

**Round Lake Area Schools
Community Unit School District 116
Round Lake, Illinois**



**ROUND LAKE
AREA SCHOOLS**
Community Unit School District #116

**Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2017**

Officials Issuing Report:

Dr. Constance Collins – Superintendent of Schools

William Johnston – Assistant Superintendent of Business and Operations

Department Issuing Report:

Business Office

**ROUND LAKE AREA SCHOOLS COMMUNITY
UNIT DISTRICT NO. 116**

ROUND LAKE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2017

Official Issuing Report

**Dr. Constance Collins, Superintendent of Schools
William Johnston, Assistant Superintendent of Business and Operations**

Department Issuing Report

Business Office

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116

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November 30, 2017

Members of the Board of Education
Citizens of Round Lake Area Schools Community Unit School District 116

The Comprehensive Annual Financial Report (CAFR) of Round Lake Area Schools Community Unit School District 116 (the District), for the fiscal year ended June 30, 2017, is presented. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, resides with the District.

We believe the data, as presented, is accurate in all material aspects and represents the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter for transmittal and should be read in conjunction with it.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officers and elected officials. The financial section includes the independent auditor's report on financial statements and schedules, MD&A, and required supplementary information such as the combined and individual fund financial statements and schedules. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the District. For all the governmental fund-types, the District reports on a modified accrual basis of accounting, which is applied to the District's budget and accounting records. The notes to the financial statements expand upon the modified accrual basis as well as the District's accounting policies and procedures.

District Profile

Round Lake Area Schools Community Unit School District 116 encompasses a nine square mile area in Lake County, Illinois approximately 43 miles northwest of Chicago's "Loop." The District serves students from portions of the villages of Round Lake, Round Lake Beach, Round Lake Heights, Round Lake Park and Hainesville. It is easily accessible by State Routes 120, 134 and 83, and also the Tri-State Tollway (I-94). Commuter train service to Chicago is located in the heart of the Village of Round Lake and the Village of Round Lake Beach.

The District educates 7,221 students in pre-school through 12th grade at eleven (11) facilities – one preschool, one kindergarten (leased facility), five elementary schools, two middle schools, a high school and a transition center for students between the ages of 18 and 22. An additional 98 students attend an out of district school due to their special needs. Over 74% of the students are Hispanic and 87% of the students qualify as low income through the Community Eligibility Provision of the Federal National School Lunch Program.

The District currently has approximately 928 full time equivalent (FTE) employees, of whom 617 FTE are certified and 311 FTE are non-certified. Of the total number, 872 FTE are represented by the Education Association of Round Lake. A new four (4) year collective bargaining agreement was approved in February 2017 for the school year starting August 2017.

The District operates independently and is not considered a component unit of any other entity. The District levies its own local property tax which is filed with the Lake County Clerk. Taxes collected by the County Clerk are extended and distributed directly to the District. The District has complete responsibility for the preparation and modification of its annual budget and is solely accountable for its fiscal matters, including surpluses and deficits, designation of management and issuance of debt.

The governing body is a Board whose seven (7) members are elected for staggered four (4) year terms of office. The Board is a policy-making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District and to oversee the property and facilities of the District. Based on the legislative authority in the Illinois School Code, the Board of Education has the power to sue and be sued in all courts; to levy and collect taxes and to issue bonds; and to contract for administrators, teachers, and other personnel as well as for goods and services. The Board elects a President, Vice President and Secretary from its membership. The Superintendent and staff report to the Board and run the day to day operations of the District.

History of the District

The District began its history over 150 years ago with Gilbert School. In 1911, Meade School was newly built at the corner of Hart and Cedar Lake Rd. The school was constructed for \$4,000 and was attended by 17 students. In 1921, Round Lake became the first consolidated school of Lake County combining Hainesville, Gilbert and Meade. In 1927, Raymond Ellis became principal in the quickly growing District.

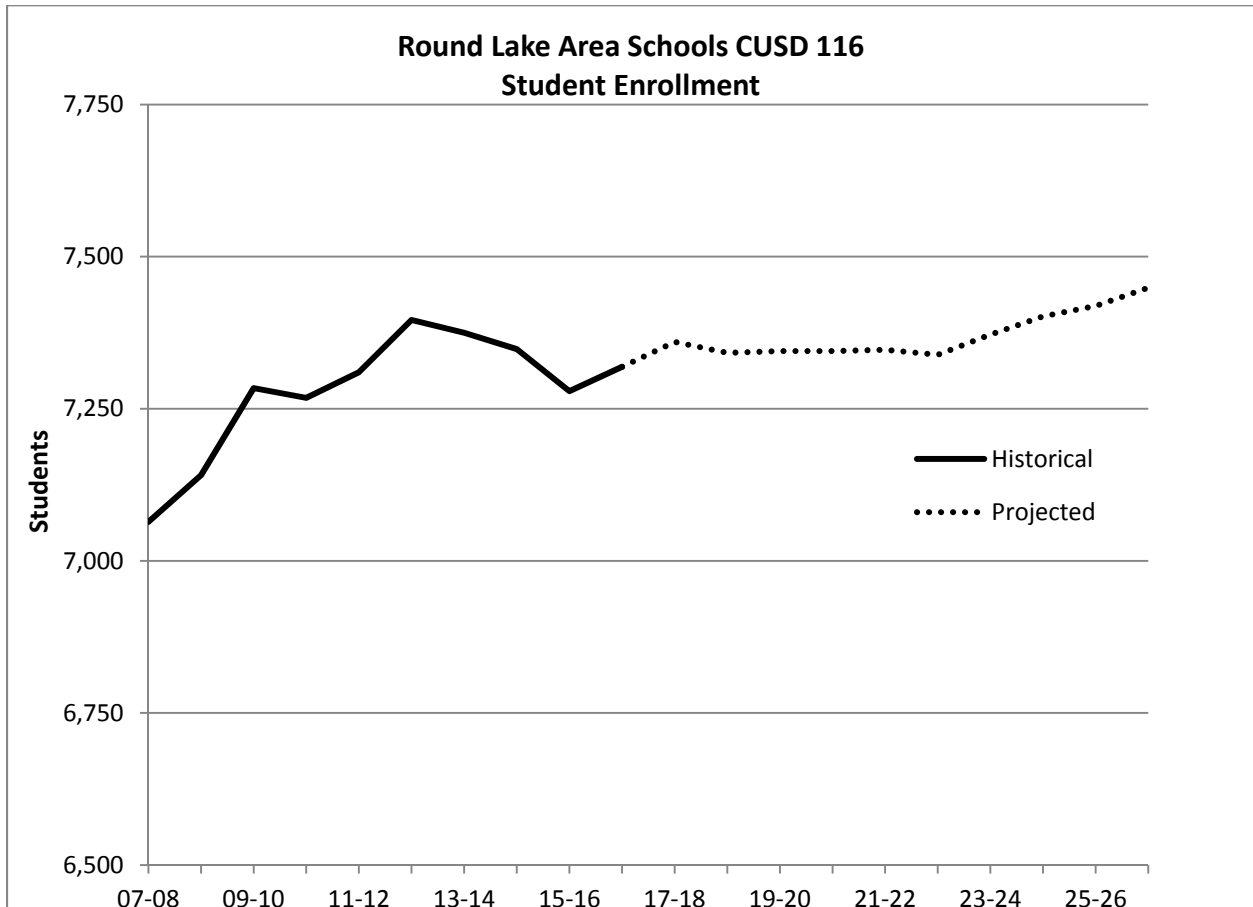
The District expanded rapidly during the 1950's, building six (6) of the current nine (9) school buildings: John T. Magee Middle School, Round Lake Senior High School, Round Lake Beach Elementary, W. J. Murphy Elementary, Raymond Ellis Elementary and Indian Hill Elementary.

During the 1960's and 1970's there were numerous elementary school additions to accommodate the growing student population, while the 1980's and 1990's saw many middle school and high school additions. In 1977, Village Elementary School was constructed, and the Early Education Center was built in 1998 to house the Kindergarten program.

The newest school building is the Round Lake Middle School, which is connected to Indian Hill Elementary. When Round Lake Middle School opened in 2004, John T. Magee Middle School was closed and the students transferred to the new building. Due to the sustained pace of enrollment growth, additional space was needed. In 2006 the District passed a \$17 million referendum to extensively renovate John T. Magee Middle School. The newly renovated school re-opened in the fall of 2008 and both middle schools expanded to serve students in grades 6 through 8. Before this, the middle school only served grades 7 and 8.

The District placed a building bond question on the November 2014 ballot which was approved by the electors for projects to expand the Round Lake Senior High School. The project includes three (3) new additions to the existing building that will add thirty (30) additional teaching spaces. In addition, there are several renovations taking place in existing areas with the upgrade to the food service area and the creation of a Business Incubator Lab. The new and renovated spaces were completed by the start of the 2016-2017 school year.

During the last decade total District enrollment has increased, rising by almost 4% from 7,024 students in 2007-08 to 7,319 in 2016-17. This enrollment includes District students educated within-district and also the students educated out-of-district. Many of the District’s schools are at capacity or near capacity and are utilizing mobile classroom units and to accommodate the student population.



To assess future growth, the District commissioned an enrollment study by the Applied Population Laboratory, University of Wisconsin-Madison, in the fall of 2012. The study used birth data, economic data, and a commonly used demographic technique called the “cohort survival method” to forecast future enrollment. The study indicated that enrollment is projected to continue to grow, adding a total of about 100 students over the next five years. The enrollment projections are updated each year, based on the prior year’s actual enrollment. Although total District enrollment growth is projected to slow down, the study forecasted consistent enrollment in most schools.

Financial Oversight Panel

Today the District is financially strong with healthy fund balances and a balanced budget. However, it was recently one of the most financially troubled districts in the State. Starting in 1990 the District had to issue short-term debt each year to meet operational cash needs. On April 16, 1992, the District was certified as being in financial difficulty by the Illinois State Board

of Education and was required to submit a financial improvement plan to the State Board for approval.

The District's financial position continued to deteriorate from a cumulative fund deficit of \$2.1 million in Fiscal Year 1992 to a cumulative fund deficit of \$9.7 million in Fiscal Year 1999. The District had to depend on continued issuance of tax anticipation warrants and long-term debt to meet operating cash flow needs since Fiscal Year 1993. Arbitration decisions, a protracted strike, increased enrollment of children with special needs, aging facilities, and contractual limitations with regards to class size further exacerbated the District's financial position. On March 21, 2000, the District successfully passed building bond and Educational Fund referenda that would generate an additional \$1.2 million in tax revenue annually. However, it was deemed by its bank to be too high a credit risk and could no longer borrow money for short or long-term needs.

On April 27, 2000 the Board of Education of Round Lake Area Schools Community Unit School District 116 petitioned the State Board of Education for emergency financial assistance and the establishment of a voluntary Financial Oversight Panel (the Panel). Their request was approved on May 18, 2000. The establishment of the Panel allowed the District to receive emergency financial assistance in the form of a \$1.4 million grant from the State. In addition, the Panel required the District to develop and implement a balanced budget. Through its monitoring efforts, the Panel steered the District towards cost-saving measures that enhanced the District's viability and alleviated the negative concerns of the banking community.

The Panel also commissioned the development of financial projections which identified socio-economic factors that inhibited the District from achieving long-term financial stability. These factors included a comparatively small tax base, an onerous level of short-term debt, no ability to issue additional long-term debt, the lack of appropriate executive leadership, rising personnel costs and student population with high special education needs.

School Finance Authority

While the Panel helped to stem the tide of deficit operations, they determined that the best approach for long-term health would be to establish a School Finance Authority (SFA) under new legislation recently passed in the Illinois General Assembly and signed into law by Governor George Ryan.

The SFA, consisting of five members appointed by the State Superintendent, was established on August 13, 2002. It had the power to appoint top management of the District including a Chief Executive Officer when the current Superintendent's contract expired and a Chief Fiscal Officer replacing the position of School Business Official. In addition, the SFA was empowered to negotiate collective bargaining agreements, to issue debt within specified limits and to establish tax rates necessary to pay off the debt. The SFA was also exempt from some of the limitations of the property tax extension limitation law.

Under the SFA, the District eliminated its short-term debt, practiced budgetary discipline, sought new revenue sources, and implemented fiscal controls so as to restore financial stability and attain full recognition status in each of the fiscal years 2007-2011. The SFA was abolished by the State Board of Education and the District returned to local control on July 1, 2011.

Collective Bargaining

In 1984, the Education Association of Round Lake, IEA-NEA became the exclusive bargaining representative for the District's teachers and later, the teaching assistants. In subsequent years, and in separate bargaining units, the IEA-NEA became the exclusive bargaining representative for the District's secretaries and bus drivers. Finally, in the fall of 1994, the four (4) units merged into one local affiliate of the Illinois Education Association.

Despite the merger, the parties bargained for three (3) separate collective bargaining agreements for teachers/teacher assistants, bus drivers and mechanics, and secretaries. Though a three (3) year contract agreement was reached with the bus drivers and mechanics commencing in July 1994, no agreement could be reached with the teachers/teacher assistants and secretaries. A strike commenced on October 17, 1994 and continued for approximately eight (8) weeks, ending on December 12, 1994. The strike settlement extended the 1992-1994 bargaining agreement and brought to arbitration those items upon which the parties did not agree.

In July of 1997, the teachers/teacher assistants, secretaries and bus drivers consolidated under a single collective bargaining agreement. In July of 2006, the IEA-NEA became the exclusive bargaining representative for the custodial staff and they were added to the contract. Since 2006, the Education Association of Round Lake, IEA-NEA has represented all of the above job classifications at the District. A new four (4) year collective bargaining agreement was approved in February 2017 for the 2017-2021 school years.

Long-Term Financial Planning

The District maintains a five-year financial plan as part of its strategic planning process. This plan is based on a comprehensive financial model that takes into account assumptions for key variables impacting the financial health of the District in order to guide the decision making process. This plan is updated at least once a year and is factored into the annual budget process.

The most significant factors impacting the long range plan are:

- The State's financial difficulty and the proration or non-payment of all forms of State funding
- Additional staffing and other costs associated with the District's Academic Restructuring Plan
- Capital requirements related to aging District facilities operating at full capacity
- Uncertainty related to funding future years of the collective bargaining agreement
- The impact of prior declining property values, slow growth of new property and low CPI/growth on local property tax revenue
- Potential legislation shifting Teachers' Retirement System pension costs to the District

The District is financially healthy with strong fund balances. District spending is controlled via requisition and position control processes. The finances are monitored through such means as monthly financial reports to the Board of Education, the annual budget process and long-term financial projections. The District continually seeks to identify new revenue sources and areas of operations for improvements in efficiency such as energy utilization and printing services. It is the intention of the District to continue to maintain balanced budgets in future years.

Economic Outlook and Conditions

The District is comprised of blue collar communities that saw significant population growth over the twenty (20) years from 1990-2010 according to the U.S. Census Bureau. The District is the community's second largest employer and the unemployment rate has consistently been higher than the State and County average.

Local Property Taxes

Local property taxes account for approximately 33.5% of District direct operating revenue (excluding on-behalf payments). The District's tax base is primarily made up of residential

property (83%) with the balance being largely commercial property (17%). With the economic downturn, new construction has virtually ceased and property values had declined by almost 43% from 2009 to 2015. On the bright side, the 2016 property values increased by 9.15% and a slight increase is projected to continue into the foreseeable future. Despite these challenging economic factors the District has continued to collect in excess of 99.20% of property taxes extended and expects this to continue for the foreseeable future.

Local property taxes for the District are limited by the Property Tax Extension Limitation Law (PTELL). PTELL limits the annual growth in the amount of property taxes to be extended to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) during the calendar year preceding the levy year. Taxes can also be increased due to new construction and referendum approval of tax rate increases. In the current low-inflation economy, and with little new property growth, the District expects property tax revenue to continue to grow at a modest 1-2%, a rate that will not likely keep pace with wage and benefit growth.

Other Local Revenue

Other Local Revenue received from student registration, other student fees, sales to students, yearbooks and donations to the District account for approximately 2% of District direct revenue.

State Aid

General and Supplementary State Aid account for roughly 52% of District direct revenue. Districts receive General State Aid on the basis of a statutory formula which takes into account available local resources (based on a district's EAV) and student attendance. General State Aid makes up the difference between the available local resources per pupil and the foundation level, which is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil. Due to the District's available local resources being less than 93% of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid.

The Foundation Level has remained flat at \$6,199 per pupil since Fiscal Year 2010 and the District's General State Aid Entitlement has increased over the last several years to about \$31 million. However, the State budget for General State Aid has been reduced. As such, the State has not been able to fully fund the General State Aid formula. For Fiscal Years 2013, 2014, 2015 and 2016 the General State Aid was prorated with each district receiving only approximately 89% of the calculated entitlement.

In addition to General State Aid, districts with concentrations of pupils from low-income households are eligible to receive Supplemental General State Aid. This grant is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils as determined by the Department of Human Services to be eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. Due to the high concentration of low income students attending the District, this grant has grown from \$4 million in Fiscal Year 2010 to over \$11 million in Fiscal Year 2017 and now comprises nearly 28% of the total unrestricted State Aid.

