major Governmental Funds include the General Fund (Educational Account, Operations and Maintenance Account, and the Working Cash Account) and the Capital Projects Fund.

The District's Nonmajor Governmental Funds consist of the Transportation, Municipal Retirement/Social Security, Tort Immunity, and the Debt Service funds.

The "Combining and Individual Fund Schedules" section of the Report includes financial information for both major and nonmajor funds.

The District's individual funds are established based upon legal requirements and the Illinois State Board of Education's Administrative Code.

Substantially all of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The District uses an agency fund to account for resources held for student activities and groups. This Fiduciary Fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the District's own programs. The basic fiduciary fund financial statement can be found on page 22 of this report.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

District-Wide Financial Analysis

The following is a comprehensive analysis of the various condensed statements for the current and prior-year data.

Statement of Net Position: The following table reflects the condensed statement of net position.

**CONDENSED STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016**

Amounts in Millions

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and investments	\$ 53.2	\$ 52.0
Capital assets	25.3	25.7
Total assets	<u>78.5</u>	<u>77.7</u>
Liabilities:		
Long-term liabilities, due within one year	1.4	1.4
Long-term liabilities, due in more than one year	2.9	4.3
Total liabilities	<u>4.3</u>	<u>5.7</u>
Net Position:		
Net investment in capital assets	21.1	20.1
Restricted	20.5	9.9
Unrestricted	32.6	42.0
Total net position	<u>\$ 74.2</u>	<u>\$ 72.0</u>

The \$1.2 million increase in cash and investments accounts for the majority of the increase in assets from the prior year. The reduction in long-term liabilities reflects the scheduled principal payments for bonds payable and capital leases.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Statement of Activities: The following table reflects the condensed statement of activities.

CONDENSED STATEMENT OF ACTIVITIES		
GOVERNMENTAL ACTIVITIES		
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016		
Amounts in Thousands		
	2017	2016
Revenues:		
Program Revenues:		
Charges for services	\$575	\$604
Operating grants and contributions	13,210	9,839
General revenues:		
Property taxes	29,263	29,309
Unrestricted state and federal aid	780	759
Investment earnings	229	117
Miscellaneous	737	656
Total revenues	<u>44,794</u>	<u>41,284</u>
Expenses:		
Instruction	30,090	25,389
Support Services	12,262	12,171
Community Services	52	81
Interest on long-term debt	101	364
Total expenses	<u>42,505</u>	<u>38,005</u>
Change in net position	2,289	3,279
Net position - beginning of year	<u>71,992</u>	<u>68,713</u>
Net position - end of year	<u>\$74,281</u>	<u>\$71,992</u>

Total revenues increased by approximately \$3.5 million from the prior year. The majority of the increase pertains to additional interest earnings and the State of Illinois on-behalf revenues related to the Teachers' Retirement System.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Total expenses for Governmental Activities increased by approximately \$4.5 million, or 11.8%, when compared to the prior year. The increase in instruction related expenses was caused primarily by a significant increase in the State of Illinois on-behalf expenses related to the Teachers' Retirement System.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

As noted earlier, the District uses fund accounting to comply with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

Governmental Funds Financial Analysis

Fund Balances: As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$53.2 million, an increase of \$1.2 million in comparison to the previous fiscal year.

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$32.6 million. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 115% of total general fund expenditures excluding \$10.9 million of on-behalf payments made by the State of Illinois to TRS directly.

The General Fund Combining Schedule of Assets and Liabilities Arising from Cash Transactions by Account can be found on page 52 of this report.

In addition to the General Fund, the Capital Projects Fund was also major in 2017. The financial resources in the Capital Projects Fund will be used for construction of a new PreK-5 Elementary School and building improvements that materialize from the District's Facilities Master Plan.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Statement of Revenues: The following is the analysis of revenues for the past two years for the governmental activities of the District.

**COMPARATIVE SUMMARY OF REVENUES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016**

	Amounts in Thousands			
	2017	2016	Increase (Decrease)	% Change
Property Taxes	\$ 29,264	\$ 29,309	\$ (45)	0%
Payments in lieu of taxes	379	342	37	11%
Earnings on Investments	229	117	112	96%
Other Local Revenue	933	946	(13)	-1%
General State Aid	667	620	47	8%
Restricted State Grants	1,300	1,800	(500)	-28%
Restricted Federal Grants	1,104	942	162	17%
On-behalf payments	10,919	7,235	3,684	51%
Total	<u>\$ 44,795</u>	<u>\$ 41,311</u>	<u>\$ 3,484</u>	8%

The most significant revenue source for all the governmental funds during fiscal year 2017 continues to be property taxes.

Payments in lieu of taxes come from Corporate Personal Property Replacement Taxes. This revenue source will vary from year to year because it is based on a percentage of corporate profits within the state of Illinois.

Investment earnings increased from the prior year due to an increase in the yield on investments and the timing of investment maturities.

General State Aid is distributed to school districts in Illinois on the basis of the District's weighted average daily attendance of students and the amount of the local District's equalized assessed valuation for the previous year. General State Aid receipts increased from the prior fiscal year.

The restricted State and Federal grants fluctuate year to year based on the timing of quarterly payments between fiscal years and the overall dollar amounts allocated to the various programs.

The on-behalf payments reflect the State's contribution to the Teachers' Retirement System. The funding will vary from year-to-year based on the State's contribution percentage and calculations.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Statement of Expenditures: The following is the analysis of expenditures for the past two years for the governmental activities of the District.

**COMPARATIVE SUMMARY OF EXPENDITURES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016**

	Amounts in Thousands			
	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Instruction	\$ 16,487	\$ 15,635	\$ 852	5%
Support Services	12,878	13,369	(491)	-4%
Community Services	52	81	(29)	-36%
Payments to other districts and gov't units	1,763	1,635	128	8%
On-behalf payments	10,919	7,235	3,684	51%
Debt Service - Principal & Interest	1,531	4,822	(3,291)	-68%
Total	<u>\$ 43,630</u>	<u>\$ 42,777</u>	<u>\$ 853</u>	2%

The rise in instruction related expenditures primarily relates to salary increases in the collective bargaining agreements.

The decrease in support services relates to higher spending in 2016 due to the completion of a new roof and roof top units at the Lisle High School. In 2017, the District began the early planning and construction phases of a new elementary school.

The increase in payments to other districts and governmental units is consistent with the growth of students enrolled in the District's special education cooperative and a reduction in the number of students requiring placements in private programs.

The on-behalf payments reflect the State's contribution to the Teachers' Retirement System. The funding will vary from year-to-year based on the State's contribution percentage and calculation.

The decrease in debt service is due to the District issuing bonds and using the proceeds to pay off the 2005 bonds in fiscal year 2016.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

General Fund Budget Information

The District Budget is prepared in accordance with Illinois law and is based on the modified cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The General Fund represents the largest of all budgeted funds for the District. Significant actual differences compared to the final budget are discussed below:

	Budget	Actual Results	Reason for Difference
Revenue:			
Educational Account – State Sources – On-behalf payments-State of Illinois	\$7,355,000	\$10,919,379	This is calculated by the Teachers Retirement Systems actuary and is difficult to predict.
Expenditures:			
Educational Account – Instruction – Regular Programs – On-behalf payments - State of Illinois	\$7,355,000	\$10,919,379	This is calculated by the Teachers Retirement Systems actuary and is difficult to predict.
Educational Account – Instruction – Regular Programs – Salaries	\$7,361,700	\$7,171,738	Conservative budgets for Salaries were not fully expended during the year.
Educational Account – Payments to other districts and governmental units – Special education	\$1,499,000	\$1,620,270	Additional expenses due to increase in students attending the District's Special Ed Cooperative SASSED.
Operations and Maintenance Account – Support Services-Business – Purchased Services	\$567,450	\$400,566	Additional budget and amounts that were available for potential repairs and maintenance costs did not need to be utilized during the fiscal year.
Operations and Maintenance Account – Support Services-Business – Supplies and Materials	\$670,500	\$542,416	Additional budget and amounts for higher electricity costs did not need to be utilized during the fiscal year.
Capital Projects Fund Support Services-Business – Capital outlay	\$100,000	\$435,758	Additional expenses for the planning of a new elementary school.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Capital Asset and Long-term Debt Activity

Capital Assets: The capital assets of the District are those used in the performance of general governmental functions. They are recorded at original cost, which is considerably less than their present replacement value.

Capital assets include land, buildings and improvements, and equipment. The District's investment in capital assets for its governmental activities at year end totaled \$25,369,121 (net of accumulated depreciation). Additions to capital assets were \$782,129 during the year. Depreciation charges of \$1,088,083 were expensed on the total capital assets during fiscal year 2017.

The District purchases outside third party specific and aggregate insurance coverage to protect itself from severe losses. Additional information on the District's capital assets can be found in Note 3 of the Notes to Financial Statements.

Debt Administration: Total District long-term debt net of deferred amounts, at year end was \$4,243,039 including bonds payable and capital leases. Long-term debt decreased during the year by \$1,430,142 including deferred amounts.

The District has "Series 2010" and "Series 2015" general obligation bond issues with \$1,650,000 and \$2,495,000 outstanding, respectively. The entire amount of the general obligation issues are backed by the full faith and credit of the District through property taxes. The principal on the District's bonds is scheduled to be fully retired in fiscal year 2020.

The State statutes limit the amount of outstanding debt to 13.8% of assessed valuation. That would make the current debt limitation \$78.8 million, which is significantly higher than the District's current general obligation debt.

