

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

Audited Financial Statements
And
Supplementary Financial Information

June 30, 2018

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Independent Auditors' Report

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

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 nonmajor fund financial statements 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 nonmajor fund financial statements 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 basic financial statements for the year ended June 30, 2017, 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, 2017, 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 2017 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 2017 individual nonmajor fund financial statements 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 11, 2018 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 solely 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 the effectiveness of the District's 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, Moepke, Austin & Co. LLP

Wheaton, Illinois
December 11, 2018

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MANAGEMENT DISCUSSION AND ANALYSIS

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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, 2018, 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, 2018 with comparative data to the fiscal year ended June 30, 2017. 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 \$77.1 million (net position). Unrestricted net position was \$35.3 million as of June 30, 2018.
- The District's financial condition improved as total net position increased by \$2.8 million during fiscal year 2018 as reported in the Statement of Activities.
- The School District had \$43.3 million of expenses related to governmental activities; \$13.6 million of these expenses were offset by program specific charges for services or operating grants and contributions. General revenues (primarily property taxes) of \$32.4 million were adequate to provide for these programs.
- As of the close of fiscal year 2018, the District's governmental funds reported combined ending fund balances of \$51.8 million, a decrease of \$1.4 million in comparison to the prior year.
- At the end of fiscal year 2018, the District's governmental funds combined unassigned fund balance was \$35.3 million, which is 74.5% 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, 2018

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, 2018

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, 2018

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, 2018 WITH COMPARATIVE TOTALS FOR 2017**

Amounts in Millions

	2018	2017
Assets:		
Cash and investments	\$ 51.8	\$ 53.2
Capital assets	28.1	25.3
Total assets	79.9	78.5
Liabilities:		
Long-term liabilities, due within one year	1.5	1.4
Long-term liabilities, due in more than one year	1.3	2.9
Total liabilities	2.8	4.3
Net Position:		
Net investment in capital assets	25.3	21.1
Restricted	16.5	20.5
Unrestricted	35.3	32.6
Total net position	\$ 77.1	\$ 74.2

Total assets increased by \$1.4 million from the prior year. Increases in capital assets were offset by a reduction in cash and investments to fund construction activities. 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, 2018

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

	2018	2017
Revenues:		
Program Revenues:		
Charges for services	\$575	\$575
Operating grants and contributions	13,026	13,210
General revenues:		
Property taxes	29,965	29,263
Unrestricted state and federal aid	1,432	780
Investment earnings	392	229
Miscellaneous	657	737
Total revenues	46,047	44,794
Expenses:		
Instruction	30,531	30,090
Support Services	12,608	12,262
Community Services	67	52
Interest on long-term debt	70	101
Total expenses	43,276	42,505
Change in net position	2,771	2,289
Net position - beginning of year	74,281	71,992
Net position - end of year	\$77,052	\$74,281

Total revenues increased by approximately \$1.3 million from the prior year. The majority of the increase, approximately \$0.8 million, pertains to DuPage County distributing a larger percentage of property taxes in June 2018.

Total expenses for Governmental Activities increased by approximately \$0.8 million, or 1.81%, when compared to the prior year.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 \$51.8 million, a decrease of \$1.4 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 \$35.3 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 122% of total general fund expenditures excluding \$10.7 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 58 of this report.

In addition to the General Fund, the Capital Projects Fund was also major in 2018. 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, 2018

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, 2018 WITH COMPARATIVE TOTALS FOR 2017**

Amounts in Thousands

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Property Taxes	\$ 29,965	\$ 29,264	\$ 701	2%
Payments in lieu of taxes	317	379	(62)	-16%
Earnings on Investments	392	229	163	71%
Other Local Revenue	915	933	(18)	-2%
Evidence Based Funding	1,251	667	584	88%
Restricted State Grants	1,492	1,300	192	15%
Restricted Federal Grants	1,042	1,104	(62)	-6%
On-behalf payments	10,673	10,919	(246)	-2%
Total	<u>\$ 46,047</u>	<u>\$ 44,795</u>	<u>\$ 1,252</u>	3%

The most significant revenue source for all the governmental funds during fiscal year 2018 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.

Beginning with fiscal year 2018, the State of Illinois transitioned to a new Evidence Based Funding model. Evidence based funding is distributed to school districts in Illinois on the basis of the District's adequacy target and the available local resources. This funding replaces the General State Aid receipts received in 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, 2018

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, 2018 WITH COMPARATIVE TOTALS FOR 2017**

Amounts in Thousands

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Instruction	\$ 17,335	\$ 16,487	\$ 848	5%
Support Services	16,235	12,878	3,357	26%
Community Services	67	52	15	29%
Payments to other districts and gov't units	1,606	1,763	(157)	-9%
On-behalf payments	10,673	10,919	(246)	-2%
Debt Service - Principal & Interest	1,522	1,531	(9)	-1%
Total	<u>\$ 47,438</u>	<u>\$ 43,630</u>	<u>\$ 3,808</u>	9%

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

The increase in support services relates to higher spending in 2018 due to the planning and early construction phases of a new elementary school.

The amount of payments to other districts and governmental units varies from year to year depending on the number of students enrolled in the District's special education cooperative.

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 making scheduled payments on the outstanding bonds.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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:

	<u>Budget</u>	<u>Actual Results</u>	<u>Reason for Difference</u>
Revenue:			
Educational Account – Local Sources – Special education tax levy	\$2,680,750	\$3,822,813	The tax levy approved in December 2017 allocated additional resources to Special Ed
Expenditures:			
Educational Account – Instruction – Regular Programs – Salaries	\$7,900,300	\$7,771,459	Conservative budgets for Salaries were not fully expended during the year.
Educational Account – Payments to other districts and governmental units – Special education	\$1,484,495	\$1,501,168	Additional expenses due to increase in students attending the District's Special Ed Cooperative SASSED.
Operations and Maintenance Account – Support Services-Business – Capital Outlay	\$95,000	\$63,876	Additional budget amounts available for smaller construction projects were not fully utilized.
Operations and Maintenance Account – Support Services-Business – Supplies and Materials	\$636,150	\$560,999	Additional budget amounts for general supplies and electricity costs were not fully utilized.
Operations and Maintenance Account – Support Services-Business – Capital Outlay	\$50,000	\$-	Dollars budgeted for equipment purchases over the capitalization threshold were not utilized.
Operations and Maintenance Account – Support Services-Business – Non-capitalized equipment	\$75,000	\$34,892	Dollars budgeted for equipment purchases were not fully utilized.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 \$28.1 million (net of accumulated depreciation). Additions to capital assets were \$3.8 million during the year. Depreciation charges of \$1.1 million were expensed on the total capital assets during fiscal year 2018.

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 \$2.8 million including bonds payable and capital leases. Long-term debt decreased during the year by \$1.4 million including deferred amounts.

The District has "Series 2010" and "Series 2015" general obligation bond issues with \$1,105,000 and \$1,625,000 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 \$82,691,234 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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:

Property Tax Referendum: The Evidence-Based Funding for Student Success act includes a provision granting voters the ability to reduce the educational fund levy by up to ten percent for school districts that exceed 110 percent of adequacy. The School District is highly dependent on property taxes so a successful voter petition seeking such a referendum would severely limit the District's ability to generate revenues that would keep pace with cost increases from one year to the next.

Interest Rates: Interest rates are slowly starting to increase. While rates still remain at historically low levels, additional investment earnings will help the District supplement revenues using its cash and investment balances.

State Fiscal Outlook: Many areas of the District's finances are affected by the current fiscal challenges 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.

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.

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.

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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 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 with an average annual salary increase of 3.4% for the last year of the contract. Negotiations for a new agreement will occur during the spring of 2019.