Because Supplementary State Aid is prorated at the same rate as General State Aid, the District has received a total of \$18.7 million less than its calculated entitlement over the last five (5) years. One positive factor is that the Fiscal Year 2017 General State Aid was funded at 100%.

With the implementation of the new state funding formula, the District should benefit based on the demographics of our students. Early projections indicate that the District should receive around \$5 million more in state funding. The actual amount will not be known until December. Moving

forward, the biggest financial risk facing the District is the State's ability to fund the new base funding minimum and to continue to infuse additional funds into the schools with the lowest adequacy target.

The balance of the District's direct State funding (10% of direct revenue) comes in the form of Mandated Categorical State Aid (Transportation, Special Education) and State Competitive Grants (Bilingual, Early Childhood). This funding is also subject to State budget cuts, proration and delayed payments.

Additionally, the State made a \$61 million payment to the Teachers' Retirement System (TRS) on behalf of the District in Fiscal Year 2017. This payment funds the State's portion of the teachers' pension and is included in total District operating revenue, however, it flows directly to the pension system and not to the District.

Federal Grant Awards

Due to the high number of low income students, the District also receives a significant amount of Federal Aid. Grant Awards for No Child Left Behind (Title I & II), Individuals with Disabilities Education Act (IDEA), and National School Lunch programs account for about 9% of District operating revenue. The District is anticipating a slight increase in this funding due to the new regulations and funding formula in the finalization of the Every Student Succeeds Act (ESSA).

Illinois Municipal Retirement Fund

The District participates in the Illinois Municipal Retirement Fund (IMRF), a defined-benefit, agent multiple-employer pension plan for units of local government and school districts in Illinois. Each employer participating in the IMRF, including the District, has an employer reserve account that is separate and distinct from all other participating employers along with a unique employer pension contribution rate.

In December 2012, the Board approved paying down the unfunded actuarial accrued liability, which had accumulated over prior years, in the amount of approximately \$4.6 million. The payment was made in Fiscal Year 2013 from the Educational, Operations and Maintenance, and Transportation Funds. As a result of this payment, the District's IMRF pension plan became fully funded on an actuarial market value basis. The annual reduction in future pension contributions that would have been required to pay interest on the shortfall is approximately \$300,000 per year starting in January 2014.

Major Initiatives

Restructuring

Due to the failure to make Annual Yearly Progress (AYP) under the Federal No Child Left Behind (NCLB) Act for successive years, the District is in Illinois State Board of Education Academic Warning Status and Federal Corrective Action/Restructuring Status. As a result, the District has been mandated to make significant, research-based reforms, monitor outcomes and periodically report student progress to the State. The administration restructured the organization and met with stakeholders extensively throughout the year to devise a comprehensive restructuring plan. These reforms were implemented in the 2013-14 school year.

As part of the restructuring plan, the District invested in a data warehouse to measure student progress, as well as purchase new textbooks and other curriculum materials to support alignment to the Common Core standards. Faculty have undergone additional professional development and roughly 70 new staff members have been hired to allow for increased teacher collaboration

time and more enrichment opportunities for students. As a result of these increased costs and continued pressure on revenue, future budget surpluses are not anticipated.

Mission, Vision and Goals

Mission

Ensure education excellence for everyone.

Vision

To become a nationally top-ranked school district.

Core Values and Beliefs

- All students can grow into productive members of their community.
- Staff must hold high expectations for both themselves and students.
- Staff must build healthy relationships with students.
- Parent involvement/engagement is essential to student success.
- Positive community relations depends upon mutual transparency, trust, communication and partnerships.

Each year, the Board of Education adopts District Goals that directly align to the 5-Year Strategic Plan. The full 5-Year Strategic Plan can be viewed on the District's website at www.rlas-116.org. A new 5-Year Strategic Plan was collaboratively developed in the spring to be implemented in Fiscal Year 2016. Below are the 2016-2017 District Initiatives.

District Initiatives

Student Achievement

1. 80% of students grades 3-8 will perform at or above college readiness targets in reading and math
2. 100% of students in grades PK-8 will meet or exceed individual growth targets in reading and math
3. 80% of RLHS graduates will meet the college-readiness benchmark
4. Will reach overall 4-year graduation rate of 90%
5. Will ensure hiring and development of high performing staff

Programs, Services and Curriculum

1. Will establish curriculum aligned to the Common Core for PK-12 (literacy, math, science and social studies)
2. Will implement enrichment programs to promote and enhance academic development and cultural enrichment
3. Will establish instructional technology scope and sequence aligned to the PK-12 curriculum
4. Will update current technology equipment and increase technology access for all students

Facilities and Physical Plant

1. Will ensure instructional and programmatic spaces and facilities to support high levels of learning
2. Will improve energy efficiency of buildings
3. Will improve safety district-wide

District Financial Condition

1. Will ensure the fiscal health of the school district
2. Will obtain funding to meet long-term capital and instructional needs of the school district
3. Will obtain recognition for budgeting process

Community and District Relations

1. Will improve relationships and strengthen support and confidence in school district by establishing effective community relations program
2. Will improve knowledge about, and support of, school district by establishing effective employee communications program
3. Will expand community engagement by incorporating new and innovative communication channels and strategies
4. Will implement plan for community engagement for the Board of Education

Financial Information

Internal Controls

District Administration is responsible for establishing and maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Tests are made by the District's independent auditor to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the tests for the fiscal year ended June 30, 2017 provide no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The District maintains budgetary controls at the line item level which are built into administrative responsibility cost centers before being combined to form totals by fund. All activity compared to budget is reported to the District's management and Board of Education in the form of a monthly Treasurer's Report and other financial information including check registers and cash and receivable summaries. The objective of these budgetary controls is to ensure compliance with

legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all governmental fund types are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered accounts lapse at year-end.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of Eder, Casella & Co. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under a separate cover.

Certificate of Excellence and Achievement

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Round Lake Area Schools Community Unit School District 116 for its Comprehensive Annual Financial Report for Fiscal Years 2013, 2014, 2015 and 2016.

In order to be awarded this Certificate, the District must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both the generally accepted accounting principles and applicable legal requirements.

Certificates of Excellence are valid for a period of one year only. We believe that our current report continues to conform to the Certificate requirements and we are submitting this report to ASBO to determine its eligibility for another certificate.

Acknowledgements

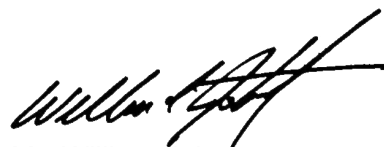
We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

We also wish to thank the dedicated Business Office Staff for their assistance in the preparation of this report. Finally, we would like to extend our appreciation to the staff of Eder, Casella & Co., the District's auditors, whose professionalism and cooperation were instrumental in the production of the District's fourth Comprehensive Annual Financial Report.

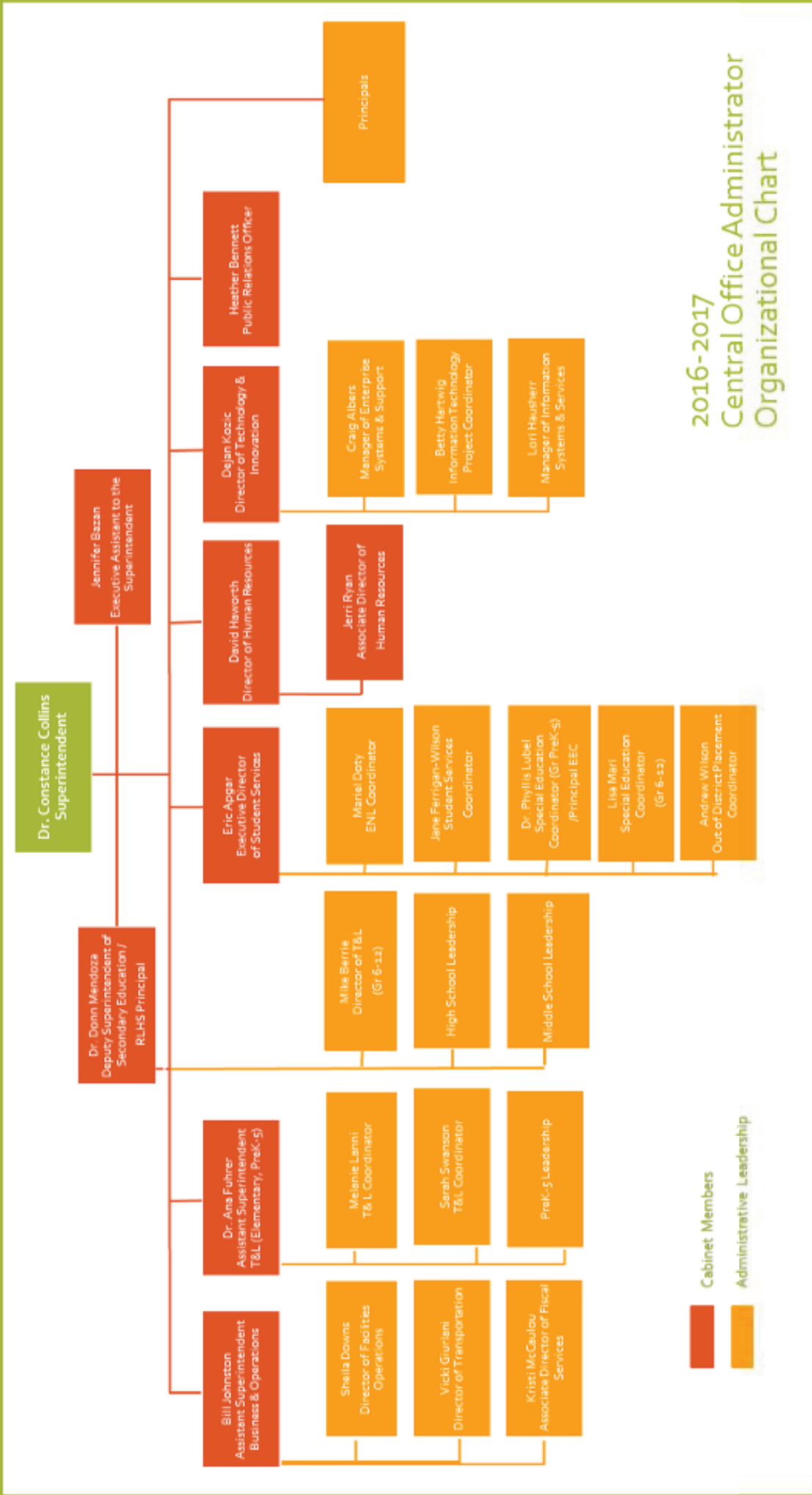
Respectfully Submitted,



Dr. Constance Collins
Superintendent of Schools



Mr. William Johnston
Assistant Superintendent for Business
and District Treasurer



Board of Education

Board of Education

Mr. Kevin Daniels, President
Mrs. Margaret (Peg) Larson, Vice President
Mrs. Annette Negrete McGinley, Secretary
Mr. Kevin Devera
Mr. Michael Francisco
Mr. Scott Jewitt
Mrs. Jennifer Klingler

The Round Lake School District 116 Board of Education is comprised of seven elected citizens from the Round Lake Area (Round Lake, Round Lake Beach, Round Lake Heights, Round Lake Park, and Hainesville). Board members serve the taxpayers in this district, are unpaid, and are elected at large to serve staggered four-year terms. Issues addressed by the Board of Education include policy-making, long-range planning, student achievement, staff development, financial planning for long-term stability, building maintenance, and working with the District administration.

Members of the public are invited to attend Board of Education meetings. Meetings are normally held at the Round Lake High School Library Media Center, 800 High School Drive, Round Lake, Illinois. A schedule of Board meetings, agendas, board packets, and meeting minutes can be viewed on the District website www.rlas-116.org.

Central Office Directory

Administrative Service Center, 884 W. Nippersink Rd., Round Lake, IL 60073

Phone: 847-270-9000

Superintendent's Office
847-270-9003

Business Office
847-270-9013

Human Resources Office
847-270-9018

Public Relations Office
847-270-9007

Student Services Office
847-270-9463

Teaching & Learning (PK-5) Office
847-270-9032

Technology Office
847-270-9444

Operations Service Center, 811 Sunset Drive, Round Lake, IL 60073

Facilities & Operations
847-270-9042

Transportation
847-270-9019

School Directory

Round Lake High School

800 N. High School Dr., Round Lake, IL 60073 Ph: 847-270-9300
Principal, Dr. Donn Mendoza

Assistant Principals

Andrew McDowell (Buildings & Grounds)
Mike Pope (Student Services Office)
Susan Center (Teaching & Learning)
Mike Mizwicki (Athletic Director)

Division Chairs

Mike Baird (Math & Business)
Chrissy Cacciatore (Fine Arts & Activities)
Elizabeth Dampf (English, Social Studies & World Language)
Jennifer Wells (Science & CTE)

Education Service Center

801 Sunset Dr, Round Lake, IL 60073 Ph: 847-270-9000
Special Education Coordinator, Lisa Mari
Out-of-District Placement Coordinator, Yesenia Jimenez-Captain

John T. Magee Middle School

500 N. Cedar Lake Rd., Round Lake, IL 60073 Ph: 847-546-8800
Principal, Dr. Lisa Steffen
Assistant Principal, Tim Jackson
Assistant Principal, Christine Thiese

Round Lake Middle School

2000 N. Lotus Dr., Round Lake Heights, IL 60073 Ph: 847-270-9400
Principal, David Higgs
Assistant Principal, Lanelle Collins
Assistant Principal, Christopher Haruska

Beach Elementary School

1421 N. Ardmore, Round Lake Beach, IL 60073 Ph: 847-270-9930
Principal, Denise Wilcox
Assistant Principal, Jennifer Convey

Ellis Elementary School

720 Central Park Dr., Round Lake Beach, IL 60073 Ph: 847-270-9900
Principal, Beth Kiewicz
Assistant Principal, Lisa Kuhl

Indian Hill Elementary School

1920 N. Lotus Dr., Round Lake Heights, IL 60073 Ph: 847-270-9970
Principal, Ray Porten
Assistant Principal, Beth Hornberg

Murphy Elementary School

220 N. Greenwood, Round Lake Park, IL 60073 Ph: 847-270-9950
Principal, Dr. Phil Georgia
Assistant Principal, Jennifer Arroyo

Village Elementary School

880 Nippersink Rd., Round Lake, IL 60073 Ph: 847-270-9470
Principal, Andrew Wilson
Assistant Principal, Ryan Doyle

Kindergarten at Pleviak

304 E. Grand Ave, Lake Villa, IL 60046 Ph: 847-270-9490
Principal, Jason Smith
Assistant Principal, Nikki Gardner

Early Education Center (Pre-School)

882 W. Nippersink Rd., Round Lake, IL 60073 Ph: 847-270-9920
Principal, Dr. Phyllis Lubel
Assistant Principal, Janie Metzger



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Round Lake Area Schools
Community Unit School District 116**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written in a cursive style and is positioned above a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



815.344.1300 mchenry
 847.382.3366 barrington
 847.336.6455 gurnee
 www.edercasella.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
 Round Lake Area Schools Community Unit District No. 116
 Round Lake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

Round Lake Area Schools Community Unit District No. 116

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Round Lake Area Schools Community Unit District No. 116 as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 17 to the financial statements, in 2017 the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedules of Employer Contribution, Schedule of the Employer's Proportionate Share of the Net Pension Liability, Schedule of Changes in the Net OPEB Liability, Schedule of Total OPEB Liability and Related Ratio, Schedule of Contributions, and budgetary comparison information on pages 4 through 10 and 44 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of Round Lake Area Schools Community Unit District No. 116's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Round Lake Area Schools Community Unit District No. 116's internal control over financial reporting and compliance.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

The Management's Discussion and Analysis of Round Lake Area Schools Community Unit District No. 116's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- At June 30, 2017 the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$24,835,501 (net position).
- The District's total net position decreased by \$2,744,141, which includes a net position adjustment of \$2,003,595.
- At June 30, 2017 the District's governmental funds reported combined ending fund balances of \$42,123,134, a decrease of \$7,565,436 in comparison with the prior year.
- At June 30, 2017 the unassigned fund balance for the General Fund was \$23,247,108, or 17.1% of total General Fund expenditures.
- The District had revenues of \$155,664,349 in all funds. Revenues comprised \$51,483,099 (33.1%) from state sources, \$34,849,192 (22.4%) from local sources, \$61,518,968 (39.5%) from On-Behalf Payments, and \$7,813,090 (5.0%) from federal sources.
- The District's total long-term debt decreased by \$3,110,148 during the year ended June 30, 2017 due mainly to principal payments being made.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operations and maintenance, student transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units, and interest and fees.

The government-wide financial statements can be found on pages 11 and 12 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety Funds, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 13 through 17 and the required supplementary information can be found on pages 44 through 61 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary financial statement can be found on page 18 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 43 of this report.