Additional information on the District's long-term debt can be found in Note 4 of the Notes to Financial Statements.

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 may affect financial operations in the future:

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

State Fiscal Crisis: Many areas of the District's finances are affected by the current fiscal crisis in the State of Illinois. The District's portion of state-based revenue continues to be affected by these economic conditions as many state reimbursements and programs have been reduced or eliminated entirely. At times, the State of Illinois has also become delinquent in paying their obligations to the District.

Unfunded Mandates: The District continues to face the ongoing problem of how to implement and pay for mandates issued by the Illinois State Board of Education that lack funding from the State of Illinois. The costs of these mandates must be carved out of local resources at the expense of other programs. If this trend continues, and these mandates are not funded by additional revenues, this could result in a strain on the District's financial position.

School Funding Reform: In August of 2017, Senate Bill 1947 was signed into law. The new law puts in place an Evidence Based Funding Formula (EBF) that prioritizes equity and allocates state funding to school districts based on student need. The formula maintains a Base Funding Minimum (BFM) for all districts based on their prior year funding. This provision helps ensure that the District will receive at least the same amount in state funds as received during FY2017. However, the District is not anticipating any new state dollars moving forward because of the new funding model.

Pension Reform: There is a renewed focus to shift the pension costs from the State onto local school districts. While no formal proposal is on this table, this concept is still being discussed by some of the legislative leaders. Shifting the burden of teacher retirement costs to the local taxpayers would have a significant impact on the District's financial situation.

Property Tax Freeze: Property tax freeze legislation in the form of Senate Bill 851 passed the House of Representatives during the fall 2017 veto session. The bill provides for homestead exemption increases and provides for taxing districts subject to PTELL an extensions limitation of zero percent for levy years 2017 and 2018. The School District is highly dependent on property taxes so the enactment of such legislation would severely limit the District's ability to generate revenues that would keep pace with the cost increases from one year to the next.

Interest Rates: Interest earnings have been very low over the past few years. The change in interest rates has dramatically reduced the District's investment earnings. While rates are slowly starting to increase, they still remain at historically low levels making it difficult for the District to supplement revenues using its cash and investment balances.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Contract Negotiations: During the spring of 2017, the Board of Education reached a new three year agreement with the Classified Employees Association of Lisle. The agreement includes average annual salary increases of 3.5% over the life of the contract. The Board of Education also has a collective bargaining agreement with the Lisle Education Association through the 2018-2019 school year. Negotiations for a new agreement will occur during the spring of 2019.

Aging School Buildings: Building improvements will continue to be addressed during the next five years. The District is planning for the construction of a new elementary school building to begin in 2018. The future of the existing elementary school facilities will be determined by a Facilities Planning Committee. Additional costs related to parking lots, HVAC units, and other life safety projects will require the Board of Education to use annual operating expenses to complete the work.

Long-term Financial Planning: The District annually updates its 5-year financial projection to assess future needs in all areas of its operations and enable the development of a multi-year budget projection. With careful planning and monitoring of our finances, the District is confident that it can continue to provide a quality education for its students and a secure financial future for the school district.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: David Wilkinson, Director of Finance, Lisle Community Unit School District No. 202, 5211 Center Avenue, Lisle, IL 60532.

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BASIC FINANCIAL STATEMENTS

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2017

	Governmental Activities
	2017
Assets:	
Cash and investments	\$ 53,179,286
Capital assets:	
Land and construction in progress	1,377,272
Other capital assets, net of depreciation	23,991,849
	<hr/>
Total assets	78,548,407
	<hr/>
Liabilities:	
Other current liabilities	23,971
Long-term liabilities:	
Due within one year	1,441,614
Due in more than one year	2,801,425
	<hr/>
Total liabilities	4,267,010
	<hr/>
Net Position:	
Net investment in capital assets	21,126,082
Restricted for:	
Capital projects	15,587,987
Debt service	1,982,167
Transportation	2,342,281
Retirement	597,665
Unrestricted	32,645,215
	<hr/>
Total net position	\$ 74,281,397
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
		Services	Grants and	Changes in
			Contributions	Net Position
				Total Governmental
				Activities
				2017
Governmental activities:				
Instructional services:				
Regular programs	\$ 11,519,045	\$ 308,993	\$ 86,299	\$ (11,123,753)
Special programs	6,790,688	-	1,585,271	(5,205,417)
Other programs	861,455	-	-	(861,455)
On-behalf payments	10,919,379	-	10,919,379	-
Supporting services:				
Students	2,014,535	-	-	(2,014,535)
Instructional staff	1,193,745	-	-	(1,193,745)
District administration	1,155,001	-	-	(1,155,001)
School administration	2,065,483	-	-	(2,065,483)
Business	524,158	-	-	(524,158)
Operation and maintenance				
of facilities	2,425,967	-	26,400	(2,399,567)
Transportation	1,599,023	20,348	439,814	(1,138,861)
Food service	333,474	245,550	152,359	64,435
Staff	951,396	-	-	(951,396)
Community services	51,715	-	-	(51,715)
Interest on long-term liabilities	100,817	-	-	(100,817)
Total school district	\$ 42,505,881	\$ 574,891	\$ 13,209,522	(28,721,468)
General revenues:				
Property taxes levied for:				
General purposes				25,789,909
Transportation				1,159,412
Retirement				794,170
Debt service				1,520,061
Federal and state aid not restricted to				
specific purposes				780,374
Earnings on investments				229,173
Miscellaneous				737,850
Total general revenues				31,010,949
Change in net position				2,289,481
Net position - beginning				71,991,916
Net postion - ending				\$ 74,281,397

The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 32,669,186	\$ 15,587,987	\$ 4,922,113	\$ 53,179,286
TOTAL ASSETS	<u>32,669,186</u>	<u>15,587,987</u>	<u>4,922,113</u>	<u>53,179,286</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Deposits	23,971	-	-	23,971
Total Liabilities	<u>23,971</u>	<u>-</u>	<u>-</u>	<u>23,971</u>
Fund Balance:				
Restricted	-	15,587,987	4,922,113	20,510,100
Unassigned	32,645,215	-	-	32,645,215
Total Fund Balance	<u>32,645,215</u>	<u>15,587,987</u>	<u>4,922,113</u>	<u>53,155,315</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 32,669,186</u>	<u>\$ 15,587,987</u>	<u>\$ 4,922,113</u>	<u>\$ 53,179,286</u>

The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
RECONCILIATION OF THE STATEMENT OF ASSETS AND LIABILITIES ARISING FROM
CASH TRANSACTIONS OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2017

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

Total fund balance - governmental funds	\$ 53,155,315
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$46,718,973 and the accumulated depreciation is \$21,349,852.	25,369,121
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable, capital leases, and deferred issuance premium	<u>(4,243,039)</u>
Total net position - governmental activities	<u><u>\$ 74,281,397</u></u>

The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:				
Property taxes	\$ 25,786,790	\$ -	\$ 3,476,762	\$ 29,263,552
Other local sources	1,449,751	23,745	68,418	1,541,914
State sources	12,446,513	-	439,814	12,886,327
Federal sources	1,103,569	-	-	1,103,569
Total Revenues Received	<u>40,786,623</u>	<u>23,745</u>	<u>3,984,994</u>	<u>44,795,362</u>
EXPENDITURES DISBURSED:				
Instruction	27,083,310	-	322,781	27,406,091
Supporting services	10,347,644	435,758	2,094,870	12,878,272
Community services	51,715	-	-	51,715
Payments to other districts and governmental units	1,762,532	-	-	1,762,532
Debt service:				
Payment of principal on long-term debt	-	-	1,422,931	1,422,931
Interest on long-term debt	-	-	108,028	108,028
Service charges	-	-	500	500
Total Expenditures Disbursed	<u>39,245,201</u>	<u>435,758</u>	<u>3,949,110</u>	<u>43,630,069</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>1,541,422</u>	<u>(412,013)</u>	<u>35,884</u>	<u>1,165,293</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	28,046	11,000,000	40,273	11,068,319
Transfers out	(11,068,319)	-	-	(11,068,319)
Total other financing sources (uses)	<u>(11,040,273)</u>	<u>11,000,000</u>	<u>40,273</u>	<u>-</u>
Net change in fund balances	(9,498,851)	10,587,987	76,157	1,165,293
Fund balance at beginning of year	<u>42,144,066</u>	<u>5,000,000</u>	<u>4,845,956</u>	<u>51,990,022</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 32,645,215</u></u>	<u><u>\$ 15,587,987</u></u>	<u><u>\$ 4,922,113</u></u>	<u><u>\$ 53,155,315</u></u>

The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

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

Net change in fund balances-total governmental funds	\$ 1,165,293
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	782,129	
Depreciation expense	<u>(1,088,083)</u>	(305,954)

The governmental funds report bond and other debt issuance proceeds as an other financing source, while repayment of principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of general obligation bonds, other debt and related items is as follows:

Amortization of bond discount	7,211	
Repayment of principal on long-term debt	<u>1,422,931</u>	<u>1,430,142</u>

Change in net position of governmental activities	\$ <u>2,289,481</u>
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The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2017

Assets:

Cash and investments	<u>\$ 142,965</u>
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Liabilities:

Due to organizations	<u>\$ 142,965</u>
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The notes to the financial statements are an integral part of this statement.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements
June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Lisle Community Unit School District No. 202 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

a. The Reporting Entity

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District as there are no other organizations for which it has financial accountability.