Facility Needs: The District is constructing a new elementary school building with completion anticipated in August 2019. A contract to sell Tate Woods Elementary School for \$2.5 million is already in place, contingent on zoning approval by the Village of Lisle. The future of Schiesher Elementary School will be determined by a Facilities Planning Committee. Basic capital improvements at Lisle Senior High and Lisle Junior High will continue to be addressed during the next 5-10 years. Additional costs related to parking lots, roofs, HVAC units, and other life safety projects will require the Board of Education to use annual operating expenses and fund balances 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 seeks 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, 2018

	Governmental Activities
Assets:	
Cash and investments	\$ 51,782,392
Deposit	10,000
Capital assets:	
Land and construction in progress	5,096,678
Other capital assets, net of depreciation	22,983,944
	79,873,014
Total assets	79,873,014
Liabilities:	
Other current liabilities	29,114
Long-term liabilities:	
Due within one year	1,474,974
Due in more than one year	1,316,674
	2,820,762
Total liabilities	2,820,762
Net Position:	
Net investment in capital assets	25,288,974
Restricted for:	
Capital projects	11,978,837
Debt service	2,040,289
Transportation	1,857,457
Retirement	557,113
Unrestricted	35,329,582
	77,052,252
Total net position	\$ 77,052,252

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, 2018

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services:				
Regular programs	\$ 12,159,695	\$ 299,621	\$ 72,459	\$ (11,787,615)
Special programs	6,853,944	-	1,480,308	(5,373,636)
Other programs	843,944	-	-	(843,944)
On-behalf payments	10,673,226	-	10,673,226	-
Supporting services:				
Students	2,061,545	-	-	(2,061,545)
Instructional staff	1,195,042	-	-	(1,195,042)
District administration	1,038,774	-	-	(1,038,774)
School administration	2,206,693	-	-	(2,206,693)
Business	470,591	-	-	(470,591)
Operation and maintenance of facilities	2,551,337	-	-	(2,551,337)
Transportation	1,850,278	38,686	639,883	(1,171,709)
Food service	332,927	236,213	160,096	63,382
Staff	900,367	-	-	(900,367)
Community services	66,936	-	-	(66,936)
Interest on long-term liabilities:	70,031	-	-	(70,031)
Total school district	\$ 43,275,330	\$ 574,520	\$ 13,025,972	(29,674,838)
General revenues:				
Property taxes levied for:				
General purposes				27,008,218
Transportation				662,444
Retirement				766,160
Debt service				1,528,407
Federal and state aid not restricted to specific purposes				1,431,832
Earnings on investments				391,769
Miscellaneous				656,863
Total general revenues				32,445,693
Change in net position				2,770,855
Net position - beginning				74,281,397
Net postion - ending				\$ 77,052,252

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, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 35,356,916	\$ 11,970,617	\$ 4,454,859	\$ 51,782,392
Deposit	-	10,000	-	10,000
TOTAL ASSETS	<u>35,356,916</u>	<u>11,980,617</u>	<u>4,454,859</u>	<u>51,792,392</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Deposits	27,334	1,780	-	29,114
Total Liabilities	<u>27,334</u>	<u>1,780</u>	<u>-</u>	<u>29,114</u>
Fund Balance:				
Restricted	-	11,978,837	4,454,859	16,433,696
Unassigned	35,329,582	-	-	35,329,582
Total Fund Balance	<u>35,329,582</u>	<u>11,978,837</u>	<u>4,454,859</u>	<u>51,763,278</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 35,356,916</u>	<u>\$ 11,980,617</u>	<u>\$ 4,454,859</u>	<u>\$ 51,792,392</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, 2018**

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

Total fund balance - governmental funds	\$ 51,763,278
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$50,495,397 and the accumulated depreciation is \$22,414,775.	28,080,622
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>(2,791,648)</u>
Total net position - governmental activities	<u><u>\$ 77,052,252</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, 2018

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES RECEIVED:				
Property taxes	\$ 27,004,910	\$ -	\$ 2,960,319	\$ 29,965,229
Other local sources	1,410,254	113,196	97,871	1,621,321
State sources	12,776,297	-	639,883	13,416,180
Federal sources	1,041,624	-	-	1,041,624
Total Revenues Received	<u>42,233,085</u>	<u>113,196</u>	<u>3,698,073</u>	<u>46,044,354</u>
EXPENDITURES DISBURSED:				
Instruction	27,677,257	-	330,762	28,008,019
Supporting services	10,162,628	3,722,346	2,350,069	16,235,043
Community services	66,936	-	-	66,936
Payments to other districts and governmental units	1,606,552	-	-	1,606,552
Debt service:				
Payment of principal on long-term debt	-	-	1,444,180	1,444,180
Interest on long-term debt	-	-	77,242	77,242
Service charges	-	-	250	250
Total Expenditures Disbursed	<u>39,513,373</u>	<u>3,722,346</u>	<u>4,202,503</u>	<u>47,438,222</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>2,719,712</u>	<u>(3,609,150)</u>	<u>(504,430)</u>	<u>(1,393,868)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	44,951	-	37,176	82,127
Transfers out	(82,127)	-	-	(82,127)
Proceeds from the sale of fixed assets	1,831	-	-	1,831
Total other financing sources (uses)	<u>(35,345)</u>	<u>-</u>	<u>37,176</u>	<u>1,831</u>
Net change in fund balances	2,684,367	(3,609,150)	(467,254)	(1,392,037)
Fund balance at beginning of year	<u>32,645,215</u>	<u>15,587,987</u>	<u>4,922,113</u>	<u>53,155,315</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 35,329,582</u></u>	<u><u>\$ 11,978,837</u></u>	<u><u>\$ 4,454,859</u></u>	<u><u>\$ 51,763,278</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, 2018

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

Net change in fund balances-total governmental funds \$ (1,392,037)

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	3,798,519	
Depreciation expense	<u>(1,087,018)</u>	2,711,501

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>1,444,180</u>	<u>1,451,391</u>

Change in net position of governmental activities \$ 2,770,855

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, 2018

Assets:

Cash and investments	<u><u>\$ 107,775</u></u>
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Liabilities:

Due to organizations	<u><u>\$ 107,775</u></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, 2018

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, 2018

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, 2018

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, 2018

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:

Assets	Years
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, 2018

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 2017 tax levy was adopted on December 18, 2017. 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	
	2017 Levy	2017 Levy	2016 Levy
Educational		3.1812	3.5562
Operations & Maintenance	0.7500	0.5191	0.5080
Bond & Interest		0.2530	0.2580
Transportation		0.1340	0.0848
Municipal Retirement		0.0603	0.0611
Social Security		0.0670	0.0677
Working Cash	0.0500	0.0006	0.0005
Tort Immunity		0.0006	0.0005
Special Education	0.8000	0.7946	0.4657
Total		5.0104	5.0025

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.

k. New Accounting Pronouncements

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, pertaining to the District's participation in the Teachers' Health Insurance Security (THIS) Fund and in providing Other Postemployment Benefits, collectively referred to as OPEB as required.

This Statement replaces the requirements of Statement 45 Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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, 2018, none of the District's bank balances of \$50,665,728 was exposed to custodial credit risk.

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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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, 2018, the District had the following investments measured at fair value:

Investment	Maturities	Net Asset Value
ISDLAF Max Class	Less than 60 days	\$ 2,020,435
ISDLAF Liquid Class	Less than 60 days	<u>383,576</u>
Total		<u>\$ 2,404,011</u>

The District has funds invested in the amount of \$2,404,011 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds as of June 30, 2018. 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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, 2018, 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

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 97.4%.

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$941,514	\$-	\$-	\$941,514
Construction in Progress	435,758	3,719,406	-	4,155,164
Total capital assets not being depreciated	\$1,377,272	\$3,719,406	\$-	\$5,096,678
Capital assets, being depreciated:				
Land improvements	\$2,166,824	\$57,529	\$-	\$2,224,083
Buildings	40,114,744	6,617	-	40,121,361
Equipment	3,060,133	15,237	(22,095)	3,053,275
Total capital assets being depreciated	\$45,341,701	\$79,113	(\$22,095)	\$45,398,719
Accumulated depreciation for:				
Land improvements	\$1,244,231	\$65,254	\$-	\$1,309,485
Buildings	17,586,161	889,670	-	18,475,831
Equipment	2,519,460	132,094	(22,095)	2,629,459
Total accumulated depreciation	\$ 21,349,852	\$1,087,018	(\$22,095)	\$22,414,775
Total capital assets being depreciated, net	\$ 23,991,849	(\$1,007,905)	\$-	\$22,983,944
Total capital assets, net	\$ 25,369,121	\$2,711,501	\$-	\$28,080,622

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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

Instructional services:	
Regular programs	\$900,829
Special programs	371
Other programs	20,625
Supporting services:	
Student	1,910
Instructional staff	34,781
District administration	3,820
School administration	16,038
Business	3,484
Operations and maintenance of facilities	57,370
Food service	10,070
Central	37,720
	<u>\$1,087,018</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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due in One Year
Bonds Payable	\$ 4,145,000	\$ -	\$1,415,000	\$2,730,000	\$1,445,000
Capital Leases	80,002	-	29,180	50,822	29,974
Deferred Amounts for Issuance Premium/ (Discount)	18,037	-	7,211	10,826	-
Total	\$ 4,243,039	\$ -	\$1,451,391	\$2,791,648	\$1,474,974

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

Bonds Payable

2010 General Obligation Limited School bonds due in varying installments from \$550,000 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, 2018

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, 2018 are \$50,822.