Other Information - In addition to the basic financial statements, accompanying notes and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its students.

Supplemental financial information can be found on pages 62 through 75 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,835,501 at the close of the most recent fiscal year.

The following table presents a summary of the District's net position for the years ended June 30, 2017 and 2016:

Round Lake Area Schools Community Unit District No. 116's Net Position		
	Governmental Activities	
	2017	2016
Assets		
Current and Other Assets	\$ 69,043,467	\$ 80,047,870
Capital Assets	66,388,033	60,801,900
Total Assets	\$ 135,431,500	\$ 140,849,770
Deferred Outflows of Resources		
Deferred Pension Expense	\$ 15,051,073	\$ 6,454,826
Deferred Employer Pension Contributions	990,185	1,237,687
Total Deferred Outflows of Resources	\$ 16,041,258	\$ 7,692,513
Liabilities		
Long-Term Liabilities Outstanding	\$ 95,592,574	\$ 86,828,094
Other Liabilities	12,150,644	14,399,804
Total Liabilities	\$ 107,743,218	\$ 101,227,898
Deferred Inflows of Resources		
Property Taxes - Subsequent Year	\$ 16,791,876	\$ 16,725,636
Tuition - Subsequent Year	124,523	86,648
Deferred Pension Revenue	1,977,640	2,922,459
Total Deferred Inflows of Resources	\$ 18,894,039	\$ 19,734,743
Net Position		
Net Investment in Capital Assets	\$ 10,900,486	\$ 15,067,833
Restricted	2,949,154	3,113,172
Unrestricted	10,985,861	9,398,637
Total Net Position	\$ 24,835,501	\$ 27,579,642

The net investment in capital assets represents assets such as land, buildings, and equipment, less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (11.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,985,861) may be used to meet the District's ongoing obligation to citizens and creditors.

The District's net position decreased by \$2,744,141 (including a net position adjustment of \$2,003,595) during the current fiscal year.

Governmental Activities. Governmental activities decreased the District's net position by \$2,744,141 (including a net position adjustment of \$2,003,595). Key elements of this decrease are as follows:

Round Lake Area Schools Community Unit District No. 116's Change in Net Position

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ 934,641	\$ 849,365
Operating Grants and Contributions	76,182,958	35,497,325
General Revenues		
Property Taxes	33,293,779	33,217,992
Other Taxes	250,095	225,141
Grants and Contributions not Restricted to Specific Activities	44,632,201	42,734,645
Unrestricted Investment Earnings	235,268	143,350
Miscellaneous	135,409	216,086
Total Revenues	<u>\$ 155,664,351</u>	<u>\$ 112,883,904</u>
Expenses		
Instruction	\$ 52,302,973	\$ 51,510,476
Support Services	37,745,495	35,403,950
Community Services	362,237	310,124
Payments to Other Districts and Governmental Units	2,967,074	3,325,769
Interest and Fees on Long-Term Debt	3,480,610	1,741,231
On-Behalf Retirement Contributions	61,518,968	21,300,702
Depreciation - Unallocated	2,034,730	1,669,913
Total Expenses	<u>\$ 160,412,087</u>	<u>\$ 115,262,165</u>
Change in Net Position	\$ (4,747,736)	\$ (2,378,261)
Net Position - Beginning	27,579,642	29,957,903
Net Position Adjustment	2,003,595	-
Net Position - Ending	<u>\$ 24,835,501</u>	<u>\$ 27,579,642</u>

- The District's total revenue increased \$42,780,447 (37.9%) compared to the prior year. The most significant factor of this increase is in Operating Grants and Contributions for the increase in On-Behalf Retirement Contributions.
- Overall expenses increased \$45,149,922 (39.2%) compared to the prior year. The most significant factor of this increase is in On-Behalf Retirement Contributions.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance 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 the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, the District's seven governmental funds reported combined ending fund balances of \$42,123,134, a decrease of \$7,565,436 in comparison with the prior year. The decrease is primarily due to a decrease in the Capital Projects Fund.

The General Fund is the chief operating fund of the District. At June 30, 2017, unassigned fund balance was \$23,247,108. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 17.1% of total General

Fund expenditures. The General Fund's fund balance increased \$539,683 in comparison with the prior year. The increase is mainly due to an increase in interfund transfer.

The Operations and Maintenance Fund's fund balance decreased \$580,673 in comparison with the prior year. This decrease is primarily due to an increase in supplies and materials purchases.

The Debt Services Fund's fund balance decreased \$27,654 in comparison with the prior year. This decrease is much smaller than the decrease in the prior year primarily to a decrease in principal long-term debt payments.

The Transportation Fund's fund balance increased \$561,041 in comparison with the prior year. Although both revenues and expenses decreased, the decrease in revenue was smaller than the decrease in expenses.

The Illinois Municipal Retirement/Social Security Fund's fund balance increased \$3,380 in comparison with the prior year. This small increase is due to an increase in property tax revenue which was predominantly offset by an increase in expenditures.

The Capital Projects Fund's fund balance decreased \$8,004,979 in comparison with the prior year. This decrease is due to capital outlay expenditures which were needed to finish constructions projects while the only revenue received in this fund was investment interest.

The Fire Prevention and Safety Fund's fund balance decreased \$56,234 in comparison with the prior year. This decrease is due to an increase in expenditures offset by a slight increase in revenue.

General Fund Budgetary Highlights

The District amended the budget during the year ended June 30, 2017. Significant differences between the amended budget and actual revenues and expenditures are summarized as follows:

- The difference between budgeted revenues and actual revenues was \$33,770,280 (favorable). The most significant factors in the difference were On-Behalf Retirement Contributions to the District's retirement plan (\$34,518,968).
- The difference between budgeted expenditures and actual expenditures was \$32,777,931 (unfavorable). The most significant factor in the difference was more than budgeted expenditures from On-Behalf Retirement Contributions to the District's retirement plan (\$34,518,968).

Capital Asset and Debt Administration

Capital Assets. At June 30, 2017 the District had invested \$66,388,033 (net of depreciation) in a broad range of capital assets, including land, construction in progress, buildings and building improvements, improvements other than buildings, equipment other than food service, and food services equipment. Total depreciation expense for the year was \$2,069,180.

Major capital asset events during the current fiscal year included the following:

- Completion of construction of High School addition at a total cost of \$29,143,593 (a portion was Construction in Progress at the end of FY 2016)
- Completion of construction of Ellis School at a total cost of \$614,221 (a portion was Construction in Progress at the end of FY 2016)

Round Lake Area Schools Community Unit District No. 116's
Capital Assets (net of depreciation)

	Governmental Activities	
	2017	2016
Land	\$ 1,005,635	\$ 1,005,635
Construction in Progress	14,715	22,333,298
Buildings and Building Improvements	63,662,214	35,556,139
Improvements Other than Buildings	580,266	685,920
Equipment Other than Food Service	979,745	1,044,055
Food Services Equipment	145,458	176,853
Total	<u>\$ 66,388,033</u>	<u>\$ 60,801,900</u>

Additional information on the District's capital assets can be found in note 4 on pages 25 and 26 of this report.

Long-Term Debt. At June 30, 2017 the District had \$60,902,405 in long-term debt.

Round Lake Area Schools Community Unit District No. 116's
Outstanding Debt

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$ 60,803,068	\$ 63,865,825
Lease/Purchase Agreements	99,337	146,728
Total	<u>\$ 60,902,405</u>	<u>\$ 64,012,553</u>

Additional information on the District's long-term debt can be found in note 5 on pages 26 and 27 of this report and additional information on the District's debt limitation can be found in Note 16 on pages 42 and 43 of this report.

Factors Bearing on the District's Future

Even with the State of Illinois adopting a new school funding formula for the 2018 Fiscal Year, the financial condition of the State continues to be the most significant risk factor impacting the District. The new funding model requires a significant annual increase in funding to bring all school districts to an adequacy target of 100%. Early indications are that an estimated \$6.2 billion dollars are needed to accomplish this, which means that the State must increase the funding each year for multiple years to get to this goal. In fiscal year 2017, the District received approximately 56% of its operating funding from state sources and approximately 8.7% from federal sources. The uncertainty as to what level the State can continue to increase the new funding formula by each year and the continued reduction of federal grant allocations makes budgeting and planning a challenge.

Another factor impacting the District is the uncertainty over the future funding of the Teacher's Retirement System (TRS) pension plan and whether a portion of the funding that is currently paid for by the State will be moved to the local level. If this occurs, it will have a significant impact to future District budgets

Due to the District's poor academic status, mandated reforms were implemented beginning in the 2013-14 school year. The District's restructuring plan required significant investment in materials and staffing which has seen an increase in the cost of operations over the last several years and potentially over the next several years.

The effect of the Property Tax Extension Limitation Law will continue to limit the growth in tax extensions for the District. Slow growth in new construction and the consumer price index are expected to restrict property tax revenue growth over the next several years.

A new four (4) year collective bargaining agreement (CBA) with the Education Association of Round Lake was approved and put in place for the 2017-2018 school year allowing for better accuracy in budgeting staff costs over the next four (4) years. The salary increases used for this agreement were based on a continued growth in the State funding of 5% each year.

The District will continue to invest in computers and other technology to meet online Common Core testing requirements and the implementation of a district-wide 1:1 technology program.

Due to the increased enrollment of approximately 1,200 students over the last fifteen (15) years, many of the schools in the District are close to capacity. Additionally, with the need to implement a restructuring plan, some classrooms have been repurposed to meet the goal of improving student achievement. As a result, the District has invested in mobile classroom units at some schools to accommodate the student population in their home schools.

With the need to focus on improving student achievement over the last five (5) years, dollars have been reallocated from non-instructional areas, such as building maintenance, athletic fields and technology to meet the instructional goals of the District. As the District receives new or additional dollars from the State, the reinvestment of funds in these non-instructional areas need to be a priority to maintain the safety and security of the students, staff and community that use the facilities.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District at the following address:

Round Lake Area Schools Community Unit District No. 116
884 W. Nippersink Rd.
Round Lake, IL 60073

BASIC FINANCIAL STATEMENTS

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 8,844,350
Investments, at Fair Value	36,915,851
Property Taxes Receivable, net of allowance of \$0	16,609,584
Due from Other Governments, net of allowance of \$0	5,463,802
Other Accounts Receivable, net of allowance of \$0	301,799
Prepaid Expenses	908,081
Capital Assets (Note 4):	
Land	1,005,635
Construction in Progress	14,715
Depreciable Buildings, Property, and Equipment, net of depreciation	65,367,683
Total Assets	\$ 135,431,500
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Expense	\$ 15,051,073
Deferred Employer Pension Contribution	990,185
Total Deferred Outflows of Resources	\$ 16,041,258
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 3,746,123
Payroll Liabilities	8,404,521
Long-Term Liabilities	
Due Within One Year	3,452,300
Due in More Than One Year	92,140,274
Total Liabilities	\$ 107,743,218
DEFERRED INFLOWS OF RESOURCES	
Property Taxes - Subsequent Year	\$ 16,791,876
Tuition - Subsequent Year	124,523
Deferred Pension Revenue	1,977,640
Total Deferred Inflows of Resources	\$ 18,894,039
NET POSITION	
Net Investment in Capital Assets	\$ 10,900,486
Restricted for:	
Tort	83,157
Drivers Education	30,175
Transportation	2,701,895
Retirement	21,372
Fire Prevention/Life Safety	112,555
Unrestricted/(Deficit)	10,985,861
Total Net Position	\$ 24,835,501

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction				
Regular Programs	\$ 30,996,739	\$ 255,848	\$ 2,749,163	\$ (27,991,728)
Special Education Programs	10,388,245	-	3,457,221	(6,931,024)
Other Instructional Programs	10,917,989	496,976	843,775	(9,577,238)
Support Services				
Pupils	7,871,869	-	909,650	(6,962,219)
Instructional Staff	2,251,156	-	-	(2,251,156)
General Administration	3,182,112	-	-	(3,182,112)
School Administration	5,833,235	-	-	(5,833,235)
Business	973,899	-	-	(973,899)
Facilities Acquisition and Construction	840,815	-	-	(840,815)
Operations and Maintenance	6,683,396	26,731	-	(6,656,665)
Transportation	4,632,918	66,247	2,546,628	(2,020,043)
Food Services	2,509,981	88,839	3,459,828	1,038,686
Central	2,960,075	-	-	(2,960,075)
Other Support Services	2,984	-	-	(2,984)
Community Services	362,237	-	-	(362,237)
Payments to Other Districts and Governmental Units	2,967,074	-	697,725	(2,269,349)
Interest and Fees on Long-Term Debt	3,480,610	-	-	(3,480,610)
On-Behalf Retirement Contributions	61,518,968	-	61,518,968	-
Depreciation - Unallocated	2,037,785	-	-	(2,037,785)
Total Governmental Activities	<u>\$ 160,412,087</u>	<u>\$ 934,641</u>	<u>\$ 76,182,958</u>	<u>\$ (83,294,488)</u>
General Revenues				
Taxes				
Property Taxes, Levied for General Purposes				\$ 27,575,195
Property Taxes, Levied for Debt Service				5,718,584
Personal Property Replacement Taxes				250,095
Grants and Contributions not Restricted to Specific Activities				44,632,201
Unrestricted Investment Earnings				235,268
Miscellaneous Income				135,409
Total General Revenues				<u>\$ 78,546,752</u>
Change in Net Position				\$ (4,747,736)
Net Position - July 1, 2016				27,579,642
Net Position Adjustment (Note 17)				<u>2,003,595</u>
Net Position - June 30, 2017				<u>\$ 24,835,501</u>

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 4,180,833	\$ 2,914,955	\$ 434,301	\$ -	\$ -	\$ 1,192,271	\$ 121,990	\$ 8,844,350
Investments, at Fair Value	24,317,279	471,108	4,861,934	5,942,137	1,323,393	-	-	36,915,851
Property Taxes Receivable, net of allowance of \$0	8,222,669	1,208,790	2,819,803	3,108,263	1,109,187	-	140,872	16,609,584
Due from Other Governments, net of allowance of \$0	4,199,313	740	-	1,263,749	-	-	-	5,463,802
Other Accounts Receivable, net of allowance of \$0	301,799	-	-	-	-	-	-	301,799
Prepaid Expenses	854,765	-	16,678	36,638	-	-	-	908,081
Total Assets	\$ 42,076,658	\$ 4,595,593	\$ 8,132,716	\$ 10,350,787	\$ 2,432,580	\$ 1,192,271	\$ 262,862	\$ 69,043,467
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 1,248,159	\$ 249,682	\$ -	\$ 25,072	\$ -	\$ 74,498	\$ 2,002	\$ 1,599,413
Payroll Liabilities	8,174,680	3,985	-	10,659	215,197	-	-	8,404,521
Total Liabilities	\$ 9,422,839	\$ 253,667	\$ -	\$ 35,731	\$ 215,197	\$ 74,498	\$ 2,002	\$ 10,003,934
DEFERRED INFLOWS OF RESOURCES								
Property Taxes - Subsequent Year	\$ 8,314,091	\$ 1,222,229	\$ 2,851,687	\$ 3,140,189	\$ 1,121,219	\$ -	\$ 142,461	\$ 16,791,876
Tuition - Subsequent Year	124,523	-	-	-	-	-	-	124,523
Total Deferred Inflows of Resources	\$ 8,438,614	\$ 1,222,229	\$ 2,851,687	\$ 3,140,189	\$ 1,121,219	\$ -	\$ 142,461	\$ 16,916,399
FUND BALANCE								
Nonspendable								
Prepaid Expenses	\$ 854,765	\$ -	\$ 16,678	\$ 36,638	\$ -	\$ -	\$ -	\$ 908,081
Restricted								
Drivers Education	30,175	-	-	-	-	-	-	30,175
Debt Services	-	-	5,074,783	-	-	-	-	5,074,783
Transportation	-	-	-	2,706,656	-	-	-	2,706,656
Illinois Municipal Retirement Fund/Social Security	-	-	-	-	21,372	-	-	21,372
Fire Prevention and Safety	-	-	-	-	-	-	112,555	112,555
Tort Liability	83,157	-	-	-	-	-	-	83,157
Committed								
Capital Projects	-	-	-	-	-	1,117,773	-	1,117,773
Assigned								
Operations and Maintenance	-	3,119,697	-	-	-	-	-	3,119,697
Debt Services	-	-	189,568	-	-	-	-	189,568
Transportation	-	-	-	4,431,573	-	-	-	4,431,573
Illinois Municipal Retirement Fund/Social Security	-	-	-	-	1,074,792	-	-	1,074,792
Fire Prevention and Safety	-	-	-	-	-	-	5,844	5,844
Unassigned	23,247,108	-	-	-	-	-	-	23,247,108
Total Fund Balance	\$ 24,215,205	\$ 3,119,697	\$ 5,281,029	\$ 7,174,867	\$ 1,096,164	\$ 1,117,773	\$ 118,399	\$ 42,123,134
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 42,076,658	\$ 4,595,593	\$ 8,132,716	\$ 10,350,787	\$ 2,432,580	\$ 1,192,271	\$ 262,862	\$ 69,043,467