Joint Venture - The District is also a member of the following organizations:

- School Association for Special Education in DuPage County (SASED) (See Note 15)
- DuPage Area Occupational Education System (DAOES) (See Note 16)

b. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-wide Financial Statements (GWFS):

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. The effects of interfund activity have been eliminated.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes and other revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements (FFS):

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. 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. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account, Operations and Maintenance Account, and the Working Cash Account that are legally mandated by the State of Illinois.

The Capital Projects Fund accounts for financial resources to be used for the acquisition, construction and/or additions related to major capital projects, other than those required to be accounted for in the Fire Prevention and Safety Fund.

Additionally, the District reports the following fund types (not included in the GWFS):

The Student Activities Agency Fund (a fiduciary fund) accounts for assets held on behalf of student groups.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus, within the limitations of the modified cash basis of accounting as described below.

Fiduciary financial statements

Fiduciary fund reporting focuses on net position and changes in net position. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Basis of accounting

The financial statements are presented using the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue from grants not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

d. Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture, equipment and land improvements and \$25,000 for buildings and improvements and an estimated useful life in excess of one 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.

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

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 years
Building improvements	10 years
Land improvements	20 years
Furniture, equipment and vehicles	5-20 years

f. Long-term obligations

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In the FFS, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

g. Fund Equity

In the GWFS, net position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy is to use restricted net position first before unrestricted net position.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

h. Property Taxes

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 tax levy was adopted on December 19, 2016. Taxes attach as an enforceable lien on property on January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates.

The following are the actual rates levied per \$100 of assessed valuation:

	Maximum	Actual	
	2016 Levy	2016 Levy	2015 Levy
Educational	4.0000	3.5562	3.9674
Operations & Maintenance	0.7500	0.5080	0.0006
Bond & Interest		0.2580	0.2763
Transportation		0.0848	0.3367
Municipal Retirement		0.0611	0.0728
Social Security		0.0677	0.0783
Working Cash	0.5000	0.0005	0.0006
Tort Immunity		0.0005	0.0006
Special Education	0.8000	0.4657	0.5459
Total		5.0025	5.2792

i. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

j. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CASH AND INVESTMENTS:

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2017, none of the District's bank balances of \$50,993,654 was exposed to custodial credit risk.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Investments and Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level One – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level Two – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level two input must be observable for substantially the full term of the asset or liability.

Level Three – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Net Asset Value (NAV) – Certain investments measured at NAV would be excluded from the fair value hierarchy.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

As of June 30, 2017, the District had the following investments measured at fair value:

Investment	Maturities	Net Asset Value
ISDLAF Max Class	Less than 60 days	\$ 2,232,276
ISDLAF Liquid Class	Less than 60 days	81,855
Total		<u>\$ 2,314,131</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

The District has funds invested in the amount of \$2,314,131 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds as of June 30, 2017. The fair value of the positions in this investment pool is the same as the value of the pooled shares. All investments are SEC registered. The District's proportionate share of investment in these investment pools are collateralized in the same proportion that the total assets of the Funds are collateralized. Although information regarding the level of collateralization of total assets of these Funds was not available, the Illinois School District Liquid Asset Funds represent that all assets are fully collateralized.

Interest Rate Risk: In the District's formal investment policy, there are no specific limitations on investment maturities in order to manage exposure to fair market losses from increasing interest rates.

Credit Risk: Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by State laws.

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks and Savings and Loan Associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.

Insured accounts of an Illinois credit union chartered under United States or Illinois law.

Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

The Illinois Funds or Illinois School District Liquid Asset Fund Plus.

Repurchase agreements which meet instrument transaction requirements of Illinois law.

The District has no investment policy that would further limit its investment choices. As of June 30, 2017, the District's investments are rated as follows:

	Standard & <u>Poor's</u>	<u>Fitch Ratings</u>	Moody's <u>Investor</u> <u>Service</u>
ISDLAF Liquid Class	AAAm	N/A	N/A
ISDLAF Max Class	AAAm	N/A	N/A

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in ISDLAF Max class for 96.5%.

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$941,514	\$396,090	(\$396,090)	\$941,514
Construction in Progress	52,923	435,758	(52,923)	435,758
Total capital assets not being depreciated	\$994,437	\$831,848	(\$449,013)	\$1,377,272
Capital assets, being depreciated:				
Land improvements	\$2,156,927	\$9,897	\$-	\$2,166,824
Buildings	39,825,188	289,556	-	40,114,744
Equipment	2,985,167	99,841	(24,875)	3,060,133
Total capital assets being depreciated	\$44,967,282	\$399,294	(\$24,875)	\$45,341,701
Accumulated depreciation for:				
Land improvements	\$1,181,084	\$63,147	\$-	\$1,244,231
Buildings	16,696,623	889,538	-	17,586,161
Equipment	2,408,937	135,398	(24,875)	2,519,460
Total accumulated depreciation	\$20,286,644	\$1,088,083	(\$ 24,875)	\$ 21,349,852
Total capital assets being depreciated, net	\$24,680,638	(\$ 688,789)	\$ -	\$ 23,991,849
Total capital assets, net	\$25,675,075	\$ 143,059	(\$ 449,013)	\$ 25,369,121

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Depreciation expense was charged to functions of the District as follows:

Instructional services:		
Regular programs		\$901,041
Special programs		371
Other programs		20,532
Supporting services:		
Student		1,905
Instructional staff		35,490
District administration		3,811
School administration		15,798
Business		3,160
Operations and maintenance of facilities		57,567
Food service		10,045
Central		38,363
		<u>\$1,088,083</u>

NOTE 4. CHANGES IN LONG-TERM DEBT:

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amount Due in One Year
Bonds Payable	\$ 5,540,000	\$ -	\$1,395,000	\$4,145,000	\$1,415,000
Capital Leases	107,933	-	27,931	80,002	26,614
Deferred Amounts for Issuance Premium/ (Discount)	25,248	-	7,211	18,037	-
Total	\$ 5,673,181	\$ -	\$1,430,142	\$4,243,039	\$1,441,614

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

Bonds Payable

2010 General Obligation Limited School bonds due in varying installments from \$545,000 to \$555,000 through 2020, interest rates varying from 2.5% to 3.0%.

2015 General Obligation Limited Tax Refunding School bonds due in varying installments from \$730,000 to \$895,000 through 2019, interest rate of 1.49%.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Capital Leases

The District has entered into an agreement to lease copier equipment. Such agreements are, in substance, purchase (capital leases) and are reported as capital lease obligations. Payments, including interest, are due in monthly installments of \$3,098. The present value of future minimum lease payments at June 30, 2017 are \$80,002.

Leased equipment under capital leases in capital assets at June 30, 2017 include the following:

Equipment	\$136,858
Less: Accumulated depreciation	<u>(63,967)</u>
Total	<u>\$ 72,891</u>

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments of \$137,743 are as follows:

Year Ending June 30,	Bonds Payable		Capital Leases		Total
	Principal	Interest	Principal	Interest	
2018	\$1,415,000	\$69,282	\$26,614	\$7,465	\$1,518,361
2019	1,445,000	41,758	32,540	4,636	1,523,934
2020	1,285,000	13,763	20,848	839	1,320,450
	\$4,145,000	\$124,803	\$80,002	\$12,940	\$4,362,745

The Illinois Compiled Statutes limits the amount of bond indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$80,927,159, providing a debt margin of \$78,764,326.

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$1,982,167 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

NOTE 5. RETIREMENT FUND COMMITMENTS:

Retirement Plans

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Illinois Teachers' Retirement System:

General Information about the Pension Plan

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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 districts 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.

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 \$10,757,848 in pension contributions from the state of Illinois.

2.2 formula contributions: Districts 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 \$83,675.

Federal and special trust fund contributions: When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, District 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. For the year ended June 30, 2017, no salaries were paid from federal and special trust funds that required District contributions.

Employer retirement cost contributions: Under GASB Statement No. 68, contributions that a district is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the current program that ended on June 30, 2106 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid no contributions to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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. 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 did not pay to TRS for district contributions due on salary increases in excess of 6 percent and for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, the District's proportionate share of the net pension liability (first amount shown below) that reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's 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 follow:

District's proportionate share of the Net Pension Liability	\$ 1,631,526
State's proportionate share of the Net Pension Liability associated with the District	<u>109,543,584</u>
Total	<u>\$ 111,175,110</u>

The Net Pension Liability was measured as of June 30, 2016, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the Net Pension Liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was .0021 percent, which was a decrease of .0001 percent from its proportion measured as of June 30, 2015.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

For the year ended June 30, 2017, the District recognized pension expense of \$10,757,848 and revenue of \$10,757,848 for support provided by the state. At June 30, 2017, the District has deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,064	\$ 1,107
Net difference between projected and actual earnings on Pension plan investments	46,094	
Changes of Assumptions	140,124	
Changes in proportion and differences between District contributions and proportionate share of contributions	60,164	232,411
Employer Contributions to plan after measurement date	83,675	
Total	<u>\$ 342,121</u>	<u>\$233,518</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will adjust pension expense as follows:

Year ending June 30,	Deferred (Inflow) Outflow
2018	\$ (54,884)
2019	(28,792)
2020	50,214
2021	29,191
2022	3,106
Total	<u>108,603</u>

Actuarial assumptions

The Total Pension Liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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.