Leased equipment under capital leases in capital assets at June 30, 2018 include the following:

Equipment	\$136,858
Less: Accumulated depreciation	<u>(91,438)</u>
Total	<u>\$ 45,420</u>

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments of \$60,464 are as follows:

Year Ending June 30,	Bonds Payable		Capital Leases		Total
	Principal	Interest	Principal	Interest	
2019	\$1,445,000	\$41,758	\$29,974	\$4,104	\$1,520,836
2020	1,285,000	13,763	20,848	839	1,320,450
	\$2,730,000	\$55,521	\$50,822	\$4,943	\$2,841,286

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, 2018, the statutory debt limit for the District was \$82,691,234, providing a debt margin of \$82,001,523.

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$2,040,289 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, 2018

The following is a summary of deferred outflows and inflows of resources for The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers' Retirement System of Illinois (TRS)	\$ 249,857	\$ 207,813
Illinois Municipal Retirement Fund (IMRF)	699,506	1,342,068
Total	\$ 949,363	\$ 1,549,881

Illinois Teachers' Retirement System:

General Information about the Pension Plan

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

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

Benefits provided: TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 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

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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.

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

Contributions: The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 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, 2017, was 9.0 percent of creditable earnings. 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, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$10,493,683 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, 2018, were \$88,967.

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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

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

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, 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, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid no contributions to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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, 2018, 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, 2018, 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 amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District follows below:

District's proportionate share of the Net Pension Liability	\$ 1,548,859
State's proportionate share of the Net Pension Liability associated with the District	106,626,644
Total	\$ 108,175,503

The Net Pension Liability was measured as of June 30, 2017, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the Net Pension Liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that

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period. At June 30, 2017, the District's proportion was .0020 percent, which was a decrease of .0001 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$10,493,683 and revenue of \$10,493,683 for support provided by the state. At June 30, 2018, 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	\$ 16,822	\$ 715
Net difference between projected and actual earnings on Pension plan investments	1,063	-
Changes of Assumptions	103,375	44,507
Changes in proportion and differences between District contributions and proportionate share of contributions	39,630	162,591
Employer Contributions to plan after measurement date	88,967	-
Total	\$ 249,857	\$207,813

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ending June 30,	Deferred (Inflow) Outflow
2019	\$ (53,532)
2020	25,181
2021	4,364
2022	(20,950)
2023	(1,986)
Total	(46,923)

Actuarial assumptions

The Total Pension Liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected 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, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 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, 2017 was 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. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The following presents the District's proportionate share of the Net Pension Liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$1,902,976	\$1,548,859	\$1,258,808

TRS fiduciary net position

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

Illinois Municipal Retirement Fund:

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

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

Benefits Provided: 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

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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, 2017, the number of District employees covered by IMRF were:

Active members	97
Retirees and beneficiaries	121
Inactive, non-retired members	<u>109</u>
 Total	 <u>327</u>

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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 2017 was 13.33% of annual covered payroll. For the year ended December 31, 2017, the district contributed \$403,065 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 \$403,065 and actual contributions were \$403,065, or 100.00% of required contributions.

Net Pension Liability: The District's Net Pension Liability was measured as of December 31, 2017. 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, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value of assets
Inflation	2.50%
Salary Increases	3.39% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
Disabled Retirees	For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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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 12/31/17</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37.0%	19.60%	8.30%	6.85%
International equities	18.0	27.53	8.45	6.75
Fixed income	28.0	4.67	3.05	3.00
Real estate	9.0	9.10	6.90	5.75
Alternative investments	7.0	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 3.31%; and the resulting single discount rate is 7.50%.

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Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2017 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) – (b)</u>
Balance, December 31, 2016	\$ 14,840,397	\$ 11,812,075	\$ 3,028,322
Charges for the year:			
Service cost	329,788	-	329,788
Interest	1,096,123	-	1,096,123
Difference between expected and actual experience	176,797	-	176,797
Changes in assumptions	(473,133)	-	(473,133)
Net investment income	-	2,091,033	(2,091,033)
Contributions – employees	-	139,236	(139,236)
Contributions – employer	-	403,065	(403,065)
Benefit payments including refunds of employee contributions	(780,642)	(780,642)	-
Administrative expenses	-	-	-
Other changes	-	(321,387)	321,387
Net changes	<u>348,933</u>	<u>1,531,305</u>	<u>(1,182,372)</u>
Balance, December 31, 2017	<u>\$ 15,189,330</u>	<u>\$ 13,343,380</u>	<u>\$ 1,845,950</u>

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:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.50%	\$ 3,563,166
Current discount rate	7.50	1,845,950
1% increase	8.50	398,681

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Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2017, the District's pension expense is \$516,818. At December 31, 2017, 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	\$ 111,908	\$ 42,761	\$ 69,147
Changes of assumptions	-	318,413	(318,413)
Net difference between projected and actual earnings on Plan investments	381,780	980,894	(599,114)
Employer contributions to plan after measurement date	<u>205,818</u>	<u>-</u>	<u>205,818</u>
Total	<u>\$ 699,506</u>	<u>\$ 1,342,068</u>	<u>\$ (642,562)</u>

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

Year ending December 31,	Net Deferred Outflows/(Inflows)
2018	\$ (215,421)
2019	(154,327)
2020	(233,497)
2021	<u>(245,225)</u>
Total	<u>\$ (848,380)</u>

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NOTE 6. OTHER POST EMPLOYMENT BENEFITS (OPEB):

The District has benefit obligations pertaining to retired employees. The following is a summary of deferred outflows and deferred inflows of resources for the Retiree Health Plan and the Teachers Health Insurance Security Fund (THIS):

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Retiree Health Plan	\$ 16,104	\$ 75,434
Teachers Health Insurance Security Fund (THIS)	<u>960,548</u>	<u>1,947,361</u>
Total	<u>\$ 976,652</u>	<u>\$ 2,022,795</u>

Retiree Health Plan:

Plan Description: The District administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). 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. All insurance benefits cease when the retired employee begins receiving Medicare coverage, or attains age 65, whichever comes first.

Eligibility: Non-Bargaining Unit Support Staff, Classified Employees and Level I Administrators are eligible to retire from the District and continue their health coverage after meeting the age and service requirements for retirement.

Level II Administrators and Teachers are eligible to retire from the District and receive reimbursement toward the cost of medical coverage after meeting the age and service requirements.

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Non-Certified Personnel

Non-Bargaining Unit Support Staff must be age 55, have at least 10 years of service, and qualify for a pension with the Illinois Municipal Retirement Fund (“IMRF”). Classified Staff must have 15 years or more of full-time service to the District. Participation requirements for the IMRF are as follows:

Regular Plan Tier 1 (Enrolled in IMRF prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF on or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

Certified Personnel

Level II Administrators and Teachers must be at least age 55, have 12 continuous years or 15 total years of full-time service and qualify for an Illinois Teachers’ Retirement System (“TRS”) pension. Level 1 Administrators must have completed at least 5 years of full-time continuous service and qualify for a TRS pension. Participation requirements for the TRS are as follows:

Tier I Members (First Contributed Prior to January 1, 2011)

- Age 62 with 5 years of service; or
- Age 60 with 10 years of service; or
- Age 55 with 20 years of service (reduced pension)
- Age 55 with 35 years of service (full pension)

Tier II Members (First Contributed On or After January 1, 2011)

- 62 years old with 10 years of service (reduced pension)
- 67 years old with 10 years of service (full pension)

Employees Covered by Benefit Terms: At June 30, 2018, the number of District employees covered were:

Active	248
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefit payments	<u>22</u>
Total	<u>270</u>

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Contributions: 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. However, the District provides an annual reimbursement toward the premium cost at established rates.

Net OPEB Liability: The District's Net OPEB Liability was measured as of June 29, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Plan Fiduciary Net Position: The District currently pays for postemployment health care benefits on a pay-as-you-go basis. Therefore, no trust has been established for future costs, and no net position is held for postemployment health care obligations.

Actuarial Assumptions: The actuarial results presented here reflect a valuation date of July 1, 2017 and a measurement date of June 29, 2018. The following are the methods and assumptions used to determine the Net OPEB Liability at June 30, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A
Changes Since Last Valuation	The Discount Rate was changed per GASB 75 rules. Starting per capita costs were updated using the most recent premiums. The health care trend rates were reset based on recent experience. Decrements were changed to those in the most recent IMRF and TRS Pension Fund valuation reports. Eligibility requirements and District contribution amounts were changed based on the current policy.
Discount Rate	2.98%
Health Care Trend Rate	4.50% per year
Mortality	Mortality tables from the December 31, 2017 IMRF actuarial report and the June 30, 2017 TRS actuarial valuation report.
Salary Increases	4.00% per year
Participation	Active employees are assumed to participate upon retirement.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.