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2017

Total Fund Balances - Governmental Funds		\$ 42,123,134
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Deferred Pension Costs	\$ 13,073,433	
Deferred Employer Contributions to Pension	<u>990,185</u>	14,063,618
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets	\$ 107,333,124	
Accumulated Depreciation on Capital Assets	<u>(40,945,091)</u>	66,388,033
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds and Notes Payable	\$ (60,803,068)	
Accrued Interest on Long-Term Debt	(2,146,710)	
Capital Leases Payable	(99,337)	
Premium on Bonds	(2,780,734)	
Discount on Bonds	378,008	
Net OPEB Obligation	(6,190,883)	
Net Pension (Liability)/Asset	(25,506,960)	
Compensated Absences Payable	(222,976)	
Retirement Bonus	<u>(366,624)</u>	<u>(97,739,284)</u>
Net Position of Governmental Activities		<u>\$ 24,835,501</u>

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
REVENUES								
Property Taxes	\$ 16,266,534	\$ 2,378,526	\$ 5,718,584	\$ 6,426,009	\$ 2,222,023	\$ -	\$ 282,103	\$ 33,293,779
Payments in Lieu of Taxes	-	-	-	-	250,095	-	-	250,095
Tuition	417,675	-	-	-	-	-	-	417,675
Transportation Fees	-	-	-	66,247	-	-	-	66,247
Earnings on Investments	138,213	9,529	19,154	44,700	4,711	18,559	402	235,268
Food Service	88,839	-	-	-	-	-	-	88,839
District/School Activity Income	167,674	-	-	-	-	-	-	167,674
Other Local Sources	292,991	32,066	-	4,558	-	-	-	329,615
State Aid	46,036,261	2,874,966	-	2,546,628	25,244	-	-	51,483,099
Federal Aid	7,525,803	-	-	-	287,287	-	-	7,813,090
On-Behalf Payments	61,518,968	-	-	-	-	-	-	61,518,968
	<u>\$ 132,452,958</u>	<u>\$ 5,295,087</u>	<u>\$ 5,737,738</u>	<u>\$ 9,088,142</u>	<u>\$ 2,789,360</u>	<u>\$ 18,559</u>	<u>\$ 282,505</u>	<u>\$ 155,664,349</u>
EXPENDITURES								
Current								
Instruction								
Regular Programs	\$ 28,800,316	\$ -	\$ -	\$ -	\$ 419,306	\$ -	\$ -	\$ 29,219,622
Special Education Programs	9,149,518	-	-	-	423,581	-	-	9,573,099
Other Instructional Programs	10,129,682	-	-	-	201,608	-	-	10,331,290
Support Services								
Pupils	7,087,271	-	-	-	301,043	-	-	7,388,314
Instructional Staff	1,953,971	-	-	-	72,314	-	-	2,026,285
General Administration	2,962,307	-	-	-	38,923	-	-	3,001,230
School Administration	5,032,635	-	-	-	256,011	-	-	5,288,646
Business	852,880	-	-	-	54,453	-	-	907,333
Facilities Acquisition and Construction	-	-	-	-	6	840,807	-	840,813
Operations and Maintenance	11,918	5,750,213	-	-	428,754	-	318,239	6,509,124
Transportation	8,382	-	-	4,170,143	300,417	-	-	4,478,942
Food Services	2,496,064	-	-	-	-	-	-	2,496,064
Central	2,529,498	-	-	-	234,012	-	-	2,763,510
Other Support Services	2,909	-	-	-	41	-	-	2,950
Community Services	301,188	-	-	-	28,426	-	-	329,614
Payments to Other Districts and Governmental Units	2,939,989	-	-	-	27,085	-	-	2,967,074
Debt Service								
Principal	-	-	1,557,203	-	-	-	-	1,557,203
Interest and Fees	-	-	4,374,390	-	-	-	-	4,374,390
Capital Outlay	76,536	125,547	-	-	-	7,432,731	20,500	7,655,314
On-Behalf Payments	61,518,968	-	-	-	-	-	-	61,518,968
	<u>\$ 135,854,032</u>	<u>\$ 5,875,760</u>	<u>\$ 5,931,593</u>	<u>\$ 4,170,143</u>	<u>\$ 2,785,980</u>	<u>\$ 8,273,538</u>	<u>\$ 338,739</u>	<u>\$ 163,229,785</u>

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund	Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,401,074)	\$ (580,673)	\$ (193,855)	\$ 4,917,999	\$ 3,380	\$ (8,254,979)	\$ (56,234)	\$ (7,565,436)
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	3,940,757	-	166,201	(4,356,958)	-	250,000	-	-
NET CHANGE IN FUND BALANCES	\$ 539,683	\$ (580,673)	\$ (27,654)	\$ 561,041	\$ 3,380	\$ (8,004,979)	\$ (56,234)	\$ (7,565,436)
FUND BALANCES - JULY 1, 2016	23,675,522	3,700,370	5,308,683	6,613,826	1,092,784	9,122,752	174,633	49,688,570
FUND BALANCES - JUNE 30, 2017	<u>\$ 24,215,205</u>	<u>\$ 3,119,697</u>	<u>\$ 5,281,029</u>	<u>\$ 7,174,867</u>	<u>\$ 1,096,164</u>	<u>\$ 1,117,773</u>	<u>\$ 118,399</u>	<u>\$ 42,123,134</u>

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (7,565,436)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (2,069,180)	
Capital Outlays	<u>7,655,313</u>	5,586,133

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of Bond Premiums	\$ 256,753	
Amortization of Bond Discounts	(31,378)	
Accrued Interest	884,538	
Accreted Interest	(216,128)	
Compensated Absences and Retirement Bonuses	(184,733)	
OPEB Expense	(939,754)	
Pension Expense	<u>(6,254,071)</u>	(6,484,773)

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

Pension Contributions	\$ 1,931,663	
OPEB Contributions	<u>227,474</u>	2,159,137

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>1,557,203</u>
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Change in Net Position of Governmental Activities \$ (4,747,736)

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2017

	Agency Fund - Student Activity Fund <hr style="border: 0.5px solid black;"/>
ASSETS	
Cash and Cash Equivalents	\$ 57,191 <hr style="border: 0.5px solid black;"/>
Total Assets	\$ 57,191 <hr style="border: 1px solid black;"/>
LIABILITIES	
Due to Activity Fund Organizations	\$ 57,191 <hr style="border: 0.5px solid black;"/>
Total Liabilities	\$ 57,191 <hr style="border: 1px solid black;"/>

The Notes to Basic Financial Statements are an integral part of this statement.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Round Lake Area Schools Community Unit District No. 116's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statements in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs, payments to other districts and governmental units, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (unrestricted investment earnings).

The District allocated indirect cost to National School Lunch and No Child Left Behind Act of 2001 (NCLB). The allocation of indirect cost is based on Illinois State Board of Education's indirect cost rates. The restricted rate is 1.69% and the unrestricted rate is 9.92%.

NOTES TO FINANCIAL STATEMENTS (Continued)

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

The following fund types are used by the District:

1. Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational, Working Cash, and Tort are included in this fund.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Operations and Maintenance Fund – accounts for expenditures made for repairs and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and general state aid.

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

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

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities and fire prevention and safety projects.

Capital Projects Fund – accounts for construction projects and renovations financed through bond proceeds or transfers from other funds.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is on net position.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (Student Activity Fund) accounts for assets held by the District as an agent for student school-based organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student school-based organizations are equal to the assets.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all of the District's funds. Instead, the funds maintain their cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

NOTES TO FINANCIAL STATEMENTS (Continued)

No District fund had a cash overdraft at June 30, 2017.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and Building Improvements	5 - 40 years
Improvements Other than Buildings	15 - 30 years
Equipment Other than Food Service	5 - 15 years
Food Services Equipment	15 years

K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred

NOTES TO FINANCIAL STATEMENTS (Continued)

outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

L. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts up to specified maximums depending on tenure with the District. Unused vacation time can accumulate and a set number of vacation days can be carried over to subsequent years depending upon which classification the employee is employed in.

M. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis, rather than expensed in the current year. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year they occur.

In the fund financial statements, governmental funds 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.

N. *Government-Wide Net Position*

Government-wide net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted Net Position – all other net positions are reported in this category.

O. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by way of resolution. Committed

NOTES TO FINANCIAL STATEMENTS (Continued)

fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

- Assigned – Assigned fund balances are amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The District has delegated this authority to the Chief Financial Officer.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself. All remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue, debt services, and capital projects funds.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned. The Chief Financial Officer has the authority to deviate from this policy if it is in the best interest of the District.

P. *Property Tax Calendar and Revenues*

The District’s property tax is levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 levy was passed by the Board on December 5, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are levied and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District’s name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

The following table categorizes the investments according to levels of risk:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 28,842,580	\$ 28,842,580	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS (Continued)

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2017, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

Investments by fair value level	6/30/2017	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificates of Deposit	\$ 15,115,851	\$ -	\$ 15,115,851
Total Investments by fair value level	\$ 15,115,851	\$ -	\$ 15,115,851

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 1,005,635	\$ -	\$ -	\$ 1,005,635
Construction in Progress	22,333,298	14,715	22,333,298	14,715
Total Capital Assets not being depreciated	\$ 23,338,933	\$ 14,715	\$ 22,333,298	\$ 1,020,350
Other Capital Assets				
Buildings and Building Improvements	\$ 66,676,082	\$ 29,839,214	\$ -	\$ 96,515,296
Improvements Other than Buildings	3,118,975	-	-	3,118,975
Equipment Other than Food Service	5,708,968	134,682	-	5,843,650
Food Services Equipment	834,853	-	-	834,853
Total Other Capital Assets at Historical Cost	\$ 76,338,878	\$ 29,973,896	\$ -	\$ 106,312,774
Less Accumulated Depreciation				
Buildings and Building Improvements	\$ 31,119,943	\$ 1,733,139	\$ -	\$ 32,853,082
Improvements Other than Buildings	2,433,055	105,654	-	2,538,709
Equipment Other than Food Service	4,664,913	198,992	-	4,863,905
Food Services Equipment	658,000	31,395	-	689,395
Total Accumulated Depreciation	\$ 38,875,911	\$ 2,069,180	\$ -	\$ 40,945,091
Other Capital Assets, Net	\$ 37,462,967	\$ 27,904,716	\$ -	\$ 65,367,683
Governmental Activities Capital Assets, Net	\$ 60,801,900	\$ 27,919,431	\$ 22,333,298	\$ 66,388,033

NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

Food Services	\$ 31,395
Unallocated	<u>2,037,785</u>
Total Governmental Activities Depreciation Expense	<u>\$ 2,069,180</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
General Obligation Bonds	\$ 63,865,825	\$ -	\$ 3,062,757	\$ 60,803,068	\$ 3,178,034
Lease/Purchase Agreements	146,728	-	47,391	99,337	48,893
Unamortized Bond Premium	3,037,487	-	256,753	2,780,734	256,752
Unamortized Bond Discount	(409,386)	-	(31,378)	(378,008)	(31,379)
Total Long-Term Debt	<u>\$ 66,640,654</u>	<u>\$ -</u>	<u>\$ 3,335,523</u>	<u>\$ 63,305,131</u>	<u>\$ 3,452,300</u>
Other Long-Term Obligations					
Compensated Absences	\$ 210,104	\$ 222,976	\$ 210,104	\$ 222,976	\$ -
Retirement Bonuses	194,763	366,624	194,763	366,624	-
Net OPEB Obligation	5,478,603	712,280	-	6,190,883	-
Net Pension Liability - IMRF	2,440,661	170,616	-	2,611,277	-
Net Pension Liability - TRS	9,450,328	13,445,355	-	22,895,683	-
Total Other Long-Term Obligations	<u>\$ 17,774,459</u>	<u>\$ 14,917,851</u>	<u>\$ 404,867</u>	<u>\$ 32,287,443</u>	<u>\$ -</u>
Governmental Activities Long-Term Liabilities	<u>\$ 84,415,113</u>	<u>\$ 14,917,851</u>	<u>\$ 3,740,390</u>	<u>\$ 95,592,574</u>	<u>\$ 3,452,300</u>

The General Obligation bonds include interest accretion on capital appreciation bonds as follows:

<u>\$ 7,833,116</u>	<u>\$ -</u>	<u>\$ 1,552,945</u>	<u>\$ 6,280,171</u>
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The liability for compensated absences is 77% liquidated by the General Fund, 21% liquidated by the Operations and Maintenance Fund, and 2% liquidated by the Transportation Fund.

Bonds and notes payable consisted of the following at June 30, 2017:

	Date of Issuance	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Revenue Bonds 2001A	4/10/2001	1/1/2020	8.65%	\$ 9,196,438	\$ 8,533,374
GO Limited Refunding Bonds 2013A	4/26/2013	1/1/2021	2.00% - 2.15%	2,525,000	1,075,000
GO Refunding Bonds 2013B	4/26/2013	1/1/2020	2.00%	675,000	490,000
GO Refunding Bonds 2014	12/22/2014	1/15/2023	3.00%	9,095,000	9,095,000
GO School Bonds 2015A	2/4/2015	1/15/2030	2.00% - 5.00%	36,415,000	36,415,000
GO Limited Tax School Bonds 2015B	2/4/2015	1/15/2026	2.63% - 4.00%	2,475,000	2,475,000
GO Limited Tax School Bonds 2016A	5/10/2016	12/15/2030	0.00%	900,000	900,000
GO Limited Tax School Bonds 2016B	5/10/2016	12/15/2030	0.00%	1,129,000	1,129,000
SEDOL Bonds 2015B (See Below)	4/21/2015	8/3/2023	3.00% - 5.00%	859,140	690,694
American Capital	11/6/2014	8/1/2018	3.17%	245,699	99,337
Total				<u>\$ 63,515,277</u>	<u>\$ 60,902,405</u>

At June 30, 2017 the annual debt service requirements to service long-term debt are:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending June 30	Principal	Interest	Total
2018	\$ 3,226,927	\$ 2,584,879	\$ 5,811,806
2019	3,478,801	2,342,505	5,821,306
2020	3,804,281	2,079,183	5,883,464
2021	4,273,275	1,782,289	6,055,564
2022	4,567,286	1,662,423	6,229,709
2023	4,841,461	1,527,617	6,369,078
2024	5,256,374	1,350,953	6,607,327
2025	5,580,000	1,100,775	6,680,775
2026	5,800,000	831,450	6,631,450
2027	6,060,000	549,750	6,609,750
2028	6,075,000	380,100	6,455,100
2029	5,565,000	210,000	5,775,000
2030	1,965,000	48,750	2,013,750
2031	409,000	-	409,000
	<u>\$ 60,902,405</u>	<u>\$ 16,450,674</u>	<u>\$ 77,353,079</u>
Plus: Unamortized Premium	2,780,734	-	2,780,734
Less: Unamortized Discount	(378,008)	-	(378,008)
	<u>\$ 63,305,131</u>	<u>\$ 16,450,674</u>	<u>\$ 79,755,805</u>

As described in Note 12, the District is a member of the Special Education District of Lake County (SEDOL). On April 21, 2015, SEDOL issued its Special Education Refunding Bonds, Series 2015B, in the principal amount of \$4,845,000, which replaced the bonds originally issued on October 1, 2008, in the amount of \$10,700,000 in Special Education Bonds. The bond proceeds were used to construct a facility for severe/profound students and to provide housing for behavior disorder students. Each SEDOL member district is liable for a portion of the debt payments for both issues through the maturity of the bonds regardless of their continued membership in the joint agreement.

On April 26, 2013, the District issued \$2,525,000 in General Obligation Limited Refunding School Bonds, Series 2013A, and \$675,000 in General Obligation School Refunding Bonds, Series 2013B to refund \$875,000 of an outstanding 1999 issue, \$400,000 of an outstanding 2001B issue, \$660,000 of an outstanding 2000 issue, and \$1,205,000 of an outstanding 2005 issue. The net proceeds of \$3,206,592 were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As a result, the 1999, 2001B, 2000, and 2005 bond issues are considered to be defeased and the liability for the amount refunded on these bond issues has been removed from the District's liabilities. At June 30, 2017, a total of \$1,409,000 of defeased debt is still outstanding.

On December 22, 2014, the District issued \$9,095,000 in General Obligation Refunding School Bonds, Series 2014 and on February 4, 2015 the District issued \$36,415,000 in General Obligation School Bonds, Series 2015A. The Series 2014 bonds and a portion of the Series 2015A bonds (\$1,963,289) were used to refund an outstanding 2001A issue and \$12,565,000 of an outstanding 2006 issue. The net proceeds of \$20,884,088 were used to purchase U.S. government securities. These securities were deposited in an Irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As a result, the 2001A and 2006 bond issues are considered to be defeased and the liability for the amount refunded on these bond issues has been removed from the District's liabilities. At June 30, 2017, a total of \$12,552,973 of defeased debt is still outstanding. The refunding of the 2001A and 2006 Series Bonds generated a gain of \$2,551,738.