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

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

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 changed 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, District 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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 the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Sensitivity of the District's proportionate share of the Net Pension Liability to changes in the discount rate

The following presents the District's proportionate share of the Net Pension Liability calculated using the discount rate of 6.83 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 (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$1,995,423	\$1,631,526	\$1,334,319

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.

Illinois Municipal Retirement Fund:

Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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

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

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

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

Employees Covered by Benefit Terms: At December 31, 2016, the number of District employees covered by IMRF were:

Active members	99
Retirees and beneficiaries	115
Inactive, non-retired members	<u>111</u>
Total	<u>325</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Contributions: As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for 2016 was 14.20% of annual covered payroll. For the fiscal year ended June 30, 2017, the district contributed \$409,196 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Required contributions were \$414,094 and actual contributions were \$414,094, or 100.00% of required contributions.

Net Pension Liability: The District's Net Pension Liability was measured as of December 31, 2016. The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2016:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives.
Active Members	For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/16</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	38.0%	7.77%	8.30%	6.85%
International equities	17.0	3.54	8.45	6.75
Fixed income	27.0	4.85	3.05	3.00
Real estate	8.0	8.97	6.90	5.75
Alternative investments	9.0	N/A	4.25-12.45	2.65-7.35
Cash equivalents	1.0	N/A	2.25	2.25

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the Total Pension Liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance, December 31, 2015	\$ 14,467,321	\$ 11,374,135	\$ 3,093,186
Charges for the year:			
Service cost	329,554	-	329,554
Interest	1,061,878	-	1,061,878
Difference between expected and actual experience	(180,877)	-	(180,877)
Changes in assumptions	(80,082)	-	(80,082)
Net investment income	-	781,545	(781,545)
Contributions – employees	-	135,037	(135,037)
Contributions – employer	-	414,094	(414,094)
Benefit payments including refunds of employee contributions	(757,397)	(757,397)	-
Administrative expenses	-	-	-
Other changes	-	(135,339)	(135,339)
Net changes	373,076	437,940	(64,864)
Balance, December 31, 2016	\$ 14,840,397	\$ 11,812,075	\$ 3,028,322

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 4,745,446
Current discount rate	7.50	3,028,322
1% increase	8.50	1,589,413

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2016, the District's pension expense is \$899,315. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows / (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 23,420	\$ 111,819	\$ (88,399)
Changes of assumptions	3,614	49,507	(45,893)
Net difference between projected and actual earnings on Plan investments	582,036	-	582,036
Employer Contributions to plan after measurement date	<u>205,208</u>	<u>-</u>	<u>205,208</u>
Total	<u>\$ 814,278</u>	<u>\$ 161,326</u>	<u>\$ 652,952</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will adjust pension expense as follows:

Year ending April 30,	Net Deferred Outflows (Inflows)
2017	\$ 332,865
2018	138,565
2019	169,796
2020	<u>11,726</u>
Total	<u>\$ 652,952</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

NOTE 6. OTHER POST EMPLOYMENT BENEFITS:

Teacher 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 Medicare Advantage plans.

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$161,531, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$121,148 to the THIS Fund, which was 100 percent of the required contribution.

Further information on THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General:

<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Defined Postemployment Benefit Plan (Healthcare):

Plan Description: The District's Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit healthcare plan that is administered by the District. Eligible administrators that retire from the District may continue their health care coverage for up to ten years, depending on length of service, with the Board paying the monthly premium. IMRF employees that retire from the District may elect to continue their health care coverage by paying the monthly premium. The District subsidizes a portion of the cost for hospital and medical coverage for retired IMRF employees and their dependents. The subsidy is an implied age related cost differential based upon the expected higher cost of coverage for retired employees versus the average cost for the entire group. The District also reimburses eligible retirees for a portion of the cost of health coverage at established rates.

Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report.

Funding Policy: Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. IMRF retirees that elect to continue their health care coverage are responsible for paying the full monthly premium. The District provides an annual reimbursement toward the premium cost at established rates. The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation: For fiscal year 2017, the District's annual OPEB cost for the plan was \$176,637. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017, were as follows:

Annual required contribution	\$ 177,380
Interest on net OPEB obligation	(6,930)
Adjustment to annual required contribution	<u>6,187</u>
Annual OPEB cost	176,637
Contributions made	<u>(198,541)</u>
Decrease in net OPEB obligation	(21,904)
Net OPEB obligation (asset)—July 1, 2016	<u>(173,239)</u>
Net OPEB obligation (asset)—June 30, 2017	<u><u>\$ (195,143)</u></u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Trend Information: The District's annual OPEB cost, the percentage of the annual OPEB cost contribution to the plan, and the net OPEB asset is as follows:

Trend Information for the Plan

Fiscal Year Ending	Annual OPEB Cost	Actual Employer Contribution	Percentage of APC Contributed	Net Pension Asset
6/30/17	\$ 176,637	\$ 198,541	112.4%	\$ 195,143
6/30/16	219,212	208,625	95.2	173,239
6/30/15	219,212	208,625	95.2	183,826

Funding Status and Funding Progress: The funded status of the plan as of June 30, 2017, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 2,041,438
Actuarial value of plan assets	<u>—</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,041,438</u>
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$13,958,240
UAAL as a percentage of covered payroll	14.6%

The schedule of funding progress presented as other financial information 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 Methods and Assumptions: Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for the plan as of June 30, 2017 the entry age normal method was used. The actuarial assumptions included a 4.0% discount rate and an annual healthcare cost trend rate of 5.0% and 6.0% initially, reduced to an ultimate rate of 4.5% after ten years. The UAAL will be amortized as a level dollar amount of projected payroll on an open group valuation basis. The remaining amortization period is 30 years.

NOTE 7. RESTRICTED NET POSITION:

The government-wide statement of net position reports \$20,510,100 of restricted net position, all of which is restricted by enabling legislation.

NOTE 8. SPECIAL TAX LEVIES

Revenues from the Special Education special tax levy and related expenditures disbursed have been included in the operations of the Educational account of the General Fund.

At June 30, 2017, the cumulative Special Education expenditures disbursed were equal to or exceeded related cumulative revenues received in the Education Account. Accordingly, no restriction is made in the Educational Account of the General fund related to this special levy.

NOTE 9. FUND BALANCES – GOVERNMENTAL FUNDS:

The District's fund balances for Governmental Funds are classified as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

Restricted Fund Balance – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

Committed – The committed fund balance classification refers to amounts that can only be used for specific purposes as determined by a formal action of the District's highest level of decision making authority (the School Board). Commitments may be established, modified, or rescinded only through resolutions approved by the School Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. Currently the School Board has not delegated the authority.

Unassigned – The unassigned fund balance classification is the residual classification for amounts in the General Fund that have not been restricted, committed, or assigned to specific purposes and any deficit fund balances in other funds.

As of June 30, 2017, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Debt service	\$ -	\$ -	\$ 1,982,167	\$ 1,982,167
Retirement	-	-	597,665	597,665
Transportation	-	-	2,342,281	2,342,281
Capital projects		15,587,987	-	15,587,987
Unassigned	32,645,215	-	-	32,645,215
Total fund balances	<u>\$32,645,215</u>	<u>\$ 15,587,987</u>	<u>\$ 4,922,113</u>	<u>\$ 53,155,315</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board or the finance committee has provided otherwise in its commitment or assignment actions.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

The District has adopted a minimum fund balance policy for the Operating Funds. Operating Funds are defined as the Educational Account, Operations and Maintenance Account, Transportation Fund, and Municipal Retirement Fund. The policy requires the sum of the unassigned fund balance of the Operating Funds plus Working Cash Fund at the end of the fiscal year, exclusive of early real estate tax receipts, to be no less than the equivalent of 90 days of the average daily expenditures of the Operating Funds.

NOTE 10. INTERFUND TRANSFERS:

At June 30, 2017, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Services Fund	Educational Account	\$40,273
Educational Account	Working Cash Account	\$28,046
Capital Projects Fund	Educational Account	\$11,000,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Illinois Program Accounting Manual requires that all debt service payments be reported in the Debt Services Fund. However, certain debt service payments are funded by sources other than a debt service levy. Accordingly, interfund transfers are required to transfer the proceeds of these other funding sources from the fund in which they are required to be deposited, to the Debt Services Fund from which the debt service payments will be made.

NOTE 11. RISK MANAGEMENT:

The District has purchased insurance coverage through risk pools (See Notes 12, 13 and 14) and from private insurance companies. Risks covered include general liability, property damage, workers compensation, medical and other. Premiums have been recorded as expenditures disbursed in appropriate funds. A portion of the premiums were funded by a tort immunity tax levy. Expenditures from that levy totaled \$3,119 of general insurance premiums.

During each of the three years ended June 30, 2017, 2016 and 2015, settlements had not exceeded insurance coverage.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

NOTE 12. SUBURBAN SCHOOL COOPERATIVE INSURANCE POOL (SSCIP):

The District is a member of SSCIP, a voluntary cooperative agency consisting of Illinois public school districts and joint agreements. SSCIP's purpose is to manage and fund first-party property losses and third-party liability claims of its members. Each member district has a financial responsibility to make annual contributions based on property values, student enrollment, personnel employed, past loss history and vehicles owned.

Complete financial statements of SSCIP are available from its treasurer.

NOTE 13. SCHOOL EMPLOYEES LOSS FUND (SELF):

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designated by each school district. The day-to-day operations of SELF are managed through an Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for SELF can be obtained from their accountant at Two Pierce Place, Itasca, Illinois 60143.