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Changes in the District's Net OPEB Liability: Changes in the District's Net OPEB Liability for the year ended June 30, 2018 were as follows:

	Net OPEB Liability
Balance, July 1, 2017	\$ 2,122,851
Charges for the year:	
Service cost	96,981
Interest	63,908
Changes in benefit terms	(206,069)
Difference between expected & actual experience	(45,693)
Changes of assumptions and other inputs	4,972
Benefit payments	(162,128)
Other changes	(25,625)
Net changes	(273,654)
Balance, June 30, 2018	\$ 1,849,197

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the Net OPEB Liability calculated using the discount rate of 2.98%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	1.98%	\$ 1,938,159
Current discount rate	2.98%	1,849,197
1% increase	3.98%	1,764,006

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the Net OPEB Liability calculated using the health care trend rate of 4.50%, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is 1% higher and lower: (No increase in benefit level has been assumed)

	Trend Rate	Net OPEB Liability
1% decrease	3.50%	\$ 1,786,093
Current discount rate	4.50%	1,849,197
1% increase	5.50%	1,920,849

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June 30, 2018

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District incurred OPEB expense of (\$52,195). At June 30, 2018, the District had the following Deferred Outflows of Resources and Deferred Inflows of Resources:

	<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	\$ -	\$ 40,862	\$ (40,862)
Changes of assumptions	<u>16,104</u>	<u>34,572</u>	<u>(18,468)</u>
Total	<u>\$ 16,104</u>	<u>\$ 75,434</u>	<u>\$ (59,330)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows (Inflows)</u>
2019	\$ (7,015)
2020	(7,015)
2021	(7,015)
2022	(7,015)
2023	(7,015)
Thereafter	<u>(24,255)</u>
Total	<u>\$ (59,330)</u>

Teacher Health Insurance Security:

General Information about the Other Post Employment Benefit Plan

Plan Description: The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of 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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

Benefits Provided: 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 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$179,543, 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 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$133,897 to the THIS Fund.

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: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp#sectc>. The current reports are listed under "Central Management Services" <https://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>.

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

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

District's proportionate share of the net OPEB liability	\$ 16,276,762
State's estimated proportionate share of the net OPEB liability associated with the District*	21,375,433
Total	<u>\$ 37,652,195</u>

*The State's proportionate share of the net OPEB liability associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

formed by allocating the State's total net OPEB liability for the entire plan (per the actuary) based on the District's proportionate share of the net OPEB liability to all the school districts participating in the Plan. Additionally, the amounts included below related to the sensitivity of the healthcare rate and discount rate are based on a similar allocation methodology.

Net OPEB Liability: The District's net OPEB Liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The actuarial valuation was determined using the following actuarial assumptions.

Changes Since Last Valuation	Actuarial gains and losses are being amortized as required by GASB 75.
Inflation	2.75%
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Discount Rate	The discount rates 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017.
Discount Rate Determination Method	Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates are consistent with the 20-year general obligation bond index.
Health Care Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of .59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based upon the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, All tables reflect future mortality improvements using Projection Sale MP-2014.
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

The District's proportion of the net OPEB liability was 0.0627% as of June 30, 2017, an increase of 0.0035% over the District's share of the net OPEB liability as of June 30, 2016. The basis for the proportion was fiscal year 2017 contribution to the plan.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	2.56%	\$ 19,532,155
Current discount rate	3.56%	16,276,762
1% increase	4.56%	\$ 13,672,120

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the net OPEB liability calculated using the health care trend rate of 8.00%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% higher and lower:

	Trend Rate	Net OPEB Liability
1% decrease	7.00%	\$ 13,137,099
Current trend rate	8.00%	16,276,762
1% increase	9.00%	\$ 20,783,473

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2017, the District recognized OPEB expense of \$1,336,715. At June 30, 2017, the District reported the following Deferred Outflows of Resources and Deferred Inflows of Resources.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

	<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	\$ -	\$ 9,219	\$ (9,219)
Changes of assumptions	-	1,937,963	(1,937,963)
Net difference between projected and actual earnings on Plan investments	-	179	(179)
Changes in proportion and differences between Employer Contribution and Share of Contributions	825,790	-	825,790
District contributions to plan after measurement date	<u>133,897</u>	<u>-</u>	<u>133,897</u>
Total	<u>\$ 959,687</u>	<u>\$ 1,947,361</u>	<u>\$ (987,674)</u>

The District reported \$134,758 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Inflows of Resources</u>
2019	\$149,344
2020	149,344
2021	149,344
2022	149,344
2023	149,344
Thereafter	<u>374,851</u>
Total	<u>\$ 1,121,571</u>

NOTE 7. RESTRICTED NET POSITION:

The government-wide statement of net position reports \$16,433,696 of restricted net position, all of which is restricted by enabling legislation.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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, 2018, 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.

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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

As of June 30, 2018, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Debt service	\$ -	\$ -	\$ 2,040,289	\$ 2,040,289
Retirement	-	-	557,113	557,113
Transportation	-	-	1,857,457	1,857,457
Capital projects		11,978,837	-	11,978,837
Unassigned	35,329,582	-	-	35,329,582
Total fund balances	<u>\$35,329,582</u>	<u>\$ 11,978,837</u>	<u>\$ 4,454,859</u>	<u>\$ 51,763,278</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.

The District has adopted a fund balance policy that shall maintain adequate resources to ensure the District's ability to maintain ongoing levels of service and pay its obligations in a prompt manner, in spite of unforeseen events or unexpected expenses. The policy seeks to maintain year-end fund balances, exclusive of early tax receipts, in the Educational, Operations and Maintenance, Transportation, and Working Cash Funds at a minimum threshold of no less than ninety (90) days of the combined expenditures. If the year-end fund balances exceeds one-hundred and eighty (180) days of combined expenditures of the above referenced funds, the Board may take formal action to designate funds for a specific purpose in accordance with State regulation and best practices.

NOTE 10. INTERFUND TRANSFERS:

At June 30, 2018, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Services Fund	Educational Account	\$37,176
Educational Account	Working Cash Account	\$44,951

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.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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 \$3,308 of general insurance premiums.

During each of the three years ended June 30, 2018, 2017 and 2016, settlements had not exceeded insurance coverage.

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 2850 W. Golf Road, Rolling Meadows, Illinois, 60008.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

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.

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, 2018, remaining commitments under those contracts are approximately \$31.5 million.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Financial Statements (Cont'd)
June 30, 2018

NOTE 18. SUBSEQUENT EVENTS:

Subsequent to year end, the District's Board of Education approved a resolution to issue General Obligation Limited Tax School Bonds in an amount not to exceed \$18 million. The funds from this bond issuance will be used to pay for ongoing construction projects and are expected to be issued in January or February of 2019.

On March 19, 2018, the District's Board of Education approved the settlement of outstanding tax rate objections for the years 2010-2014 in the total amount of \$774,000. The settlement was finalized by court orders entered on April 26, 2018 and the County reduced the District's tax distributions by the settlement amount in July 2018.

Voters in the District have submitted a petition to the DuPage Election Commission to place a binding question regarding the District's tax levy on the ballot for the April 2, 2019 election. The petition seeks a 6.5% reduction in the total tax levy, or about \$1.9 million. As of the date of the financial statements, there is pending voter objection to this ballot question which is scheduled to be addressed by the Court on December 19, 2018.

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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, 2018

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 25,683,791	\$ 3,867,623	\$ 5,805,502	\$ 35,356,916
TOTAL ASSETS	<u>\$ 25,683,791</u>	<u>\$ 3,867,623</u>	<u>\$ 5,805,502</u>	<u>\$ 35,356,916</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Other current liabilities	\$ 7,619	\$ 19,715	\$ -	\$ 27,334
Total Liabilities	<u>7,619</u>	<u>19,715</u>	<u>-</u>	<u>27,334</u>
Fund Balance:				
Unassigned	25,676,172	3,847,908	5,805,502	35,329,582
Total Fund Balance	<u>25,676,172</u>	<u>3,847,908</u>	<u>5,805,502</u>	<u>35,329,582</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,683,791</u>	<u>\$ 3,867,623</u>	<u>\$ 5,805,502</u>	<u>\$ 35,356,916</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, 2018