NOTE 6 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2016 tax levy. The unavailable revenue is 50% of the 2016 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2016 tax levy (\$16,793,975) and 50% of the 2015 tax

NOTES TO FINANCIAL STATEMENTS (Continued)

levy, plus back taxes, less uncollectible amounts (\$16,499,804) are allocable for use in fiscal year 2017. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of assessed valuations, rates, and extensions for tax years 2016, 2015, and 2014 is as follows:

Assessed Valuation	2016 \$349,947,970		2015 \$320,607,359		2014 \$335,376,991	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	3.7102	\$ 12,983,658	3.9353	\$ 12,616,788	3.6928	\$ 12,384,838
Special Education	0.7333	2,566,109	0.7542	2,418,146	0.6922	2,321,426
Tort Immunity	0.2398	839,315	0.2601	833,977	0.3356	1,125,609
Operations and Maintenance	0.6850	2,397,144	0.7197	2,307,421	0.6609	2,216,453
Debt Service	1.6294	5,702,213	1.8126	5,811,393	1.8059	6,056,690
Transportation	1.7961	6,285,538	2.0754	6,654,001	2.0068	6,730,255
Illinois Municipal Retirement	0.2009	703,094	0.2179	698,619	0.1565	524,952
Social Security	0.4327	1,514,305	0.4693	1,504,674	0.4454	1,493,873
Working Cash	0.0167	58,347	0.0181	57,975	0.0172	57,557
Fire Prevention and Safety	0.0814	284,872	0.0883	283,058	0.0838	281,026
SEDOL Municipal Retirement	0.0073	25,602	0.0084	27,088	0.0075	25,194
Lease Educational Facility	0.0651	227,753	0.0706	226,304	0.0670	224,679
	<u>9.5979</u>	<u>\$ 33,587,950</u>	<u>10.4300</u>	<u>\$ 33,439,445</u>	<u>9.9716</u>	<u>\$ 33,442,552</u>

NOTE 7 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2017, the following funds had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 103,076,101	\$ 135,854,032	\$ 32,777,931
Operations and Maintenance Fund	5,246,776	5,875,760	628,984
Illinois Municipal Retirement/Social Security Fund	2,664,870	2,785,980	121,110

NOTE 8 - OPERATING LEASES, AS LESSEE

The District leases postage meters, buses, and the use of a school building under operating leases.

Annual requirements to cover outstanding lease agreements at June 30, 2017 are:

Year Ending June 30	Amount
2018	\$ 986,533
2019	1,244,487
2020	1,089,122
2021	1,092,986
2022	590,156
2023	205,040
2024	209,141
	<u>\$ 5,417,465</u>

Rental expense under these leases for the year ended June 30, 2017 was \$1,029,892.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the

NOTES TO FINANCIAL STATEMENTS (Continued)

benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

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

Essentially all Tier I retirees receive an annual 3% 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 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$61,029,693 in pension contributions from the State of Illinois.

NOTES TO FINANCIAL STATEMENTS (Continued)

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017 were \$253,375 and are deferred because they were paid after the June 30, 2016 measurement date.

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

For the year ended June 30, 2017, the District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$483,190 were paid from federal and special trust funds that required District contributions of \$186,221. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$11,897 to TRS for employer contributions due on salary increases in excess of 6% and \$3,364 for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 22,895,683
State's proportionate share of the net pension liability associated with the District	621,445,063
Total Net Pension Liability	<u>\$ 644,340,746</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.0290053585%, which was an increase of 0.0145795934% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$61,029,693 and revenue of \$61,029,693 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 169,293	\$ (15,528)	\$ 153,765
Net difference between projected and actual earnings on pension plan investments	646,844	-	646,844
Changes of assumptions	1,966,398	-	1,966,398
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,086,481	(1,924,392)	7,162,089
Employer contributions subsequent to the measurement date	439,596	-	439,596
	<u>\$ 12,308,612</u>	<u>\$ (1,939,920)</u>	<u>\$ 10,368,692</u>

\$439,596 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. 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		
2018	\$	2,415,973
2019		2,415,973
2020		2,116,089
2021		2,498,753
Thereafter		482,308
	<u>\$</u>	<u>9,929,096</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equities large cap	14.40%	6.94%
US equities small/mid cap	3.60%	8.09%
International equities developed	14.40%	7.46%
Emerging market equities	3.60%	10.15%
US bonds core	10.70%	2.44%
International debt developed	5.30%	1.70%
Real estate	15.00%	5.44%
Commodities (real return)	11.00%	4.28%
Hedge funds (absolute return)	8.00%	4.16%
Private Equity	14.00%	10.63%
Total	100.00%	

Discount Rate

At June 30, 2016, the discount rate used to measure total pension liability was a blended rate of 6.83%, which was a change from the June 30, 2015 rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Employer's proportionate share of the net pension liability	\$ 28,002,350	\$ 22,895,683	\$ 18,724,891

TRS Fiduciary Net Position

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

B. *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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 of this document. 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 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 ten 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 ten 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

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	193
Inactive plan members entitled to but not yet receiving benefits	270
Active plan members	316
Total	<u><u>779</u></u>

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 employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 8.22%. For the fiscal year ended June 30, 2017, the District contributed

NOTES TO FINANCIAL STATEMENTS (Continued)

\$1,006,968 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	38,322,532
IMRF Fiduciary Net Position		35,711,255
District's Net Pension Liability/(Asset)		2,611,277
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		93.19%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Projected Return
Equities	38.00%	6.85%
International Equities	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternatives	9.00%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.00%	2.25%
	100.00%	

Single Discount Rate

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 this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
	\$ 35,564,639	\$ 33,123,978	\$ 2,440,661
Balances at December 31, 2015			
Changes for the year:			
Service Cost	\$ 1,365,949	\$ -	\$ 1,365,949
Interest on the Total Pension Liability	2,659,396	-	2,659,396
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	265,464	-	265,464
Changes of Assumptions	(49,602)	-	(49,602)
Contributions - Employer	-	1,048,652	(1,048,652)
Contributions - Employee	-	601,100	(601,100)
Net Investment Income	-	2,266,468	(2,266,468)
Benefit Payments, including Refunds of Employee Contributions	(1,483,314)	(1,483,314)	-
Other (Net Transfer)	-	154,371	(154,371)
Net Changes	\$ 2,757,893	\$ 2,587,277	\$ 170,616
Balances at December 31, 2016	\$ 38,322,532	\$ 35,711,255	\$ 2,611,277

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

NOTES TO FINANCIAL STATEMENTS (Continued)

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability/(Asset)	\$ 7,982,253	\$ 2,611,277	\$ (1,777,442)

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

For the year ended June 30, 2017, the District recognized pension expense of \$2,218,169. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 1,005,501	\$ -	\$ 1,005,501
Changes of assumptions	415,946	(37,720)	378,226
Net difference between projected and actual earnings on pension plan investments	1,760,611	-	1,760,611
Total deferred amounts to be recognized in pension expense in future periods	\$ 3,182,058	\$ (37,720)	\$ 3,144,338
Pension contributions made subsequent to the measurement date	550,589	-	550,589
Total deferred amounts related to pensions	<u>\$ 3,732,647</u>	<u>\$ (37,720)</u>	<u>\$ 3,694,927</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 1,444,624
2018	1,029,724
2019	614,999
2020	54,991
2021	-
Thereafter	-
	<u>\$ 3,144,338</u>

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 10 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The 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 the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$489,275, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$366,956 to the THIS Fund, which was 100% of the required contribution.

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

B. *Retiree Insurance Plan - Other Post-Employment Benefits ("OPEB")*

At June 30, 2017, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

Deferred outflows of resources:

Net difference between projected and actual earnings on pension plan investments	\$ -
Total deferred outflows of resources	\$ -

Net OPEB liabilities:

Total net OPEB liabilities	\$ 6,190,883
----------------------------	--------------

Deferred inflows of resources:

Change in assumption	\$ -
Difference between expected and actual experience	-
Total deferred inflows of resources	\$ -

Plan Overview

In addition to the retirement plans described in Note 9, the District provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Full-Time Employees - Teachers

Pre-65 Coverage:

- The District will pay 100% of the premium to participate in the health insurance program.
- The Board may limit participation in the Plan to a maximum of five teachers per fiscal year, based on seniority.
- Coverage continues until Medicare eligibility is reached.

Post-65 Coverage:

- There is post-65 retiree coverage through the quarter the employee turns 65. Coverage then ends.

NOTES TO FINANCIAL STATEMENTS (Continued)

Full-Time Employees - Support Staff

Pre-65 Coverage:

- The District will pay 100% of the employee single coverage premium for the HMO plan until the earlier of death or age 65.
- Should the employee elect an alternative plan, the employee pays the difference in premium.
- Coverage continues until Medicare eligibility is reached.
- Participation is limited to no more than four support staff employees per fiscal year.

Post-65 Coverage:

- There is no post-65 retiree coverage.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the District are eligible for retiree health benefits if they were full-time and 1) teacher (age 55 with at least 20 years of covered service) or 2) support staff (age 60 with at least 20 years of covered service). Full-time administrators are not eligible for retiree medical coverage.

Membership in the plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

Active employees fully eligible	27
Active employees not yet eligible	848
Retired plan members	<u>29</u>
Total	<u><u>904</u></u>

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

Net/Total OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.58%																																																
Aggregate payroll increases	3.00%																																																
Expected long-term investment rate of return	N/A																																																
Election at retirement rate	Support staff (100%), Teachers (100%)																																																
Plan participation rate	Support Staff - PPO \$250 District (100%) Teachers - TCHP W Plan (75%), TCHP WO Plan (10%), TCHP MC Plan 15%)																																																
Retiree lapse rate	No Post-65 Coverage Offered																																																
Spousal coverage	0.00%																																																
Claims (PPO \$250 District)	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th colspan="2" style="text-align: center;">Retiree</th> </tr> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Male</th> <th style="text-align: left;">Female</th> <th></th> </tr> </thead> <tbody> <tr> <td>50</td> <td style="text-align: right;">\$ 8,789</td> <td style="text-align: right;">\$ 10,516</td> <td></td> </tr> <tr> <td>55</td> <td style="text-align: right;">11,157</td> <td style="text-align: right;">11,990</td> <td></td> </tr> <tr> <td>60</td> <td style="text-align: right;">13,962</td> <td style="text-align: right;">14,428</td> <td></td> </tr> <tr> <td>64</td> <td style="text-align: right;">16,522</td> <td style="text-align: right;">17,263</td> <td></td> </tr> <tr> <td>65</td> <td style="text-align: right;">6,210</td> <td style="text-align: right;">6,489</td> <td></td> </tr> <tr> <td>70</td> <td style="text-align: right;">7,423</td> <td style="text-align: right;">7,756</td> <td></td> </tr> <tr> <td>75</td> <td style="text-align: right;">8,060</td> <td style="text-align: right;">8,422</td> <td></td> </tr> <tr> <td>80</td> <td style="text-align: right;">8,640</td> <td style="text-align: right;">9,028</td> <td></td> </tr> <tr> <td>85</td> <td style="text-align: right;">9,036</td> <td style="text-align: right;">9,442</td> <td></td> </tr> <tr> <td>89+</td> <td style="text-align: right;">9,218</td> <td style="text-align: right;">9,632</td> <td></td> </tr> </tbody> </table>			Retiree		Age	Male	Female		50	\$ 8,789	\$ 10,516		55	11,157	11,990		60	13,962	14,428		64	16,522	17,263		65	6,210	6,489		70	7,423	7,756		75	8,060	8,422		80	8,640	9,028		85	9,036	9,442		89+	9,218	9,632	
		Retiree																																															
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85	9,036	9,442																																															
89+	9,218	9,632																																															
Healthcare trend rate	5.00%																																																
Retiree contribution trend rates	5.00%																																																

NOTES TO FINANCIAL STATEMENTS (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2017.

There is no long-term expected rate of return on OPEB plan investments because the District does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. The discount rate is based on The Bond Buyer 20-Bond GO Index. The District does not have a trust dedicated exclusively to the payment of OPEB benefits therefore only the municipal bond rate is used in determining the total OPEB liability.

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2016	\$ 5,478,603	\$ -	\$ 5,478,603
Changes for the year:			
Service Cost	\$ 739,548	\$ -	\$ 739,548
Interest	200,206	-	200,206
Actuarial Experience	-	-	-
Assumptions Changes	-	-	-
Plan Changes	-	-	-
Contributions - Employer	-	227,474	(227,474)
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(227,474)	(227,474)	-
Administrative Expense	-	-	-
Net Changes	<u>\$ 712,280</u>	<u>\$ -</u>	<u>\$ 712,280</u>
Balances at June 30, 2017	<u>\$ 6,190,883</u>	<u>\$ -</u>	<u>\$ 6,190,883</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (2.58%)	Current Discount Rate (3.58%)	Discount Rate + 1% (4.58%)
\$ 7,050,528	\$ 6,190,883	\$ 5,742,402

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (4.00%)	Healthcare Cost Trend Rates (5.00%)	Discount Rate + 1% (6.00%)
\$ 5,285,136	\$ 6,190,883	\$ 7,312,807

NOTES TO FINANCIAL STATEMENTS (Continued)

Assets	\$ 64,479,032
Deferred Outflows of Resources	6,627,620
	<u>\$ 71,106,652</u>
Liabilities	\$ 25,632,826
Deferred Inflows of Resources	2,612,534
Net Position	42,861,292
	<u>\$ 71,106,652</u>
Revenues Received	\$ 72,241,356
Expenditures Disbursed	75,160,997
Net Increase/(Decrease) in Net Position	<u>\$ (2,919,641)</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

B. *Lake County Area Vocational System (LCAVS)*

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of LCAVS at June 30, 2016 (most recent information available) is as follows:

Assets	\$ 29,971,969
Liabilities	\$ 161,225
Fund Equity	29,810,744
	<u>\$ 29,971,969</u>
Revenues Received	\$ 9,466,383
Expenditures Disbursed	10,606,809
Net Increase/(Decrease) in Fund Balance	<u>\$ (1,140,426)</u>

Complete financial statements for LCAVS can be obtained from the Administrative Offices at 19525 W. Washington Street, Grayslake, Illinois 60030.

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2017, there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

NOTES TO FINANCIAL STATEMENTS (Continued)

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2017, there were no significant adjustments in premiums based on actual experience.

NOTE 14 - CONTINGENCIES

A former District employee has filed a suit against the District and certain District personnel alleging that violations of the federal *Fair Labor Standards Act* (FLSA) and the Illinois *Minimum Wage Law* occurred when overtime was not appropriately being paid. The District's defense is that the individual's position is exempt from the overtime provisions of the FLSA and the Illinois *Minimum Wage Law*. The parties have reached a settlement agreement for all of the claims in this matter. The settlement was executed by the Plaintiff on July 22, 2017, and the Board of Education approved and executed the agreement on August 21, 2017. Pursuant to the settlement agreement, the parties voluntarily dismissed all of the claims in the suit with prejudice and the Plaintiff released any and all other claims against the Defendants and the Board. In exchange, the Board agreed to pay the following amounts: 1) \$54,000, less state and federal withholdings to the Plaintiff for wages; 2) \$54,000 to the Plaintiff for liquidated damages; 3) \$42,000 to the Plaintiff for emotional distress; and 4) \$100,000 to the Plaintiff's attorneys for attorneys' fees. The District's insurer provided coverage for this matter, subject to the applicable deductible. However, the Board agreed to contribute \$50,000 in excess of its deductible toward the settlement.

On May 1, 2007, the District entered into a Service Agreement for Internet Access, Connectivity for Internet Access, WAN Service for Internet Access, Web Hosting and Email Hosting for the District. This agreement was amended on March 24, 2011 and an E-Rate Service Agreement became effective on July 1, 2011. The services to be provided were eligible for E-Rate funding at the rate of 85% of the total Agreement cost. A timely Funding Request Form 471 was filed by the District. The request was denied, stating that the bid matrix was not correct and the District did not retain the documents relating to the bidding process. The District refused to pay the balance on the Agreement. The Vendor has issued invoices and demanded the balance be paid in full. The District denied liability and refused to pay the invoice, but subsequently made a counter offer to pay \$125,000. The Vendor rejected the offer. Ultimately the District and Net56 entered into a prelitigation no-fault settlement agreement whereby the District agreed to pay \$375,000 in two installments, for a full release of all claims. Both payments have been made.

A former District employee has filed a suit against the District and certain District personnel alleging that the District discriminated against the Plaintiff by discharging the former employee after a medical leave. The Plaintiff seeks damages for lost wages, salary, employment benefits, front pay, and attorneys' fees. It is too early in the lawsuit to estimate a result.

NOTE 15 - CONSTRUCTION COMMITMENTS

The District has renovation and building addition projects at Murphy School as of June 30, 2017. These projects have outstanding commitments of \$885,285 that have not been included as expenses in these financial statements.