NOTE 14. EDUCATIONAL BENEFIT COOPERATIVE (EBC):

The District is a member of EBC, which was formed in 1984 as a voluntary cooperative agency of Illinois Public School Districts and Joint Agreements. The purpose of EBC is to administer some or all of the employee benefit programs offered by the member districts to their employees and employees' dependents. EBC administers the payment of claims that arise under the benefit programs offered by each member district. Additionally, EBC offers to its members, group life insurance coverage obtained through an outside insurance company. Monthly medical and dental contributions are estimated by the Plan's administrator in advance of each membership year based upon each district's plan of coverage, estimated enrollment, estimated claim costs and service fees.

Complete financial statements for EBC can be obtained from its treasurer at 1105 North Hunt Club Road, Gurnee, Illinois 60031.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2017

NOTE 15. JOINT VENTURE - SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPAGE COUNTY (SASED):

The District has entered into a joint agreement with other districts in DuPage County to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for SASED can be obtained from its business office at 2900 Ogden Ave., Lisle, Illinois 60532.

NOTE 16. JOINT VENTURE – DUPAGE AREA OCCUPATIONAL EDUCATION SYSTEM (DAOES):

The district is a member of DAOES, a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the governing board.

Complete financial statements for DAOES can be obtained from the Administrative Offices located at the Technology Center of DuPage at 301 South Swift Road, Addison, Illinois 60101-1499.

NOTE 17. COMMITMENTS:

The District has entered into contractual commitments related to construction of a new elementary school. As of June 30, 2017, remaining commitments under those contracts are approximately \$2.1 million.

NOTE 18. CONTINGENCIES:

Tax rate objections have been filed against the District's 2012 through 2014 property tax levies in the Operations and Maintenance Fund. The total amount of property tax refunds sought for all three years combined is approximately \$1,155,000. The outcome of the settlement cannot be predicted with certainty and no financial impact has been reasonably determined as of June 30, 2017.

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SUPPLEMENTARY FINANCIAL INFORMATION

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
COMBINING SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS BY ACCOUNT
GENERAL FUND
JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	<u>\$ 23,893,410</u>	<u>\$ 2,973,582</u>	<u>\$ 5,802,194</u>	<u>\$ 32,669,186</u>
TOTAL ASSETS	<u><u>\$ 23,893,410</u></u>	<u><u>\$ 2,973,582</u></u>	<u><u>\$ 5,802,194</u></u>	<u><u>\$ 32,669,186</u></u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Other current liabilities	<u>\$ 4,256</u>	<u>\$ 19,715</u>	<u>\$ -</u>	<u>\$ 23,971</u>
Total Liabilities	<u>4,256</u>	<u>19,715</u>	<u>-</u>	<u>23,971</u>
Fund Balance:				
Unassigned	<u>23,889,154</u>	<u>2,953,867</u>	<u>5,802,194</u>	<u>32,645,215</u>
Total Fund Balance	<u>23,889,154</u>	<u>2,953,867</u>	<u>5,802,194</u>	<u>32,645,215</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 23,893,410</u></u>	<u><u>\$ 2,973,582</u></u>	<u><u>\$ 5,802,194</u></u>	<u><u>\$ 32,669,186</u></u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES RECEIVED:				
Property taxes	\$24,248,777	\$ 1,534,894	\$ 3,119	\$25,786,790
Other local sources	1,203,614	218,091	28,046	1,449,751
State sources	12,420,113	26,400	-	12,446,513
Federal sources	1,103,569	-	-	1,103,569
Total Revenues Received	<u>38,976,073</u>	<u>1,779,385</u>	<u>31,165</u>	<u>40,786,623</u>
EXPENDITURES DISBURSED:				
Instruction	27,083,310	-	-	27,083,310
Supporting services	7,923,549	2,424,095	-	10,347,644
Community services	51,715	-	-	51,715
Payments to other districts and governmental units	1,762,532	-	-	1,762,532
Total Expenditures Disbursed	<u>36,821,106</u>	<u>2,424,095</u>	<u>-</u>	<u>39,245,201</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>2,154,967</u>	<u>(644,710)</u>	<u>31,165</u>	<u>1,541,422</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	28,046	-	-	28,046
Transfers out	(11,040,273)	-	(28,046)	(11,068,319)
Total other financing sources (uses)	<u>(11,012,227)</u>	<u>-</u>	<u>(28,046)</u>	<u>(11,040,273)</u>
Net change in fund balances	<u>(8,857,260)</u>	<u>(644,710)</u>	<u>3,119</u>	<u>(9,498,851)</u>
Fund balance at beginning of year	<u>32,746,414</u>	<u>3,598,577</u>	<u>5,799,075</u>	<u>42,144,066</u>
FUND BALANCE AT END OF YEAR	<u>\$23,889,154</u>	<u>\$ 2,953,867</u>	<u>\$ 5,802,194</u>	<u>\$32,645,215</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 21,057,900	\$ 21,378,627	\$ 22,001,353
Special education tax levy	2,828,200	2,870,150	1,647,112
Corporate replacement taxes	279,600	353,755	316,115
Tuition	-	-	1,600
Earnings on investments	110,400	144,185	68,989
Food services	226,450	245,550	240,274
Pupil activities	87,050	101,525	103,426
Textbooks	174,000	169,294	177,983
Contributions and donations from private sources	10,500	12,609	13,484
Impact fees	1,000	-	4,275
Refund of prior years' expenditures	50,000	48,585	43,934
Drivers' education fees	30,000	38,174	34,293
Payments from other districts	45,000	51,779	42,412
Other	35,000	38,158	33,922
Total Local Sources	24,935,100	25,452,391	24,729,172
State Sources:			
General state aid	667,467	667,467	619,650
Special education	1,009,219	802,909	1,008,571
Vocational education	6,284	6,284	5,894
Bilingual education	18,000	425	9,389
School lunch aid	1,300	648	1,078
Drivers' education	34,500	23,001	35,761
On-behalf payments - State of Illinois	7,355,000	10,919,379	7,235,484
Other	875	-	875
Total State Sources	9,092,645	12,420,113	8,916,702
Federal Sources:			
School lunch programs	135,000	151,711	156,697
Title I - low income	190,000	201,573	77,748
IDEA - preschool flow-through	12,100	13,073	12,435
IDEA - flow through	485,000	507,600	476,764
IDEA - room and board	4,195	46,729	10,078
Perkins	6,875	6,678	5,102
Title II - teacher quality	115,000	63,298	64,387
Medicaid programs	90,000	112,907	138,857
Total Federal Sources	1,038,170	1,103,569	942,068
Total Revenues Received	\$ 35,065,915	\$ 38,976,073	\$ 34,587,942

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED:			
Instruction:			
Regular programs:			
Salaries	\$ 7,361,700	\$ 7,171,738	\$ 6,902,069
Employee benefits	2,136,900	2,195,730	2,074,711
On-behalf payments - State of Illinois	7,355,000	10,919,379	7,235,484
Purchased services	129,000	129,542	101,359
Supplies and materials	607,490	521,790	487,406
Other	17,050	16,033	14,592
Non-capitalized equipment	88,200	73,632	73,142
Termination benefits	2,510	2,400	-
Total	17,697,850	21,030,244	16,888,763
Pre-K programs:			
Salaries	41,000	40,804	38,388
Employee benefits	18,000	10,819	10,136
Purchased services	1,300	1,207	5,068
Supplies and materials	2,000	1,954	1,957
Other	-	45	-
Non-capitalized equipment	-	-	979
Total	62,300	54,829	56,528
Special programs:			
Salaries	1,824,253	1,758,298	1,660,206
Employee benefits	675,300	690,979	654,737
Purchased services	30,650	31,075	28,158
Supplies and materials	21,900	29,798	21,371
Non-capitalized equipment	3,000	3,867	2,169
Tuition	917,000	955,136	899,842
Total	3,472,103	3,469,153	3,266,483
Special programs pre-k:			
Salaries	178,500	174,600	165,131
Employee benefits	59,000	60,167	57,092
Purchased services	1,600	75	396
Supplies and materials	3,150	3,012	3,499
Non-capitalized equipment	1,200	1,485	979
Total	\$ 243,450	\$ 239,339	\$ 227,097

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Instruction - Continued:			
Educationally deprived:			
Salaries	\$ 264,800	\$ 268,000	\$ 251,952
Employee benefits	89,100	89,078	83,381
Supplies and materials	53,975	114,727	72,715
Non-capitalized equipment	1,000	996	-
Total	408,875	472,801	408,048
Career and technical education:			
Salaries	216,100	228,218	195,608
Employee benefits	59,000	62,688	53,634
Purchased services	9,750	8,384	537
Supplies and materials	27,759	22,096	23,126
Capital outlay	-	-	7,242
Non-capitalized equipment	6,800	24,266	3,090
Total	319,409	345,652	283,237
Interscholastic programs:			
Salaries	545,700	563,178	527,639
Employee benefits	55,400	52,371	56,714
Purchased services	115,850	95,086	92,336
Supplies and materials	85,100	69,000	66,319
Capital outlay	-	-	5,258
Other	33,450	27,192	37,564
Non-capitalized equipment	11,500	9,716	6,518
Total	847,000	816,543	792,348
Summer school:			
Salaries	59,550	69,357	60,881
Employee benefits	4,800	4,445	4,714
Supplies and materials	1,900	1,630	1,345
Total	66,250	75,432	66,940
Gifted:			
Salaries	67,600	70,554	80,109
Employee benefits	3,200	3,106	5,053
Supplies and materials	2,500	2,589	2,370
Non-capitalized equipment	1,000	996	-
Total	\$ 74,300	\$ 77,245	\$ 87,532