	Educational	Operations and Maintenance	Working Cash	Total General
REVENUES RECEIVED:				
Property taxes	\$23,926,233	\$ 3,075,369	\$ 3,308	\$27,004,910
Other local sources	1,186,717	178,586	44,951	1,410,254
State sources	12,776,297	-	-	12,776,297
Federal sources	1,041,624	-	-	1,041,624
Total Revenues Received	<u>38,930,871</u>	<u>3,253,955</u>	<u>48,259</u>	<u>42,233,085</u>
EXPENDITURES DISBURSED:				
Instruction	27,677,257	-	-	27,677,257
Supporting services	7,802,714	2,359,914	-	10,162,628
Community services	66,936	-	-	66,936
Payments to other districts and governmental units	1,606,552	-	-	1,606,552
Total Expenditures Disbursed	<u>37,153,459</u>	<u>2,359,914</u>	<u>-</u>	<u>39,513,373</u>
Excess of revenues received over expenditures disbursed	<u>1,777,412</u>	<u>894,041</u>	<u>48,259</u>	<u>2,719,712</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	44,951	-	-	44,951
Transfers out	(37,176)	-	(44,951)	(82,127)
Proceeds from the sale of fixed assets	1,831	-	-	1,831
Total other financing sources (uses)	<u>9,606</u>	<u>-</u>	<u>(44,951)</u>	<u>(35,345)</u>
Net change in fund balances	<u>1,787,018</u>	<u>894,041</u>	<u>3,308</u>	<u>2,684,367</u>
Fund balance at beginning of year	<u>23,889,154</u>	<u>2,953,867</u>	<u>5,802,194</u>	<u>32,645,215</u>
FUND BALANCE AT END OF YEAR	<u><u>\$25,676,172</u></u>	<u><u>\$ 3,847,908</u></u>	<u><u>\$ 5,805,502</u></u>	<u><u>\$35,329,582</u></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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 20,720,000	\$ 20,103,420	\$ 21,378,627
Special education tax levy	2,680,750	3,822,813	2,870,150
Corporate replacement taxes	264,000	292,799	353,755
Earnings on investments	158,200	174,894	144,185
Food services	227,650	236,213	245,550
Pupil activities	92,550	98,150	101,525
Textbooks	175,500	178,585	169,294
Contributions and donations from private sources	14,000	15,571	12,609
Impact fees	20,000	32,830	-
Refund of prior years' expenditures	65,000	107,725	48,585
Drivers' education fees	35,000	22,886	38,174
Payments from other districts	45,000	27,064	51,779
Other	35,000	-	38,158
Total Local Sources	24,532,650	25,112,950	25,452,391
State Sources:			
Evidence-based funding/general state aid	1,250,000	1,250,547	667,467
Special education	725,500	798,480	802,909
Vocational education	6,600	6,526	6,284
Bilingual education	21,000	13,281	425
School lunch aid	1,200	1,877	648
Drivers' education	30,000	31,461	23,001
On-behalf payments - State of Illinois	11,125,000	10,673,226	10,919,379
Other	899	899	-
Total State Sources	13,160,199	12,776,297	12,420,113
Federal Sources:			
School lunch programs	135,000	158,219	151,711
Title I - low income	178,000	141,888	201,573
Title IV - safe & drug free schools	10,000	-	-
IDEA - preschool flow-through	11,000	11,985	13,073
IDEA - flow through	482,000	492,903	507,600
IDEA - room and board	-	8,993	46,729
Perkins	6,366	6,252	6,678
Title II - teacher quality	100,000	40,099	63,298
Medicaid programs	110,000	181,285	112,907
Total Federal Sources	1,032,366	1,041,624	1,103,569
Total Revenues Received	\$ 38,725,215	\$ 38,930,871	\$ 38,976,073

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED:			
Instruction:			
Regular programs:			
Salaries	\$ 7,900,300	\$ 7,771,459	\$ 7,171,738
Employee benefits	2,252,970	2,298,108	2,195,730
On-behalf payments - State of Illinois	11,125,000	10,673,226	10,919,379
Purchased services	146,050	135,791	129,542
Supplies and materials	557,550	465,918	521,790
Other	19,900	14,332	16,033
Non-capitalized equipment	75,500	65,126	73,632
Termination benefits	-	-	2,400
Total	22,077,270	21,423,960	21,030,244
Pre-K programs:			
Salaries	53,900	51,535	40,804
Employee benefits	11,660	14,864	10,819
Purchased services	1,600	1,526	1,207
Supplies and materials	1,500	1,629	1,954
Other	-	-	45
Total	68,660	69,554	54,829
Special programs:			
Salaries	1,799,900	1,774,643	1,758,298
Employee benefits	753,740	752,818	690,979
Purchased services	42,850	41,206	31,075
Supplies and materials	25,200	19,409	29,798
Non-capitalized equipment	7,700	6,787	3,867
Tuition	963,100	1,078,702	955,136
Termination benefits	500	450	-
Total	3,592,990	3,674,015	3,469,153
Special programs pre-k:			
Salaries	173,400	169,940	174,600
Employee benefits	60,830	60,673	60,167
Purchased services	800	334	75
Supplies and materials	3,000	3,265	3,012
Non-capitalized equipment	1,500	-	1,485
Total	\$ 239,530	\$ 234,212	\$ 239,339

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Instruction - Continued:			
Educationally deprived:			
Salaries	\$ 276,600	\$ 275,896	\$ 268,000
Employee benefits	110,540	110,190	89,078
Purchased services	-	14	-
Supplies and materials	97,228	91,974	114,727
Non-capitalized equipment	-	-	996
	<u>484,368</u>	<u>478,074</u>	<u>472,801</u>
Total			
Career and technical education:			
Salaries	198,900	210,698	228,218
Employee benefits	56,260	60,594	62,688
Purchased services	4,500	240	8,384
Supplies and materials	30,337	29,909	22,096
Non-capitalized equipment	4,100	305	24,266
	<u>294,097</u>	<u>301,746</u>	<u>345,652</u>
Total			
Interscholastic programs:			
Salaries	571,200	537,781	563,178
Employee benefits	68,520	54,067	52,371
Purchased services	115,100	98,522	95,086
Supplies and materials	85,350	73,325	69,000
Capital outlay	-	5,587	-
Other	33,450	23,845	27,192
Non-capitalized equipment	7,500	3,526	9,716
	<u>881,120</u>	<u>796,653</u>	<u>816,543</u>
Total			
Summer school:			
Salaries	59,500	42,545	69,357
Employee benefits	5,040	2,822	4,445
Supplies and materials	1,900	-	1,630
	<u>66,440</u>	<u>45,367</u>	<u>75,432</u>
Total			
Gifted:			
Salaries	45,100	58,836	70,554
Employee benefits	-	3,555	3,106
Supplies and materials	2,500	1,496	2,589
Non-capitalized equipment	-	-	996
	<u>47,600</u>	<u>63,887</u>	<u>77,245</u>
Total			

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Instruction - Continued:			
Driver's education programs:			
Salaries	\$ 166,000	\$ 189,112	\$ 156,208
Employee benefits	41,930	45,972	39,264
Purchased services	4,275	755	5,896
Supplies and materials	4,000	2,612	6,122
Other	70	100	70
Non-capitalized equipment	-	-	599
	<u>216,275</u>	<u>238,551</u>	<u>208,159</u>
Total			
Bilingual:			
Salaries	252,900	268,268	238,674
Employee benefits	73,300	75,717	44,241
Purchased services	600	175	103
Supplies and materials	4,000	2,476	2,699
Non-capitalized equipment	750	717	996
	<u>331,550</u>	<u>347,353</u>	<u>286,713</u>
Total			
Truant alternative and optional:			
Tuition	10,000	3,885	7,200
	<u>10,000</u>	<u>3,885</u>	<u>7,200</u>
Total Instruction			
	<u>28,309,900</u>	<u>27,677,257</u>	<u>27,083,310</u>
Support Services:			
Pupils:			
Attendance and social work :			
Salaries	289,500	283,413	288,754
Employee benefits	100,220	98,156	64,358
Purchased services	14,200	13,003	4,440
Supplies and materials	3,100	2,073	2,496
Non-capitalized equipment	750	717	996
	<u>417,770</u>	<u>407,562</u>	<u>409,044</u>
Total			
	<u>\$ 407,770</u>	<u>\$ 397,362</u>	<u>\$ 361,044</u>

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Pupils - Continued:			
Guidance services:			
Salaries	\$ 341,000	\$ 342,182	\$ 335,393
Employee benefits	83,890	77,796	101,234
Purchased services	1,800	5,476	5,263
Supplies and materials	5,500	3,037	2,273
Other	500	324	304
Non-capitalized equipment	3,700	3,020	5,070
Total	436,390	431,835	449,537
Health services:			
Salaries	295,400	297,777	286,196
Employee benefits	83,160	83,351	79,169
Purchased services	17,900	14,338	22,357
Supplies and materials	8,000	7,849	8,450
Non-capitalized equipment	1,000	-	1,229
Total	405,460	403,315	397,401
Psychological services:			
Salaries	286,600	291,081	278,212
Employee benefits	73,860	74,568	72,494
Purchased services	19,900	11,211	10,426
Supplies and materials	3,000	763	722
Non-capitalized equipment	-	-	2,429
Total	383,360	377,623	364,283
Speech pathology:			
Salaries	264,500	264,371	255,043
Employee benefits	51,160	56,512	49,785
Purchased services	3,800	2,660	3,447
Supplies and materials	3,600	2,491	3,426
Non-capitalized equipment	-	-	996
Total	\$ 323,060	\$ 326,034	\$ 312,697