NOTE 16 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

2016 EAV	\$ 349,947,970
Rate	<u>13.8%</u>
Debt Margin	\$ 48,292,820
Current Debt	<u>50,381,540</u>
Remaining Debt Margin	<u><u>\$ (2,088,720)</u></u>

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2017, the District has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement is designed to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees are provided with postemployment benefits other than pensions. The Statement also requires additional disclosures about the Net OPEB Liability (See Note 10).

The implementation of GASB Statement No. 75 required a restatement for prior year net positions for the other postemployment benefits. As a result, the beginning net position decreased by \$2,003,595.

REQUIRED SUPPLEMENTARY INFORMATION

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,365,949	\$ 1,253,675	\$ 1,179,421
Interest on the Total Pension Liability	2,659,396	2,404,860	2,087,423
Differences Between Expected and Actual Experience	265,464	1,086,394	823,914
Changes of Assumptions	(49,602)	46,832	1,366,993
Benefit Payments, Including Refunds of Member Contributions	<u>(1,483,314)</u>	<u>(1,330,161)</u>	<u>(1,194,621)</u>
Net Change in Total Pension Liability	\$ 2,757,893	\$ 3,461,600	\$ 4,263,130
Total Pension Liability - Beginning	<u>35,564,639</u>	<u>32,103,039</u>	<u>27,839,909</u>
Total Pension Liability - Ending	<u>\$ 38,322,532</u>	<u>\$ 35,564,639</u>	<u>\$ 32,103,039</u>
 PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,048,652	\$ 932,870	\$ 833,541
Contributions - Member	601,100	545,191	490,304
Net Investment Income	2,266,468	168,946	1,932,312
Benefit Payments, Including Refunds of Member Contributions	(1,483,314)	(1,330,161)	(1,194,621)
Other (Net Transfers)	<u>154,371</u>	<u>(908,139)</u>	<u>41,104</u>
Net Change in Plan Fiduciary Net Position	\$ 2,587,277	\$ (591,293)	\$ 2,102,640
Plan Net Position - Beginning	<u>33,123,978</u>	<u>33,715,271</u>	<u>31,612,631</u>
Plan Net Position - Ending	<u>\$ 35,711,255</u>	<u>\$ 33,123,978</u>	<u>\$ 33,715,271</u>
District's Net Pension Liability	<u>\$ 2,611,277</u>	<u>\$ 2,440,661</u>	<u>\$ (1,612,232)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	93.19%	93.14%	105.02%
Covered-Valuation Payroll	\$ 12,762,581	\$ 12,116,766	\$ 10,983,885
Employer's Net Pension Liability as a percentage of Covered-Valuation Payroll	20.46%	20.14%	-14.68%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 1,006,968	\$ 932,991	\$ 840,267
Contributions in relation to Actuarially-Determined Contribution	<u>1,048,652</u>	<u>932,870</u>	<u>833,541</u>
Contribution deficiency/(excess)	<u>\$ (41,684)</u>	<u>\$ 121</u>	<u>\$ 6,726</u>
Covered-Valuation Payroll	\$ 12,762,581	\$ 12,116,766	\$ 10,983,885
Contributions as a percentage of Covered-Valuation Payroll	8.22%	7.70%	7.59%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2016 Contribution Rate *

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.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 27-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

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 to 2013.

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

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

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

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0290054%	0.0144258%	0.0194942%
Employer's proportionate share of the Net Pension Liability	\$ 22,895,683	\$ 9,450,329	\$ 11,863,847
State's proportionate share of the Net Pension Liability associated with the employer	<u>621,445,063</u>	<u>254,426,343</u>	<u>251,311,069</u>
Total	<u>\$ 644,340,746</u>	<u>\$ 263,876,672</u>	<u>\$ 263,174,916</u>
Employer's Covered-Employee Payroll	\$ 43,961,582	\$ 40,741,298	\$ 37,860,882
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	52.08%	23.20%	31.34%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

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

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.

Changes of Assumptions:

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

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. 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%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 733,751	\$ 505,476	\$ 695,544
Contributions in relation to Statutorily-Required Contribution	<u>943,542</u>	<u>501,946</u>	<u>695,544</u>
Contribution deficiency/(excess)	<u>\$ (209,791)</u>	<u>\$ 3,530</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 43,961,582	\$ 40,741,298	\$ 37,860,882
Contributions as a percentage of Covered-Employee Payroll	2.15%	1.23%	1.84%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

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.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
 JUNE 30, 2017

	6/30/2017
TOTAL OPEB LIABILITY	
Service Cost	\$ 739,548
Interest	200,206
Benefit Payments and Refunds	(227,474)
Net Change in Total OPEB Liability	\$ 712,280
 Total OPEB Liability - Beginning	 5,478,603
Total OPEB Liability - Ending	\$ 6,190,883
 PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 227,474
Benefit Payments, Including Refunds of Member Contributions	(227,474)
Net Change in Plan Fiduciary Net Position	\$ -
 Plan Fiduciary Net Position - Beginning	 -
Plan Fiduciary Net Position - Ending	\$ -
 District's Net OPEB Liability	\$ 6,190,883

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.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIO
 JUNE 30, 2017

	6/30/2017
Total OPEB Liability - Ending	\$ 6,190,883
Plan Fiduciary Net Position - Ending	-
Employer Net OPEB Liability - Ending	\$ 6,190,883
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.00%
Covered-Employee Payroll	\$ 67,745,771
Employer Net OPEB Liability as a percentage of Covered-Employee Payroll *	9.14%

* Covered employee payroll shown for the current year is the total covered payroll for the fiscal year for all plan members.

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.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 OTHER POST-EMPLOYMENT BENEFIT
 SCHEDULE OF CONTRIBUTIONS
 JUNE 30, 2017

	6/30/2017
Actuarially-Determined Contribution	N/A
Contributions in relation to the Actuarially-Determined Contribution	-
Contribution deficiency/(excess)	N/A
Covered-Employee Payroll *	\$ 67,745,771
Contributions as a percentage of Covered Employee Payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

* Covered employee payroll shown for the current year is the total covered payroll for the fiscal year for all plan members.