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Instruction - Continued:			
Driver's education programs:			
Salaries	\$ 163,700	\$ 156,208	\$ 153,628
Employee benefits	41,000	39,264	37,773
Purchased services	6,250	5,896	843
Supplies and materials	10,335	6,122	5,305
Other	-	70	-
Non-capitalized equipment	-	599	-
Total	221,285	208,159	197,549
Bilingual:			
Salaries	236,800	238,674	207,915
Employee benefits	46,100	44,241	50,440
Purchased services	600	103	381
Supplies and materials	5,000	2,699	2,856
Non-capitalized equipment	1,000	996	979
Termination benefits	-	-	390
Total	289,500	286,713	262,961
Truant alternative and optional:			
Tuition	10,000	7,200	25,906
Total	10,000	7,200	25,906
Total Instruction	23,712,322	27,083,310	22,563,392
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	283,900	288,754	265,163
Employee benefits	64,200	64,358	71,810
Purchased services	11,000	4,440	1,232
Supplies and materials	5,300	2,496	802
Other	-	-	60
Non-capitalized equipment	1,000	996	979
Total	\$ 365,400	\$ 361,044	\$ 340,046

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Pupils - Continued:			
Guidance services:			
Salaries	\$ 338,100	\$ 335,393	\$ 314,434
Employee benefits	101,600	101,234	101,966
Purchased services	2,050	5,263	899
Supplies and materials	4,700	2,273	4,473
Other	500	304	319
Non-capitalized equipment	5,100	5,070	-
Total	452,050	449,537	422,091
Health services:			
Salaries	289,250	286,196	274,646
Employee benefits	79,500	79,169	76,952
Purchased services	6,800	22,357	9,603
Supplies and materials	8,000	8,450	6,615
Non-capitalized equipment	1,700	1,229	672
Total	385,250	397,401	368,488
Psychological services:			
Salaries	281,700	278,212	272,457
Employee benefits	72,400	72,494	72,773
Purchased services	15,930	10,426	18,826
Supplies and materials	3,000	722	2,478
Non-capitalized equipment	2,535	2,429	979
Total	375,565	364,283	367,513
Speech pathology:			
Salaries	255,300	255,043	242,342
Employee benefits	50,000	49,785	43,200
Purchased services	3,600	3,447	2,904
Supplies and materials	4,000	3,426	2,706
Non-capitalized equipment	1,000	996	1,958
Total	\$ 313,900	\$ 312,697	\$ 293,110

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Pupils - Continued:			
Other support - pupils:			
Salaries	\$ 74,700	\$ 79,730	\$ 66,337
Employee benefits	-	60	-
Supplies and materials	1,400	1,365	843
Other	-	-	600
Non-capitalized equipment	7,000	4,378	-
Total	83,100	85,533	67,780
Total Pupils	1,975,265	1,970,495	1,859,028
Instructional Staff:			
Improvement of instructional services:			
Salaries	396,800	333,581	354,313
Employee benefits	66,000	54,133	53,664
Purchased services	112,827	86,777	76,571
Supplies and materials	20,550	10,373	4,262
Non-capitalized equipment	3,000	-	3,844
Total	599,177	484,864	492,654
Educational media services:			
Salaries	413,200	404,762	399,955
Employee benefits	90,500	90,011	103,453
Purchased services	42,625	34,401	38,706
Supplies and materials	62,950	61,030	60,228
Capital outlay	6,700	6,678	-
Other	415	335	225
Non-capitalized equipment	6,100	3,078	39,760
Termination Benefits	-	-	400
Total	622,490	600,295	642,727
Assessment and testing:			
Salaries	10,000	12,410	16,515
Purchased services	51,500	33,999	36,296
Supplies and materials	10,000	4,192	3,770
Total	71,500	50,601	56,581
Total Instructional Staff	\$ 1,293,167	\$ 1,135,760	\$ 1,191,962

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
General Administration:			
Board of education:			
Salaries	\$ 34,300	\$ 35,232	\$ 32,476
Employee benefits	185,000	184,040	190,434
Purchased services	49,950	46,919	44,959
Supplies and materials	10,000	8,340	8,050
Capital outlay	7,000	6,813	-
Other	12,000	11,809	11,296
Non-capitalized equipment	-	-	735
Total	298,250	293,153	287,950
Executive administration:			
Salaries	252,300	251,796	244,180
Employee benefits	74,600	73,371	71,925
Purchased services	6,000	4,715	1,839
Supplies and materials	6,500	4,545	5,967
Other	2,500	225	3,723
Non-capitalized equipment	1,000	-	3,227
Total	342,900	334,652	330,861
Special area administration:			
Salaries	176,300	176,244	167,432
Employee benefits	57,300	56,239	59,816
Purchased services	7,600	3,299	4,716
Supplies and materials	1,750	1,512	743
Other	500	341	484
Non-capitalized equipment	1,000	-	672
Total	244,450	237,635	233,863
Tort immunity:			
Purchased services	247,604	257,267	216,886
Total	247,604	257,267	216,886
Total General Administration	\$ 1,133,204	\$ 1,122,707	\$ 1,069,560

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
School Administration:			
Office of the principal:			
Salaries	\$ 1,378,200	\$ 1,378,347	\$ 1,308,602
Employee benefits	467,300	457,714	425,280
Purchased services	91,500	61,283	73,861
Supplies and materials	29,000	17,766	15,417
Other	5,650	3,127	3,713
Non-capitalized equipment	29,000	39,621	45,152
Termination benefits	11,500	12,070	19,667
Total School Administration	2,012,150	1,969,928	1,891,692
Business:			
Direction of business support services:			
Salaries	92,200	92,586	89,825
Employee benefits	25,600	25,319	24,131
Purchased services	2,600	1,255	1,447
Supplies and materials	1,655	380	399
Other	600	335	759
Non-capitalized equipment	1,000	729	1,065
Total	123,655	120,604	117,626
Fiscal services:			
Salaries	189,700	196,521	174,315
Employee benefits	48,900	48,716	47,796
Purchased services	40,500	83,600	39,383
Supplies and materials	10,500	8,734	6,281
Other	600	1,120	544
Non-capitalized equipment	3,000	-	5,576
Total	293,200	338,691	273,895
Food services			
Purchased services	347,000	318,842	338,643
Supplies and materials	5,000	2,471	-
Non-capitalized equipment	7,250	2,116	-
Total	359,250	323,429	338,643
Total Business	\$ 776,105	\$ 782,724	\$ 730,164

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Central:			
Information services:			
Salaries	\$ 49,500	\$ 50,727	\$ 28,594
Employee benefits	1,300	880	3,173
Purchased services	65,500	58,430	72,382
Supplies and materials	2,250	974	807
Other	-	275	-
Non-capitalized equipment	1,250	-	-
Total	119,800	111,286	104,956
Staff services:			
Salaries	60,800	60,781	58,215
Employee benefits	33,400	32,827	31,589
Purchased services	20,000	18,430	18,070
Supplies and materials	3,250	583	2,504
Other	1,500	400	1,104
Non-capitalized equipment	1,000	-	-
Total	119,950	113,021	111,482
Data processing services:			
Salaries	275,400	266,987	335,092
Employee benefits	64,600	70,915	101,595
Purchased services	272,250	224,601	112,418
Supplies and materials	45,500	31,902	45,198
Capital outlay	105,500	86,350	43,029
Non-capitalized equipment	54,500	36,873	44,405
Termination benefits	-	-	6,146
Total	817,750	717,628	687,883
Total Central	1,057,500	941,935	904,321
Total Support Services	8,247,391	7,923,549	7,646,727
Community Services:			
Employee benefits	28,000	3,905	10,997
Purchased services	82,525	45,762	60,867
Supplies and materials	1,888	2,048	8,948
Total Community Services	\$ 112,413	\$ 51,715	\$ 80,812

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED - Continued			
Payments to other districts and governmental units:			
Regular programs	\$ 25,000	\$ 35,640	\$ 28,240
Special education	1,499,000	1,620,270	1,479,473
CTE	106,900	106,622	111,854
Total payments to other districts and governmental units	1,630,900	1,762,532	1,619,567
Total Expenditures Disbursed	33,703,026	36,821,106	31,910,498
Excess of revenues received over expenditures disbursed	1,362,889	2,154,967	2,677,444
OTHER FINANCING SOURCES (USES):			
Transfers in	30,100	28,046	-
Transfers out	(37,176)	(11,040,273)	(37,176)
Total other financing sources (uses)	(7,076)	(11,012,227)	(37,176)
Net change in fund balances	<u>\$ 1,355,813</u>	(8,857,260)	2,640,268
Fund balance at beginning of year		32,746,414	30,106,146
FUND BALANCE AT END OF YEAR		<u>\$ 23,889,154</u>	<u>\$ 32,746,414</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 1,490,450	\$ 1,534,894	\$ 1,823,779
Earnings on investments	20,000	10,807	24,263
Rentals	140,000	154,088	146,109
Refund of prior years' expenditures	16,500	51,972	29,580
Other	1,000	1,224	934
Total Local Sources	1,667,950	1,752,985	2,024,665
State Sources:			
Other	26,000	26,400	-
Total State Sources	26,000	26,400	-
Total Revenues Received	1,693,950	1,779,385	2,024,665
EXPENDITURES DISBURSED:			
Support Services:			
Business - facilities acquisition and construction:			
Purchased services	67,000	52,472	114,362
Capital outlay	310,000	246,530	1,229,628
Total facilities acquisition and construction	377,000	299,002	1,343,990
Business - operation and maintenance of plant services:			
Salaries	981,100	935,323	924,743
Benefits	181,100	180,898	169,798
Purchased services	567,450	400,566	566,860
Supplies and materials	670,500	542,416	607,022
Capital outlay	50,000	-	57,200
Non-capitalized equipment	82,500	65,890	104,617
Termination benefits	500	-	840
Total operation and maintenance of plant services	2,533,150	2,125,093	2,431,080
Total Support Services	2,910,150	2,424,095	3,775,070
Payments to other districts and governmental units:			
Grant repayment	-	-	15,000
Total payments to other districts and governmental units	-	-	15,000
Total Expenditures Disbursed	2,910,150	2,424,095	3,790,070
Deficiency of revenues received over expenditures disbursed	\$ (1,216,200)	\$ (644,710)	\$ (1,765,405)