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Pupils - Continued:			
Other support - pupils:			
Salaries	\$ 70,300	\$ 78,413	\$ 79,730
Employee benefits	-	48	60
Supplies and materials	1,500	3,331	1,365
Non-capitalized equipment	4,000	-	4,378
Total	75,800	81,792	85,533
Total Pupils	2,031,840	2,017,961	1,970,495
Instructional Staff:			
Improvement of instructional services:			
Salaries	328,100	309,796	333,581
Employee benefits	93,720	95,494	54,133
Purchased services	113,538	75,011	86,777
Supplies and materials	17,452	2,874	10,373
Non-capitalized equipment	2,500	-	-
Total	555,310	483,175	484,864
Educational media services:			
Salaries	425,000	429,310	404,762
Employee benefits	83,590	83,811	90,011
Purchased services	45,425	46,692	34,401
Supplies and materials	49,224	54,030	61,030
Capital outlay	6,700	-	6,678
Other	380	259	335
Non-capitalized equipment	1,800	1,311	3,078
Total	612,119	615,413	600,295
Assessment and testing:			
Salaries	10,000	914	12,410
Purchased services	43,000	32,317	33,999
Supplies and materials	6,500	1,271	4,192
Total	59,500	34,502	50,601
Total Instructional Staff	\$ 1,226,929	\$ 1,133,090	\$ 1,135,760

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
General Administration:			
Board of education:			
Salaries	\$ 36,400	\$ 36,034	\$ 35,232
Employee benefits	144,980	58,088	184,040
Purchased services	46,100	37,255	46,919
Supplies and materials	9,000	4,992	8,340
Capital outlay	-	-	6,813
Other	12,000	11,849	11,809
Non-capitalized equipment	2,500	1,118	-
Total	<u>250,980</u>	<u>149,336</u>	<u>293,153</u>
Executive administration:			
Salaries	259,100	258,069	251,796
Employee benefits	70,000	99,415	73,371
Purchased services	6,700	4,622	4,715
Supplies and materials	5,100	2,286	4,545
Other	2,000	2,415	225
Non-capitalized equipment	5,000	1,196	-
Total	<u>347,900</u>	<u>368,003</u>	<u>334,652</u>
Special area administration:			
Salaries	186,300	185,893	176,244
Employee benefits	60,120	60,338	56,239
Purchased services	3,600	3,293	3,299
Supplies and materials	1,500	1,563	1,512
Other	500	130	341
Non-capitalized equipment	1,000	-	-
Total	<u>253,020</u>	<u>251,217</u>	<u>237,635</u>
Tort immunity:			
Purchased services	249,800	230,853	257,267
Total	<u>249,800</u>	<u>230,853</u>	<u>257,267</u>
Total General Administration	<u>\$ 1,101,700</u>	<u>\$ 999,409</u>	<u>\$ 1,122,707</u>

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
School Administration:			
Office of the principal:			
Salaries	\$ 1,462,500	\$ 1,440,472	\$ 1,378,347
Employee benefits	515,460	584,618	457,714
Purchased services	77,850	57,039	61,283
Supplies and materials	25,800	12,852	17,766
Capital outlay	6,000	9,650	-
Other	4,800	3,271	3,127
Non-capitalized equipment	23,100	12,263	39,621
Termination benefits	500	-	12,070
	<u>2,116,010</u>	<u>2,120,165</u>	<u>1,969,928</u>
Total			
Business:			
Direction of business support services:			
Salaries	95,300	95,240	92,586
Employee benefits	20,500	20,346	25,319
Purchased services	2,600	1,667	1,255
Supplies and materials	1,700	168	380
Other	600	565	335
Non-capitalized equipment	1,000	-	729
	<u>121,700</u>	<u>117,986</u>	<u>120,604</u>
Total			
Fiscal services:			
Salaries	206,200	190,100	196,521
Employee benefits	61,360	59,587	48,716
Purchased services	40,500	32,910	83,600
Supplies and materials	10,000	6,310	8,734
Other	600	340	1,120
Non-capitalized equipment	2,750	717	-
	<u>321,410</u>	<u>289,964</u>	<u>338,691</u>
Total			
Food services			
Purchased services	327,000	320,599	318,842
Supplies and materials	5,000	2,258	2,471
Non-capitalized equipment	10,000	-	2,116
	<u>342,000</u>	<u>322,857</u>	<u>323,429</u>
Total			
Total Business	<u>\$ 785,110</u>	<u>\$ 730,807</u>	<u>\$ 782,724</u>

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Support Services - Continued:			
Central:			
Information services:			
Salaries	\$ 56,300	\$ 68,586	\$ 50,727
Employee benefits	130	879	880
Purchased services	36,500	18,029	58,430
Supplies and materials	1,600	1,908	974
Other	300	-	275
Non-capitalized equipment	5,600	2,422	-
Total	<u>100,430</u>	<u>91,824</u>	<u>111,286</u>
Staff services:			
Salaries	62,700	67,717	60,781
Employee benefits	18,180	20,241	32,827
Purchased services	15,000	12,799	18,430
Supplies and materials	3,100	4,102	583
Other	1,500	409	400
Non-capitalized equipment	1,000	-	-
Total	<u>101,480</u>	<u>105,268</u>	<u>113,021</u>
Data processing services:			
Salaries	281,400	269,840	266,987
Employee benefits	79,270	90,267	70,915
Purchased services	270,000	215,924	224,601
Supplies and materials	90,500	26,865	31,902
Capital outlay	70,000	-	86,350
Non-capitalized equipment	70,000	1,294	36,873
Total	<u>861,170</u>	<u>604,190</u>	<u>717,628</u>
Total Central	<u>1,063,080</u>	<u>801,282</u>	<u>941,935</u>
Total Support Services	<u>8,324,669</u>	<u>7,802,714</u>	<u>7,923,549</u>
Community Services:			
Employee benefits	18,679	9,675	3,905
Purchased services	72,000	51,857	45,762
Supplies and materials	8,217	5,404	2,048
Total Community Services	<u>\$ 98,896</u>	<u>\$ 66,936</u>	<u>\$ 51,715</u>

(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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
EXPENDITURES DISBURSED - Continued			
Payments to other districts and governmental units:			
Regular programs	\$ 22,000	\$ 13,680	\$ 35,640
Special education	1,484,495	1,501,168	1,620,270
CTE	107,600	91,704	106,622
	<u>1,614,095</u>	<u>1,606,552</u>	<u>1,762,532</u>
Total payments to other districts and governmental units			
	<u>1,614,095</u>	<u>1,606,552</u>	<u>1,762,532</u>
Total Expenditures Disbursed	<u>38,347,560</u>	<u>37,153,459</u>	<u>36,821,106</u>
Excess of revenues received over expenditures disbursed	<u>377,655</u>	<u>1,777,412</u>	<u>2,154,967</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	38,600	44,951	28,046
Transfers out	(37,176)	(37,176)	(11,040,273)
Proceeds from the sale of fixed assets	-	1,831	-
	<u>1,424</u>	<u>9,606</u>	<u>(11,012,227)</u>
Total other financing sources (uses)			
	<u>1,424</u>	<u>9,606</u>	<u>(11,012,227)</u>
Net change in fund balances	<u>\$ 379,079</u>	1,787,018	(8,857,260)
Fund balance at beginning of year		<u>23,889,154</u>	<u>32,746,414</u>
FUND BALANCE AT END OF YEAR		<u>\$ 25,676,172</u>	<u>\$ 23,889,154</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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,924,550	\$ 3,075,369	\$ 1,534,894
Earnings on investments	21,000	24,236	10,807
Rentals	140,000	118,617	154,088
Refund of prior years' expenditures	21,000	35,733	51,972
Other	1,000	-	1,224
Total Local Sources	<u>3,107,550</u>	<u>3,253,955</u>	<u>1,752,985</u>
State Sources:			
Other	-	-	26,400
Total State Sources	<u>-</u>	<u>-</u>	<u>26,400</u>
Total Revenues Received	<u>3,107,550</u>	<u>3,253,955</u>	<u>1,779,385</u>
EXPENDITURES DISBURSED:			
Support Services:			
Business - facilities acquisition and construction:			
Purchased services	25,000	-	52,472
Capital outlay	95,000	63,876	246,530
Total facilities acquisition and construction	<u>120,000</u>	<u>63,876</u>	<u>299,002</u>
Business - operation and maintenance of plant services:			
Salaries	976,900	966,657	935,323
Benefits	188,530	187,825	180,898
Purchased services	538,750	541,826	400,566
Supplies and materials	636,150	560,999	542,416
Capital outlay	50,000	-	-
Non-capitalized equipment	75,000	34,892	65,890
Termination benefits	1,000	3,839	-
Total operation and maintenance of plant services	<u>2,466,330</u>	<u>2,296,038</u>	<u>2,125,093</u>
Total Expenditures Disbursed	<u>2,586,330</u>	<u>2,359,914</u>	<u>2,424,095</u>
Net change in fund balances	<u>\$ 521,220</u>	894,041	(644,710)
Fund balance at beginning of year		<u>2,953,867</u>	<u>3,598,577</u>
FUND BALANCE AT END OF YEAR		<u>\$ 3,847,908</u>	<u>\$ 2,953,867</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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,600	\$ 3,308	\$ 3,119
Earnings on investments	38,600	44,951	28,046
Total Revenues Received	<u>41,200</u>	<u>48,259</u>	<u>31,165</u>
Excess of revenues received over expenditures disbursed	<u>41,200</u>	<u>48,259</u>	<u>31,165</u>
OTHER FINANCING USES:			
Transfers out	<u>(38,600)</u>	<u>(44,951)</u>	<u>(28,046)</u>
Total other financing uses	<u>(38,600)</u>	<u>(44,951)</u>	<u>(28,046)</u>
Net change in fund balances	<u>\$ 2,600</u>	3,308	3,119
Fund balance at beginning of year		<u>5,802,194</u>	<u>5,799,075</u>
FUND BALANCE AT END OF YEAR		<u>\$ 5,805,502</u>	<u>\$ 5,802,194</u>