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.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 15,775,306	\$ 16,235,900	\$ 16,266,534	\$ 30,634
Payments in Lieu of Taxes	82,554	82,554	-	(82,554)
Tuition	435,000	435,000	417,675	(17,325)
Earnings on Investments	66,000	66,000	138,213	72,213
Food Service	150,000	150,000	88,839	(61,161)
District/School Activity Income	115,000	143,247	167,674	24,427
Other Local Sources	276,000	365,647	292,991	(72,656)
State Aid				
General State Aid	41,496,895	41,754,972	41,757,235	2,263
Special Education	3,285,000	3,285,000	3,163,934	(121,066)
Career and Technical Education	17,786	17,786	17,786	-
Bilingual	857,468	857,468	759,308	(98,160)
State Free Lunch and Breakfast	40,000	40,000	37,159	(2,841)
Driver Education	45,000	45,000	56,639	11,639
Early Childhood - Block Grant	231,803	231,711	244,200	12,489
Other Restricted Revenue from State Sources	4,253	4,513	-	(4,513)
Federal Aid				
Food Service	3,500,000	3,500,000	3,422,669	(77,331)
Title I	1,929,269	2,090,405	2,053,296	(37,109)
Federal Special Education	863,473	915,671	911,572	(4,099)
CTE - Perkins	36,621	36,621	36,974	353
Emergency Immigrant Assistance	-	-	2,890	2,890
Title III - English Language Acquisition	203,415	251,926	114,732	(137,194)
Title II - Teacher Quality	72,334	73,257	65,769	(7,488)
Medicaid Matching Funds - Administrative Outreach	250,000	250,000	140,703	(109,297)
Medicaid Matching Funds - Fee-for-Service Program	850,000	850,000	768,947	(81,053)
Other Federal Aid	-	-	8,251	8,251
On-Behalf Payments	27,000,000	27,000,000	61,518,968	34,518,968
Total Revenues	\$ 97,583,177	\$ 98,682,678	\$ 132,452,958	\$ 33,770,280
EXPENDITURES				
Instruction				
Regular Programs				
Salaries	\$ 25,130,410	\$ 25,177,501	\$ 23,661,322	\$ 1,516,179
Employee Benefits	4,033,153	4,045,501	3,478,263	567,238
Purchased Services	535,051	717,186	793,141	(75,955)
Supplies and Materials	581,914	682,879	532,582	150,297
Other Objects	73,255	73,111	7,128	65,983
Non-Capitalized Equipment	110,266	119,266	123,425	(4,159)
	<u>\$ 30,464,049</u>	<u>\$ 30,815,444</u>	<u>\$ 28,595,861</u>	<u>\$ 2,219,583</u>
Pre-K Programs				
Salaries	\$ 158,009	\$ 156,009	\$ 156,903	\$ (894)
Employee Benefits	37,674	37,674	38,893	(1,219)
Purchased Services	-	-	4,212	(4,212)
Supplies and Materials	5,036	5,036	4,447	589
	<u>\$ 200,719</u>	<u>\$ 198,719</u>	<u>\$ 204,455</u>	<u>\$ (5,736)</u>
Special Education Programs				
Salaries	\$ 6,808,257	\$ 6,811,963	\$ 6,938,405	\$ (126,442)
Employee Benefits	1,286,691	1,286,137	1,235,860	50,277
Purchased Services	35,638	19,300	94,194	(74,894)
Supplies and Materials	20,014	48,000	51,544	(3,544)
Other Objects	1,700	1,700	-	1,700
Non-Capitalized Equipment	-	-	3,526	(3,526)
	<u>\$ 8,152,300</u>	<u>\$ 8,167,100</u>	<u>\$ 8,323,529</u>	<u>\$ (156,429)</u>
Special Education Programs Pre-K				
Salaries	\$ 715,702	\$ 715,034	\$ 664,582	\$ 50,452
Employee Benefits	160,914	161,616	144,889	16,727
Purchased Services	4,419	2,163	7,181	(5,018)
Supplies and Materials	1,748	7,505	7,540	(35)
Non-Capitalized Equipment	-	-	1,797	(1,797)
	<u>\$ 882,783</u>	<u>\$ 886,318</u>	<u>\$ 825,989</u>	<u>\$ 60,329</u>
Remedial and Supplemental Programs K-12				
Salaries	\$ 879,578	\$ 879,578	\$ 890,179	\$ (10,601)
Employee Benefits	150,457	150,457	191,682	(41,225)
Supplies and Materials	-	-	2,948	(2,948)
	<u>\$ 1,030,035</u>	<u>\$ 1,030,035</u>	<u>\$ 1,084,809</u>	<u>\$ (54,774)</u>
Adult/Continuing Education Programs				
Salaries	\$ -	\$ -	\$ 295	\$ (295)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ (295)</u>
CTE Programs				
Salaries	\$ 439,913	\$ 439,913	\$ 447,123	\$ (7,210)
Employee Benefits	60,984	60,984	59,527	1,457
Purchased Services	3,704	7,168	7,507	(339)
Supplies and Materials	32,525	30,856	29,793	1,063
Non-Capitalized Equipment	18,378	16,583	17,832	(1,249)
	<u>\$ 555,504</u>	<u>\$ 555,504</u>	<u>\$ 561,782</u>	<u>\$ (6,278)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Instruction (Continued)				
Interscholastic Programs				
Salaries	\$ 744,108	\$ 744,108	\$ 969,082	\$ (224,974)
Employee Benefits	9,333	9,333	23,530	(14,197)
Purchased Services	49,900	51,333	117,237	(65,904)
Supplies and Materials	111,222	135,188	127,431	7,757
Other Objects	47,675	28,007	44,539	(16,532)
Non-Capitalized Equipment	-	47,195	23,349	23,846
	<u>\$ 962,238</u>	<u>\$ 1,015,164</u>	<u>\$ 1,305,168</u>	<u>\$ (290,004)</u>
Summer School Programs				
Salaries	\$ 131,505	\$ 144,181	\$ 112,332	\$ 31,849
Employee Benefits	-	(9,751)	7,116	(16,867)
Supplies and Materials	3,797	3,797	-	3,797
	<u>\$ 135,302</u>	<u>\$ 138,227</u>	<u>\$ 119,448</u>	<u>\$ 18,779</u>
Driver's Education Programs				
Salaries	\$ -	\$ -	\$ 40,744	\$ (40,744)
Employee Benefits	-	-	456	(456)
Purchased Services	5,100	5,100	8,671	(3,571)
Supplies and Materials	750	750	1,673	(923)
	<u>\$ 5,850</u>	<u>\$ 5,850</u>	<u>\$ 51,544</u>	<u>\$ (45,694)</u>
Bilingual Programs				
Salaries	\$ 4,559,559	\$ 4,555,244	\$ 4,434,962	\$ 120,282
Employee Benefits	779,303	787,271	745,642	41,629
Purchased Services	-	10,000	988	9,012
Supplies and Materials	50,343	81,507	45,104	36,403
	<u>\$ 5,389,205</u>	<u>\$ 5,434,022</u>	<u>\$ 5,226,696</u>	<u>\$ 207,326</u>
Truant Alternative and Optional Programs				
Salaries	\$ 70,237	\$ 70,237	\$ 70,588	\$ (351)
Employee Benefits	19,883	19,883	19,881	2
Other Objects	1,392,312	-	-	-
	<u>\$ 1,482,432</u>	<u>\$ 90,120</u>	<u>\$ 90,469</u>	<u>\$ (349)</u>
Private Tuition - Other Objects				
Special Education Programs K-12	\$ -	\$ 1,392,312	\$ 1,689,471	\$ (297,159)
	<u>\$ -</u>	<u>\$ 1,392,312</u>	<u>\$ 1,689,471</u>	<u>\$ (297,159)</u>
Total Instruction	<u>\$ 49,260,417</u>	<u>\$ 49,728,815</u>	<u>\$ 48,079,516</u>	<u>\$ 1,649,299</u>
Support Services				
Pupils				
Attendance and Social Work Services				
Salaries	\$ 1,264,602	\$ 1,264,602	\$ 1,197,532	\$ 67,070
Employee Benefits	201,625	201,625	185,222	16,403
Purchased Services	1,000	1,000	22,675	(21,675)
Supplies and Materials	9,500	11,695	5,381	6,314
Other Objects	300	300	-	300
Non-Capitalized Equipment	-	6,595	6,595	-
	<u>\$ 1,477,027</u>	<u>\$ 1,485,817</u>	<u>\$ 1,417,405</u>	<u>\$ 68,412</u>
Guidance Services				
Salaries	\$ 719,340	\$ 719,340	\$ 734,429	\$ (15,089)
Employee Benefits	106,295	106,295	117,687	(11,392)
Purchased Services	700	700	2,270	(1,570)
Supplies and Materials	2,000	2,000	4,591	(2,591)
Other Objects	1,500	1,500	314	1,186
	<u>\$ 829,835</u>	<u>\$ 829,835</u>	<u>\$ 859,291</u>	<u>\$ (29,456)</u>
Health Services				
Salaries	\$ 556,412	\$ 556,412	\$ 512,129	\$ 44,283
Employee Benefits	121,149	121,149	102,117	19,032
Purchased Services	10,000	10,000	104,362	(94,362)
Supplies and Materials	4,000	4,000	13,846	(9,846)
	<u>\$ 691,561</u>	<u>\$ 691,561</u>	<u>\$ 732,454</u>	<u>\$ (40,893)</u>
Psychological Services				
Salaries	\$ 922,601	\$ 922,601	\$ 866,894	\$ 55,707
Employee Benefits	130,760	130,760	102,450	28,310
Purchased Services	12,308	12,308	79,046	(66,738)
Supplies and Materials	5,000	5,000	106	4,894
Other Objects	500	500	-	500
	<u>\$ 1,071,169</u>	<u>\$ 1,071,169</u>	<u>\$ 1,048,496</u>	<u>\$ 22,673</u>
Speech Pathology and Audiology Services				
Salaries	\$ 1,218,438	\$ 1,218,438	\$ 1,105,439	\$ 112,999
Employee Benefits	178,375	178,375	138,047	40,328
Purchased Services	40,500	40,500	301,286	(260,786)
Supplies and Materials	24,812	10,000	7,746	2,254
	<u>\$ 1,462,125</u>	<u>\$ 1,447,313</u>	<u>\$ 1,552,518</u>	<u>\$ (105,205)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Support Services (Continued)				
Pupils (Continued)				
Other Support Services - Pupils				
Salaries	\$ 974,349	\$ 984,349	\$ 1,161,935	\$ (177,586)
Employee Benefits	217,730	217,730	177,386	40,344
Purchased Services	17,000	34,783	103,342	(68,559)
Supplies and Materials	20,000	19,500	31,445	(11,945)
Non-Capitalized Equipment	2,000	2,000	2,999	(999)
	<u>\$ 1,231,079</u>	<u>\$ 1,258,362</u>	<u>\$ 1,477,107</u>	<u>\$ (218,745)</u>
Total Support Services - Pupils	<u>\$ 6,762,796</u>	<u>\$ 6,784,057</u>	<u>\$ 7,087,271</u>	<u>\$ (303,214)</u>
Instructional Staff				
Improvement of Instruction Services				
Salaries	\$ 629,470	\$ 596,003	\$ 802,523	\$ (206,520)
Employee Benefits	307,536	298,203	360,746	(62,543)
Purchased Services	224,390	236,695	181,810	54,885
Supplies and Materials	24,400	23,923	20,852	3,071
Other Objects	900	900	674	226
	<u>\$ 1,186,696</u>	<u>\$ 1,155,724</u>	<u>\$ 1,366,605</u>	<u>\$ (210,881)</u>
Educational Media Services				
Salaries	\$ 346,850	\$ 382,487	\$ 388,152	\$ (5,665)
Employee Benefits	84,519	101,369	84,558	16,811
Purchased Services	9,500	9,500	9,455	45
Supplies and Materials	12,541	13,772	13,802	(30)
	<u>\$ 453,410</u>	<u>\$ 507,128</u>	<u>\$ 495,967</u>	<u>\$ 11,161</u>
Assessment and Testing				
Salaries	\$ -	\$ -	\$ 45	\$ (45)
Employee Benefits	-	-	1	(1)
Purchased Services	209,566	15,000	9,551	5,449
Supplies and Materials	46,500	67,775	81,802	(14,027)
	<u>\$ 256,066</u>	<u>\$ 82,775</u>	<u>\$ 91,399</u>	<u>\$ (8,624)</u>
Total Support Services - Instructional Staff	<u>\$ 1,896,172</u>	<u>\$ 1,745,627</u>	<u>\$ 1,953,971</u>	<u>\$ (208,344)</u>
General Administration				
Board of Education Services				
Purchased Services	\$ 114,300	\$ 114,300	\$ 86,112	\$ 28,188
Supplies and Materials	9,000	9,000	13,510	(4,510)
Other Objects	20,000	20,000	20,828	(828)
Non-Capitalized Equipment	2,000	2,000	9,185	(7,185)
	<u>\$ 145,300</u>	<u>\$ 145,300</u>	<u>\$ 129,635</u>	<u>\$ 15,665</u>
Executive Administration Services				
Salaries	\$ 285,646	\$ 230,200	\$ 330,650	\$ (100,450)
Employee Benefits	56,556	47,608	81,843	(34,235)
Purchased Services	30,000	30,000	20,116	9,884
Supplies and Materials	7,750	7,750	7,968	(218)
Other Objects	10,998	10,998	11,023	(25)
Non-Capitalized Equipment	-	-	949	(949)
	<u>\$ 390,950</u>	<u>\$ 326,556</u>	<u>\$ 452,549</u>	<u>\$ (125,993)</u>
Special Area Administration Services				
Salaries	\$ 1,056,574	\$ 1,056,575	\$ 1,010,898	\$ 45,677
Employee Benefits	323,021	323,432	306,744	16,688
Purchased Services	-	-	1,053	(1,053)
Supplies and Materials	6,000	14,511	8,348	6,163
Other Objects	2,000	2,000	1,275	725
Non-Capitalized Equipment	-	7,959	8,551	(592)
	<u>\$ 1,387,595</u>	<u>\$ 1,404,477</u>	<u>\$ 1,336,869</u>	<u>\$ 67,608</u>
Tort Immunity Services				
Purchased Services	\$ 912,303	\$ 1,099,803	\$ 1,043,254	\$ 56,549
	<u>\$ 912,303</u>	<u>\$ 1,099,803</u>	<u>\$ 1,043,254</u>	<u>\$ 56,549</u>
Total Support Services - General Administration	<u>\$ 2,836,148</u>	<u>\$ 2,976,136</u>	<u>\$ 2,962,307</u>	<u>\$ 13,829</u>
School Administration				
Office of the Principal Services				
Salaries	\$ 3,563,938	\$ 3,564,945	\$ 3,680,115	\$ (115,170)
Employee Benefits	839,775	839,775	855,942	(16,167)
Purchased Services	17,950	18,413	11,790	6,623
Supplies and Materials	20,950	32,411	29,967	2,444
Other Objects	5,500	5,847	9,628	(3,781)
	<u>\$ 4,448,113</u>	<u>\$ 4,461,391</u>	<u>\$ 4,587,442</u>	<u>\$ (126,051)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Support Services (Continued)				
School Administration (Continued)				
Other Support Services - School Administration				
Salaries	\$ 335,159	\$ 335,159	\$ 368,686	\$ (33,527)
Employee Benefits	77,899	77,899	76,507	1,392
	<u>\$ 413,058</u>	<u>\$ 413,058</u>	<u>\$ 445,193</u>	<u>\$ (32,135)</u>
Total Support Services - School Administration	<u>\$ 4,861,171</u>	<u>\$ 4,874,449</u>	<u>\$ 5,032,635</u>	<u>\$ (158,186)</u>
Business				
Direction of Business Support Services				
Salaries	\$ 169,373	\$ 334,904	\$ 179,604	\$ 155,300
Employee Benefits	47,259	74,488	46,077	28,411
Purchased Services	-	-	1,497	(1,497)
Other Objects	-	-	585	(585)
	<u>\$ 216,632</u>	<u>\$ 409,392</u>	<u>\$ 227,763</u>	<u>\$ 181,629</u>
Fiscal Services				
Salaries	\$ 309,611	\$ 199,526	\$ 297,778	\$ (98,252)
Employee Benefits	63,863	45,582	55,968	(10,386)
Purchased Services	30,353	30,353	97,815	(67,462)
Supplies and Materials	20,650	20,650	4,028	16,622
Other Objects	2,000	2,000	14,150	(12,150)
Non-Capitalized Equipment	3,000	3,000	10,386	(7,386)
	<u>\$ 429,477</u>	<u>\$ 301,111</u>	<u>\$ 480,125</u>	<u>\$ (179,014)</u>
Internal Services				
Purchased Services	\$ 115,566	\$ 115,566	\$ 68,570	\$ 46,996
Supplies and Materials	68,671	64,083	76,422	(12,339)
	<u>\$ 184,237</u>	<u>\$ 179,649</u>	<u>\$ 144,992</u>	<u>\$ 34,657</u>
Total Support Services - Business	<u>\$ 830,346</u>	<u>\$ 890,152</u>	<u>\$ 852,880</u>	<u>\$ 37,272</u>
Operations and Maintenance				
Purchased Services	\$ -	\$ -	\$ 11,918	\$ (11,918)
Total Support Services - Operation and Maintenance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,918</u>	<u>\$ (11,918)</u>
Transportation Services				
Salaries	\$ 450	\$ -	\$ -	\$ -
Employee Benefits	-	-	8,382	(8,382)
Total Support Services - Transportation	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 8,382</u>	<u>\$ (8,382)</u>
Food Services				
Purchased Services	\$ 2,515,000	\$ 2,515,000	\$ 2,434,696	\$ 80,304
Supplies and Materials	5,000	5,000	669	4,331
Non-Capitalized Equipment	34,200	34,200	60,699	(26,499)
Total Support Services - Food Services	<u>\$ 2,554,200</u>	<u>\$ 2,554,200</u>	<u>\$ 2,496,064</u>	<u>\$ 58,136</u>
Central				
Information Services				
Salaries	\$ 902,919	\$ 902,919	\$ 932,575	\$ (29,656)
Employee Benefits	148,454	148,454	143,549	4,905
Purchased Services	776,384	776,384	801,857	(25,473)
Supplies and Materials	20,500	20,500	28,321	(7,821)
Other Objects	-	-	4,937	(4,937)
Non-Capitalized Equipment	-	-	21,727	(21,727)
	<u>\$ 1,848,257</u>	<u>\$ 1,848,257</u>	<u>\$ 1,932,966</u>	<u>\$ (84,709)</u>
Staff Services				
Salaries	\$ 665,887	\$ 655,887	\$ 392,338	\$ 263,549
Employee Benefits	63,073	63,073	76,024	(12,951)
Purchased Services	56,500	56,500	59,069	(2,569)
Supplies and Materials	4,600	4,600	5,738	(1,138)
Other Objects	8,375	8,375	6,228	2,147
Non-Capitalized Equipment	-	-	1,338	(1,338)
	<u>\$ 798,435</u>	<u>\$ 788,435</u>	<u>\$ 540,735</u>	<u>\$ 247,700</u>
Data Processing Services				
Purchased Services	\$ -	\$ 17,838	\$ 55,797	(37,959)
	<u>\$ -</u>	<u>\$ 17,838</u>	<u>\$ 55,797</u>	<u>\$ (37,959)</u>
Total Support Services - Central	<u>\$ 2,646,692</u>	<u>\$ 2,654,530</u>	<u>\$ 2,529,498</u>	<u>\$ 125,032</u>
Other Support Services				
Salaries	\$ -	\$ -	\$ 2,868	\$ (2,868)
Employee Benefits	-	-	41	(41)
Supplies and Materials	1,500	1,500	-	1,500
Total Other Support Services	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 2,909</u>	<u>\$ (1,409)</u>
Total Support Services	<u>\$ 22,389,475</u>	<u>\$ 22,480,651</u>	<u>\$ 22,937,835</u>	<u>\$ (457,184)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Community Services				
Salaries	\$ 172,233	\$ 175,459	\$ 187,305	\$ (11,846)
Employee Benefits	47,672	48,192	47,970	222
Purchased Services	36,986	54,309	52,697	1,612
Supplies and Materials	17,234	19,724	11,628	8,096
Non-Capitalized Equipment	-	1,614	1,588	26
Total Community Services	<u>\$ 274,125</u>	<u>\$ 299,298</u>	<u>\$ 301,188</u>	<u>\$ (1,890)</u>
Payments to Other Districts and Governmental Units				
Payments to Other Districts and Governmental Units (In-State)				
Payments for Special Education Programs				
Purchased Services	\$ 395,000	\$ 395,000	\$ 307,336	\$ 87,664
	<u>\$ 395,000</u>	<u>\$ 395,000</u>	<u>\$ 307,336</u>	<u>\$ 87,664</u>
Other Payments to In-State Governmental Units				
Other Objects	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>\$ 307,336</u>	<u>\$ 107,664</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)				
Payments for Special Education Programs				
Other Objects	\$ 1,955,000	\$ 1,955,000	\$ 2,073,812	\$ (118,812)
Payment for CTE Programs				
Other Objects	552,204	552,204	528,415	23,789
Payments for Other Programs				
Other Objects	-	-	4,026	(4,026)
Other Payments to In-State Governmental Units				
Other Objects	100,000	100,000	26,400	73,600
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 2,607,204</u>	<u>\$ 2,607,204</u>	<u>\$ 2,632,653</u>	<u>\$ (25,449)</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 3,022,204</u>	<u>\$ 3,022,204</u>	<u>\$ 2,939,989</u>	<u>\$ 82,215</u>
Capital Outlay				
Instruction				
Regular Programs	\$ 33,121	\$ 33,121	\$ 36,702	\$ (3,581)
Special Education Programs	-	-	3,327	(3,327)
Other Instructional Programs	5,000	-	23,007	(23,007)
Support Services				
Business	-	-	13,500	(13,500)
Total Capital Outlay	<u>\$ 38,121</u>	<u>\$ 33,121</u>	<u>\$ 76,536</u>	<u>\$ (43,415)</u>
Provision for Contingencies	<u>\$ 312,012</u>	<u>\$ 512,012</u>	<u>\$ -</u>	<u>\$ 512,012</u>
On-Behalf Payments	<u>\$ 27,000,000</u>	<u>\$ 27,000,000</u>	<u>\$ 61,518,968</u>	<u>\$ (34,518,968)</u>
Total Expenditures	<u>\$ 102,296,354</u>	<u>\$ 103,076,101</u>	<u>\$ 135,854,032</u>	<u>\$ (32,777,931)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (4,713,177)</u>	<u>\$ (4,393,423)</u>	<u>\$ (3,401,074)</u>	<u>\$ 992,349</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	4,698,278	4,190,757	3,940,757	(250,000)
NET CHANGE IN FUND BALANCE	<u>\$ (14,899)</u>	<u>\$ (202,666)</u>	<u>\$ 539,683</u>	<u>\$ 742,349</u>
FUND BALANCE - JULY 1, 2016	<u>23,506,852</u>	<u>23,675,522</u>	<u>23,675,522</u>	
FUND BALANCE - JUNE 30, 2017	<u>\$ 23,491,953</u>	<u>\$ 23,472,856</u>	<u>\$ 24,215,205</u>	