(Continued)

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
OTHER FINANCING USES:			
Transfers out	\$ -	\$ -	\$ (5,000,000)
Total other financing uses	-	-	(5,000,000)
Net change in fund balances	<u>\$ (1,216,200)</u>	(644,710)	(6,765,405)
Fund balance at beginning of year		<u>3,598,577</u>	<u>10,363,982</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,953,867</u>	<u>\$ 3,598,577</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,800	\$ 3,119	\$ 3,052
Earnings on investments	30,100	28,046	14,350
Total Revenues Received	32,900	31,165	17,402
Excess of revenues received over expenditures disbursed	32,900	31,165	17,402
OTHER FINANCING USES:			
Transfers out	(30,100)	(28,046)	(14,350)
Total other financing uses	(30,100)	(28,046)	(14,350)
Net change in fund balances	<u>\$ 2,800</u>	3,119	3,052
Fund balance at beginning of year		5,799,075	5,796,023
FUND BALANCE AT END OF YEAR		<u>\$ 5,802,194</u>	<u>\$ 5,799,075</u>

MAJOR GOVERNMENTAL FUND

CAPITAL PROJECTS FUND

Capital Projects Fund – To account for financial resources to be used for the acquisition, construction and/or additions related to major capital projects, other than those required to be accounted for in the Fire Prevention and Safety Fund.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Earnings on investments	\$ 24,100	\$ 23,745	\$ -
Total Revenues Received	24,100	23,745	-
EXPENDITURES DISBURSED:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Capital outlay	100,000	435,758	-
Total Expenditures Disbursed	100,000	435,758	-
Deficiency of revenues received over expenditures disbursed	(75,900)	(412,013)	-
OTHER FINANCING SOURCES:			
Transfers in	-	11,000,000	5,000,000
Total other financing sources	-	11,000,000	5,000,000
Net change in fund balances	\$ (75,900)	10,587,987	5,000,000
Fund balance at beginning of year		5,000,000	-
FUND BALANCE AT END OF YEAR		\$ 15,587,987	\$ 5,000,000

NONMAJOR GOVERNMENTAL FUND

SPECIAL REVENUE FUND

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Nonmajor Special Revenue Funds:

Transportation Fund- To account for activity relating to student transportation to and from school.

Municipal Retirement/Social Security Fund – TO account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for non-certified employees.

Tort Immunity Fund- To account for taxes levied or bonds sold by the District for tort immunity or tort judgment purposes.

DEBT SERVICE FUND

Debt Service Fund- To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest, and related costs.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
COMBINING SCHEDULE OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS BY ACCOUNT
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue			
	Transport- ation	Municipal Retirement/ Social Security	Tort Immunity	Total
<u>ASSETS</u>				
Cash and investments	\$ 2,342,281	\$ 597,665	\$ -	\$ 2,939,946
TOTAL ASSETS	<u>2,342,281</u>	<u>597,665</u>	<u>-</u>	<u>2,939,946</u>
<u>FUND BALANCE</u>				
Fund Balance:				
Restricted	<u>2,342,281</u>	<u>597,665</u>	<u>-</u>	<u>2,939,946</u>
Total Fund Balance	<u>2,342,281</u>	<u>597,665</u>	<u>-</u>	<u>2,939,946</u>
TOTAL FUND BALANCE	<u>\$ 2,342,281</u>	<u>\$ 597,665</u>	<u>\$ -</u>	<u>\$ 2,939,946</u>

<u>Debt Services</u>	<u>Total Nonmajor Governmental Funds</u>
<u>\$ 1,982,167</u>	<u>\$ 4,922,113</u>
<u>1,982,167</u>	<u>4,922,113</u>
 <u>1,982,167</u>	 <u>4,922,113</u>
 <u>1,982,167</u>	 <u>4,922,113</u>
<u>\$ 1,982,167</u>	<u>\$ 4,922,113</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES BY ACCOUNT
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue			
	Transport- ation	Municipal Retirement/ Social Security	Tort Immunity	Total
REVENUES RECEIVED:				
Property taxes	\$ 1,159,412	\$ 794,170	\$ 3,119	\$ 1,956,701
Other local sources	32,523	27,995	-	60,518
State sources	439,814	-	-	439,814
Total Revenues Received	1,631,749	822,165	3,119	2,457,033
EXPENDITURES DISBURSED:				
Instruction	-	322,781	-	322,781
Support services	1,590,734	501,017	3,119	2,094,870
Debt service:				
Payment of principal on long-term debt	-	-	-	-
Interest on long-term debt	-	-	-	-
Service charges	-	-	-	-
Total Expenditures Disbursed	1,590,734	823,798	3,119	2,417,651
Excess (deficiency) of revenues received over expenditures disbursed	41,015	(1,633)	-	39,382
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	41,015	(1,633)	-	39,382
Fund balance at beginning of year	2,301,266	599,298	-	2,900,564
FUND BALANCE AT END OF YEAR	\$ 2,342,281	\$ 597,665	\$ -	\$ 2,939,946

Debt Service	Total Nonmajor Governmental Funds
\$ 1,520,061	\$ 3,476,762
7,900	68,418
-	439,814
<u>1,527,961</u>	<u>3,984,994</u>
-	322,781
-	2,094,870
1,422,931	1,422,931
108,028	108,028
500	500
<u>1,531,459</u>	<u>3,949,110</u>
<u>(3,498)</u>	<u>35,884</u>
<u>40,273</u>	<u>40,273</u>
<u>40,273</u>	<u>40,273</u>
36,775	76,157
<u>1,945,392</u>	<u>4,845,956</u>
<u>\$ 1,982,167</u>	<u>\$ 4,922,113</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 1,150,800	\$ 1,159,412	\$ 1,504,002
Transportation fees	30,000	20,348	46,844
Earnings on investments	8,000	12,175	4,300
Refund of prior years' expenditures	-	-	26,757
Total Local Sources	1,188,800	1,191,935	1,581,903
Transportation aid			
Regular	155,000	101,595	244,859
Special education	370,000	338,219	493,633
Total State Sources	525,000	439,814	738,492
Total Revenues Received	1,713,800	1,631,749	2,320,395
EXPENDITURES DISBURSED:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	41,200	40,497	36,012
Benefits	1,400	215	1,157
Purchased services	1,639,500	1,548,747	1,409,669
Supplies and materials	3,000	1,275	2,474
Total Expenditures Disbursed	1,685,100	1,590,734	1,449,312
Excess of revenues received over expenditures disbursed	28,700	41,015	871,083
OTHER FINANCING SOURCES:			
Transfers in	-	-	14,350
Total other financing sources	-	-	14,350
Net change in fund balances	\$ 28,700	41,015	885,433
Fund balance at beginning of year		2,301,266	1,415,833
FUND BALANCE AT END OF YEAR		\$ 2,342,281	\$ 2,301,266

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 373,750	\$ 379,746	\$ 372,111
Social security/medicare tax levy	408,350	414,424	412,694
Corporate replacement taxes	25,600	25,680	25,462
Earnings on investments	2,000	2,315	1,177
Total Revenues Received	809,700	822,165	811,444
EXPENDITURES DISBURSED:			
Instruction - employee benefits	343,900	322,781	306,549
Support Services - employee benefits	528,500	501,017	495,218
Total Expenditures Disbursed	872,400	823,798	801,767
Net change in fund balances	<u>\$ (62,700)</u>	(1,633)	9,677
Fund balance at beginning of year		599,298	589,621
FUND BALANCE AT END OF YEAR		<u>\$ 597,665</u>	<u>\$ 599,298</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TORT IMMUNITY FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,800	\$ 3,119	\$ 3,053
Total Revenues Received	2,800	3,119	3,053
Support Services:			
Purchased services	2,800	3,119	3,053
Total Expenditures Disbursed	2,800	3,119	3,053
Net change in fund balances	<u>\$ -</u>	-	-
Fund balance at beginning of year		-	-
FUND BALANCE AT END OF YEAR		<u>\$ -</u>	<u>\$ -</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 1,495,750	\$ 1,520,061	\$ 1,541,515
Earnings on investments	6,000	7,900	4,217
Total Revenues Received	1,501,750	1,527,961	1,545,732
Debt Service:			
Payment of principal on long-term debt	1,420,653	1,422,931	4,602,777
Interest on long-term debt	107,244	108,028	187,971
Bond issuance cost	-	-	30,000
Service charges	1,000	500	1,250
Total Expenditures Disbursed	1,528,897	1,531,459	4,821,998
Deficiency of revenues received over expenditures disbursed	(27,147)	(3,498)	(3,276,266)
OTHER FINANCING SOURCES:			
Principal on bonds sold	-	-	3,345,000
Transfers in (for capital lease obligations)	37,176	40,273	37,176
Total other financing sources	37,176	40,273	3,382,176
Net change in fund balances	\$ 10,029	36,775	105,910
Fund balance at beginning of year		1,945,392	1,839,482
FUND BALANCE AT END OF YEAR		\$ 1,982,167	\$ 1,945,392