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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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Earnings on investments	\$ 101,900	\$ 113,196	\$ 23,745
Total Revenues Received	<u>101,900</u>	<u>113,196</u>	<u>23,745</u>
EXPENDITURES DISBURSED:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Purchased services	-	2,940	-
Capital outlay	3,250,000	3,719,406	435,758
Total Expenditures Disbursed	<u>3,250,000</u>	<u>3,722,346</u>	<u>435,758</u>
Deficiency of revenues received over expenditures disbursed	<u>(3,148,100)</u>	<u>(3,609,150)</u>	<u>(412,013)</u>
OTHER FINANCING SOURCES:			
Transfers in	-	-	11,000,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>11,000,000</u>
Net change in fund balances	<u>\$ (3,148,100)</u>	(3,609,150)	10,587,987
Fund balance at beginning of year		<u>15,587,987</u>	<u>5,000,000</u>
FUND BALANCE AT END OF YEAR		<u>\$ 11,978,837</u>	<u>\$ 15,587,987</u>

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, 2018

	Special Revenue			Total
	Transport- ation	Municipal Retirement/ Social Security	Tort Immunity	
<u>ASSETS</u>				
Cash and investments	\$ 1,857,457	\$ 557,113	\$ -	\$ 2,414,570
TOTAL ASSETS	1,857,457	557,113	-	2,414,570
<u>FUND BALANCE</u>				
Fund Balance:				
Restricted	1,857,457	557,113	-	2,414,570
Total Fund Balance	1,857,457	557,113	-	2,414,570
TOTAL FUND BALANCE	\$ 1,857,457	\$ 557,113	\$ -	\$ 2,414,570

<u>Debt Services</u>	<u>Total Nonmajor Governmental Funds</u>
<u>\$ 2,040,289</u>	<u>\$ 4,454,859</u>
<u>2,040,289</u>	<u>4,454,859</u>
<u>2,040,289</u>	<u>4,454,859</u>
<u>2,040,289</u>	<u>4,454,859</u>
<u>\$ 2,040,289</u>	<u>\$ 4,454,859</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, 2018

	Special Revenue			Total
	Transport- ation	Municipal Retirement/ Social Security	Tort Immunity	
REVENUES RECEIVED:				
Property taxes	\$ 662,444	\$ 766,160	\$ 3,308	\$ 1,431,912
Other local sources	55,023	28,637	-	83,660
State sources	639,883	-	-	639,883
Total Revenues Received	<u>1,357,350</u>	<u>794,797</u>	<u>3,308</u>	<u>2,155,455</u>
EXPENDITURES DISBURSED:				
Instruction	-	330,762	-	330,762
Support services	1,842,174	504,587	3,308	2,350,069
Debt service:				
Payment of principal on long-term debt	-	-	-	-
Interest on long-term debt	-	-	-	-
Service charges	-	-	-	-
Total Expenditures Disbursed	<u>1,842,174</u>	<u>835,349</u>	<u>3,308</u>	<u>2,680,831</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>(484,824)</u>	<u>(40,552)</u>	<u>-</u>	<u>(525,376)</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(484,824)	(40,552)	-	(525,376)
Fund balance at beginning of year	<u>2,342,281</u>	<u>597,665</u>	<u>-</u>	<u>2,939,946</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 1,857,457</u></u>	<u><u>\$ 557,113</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,414,570</u></u>

<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,528,407	\$ 2,960,319
14,211	97,871
-	639,883
<u>1,542,618</u>	<u>3,698,073</u>
-	330,762
-	2,350,069
1,444,180	1,444,180
77,242	77,242
250	250
<u>1,521,672</u>	<u>4,202,503</u>
<u>20,946</u>	<u>(504,430)</u>
<u>37,176</u>	<u>37,176</u>
<u>37,176</u>	<u>37,176</u>
58,122	(467,254)
<u>1,982,167</u>	<u>4,922,113</u>
<u><u>\$ 2,040,289</u></u>	<u><u>\$ 4,454,859</u></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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 611,350	\$ 662,444	\$ 1,159,412
Transportation fees	31,000	38,686	20,348
Earnings on investments	14,000	16,337	12,175
Total Local Sources	<u>656,350</u>	<u>717,467</u>	<u>1,191,935</u>
Transportation aid			
Regular	260,000	220,717	101,595
Special education	440,000	419,166	338,219
Total State Sources	<u>700,000</u>	<u>639,883</u>	<u>439,814</u>
Total Revenues Received	<u>1,356,350</u>	<u>1,357,350</u>	<u>1,631,749</u>
EXPENDITURES DISBURSED:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	39,900	39,935	40,497
Benefits	1,380	1,429	215
Purchased services	1,721,000	1,799,812	1,548,747
Supplies and materials	3,000	998	1,275
Total Expenditures Disbursed	<u>1,765,280</u>	<u>1,842,174</u>	<u>1,590,734</u>
Net change in fund balances	<u>\$ (408,930)</u>	(484,824)	41,015
Fund balance at beginning of year		<u>2,342,281</u>	<u>2,301,266</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,857,457</u>	<u>\$ 2,342,281</u>

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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes			
General tax levy	\$ 351,350	\$ 363,169	\$ 379,746
Social security/medicare tax levy	389,850	402,991	414,424
Corporate replacement taxes	24,600	24,693	25,680
Earnings on investments	3,400	3,944	2,315
Total Revenues Received	<u>769,200</u>	<u>794,797</u>	<u>822,165</u>
EXPENDITURES DISBURSED:			
Instruction - employee benefits	347,760	330,762	322,781
Support Services - employee benefits	512,020	504,587	501,017
Total Expenditures Disbursed	<u>859,780</u>	<u>835,349</u>	<u>823,798</u>
Net change in fund balances	<u>\$ (90,580)</u>	(40,552)	(1,633)
Fund balance at beginning of year		<u>597,665</u>	<u>599,298</u>
FUND BALANCE AT END OF YEAR		<u>\$ 557,113</u>	<u>\$ 597,665</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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 2,600	\$ 3,308	\$ 3,119
Total Revenues Received	<u>2,600</u>	<u>3,308</u>	<u>3,119</u>
EXPENDITURES DISBURSED:			
Support Services:			
Purchased services	<u>2,600</u>	<u>3,308</u>	<u>3,119</u>
Total Expenditures Disbursed	<u>2,600</u>	<u>3,308</u>	<u>3,119</u>
Net change in fund balances	<u>\$ -</u>	-	-
Fund balance at beginning of year		<u>-</u>	<u>-</u>
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, 2018 WITH COMPARATIVE ACTUAL TOTALS FOR 2017