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**FIDUCIARY FUNDS -
AGENCY FUNDS**

Activity Funds – To account for assets held by the District in a trustee capacity as an agent for student organizations.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF CHANGES IN CASH BALANCES
AGENCY FUND
YEAR ENDED JUNE 30, 2017

	Cash Balance July 1, 2016	Cash Receipts	Cash Disbursements	Cash Balance June 30, 2017
Schiesher School	\$ 8,814	\$ 12,780	\$ 13,362	\$ 8,232
Tate Woods School	6,407	5,943	4,717	7,633
Lisle Junior High	16,959	37,520	38,590	15,889
Lisle High School	<u>62,159</u>	<u>340,469</u>	<u>291,417</u>	<u>111,211</u>
TOTAL AGENCY FUND	<u><u>\$ 94,339</u></u>	<u><u>\$ 396,712</u></u>	<u><u>\$ 348,086</u></u>	<u><u>\$ 142,965</u></u>

OTHER FINANCIAL INFORMATION

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2017, 2016 AND 2015

	TAX LEVY YEAR		
	2016	2015	2014
ASSESSED VALUATION	<u>\$ 586,428,685</u>	<u>\$ 550,516,709</u>	<u>\$ 540,881,753</u>
TAX EXTENSIONS BY LEVY:			
Educational	20,854,577	21,841,200	21,482,201
Operations and maintenance	2,979,058	3,303	3,610,927
Debt services	1,512,986	1,521,078	1,514,469
Transportation	497,292	1,853,590	1,103,399
Municipal retirement	358,308	400,776	331,560
Working cash	2,932	3,303	2,704
Social security	397,012	431,055	381,322
Tort immunity	2,932	3,303	2,704
Special education	<u>2,730,998</u>	<u>3,005,271</u>	<u>220,680</u>
TOTAL	<u>\$ 29,336,095</u>	<u>\$ 29,062,878</u>	<u>\$ 28,649,966</u>
TAX COLLECTIONS:			
Year Ended June 30:			
2015	\$ -	\$ -	\$ 14,148,832
2016	-	14,851,738	14,455,298
2017	<u>15,096,464</u>	<u>14,165,092</u>	<u>1,996</u>
TOTAL	<u>\$ 15,096,464</u>	<u>\$ 29,016,830</u>	<u>\$ 28,606,126</u>
Percent of Total Levy Collected Through June 30, 2017	<u>51.46%</u>	<u>99.84%</u>	<u>99.85%</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2017

Due Year Ended June 30,	GO Bonds 2010		GO Bonds 2015		Total
	Principal	Interest	Principal	Interest	
2018	\$ 545,000	\$ 38,588	\$ 870,000	\$ 30,694	\$ 1,484,282
2019	550,000	24,213	895,000	17,545	1,486,758
2020	555,000	8,325	730,000	5,438	1,298,763
Total	<u>\$ 1,650,000</u>	<u>\$ 71,126</u>	<u>\$ 2,495,000</u>	<u>\$ 53,677</u>	<u>\$ 4,269,803</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
JUNE 30, 2017

	<u>Year Ended June 30,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Allowable Expenses	<u>\$ 25,047,299</u>	<u>\$ 23,871,453</u>	<u>\$ 23,492,151</u>
Average Daily Attendance	<u>1,312.31</u>	<u>1,358.67</u>	<u>1,361.31</u>
Per Capita Tuition Charge	<u>\$ 19,086</u>	<u>\$ 17,570</u>	<u>\$ 17,257</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202

Schedule of Funding Progress
Defined Postemployment Benefit Plan (Healthcare)
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]
6/30/17	\$ –	\$ 2,041,438	\$ 2,041,438	0 %	\$ 13,958,240	14.63 %
6/30/15	–	1,799,983	1,799,983	0	13,081,995	13.76
6/30/13	–	1,809,772	1,809,772	0	12,013,817	15.06
6/30/11	–	2,111,640	2,111,640	0	11,799,955	17.90
6/30/09	–	1,912,091	1,912,091	0	11,640,006	16.40

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2017

Calendar year ending December 31,	2016	2015	2014
<u>Total pension liability:</u>			
Service cost	\$ 329,554	\$ 310,331	\$ 322,092
Interest on the total pension liability	1,061,878	1,010,599	907,195
Difference between expected and actual experience	(180,877)	101,464	271,995
Assumption changes	(80,082)	15,658	625,274
Benefit payments and refunds	(757,397)	(724,938)	(679,150)
Net change in total pension liability	373,076	713,114	1,447,406
Total pension liability, beginning	14,467,321	13,754,207	12,306,801
Total pension liability, ending	<u>14,840,397</u>	<u>14,467,321</u>	<u>13,754,207</u>
<u>Plan fiduciary net position</u>			
Employer contributions	414,094	388,174	373,863
Employee contributions	135,037	129,716	128,548
Pension plan net investment income	781,545	55,698	644,918
Benefit payments and refunds	(757,397)	(724,938)	(679,150)
Other	(135,339)	282,422	114,085
Net change in plan fiduciary net position	437,940	131,072	582,264
Plan fiduciary net position, beginning	11,374,135	11,243,063	10,660,799
Plan fiduciary net position, ending	<u>11,812,075</u>	<u>11,374,135</u>	<u>11,243,063</u>
Net pension liability/(asset), ending	<u>\$ 3,028,322</u>	<u>\$ 3,093,186</u>	<u>\$ 2,511,144</u>
Plan fiduciary net position as a percentage of total pension liability	<u>79.59%</u>	<u>78.62%</u>	<u>81.74%</u>
Covered valuation payroll	<u>\$ 2,916,155</u>	<u>\$ 2,875,368</u>	<u>\$ 2,800,467</u>
Net pension liability as a percentage of covered valuation payroll	<u>103.85%</u>	<u>107.58%</u>	<u>89.67%</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2017

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 414,094	\$ 414,094	-	\$ 2,916,155	14.20%
2015	388,175	388,174	1	2,875,368	13.50%
2014	373,862	373,863	(1)	2,800,467	13.35%

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2017

	<u>2016 *</u>	<u>2015 *</u>	<u>2014 *</u>
District's proportion of the net pension liability	0.0021%	0.0022%	0.0021%
District's proportionate share of the net pension liability	\$ 1,631,526	\$ 1,447,395	\$ 1,248,181
State's proportionate share of the net pension liability associated with the District	<u>109,543,584</u>	<u>86,428,445</u>	<u>77,837,814</u>
Total	<u>\$111,175,110</u>	<u>\$87,875,840</u>	<u>\$79,085,995</u>
District's covered-employee payroll	\$ 14,442,741	\$13,294,254	\$12,623,410
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>11.30%</u>	<u>10.89%</u>	<u>9.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>36.40%</u>	<u>41.50%</u>	<u>43.00%</u>

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

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 83,650	\$ 83,768	\$ 77,107
Contributions in relation to the contractually-required contribution	<u>83,675</u>	<u>79,980</u>	<u>77,366</u>
Contribution deficiency (excess)	<u>\$ (25)</u>	<u>\$ 3,788</u>	<u>\$ (259)</u>
 District's covered-employee payroll	 \$ 14,422,385	 \$ 14,442,741	 \$ 13,294,254
 Contribution as a percentage of covered-employee payroll	 0.58%	 0.58%	 0.58%

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information
June 30, 2017

NOTE 1. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2016 contribution rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information (Cont'd)
June 30, 2017

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation; note the two year lag between valuation and rate setting.

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

NOTE 2. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of assumptions

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

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

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

NOTE 3. BUDGETARY DATA

Annual budgets for all Governmental Funds are adopted on the modified cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17.1 of the Illinois Compiled Statutes.

The Board of Education follows these procedures in establishing the budgetary data reflected in the 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information (Cont'd)
June 30, 2017

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 a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget, which was not amended, was adopted on September 26, 2016.
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 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. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

**NOTE 4. EXCESS OF EXPENDITURES DISBURSED OVER BUDGET IN
INDIVIDUAL ACCOUNTS AND FUNDS**

Expenditures disbursed exceeded the budgeted amount in the following funds:

Fund	Budget	Actual	Excess
General Fund's Education Account	\$33,703,026	\$36,821,106	\$3,118,080
Debt Service Fund	1,528,897	1,531,459	2,562
Capital Projects Fund	100,000	435,758	335,758
Tort Immunity Fund	2,800	3,119	319

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202

Notes to Other Financial Information (Cont'd)

June 30, 2017

The above budget and actual comparison for the General Fund's Educational Account includes on-behalf and related expenditures. If on-behalf amounts were not included, the General Fund's Educational Account expenditures disbursed would not have exceeded the budgeted amount.