	2018		2017 Actual
	Original and Final Budget	Actual	
REVENUES RECEIVED:			
Local Sources:			
Property taxes	\$ 1,488,000	\$ 1,528,407	\$ 1,520,061
Earnings on investments	14,000	14,211	7,900
Total Revenues Received	<u>1,502,000</u>	<u>1,542,618</u>	<u>1,527,961</u>
EXPENDITURES DISBURSED:			
Debt Service:			
Payment of principal on long-term debt	1,443,891	1,444,180	1,422,931
Interest on long-term debt	77,567	77,242	108,028
Service charges	500	250	500
Total Expenditures Disbursed	<u>1,521,958</u>	<u>1,521,672</u>	<u>1,531,459</u>
Excess (deficiency) of revenues received over expenditures disbursed	<u>(19,958)</u>	<u>20,946</u>	<u>(3,498)</u>
OTHER FINANCING SOURCES:			
Transfers in (for capital lease obligations)	<u>37,176</u>	<u>37,176</u>	<u>40,273</u>
Total other financing sources	<u>37,176</u>	<u>37,176</u>	<u>40,273</u>
Net change in fund balances	<u>\$ 17,218</u>	58,122	36,775
Fund balance at beginning of year		<u>1,982,167</u>	<u>1,945,392</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,040,289</u>	<u>\$ 1,982,167</u>

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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, 2018

	<u>Cash Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2018</u>
Schiesher School	\$ 8,232	\$ 10,809	\$ 11,945	\$ 7,096
Tate Woods School	7,633	4,758	11,264	1,127
Lisle Junior High	15,889	30,750	29,673	16,966
Lisle High School	<u>111,211</u>	<u>347,288</u>	<u>375,913</u>	<u>82,586</u>
TOTAL AGENCY FUND	<u><u>\$ 142,965</u></u>	<u><u>\$ 393,605</u></u>	<u><u>\$ 428,795</u></u>	<u><u>\$ 107,775</u></u>

OTHER FINANCIAL INFORMATION

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2018, 2017 AND 2016

	TAX LEVY YEAR		
	2017	2016	2015
ASSESSED VALUATION	\$ 599,211,843	\$ 586,428,685	\$ 550,516,709
TAX EXTENSIONS BY LEVY:			
Educational	19,062,127	20,854,577	21,841,200
Operations and maintenance	3,110,509	2,979,058	3,303
Debt services	1,516,006	1,512,986	1,521,078
Transportation	802,944	497,292	1,853,590
Municipal retirement	361,325	358,308	400,776
Working cash	3,595	2,932	3,303
Social security	401,472	397,012	431,055
Tort immunity	3,595	2,932	3,303
Special education	4,761,337	2,730,998	3,005,271
TOTAL	\$ 30,022,910	\$ 29,336,095	\$ 29,062,879
TAX COLLECTIONS:			
Year Ended June 30:			
2016	\$ -	\$ -	\$ 14,851,738
2017	-	15,096,464	14,165,092
2018	15,775,566	14,171,953	17,710
TOTAL	\$ 15,775,566	\$ 29,268,417	\$ 29,034,540
Percent of Total Levy Collected Through June 30, 2018	52.55%	99.77%	99.90%

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2018

Due Year Ended June 30,	GO Bonds 2010		GO Bonds 2015		Total
	Principal	Interest	Principal	Interest	
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>\$ 1,105,000</u>	<u>\$ 32,538</u>	<u>\$ 1,625,000</u>	<u>\$ 22,983</u>	<u>\$ 2,785,521</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
JUNE 30, 2018

	Year Ended June 30,		
	2018	2017	2016
Allowable Expenses	<u>\$ 26,143,979</u>	<u>\$ 25,047,299</u>	<u>\$ 23,871,453</u>
Average Daily Attendance	<u>1,349.58</u>	<u>1,312.31</u>	<u>1,358.67</u>
Per Capita Tuition Charge	<u>\$ 19,372</u>	<u>\$ 19,086</u>	<u>\$ 17,570</u>

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014
JUNE 30, 2018

Calendar year ending December 31,	2017	2016	2015	2014
<u>Total pension liability:</u>				
Service cost	\$ 329,788	\$ 329,554	\$ 310,331	\$ 322,092
Interest on the total pension liability	1,096,123	1,061,878	1,010,599	907,195
Difference between expected and actual experience	176,797	(180,877)	101,464	271,995
Assumption changes	(473,133)	(80,082)	15,658	625,274
Benefit payments and refunds	(780,642)	(757,397)	(724,938)	(679,150)
Net change in total pension liability	348,933	373,076	713,114	1,447,406
Total pension liability, beginning	14,840,397	14,467,321	13,754,207	12,306,801
Total pension liability, ending	<u>15,189,330</u>	<u>14,840,397</u>	<u>14,467,321</u>	<u>13,754,207</u>
<u>Plan fiduciary net position</u>				
Employer contributions	403,065	414,094	388,174	373,863
Employee contributions	139,236	135,037	129,716	128,548
Pension plan net investment income	2,091,033	781,545	55,698	644,918
Benefit payments and refunds	(780,642)	(757,397)	(724,938)	(679,150)
Other	(321,387)	(135,339)	282,422	114,085
Net change in plan fiduciary net position	1,531,305	437,940	131,072	582,264
Plan fiduciary net position, beginning	11,812,075	11,374,135	11,243,063	10,660,799
Plan fiduciary net position, ending	<u>13,343,380</u>	<u>11,812,075</u>	<u>11,374,135</u>	<u>11,243,063</u>
Net pension liability/(asset), ending	<u>\$ 1,845,950</u>	<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>87.85%</u>	<u>79.59%</u>	<u>78.62%</u>	<u>81.74%</u>
Covered valuation payroll	<u>\$ 3,023,743</u>	<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>61.05%</u>	<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
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014
JUNE 30, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 403,065	\$ 403,065	\$ -	\$ 3,023,743	13.33%
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
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2014
JUNE 30, 2018

	<u>2017 *</u>	<u>2016 *</u>	<u>2015 *</u>	<u>2014 *</u>
District's proportion of the net pension liability	0.0020%	0.0021%	0.0022%	0.0021%
District's proportionate share of the net pension liability	\$ 1,548,859	\$ 1,631,526	\$ 1,447,395	\$ 1,248,181
State's proportionate share of the net pension liability associated with the District	<u>106,626,644</u>	<u>109,543,584</u>	<u>86,428,445</u>	<u>77,837,814</u>
Total	<u>\$108,175,503</u>	<u>\$111,175,110</u>	<u>\$87,875,840</u>	<u>\$79,085,995</u>
District's covered-employee payroll	\$ 14,422,385	\$ 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>10.74%</u>	<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>39.30%</u>	<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
SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2015
JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily-required contribution	\$ 88,250	\$ 83,650	\$ 83,768	\$ 77,107
Contributions in relation to the statutorily- required contribution	<u>88,967</u>	<u>83,675</u>	<u>79,980</u>	<u>77,366</u>
Contribution deficiency (excess)	<u>\$ (717)</u>	<u>\$ (25)</u>	<u>\$ 3,788</u>	<u>\$ (259)</u>
District's covered-employee payroll	\$ 15,215,524	\$ 14,422,385	\$ 14,442,741	\$ 13,294,254
Contribution as a percentage of covered- employee payroll	0.58%	0.58%	0.58%	0.58%

Lisle Community Unit School District 202
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT
 BENEFIT (OPEB) LIABILITY AND DISTRICT CONTRIBUTIONS
 TEACHERS' HEALTH INSURANCE SECURITY FUND
 SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2017
 JUNE 30, 2018

Fiscal year ending June 30,	2017
District's Proportionate Share of the OPEB Liability:	
District's proportion of net OPEB Liability	0.062725%
District's proportionate share of the net OPEB Liability	\$ 16,276,762
State's proportionate share of the net OPEB liability associated with the District	21,375,433
Total	\$ 37,652,195
District's covered-employee payroll	\$ 14,422,385
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	112.86%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%
District Contributions:	
Contractually required contribution	\$ 121,148
Contributions in relation to the contractually required contribution	121,208
Contribution deficiency (excess)	\$ (60)
Contributions as a percentage of covered-employee payroll	0.84%

Note: The amounts presented were determined as of the prior fiscal year end.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information
June 30, 2018

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 2017 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: 26-year closed 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, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information (Cont'd)
June 30, 2018

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, 2015 actuarial valuation.

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 2017 and 2016 measurement years, 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.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
Notes to Other Financial Information (Cont'd)
June 30, 2018

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 25, 2017.
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
Capital Projects Fund	\$ 3,250,000	\$ 3,722,346	\$ 472,346
Transportation Fund	1,765,280	1,842,174	76,894
Tort Immunity Fund	\$ 2,600	\$ 3,308	\$ 708