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,313,733	\$ 2,371,810	\$ 2,378,526	\$ 6,716
Earnings on Investments	-	-	9,529	9,529
Other Local Sources	-	-	32,066	32,066
State Aid				
General State Aid	3,133,043	2,874,966	2,874,966	-
Total Revenues	\$ 5,446,776	\$ 5,246,776	\$ 5,295,087	\$ 48,311
EXPENDITURES				
Support Services				
Operations and Maintenance				
Salaries	\$ 2,550,269	\$ 2,550,269	\$ 2,669,024	\$ (118,755)
Employee Benefits	557,237	557,237	524,467	32,770
Purchased Services	645,100	645,100	871,619	(226,519)
Supplies and Materials	1,268,305	1,268,305	1,647,171	(378,866)
Other Objects	500	500	138	362
Non-Capitalized Equipment	5,000	5,000	37,794	(32,794)
Total Support Services - Operations and Maintenance	\$ 5,026,411	\$ 5,026,411	\$ 5,750,213	\$ (723,802)
Total Support Services	\$ 5,026,411	\$ 5,026,411	\$ 5,750,213	\$ (723,802)
Capital Outlay				
Support Services				
Operations and Maintenance	\$ 420,365	\$ 220,365	\$ 125,547	\$ 94,818
Total Capital Outlay	\$ 420,365	\$ 220,365	\$ 125,547	\$ 94,818
Total Expenditures	\$ 5,446,776	\$ 5,246,776	\$ 5,875,760	\$ (628,984)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ (580,673)	\$ (580,673)
OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ (580,673)	\$ (580,673)
FUND BALANCE - JULY 1, 2016	3,700,370	3,700,370	3,700,370	
FUND BALANCE - JUNE 30, 2017	\$ 3,700,370	\$ 3,700,370	\$ 3,119,697	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 6,920,066	\$ 6,412,545	\$ 6,426,009	\$ 13,464
Transportation Fees	53,000	53,000	66,247	13,247
Earnings on Investments	10,000	10,000	44,700	34,700
Other Local Sources	2,000	2,000	4,558	2,558
State Aid				
Transportation	2,400,000	2,400,000	2,546,628	146,628
Total Revenues	\$ 9,385,066	\$ 8,877,545	\$ 9,088,142	\$ 210,597
EXPENDITURES				
Support Services				
Transportation				
Salaries	\$ 1,756,260	\$ 1,756,260	\$ 1,830,684	\$ (74,424)
Employee Benefits	524,422	524,422	474,937	49,485
Purchased Services	1,974,905	1,974,905	1,717,332	257,573
Supplies and Materials	261,000	261,000	146,405	114,595
Other Objects	2,000	2,000	785	1,215
Non-Capitalized Equipment	2,000	2,000	-	2,000
Total Support Services - Transportation	\$ 4,520,587	\$ 4,520,587	\$ 4,170,143	\$ 350,444
Total Support Services	\$ 4,520,587	\$ 4,520,587	\$ 4,170,143	\$ 350,444
Total Expenditures	\$ 4,520,587	\$ 4,520,587	\$ 4,170,143	\$ 350,444
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,864,479	\$ 4,356,958	\$ 4,917,999	\$ 561,041
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	(4,864,479)	(4,356,958)	(4,356,958)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 561,041	\$ 561,041
FUND BALANCE - JULY 1, 2016	6,613,825	6,613,825	6,613,826	
FUND BALANCE - JUNE 30, 2017	\$ 6,613,825	\$ 6,613,825	\$ 7,174,867	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 695,057	\$ 694,849	\$ 696,262	\$ 1,413
FICA/Medicare Only Purposes Levies	1,497,001	1,496,550	1,499,594	3,044
Other Tax Levies	26,112	26,113	26,167	54
Payments in Lieu of Taxes	118,638	118,638	250,095	131,457
Earnings on Investments	2,000	2,000	4,711	2,711
State Aid				
Bilingual Education	10,440	10,440	10,042	(398)
Early Childhood - Block Grant	15,159	15,251	15,202	(49)
Federal Aid				
Title I	196,224	199,262	201,417	2,155
Federal - Special Education	86,352	86,227	79,438	(6,789)
Title III - English Language Acquisition	14,708	15,540	6,065	(9,475)
Title II - Teacher Quality	-	-	367	367
Total Revenues	<u>\$ 2,661,691</u>	<u>\$ 2,664,870</u>	<u>\$ 2,789,360</u>	<u>\$ 124,490</u>
EXPENDITURES				
Instruction				
Regular Programs				
Employee Benefits	\$ 476,330	\$ 483,421	\$ 409,087	\$ 74,334
Pre-K Programs				
Employee Benefits	10,420	10,420	10,219	201
Special Education Programs				
Employee Benefits	359,884	359,884	377,001	(17,117)
Special Education Programs - Pre-K				
Employee Benefits	48,185	48,060	46,580	1,480
Remedial and Supplemental Programs - K-12				
Employee Benefits	26,233	26,233	38,070	(11,837)
Adult/Continuing Education Programs				
Employee Benefits	-	-	23	(23)
CTE Programs				
Employee Benefits	6,379	6,379	5,177	1,202
Interscholastic Programs				
Employee Benefits	8,674	8,674	36,827	(28,153)
Summer School Programs				
Employee Benefits	-	-	4,325	(4,325)
Driver's Education Programs				
Employee Benefits	-	-	1,708	(1,708)
Bilingual Programs				
Employee Benefits	104,505	104,505	104,331	174
Truant Alternative and Optional Programs				
Employee Benefits	11,055	11,055	11,147	(92)
Total Instruction	<u>\$ 1,051,665</u>	<u>\$ 1,058,631</u>	<u>\$ 1,044,495</u>	<u>\$ 14,136</u>
Support Services				
Pupils				
Attendance and Social Work Services				
Employee Benefits	\$ 22,939	\$ 22,939	\$ 22,661	\$ 278
Guidance Services				
Employee Benefits	16,717	16,717	16,932	(215)
Health Services				
Employee Benefits	87,579	87,579	77,923	9,656
Psychological Services				
Employee Benefits	13,378	13,378	12,012	1,366
Speech Pathology and Audiology Services				
Employee Benefits	17,668	17,668	15,690	1,978
Other Support Services - Pupils				
Employee Benefits	153,360	153,360	155,825	(2,465)
Total Supports Services - Pupils	<u>\$ 311,641</u>	<u>\$ 311,641</u>	<u>\$ 301,043</u>	<u>\$ 10,598</u>
Instructional Staff				
Improvement of Instruction Services				
Employee Benefits	\$ 14,148	\$ 9,437	\$ 11,541	\$ (2,104)
Educational Media Services				
Employee Benefits	54,597	54,597	60,772	(6,175)
Assessment and Testing				
Employee Benefits	-	-	1	(1)
Total Support Services - Instructional Staff	<u>\$ 68,745</u>	<u>\$ 64,034</u>	<u>\$ 72,314</u>	<u>\$ (8,280)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Support Services (Continued)				
General Administration				
Executive Administration Services				
Employee Benefits	\$ 12,259	\$ 12,259	\$ 16,362	\$ (4,103)
Special Area Administrative Services				
Employee Benefits	22,792	22,792	22,561	231
Total Support Services - General Administration	<u>\$ 35,051</u>	<u>\$ 35,051</u>	<u>\$ 38,923</u>	<u>\$ (3,872)</u>
School Administration				
Office of the Principal Services				
Employee Benefits	\$ 240,826	\$ 240,826	\$ 250,548	\$ (9,722)
Other Support Services - School Administration				
Employee Benefits	5,281	5,281	5,463	(182)
Total Support Services - School Administration	<u>\$ 246,107</u>	<u>\$ 246,107</u>	<u>\$ 256,011</u>	<u>\$ (9,904)</u>
Business				
Direction of Business Support Services				
Employee Benefits	\$ 2,729	\$ 2,729	\$ 4,257	\$ (1,528)
Fiscal Services				
Employee Benefits	52,857	52,857	50,171	2,686
Internal Services				
Employee Benefits	-	-	25	(25)
Total Support Services - Business	<u>\$ 55,586</u>	<u>\$ 55,586</u>	<u>\$ 54,453</u>	<u>\$ 1,133</u>
Facilities Acquisition and Construction				
Employee Benefits	\$ -	\$ -	\$ 6	\$ (6)
Total Support Services - Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (6)</u>
Operations and Maintenance				
Employee Benefits	\$ 409,413	\$ 409,413	\$ 428,754	\$ (19,341)
Total Support Services - Operations and Maintenance	<u>\$ 409,413</u>	<u>\$ 409,413</u>	<u>\$ 428,754</u>	<u>\$ (19,341)</u>
Transportation				
Employee Benefits	\$ 223,214	\$ 223,143	\$ 300,417	\$ (77,274)
Total Support Services - Transportation	<u>\$ 223,214</u>	<u>\$ 223,143</u>	<u>\$ 300,417</u>	<u>\$ (77,274)</u>
Central				
Information Services				
Employee Benefits	\$ 164,204	\$ 164,204	\$ 160,955	\$ 3,249
Staff Services				
Employee Benefits	71,119	71,119	73,057	(1,938)
Total Support Services - Central	<u>\$ 235,323</u>	<u>\$ 235,323</u>	<u>\$ 234,012</u>	<u>\$ 1,311</u>
Other Support Services				
Employee Benefits	\$ -	\$ -	\$ 41	(41)
Total Other Support Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ (41)</u>
Total Support Services	<u>\$ 1,585,080</u>	<u>\$ 1,580,298</u>	<u>\$ 1,685,974</u>	<u>\$ (105,676)</u>
Community Services				
Employee Benefits	\$ 24,946	\$ 25,941	\$ 28,426	\$ (2,485)
Total Community Services	<u>\$ 24,946</u>	<u>\$ 25,941</u>	<u>\$ 28,426</u>	<u>\$ (2,485)</u>
Payments to Other Districts and Governmental Units				
Payments for Special Education Programs				
Employee Benefits	\$ -	\$ -	\$ 27,085	\$ (27,085)
Total Payments to Other Districts and Governmental Units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,085</u>	<u>\$ (27,085)</u>
Total Expenditures	<u>\$ 2,661,691</u>	<u>\$ 2,664,870</u>	<u>\$ 2,785,980</u>	<u>\$ (121,110)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ 3,380</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 3,380	<u>\$ 3,380</u>
FUND BALANCE - JULY 1, 2016	<u>1,092,783</u>	<u>1,092,783</u>	<u>1,092,784</u>	
FUND BALANCE - JUNE 30, 2017	<u>\$ 1,092,783</u>	<u>\$ 1,092,783</u>	<u>\$ 1,096,164</u>	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2017

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 26, 2016 and amended on June 20, 2017. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2017 the following funds presented as Required Supplementary Information had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 103,076,101	\$ 135,854,032	\$ 32,777,931
Operations and Maintenance Fund	5,246,776	5,875,760	628,984
Illinois Municipal Retirement/Social Security Fund	2,664,870	2,785,980	121,110

SUPPLEMENTARY INFORMATION

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 COMBINING BALANCE SHEET
 GENERAL FUND
 JUNE 30, 2017

	Educational Fund	Working Cash Fund	Tort Fund	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 3,652,627	\$ 528,206	\$ -	\$ 4,180,833
Investments, at Fair Value	18,166,967	6,150,312	-	24,317,279
Property Taxes Receivable, net of allowance of \$0	7,778,766	28,853	415,050	8,222,669
Due from Other Governments, net of allowance of \$0	4,199,313	-	-	4,199,313
Other Accounts Receivable, net of allowance of \$0	301,799	-	-	301,799
Prepaid Expenses	209,791	-	644,974	854,765
Interfund Loans	367,023	-	-	367,023
Total Assets	<u>\$ 34,676,286</u>	<u>\$ 6,707,371</u>	<u>\$ 1,060,024</u>	<u>\$ 42,443,681</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 1,227,210	\$ -	\$ 20,949	\$ 1,248,159
Payroll Liabilities	8,174,680	-	-	8,174,680
Interfund Loans	-	-	367,023	367,023
Total Liabilities	<u>\$ 9,401,890</u>	<u>\$ -</u>	<u>\$ 387,972</u>	<u>\$ 9,789,862</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes - Subsequent Year	\$ 7,865,381	\$ 29,172	\$ 419,538	\$ 8,314,091
Tuition - Subsequent Year	124,523	-	-	124,523
Total Deferred Inflows of Resources	<u>\$ 7,989,904</u>	<u>\$ 29,172</u>	<u>\$ 419,538</u>	<u>\$ 8,438,614</u>
FUND BALANCE				
Nonspendable				
Prepaid Expenses	\$ 209,791	\$ -	\$ 644,974	\$ 854,765
Restricted				
Drivers Education	30,175	-	-	30,175
Tort Liability	-	-	83,157	83,157
Unassigned	17,044,526	6,678,199	(475,617)	23,247,108
Total Fund Balance	<u>\$ 17,284,492</u>	<u>\$ 6,678,199</u>	<u>\$ 252,514</u>	<u>\$ 24,215,205</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 34,676,286</u>	<u>\$ 6,707,371</u>	<u>\$ 1,060,024</u>	<u>\$ 42,443,681</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GENERAL FUND
 YEAR ENDED JUNE 30, 2017

	Educational Fund	Working Cash Fund	Tort Fund	Total General Fund
REVENUES				
Property Taxes	\$ 15,377,593	\$ 57,780	\$ 831,161	\$ 16,266,534
Tuition	417,675	-	-	417,675
Earnings on Investments	99,503	38,519	191	138,213
Food Service	88,839	-	-	88,839
District/School Activity Income	167,674	-	-	167,674
Other Local Sources	292,991	-	-	292,991
State Aid	46,036,261	-	-	46,036,261
Federal Aid	7,525,803	-	-	7,525,803
On-Behalf Payments	61,518,968	-	-	61,518,968
	<u>\$ 131,525,307</u>	<u>\$ 96,299</u>	<u>\$ 831,352</u>	<u>\$ 132,452,958</u>
EXPENDITURES				
Current				
Instruction				
Regular Programs	\$ 28,800,316	\$ -	\$ -	\$ 28,800,316
Special Education Programs	9,149,518	-	-	9,149,518
Other Instructional Programs	10,129,682	-	-	10,129,682
Support Services				
Pupils	7,087,271	-	-	7,087,271
Instructional Staff	1,953,971	-	-	1,953,971
General Administration	1,919,053	-	1,043,254	2,962,307
School Administration	5,032,635	-	-	5,032,635
Business	852,880	-	-	852,880
Operations and Maintenance	11,918	-	-	11,918
Transportation	8,382	-	-	8,382
Food Services	2,496,064	-	-	2,496,064
Central	2,529,498	-	-	2,529,498
Other Support Services	2,909	-	-	2,909
Community Services	301,188	-	-	301,188
Payments to Other Districts and Governmental Units	2,939,989	-	-	2,939,989
Capital Outlay	76,536	-	-	76,536
On-Behalf Payments	61,518,968	-	-	61,518,968
	<u>\$ 134,810,778</u>	<u>\$ -</u>	<u>\$ 1,043,254</u>	<u>\$ 135,854,032</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,285,471)	\$ 96,299	\$ (211,902)	\$ (3,401,074)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	3,940,757	-	-	3,940,757
NET CHANGE IN FUND BALANCES	\$ 655,286	\$ 96,299	\$ (211,902)	\$ 539,683
FUND BALANCES - JULY 1, 2016	16,629,206	6,581,900	464,416	23,675,522
FUND BALANCES - JUNE 30, 2017	<u>\$ 17,284,492</u>	<u>\$ 6,678,199</u>	<u>\$ 252,514</u>	<u>\$ 24,215,205</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 14,887,902	\$ 15,348,763	\$ 15,377,593	\$ 28,830
Payments in Lieu of Taxes	82,554	82,554	-	(82,554)
Tuition	435,000	435,000	417,675	(17,325)
Earnings on Investments	56,000	56,000	99,503	43,503
Food Service	150,000	150,000	88,839	(61,161)
District/School Activity Income	115,000	143,247	167,674	24,427
Other Local Sources	276,000	365,647	292,991	(72,656)
State Aid				
General State Aid	41,496,895	41,754,972	41,757,235	2,263
Special Education	3,285,000	3,285,000	3,163,934	(121,066)
Career and Technical Education	17,786	17,786	-	-
Bilingual	857,468	857,468	759,308	(98,160)
State Free Lunch and Breakfast	40,000	40,000	37,159	(2,841)
Driver Education	45,000	45,000	56,639	11,639
Early Childhood - Block Grant	231,803	231,711	244,200	12,489
Other Restricted Revenue from State Sources	4,253	4,513	-	(4,513)
Federal Aid				
Food Service	3,500,000	3,500,000	3,422,669	(77,331)
Title I	1,929,269	2,090,405	2,053,296	(37,109)
Federal Special Education	863,473	915,671	911,572	(4,099)
CTE - Perkins	36,621	36,621	36,974	353
Emergency Immigrant Assistance	-	-	2,890	2,890
Title III - English Language Acquisition	203,415	251,926	114,732	(137,194)
Title II - Teacher Quality	72,334	73,257	65,769	(7,488)
Medicaid Matching Funds - Administrative Outreach	250,000	250,000	140,703	(109,297)
Medicaid Matching Funds - Fee-for-Service Program	850,000	850,000	768,947	(81,053)
Other Federal Aid	-	-	8,251	8,251
On-Behalf Payments	27,000,000	27,000,000	61,518,968	34,518,968
Total Revenues	<u>\$ 96,685,773</u>	<u>\$ 97,785,541</u>	<u>\$ 131,525,307</u>	<u>\$ 33,739,766</u>
EXPENDITURES				
Instruction				
Regular Programs				
Salaries	\$ 25,130,410	\$ 25,177,501	\$ 23,661,322	\$ 1,516,179
Employee Benefits	4,033,153	4,045,501	3,478,263	567,238
Purchased Services	535,051	717,186	793,141	(75,955)
Supplies and Materials	581,914	682,879	532,582	150,297
Other Objects	73,255	73,111	7,128	65,983
Non-Capitalized Equipment	110,266	119,266	123,425	(4,159)
	<u>\$ 30,464,049</u>	<u>\$ 30,815,444</u>	<u>\$ 28,595,861</u>	<u>\$ 2,219,583</u>
Pre-K Programs				
Salaries	\$ 158,009	\$ 156,009	\$ 156,903	\$ (894)
Employee Benefits	37,674	37,674	38,893	(1,219)
Purchased Services	-	-	4,212	(4,212)
Supplies and Materials	5,036	5,036	4,447	589
	<u>\$ 200,719</u>	<u>\$ 198,719</u>	<u>\$ 204,455</u>	<u>\$ (5,736)</u>
Special Education Programs				
Salaries	\$ 6,808,257	\$ 6,811,963	\$ 6,938,405	\$ (126,442)
Employee Benefits	1,286,691	1,286,137	1,235,860	50,277
Purchased Services	35,638	19,300	94,194	(74,894)
Supplies and Materials	20,014	48,000	51,544	(3,544)
Other Objects	1,700	1,700	-	1,700
Non-Capitalized Equipment	-	-	3,526	(3,526)
	<u>\$ 8,152,300</u>	<u>\$ 8,167,100</u>	<u>\$ 8,323,529</u>	<u>\$ (156,429)</u>
Special Education Programs Pre-K				
Salaries	\$ 715,702	\$ 715,034	\$ 664,582	\$ 50,452
Employee Benefits	160,914	161,616	144,889	16,727
Purchased Services	4,419	2,163	7,181	(5,018)
Supplies and Materials	1,748	7,505	7,540	(35)
Non-Capitalized Equipment	-	-	1,797	(1,797)
	<u>\$ 882,783</u>	<u>\$ 886,318</u>	<u>\$ 825,989</u>	<u>\$ 60,329</u>
Remedial and Supplemental Programs K-12				
Salaries	\$ 879,578	\$ 879,578	\$ 890,179	\$ (10,601)
Employee Benefits	150,457	150,457	191,682	(41,225)
Supplies and Materials	-	-	2,948	(2,948)
	<u>\$ 1,030,035</u>	<u>\$ 1,030,035</u>	<u>\$ 1,084,809</u>	<u>\$ (54,774)</u>
Adult/Continuing Education Programs				
Salaries	\$ -	\$ -	\$ 295	\$ (295)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ (295)</u>
CTE Programs				
Salaries	\$ 439,913	\$ 439,913	\$ 447,123	\$ (7,210)
Employee Benefits	60,984	60,984	59,527	1,457
Purchased Services	3,704	7,168	7,507	(339)
Supplies and Materials	32,525	30,856	29,793	1,063
Non-Capitalized Equipment	18,378	16,583	17,832	(1,249)
	<u>\$ 555,504</u>	<u>\$ 555,504</u>	<u>\$ 561,782</u>	<u>\$ (6,278)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Instruction (Continued)				
Interscholastic Programs				
Salaries	\$ 744,108	\$ 744,108	\$ 969,082	\$ (224,974)
Employee Benefits	9,333	9,333	23,530	(14,197)
Purchased Services	49,900	51,333	117,237	(65,904)
Supplies and Materials	111,222	135,188	127,431	7,757
Other Objects	47,675	28,007	44,539	(16,532)
Non-Capitalized Equipment	-	47,195	23,349	23,846
	<u>\$ 962,238</u>	<u>\$ 1,015,164</u>	<u>\$ 1,305,168</u>	<u>\$ (290,004)</u>
Summer School Programs				
Salaries	\$ 131,505	\$ 144,181	\$ 112,332	\$ 31,849
Employee Benefits	-	(9,751)	7,116	(16,867)
Supplies and Materials	3,797	3,797	-	3,797
	<u>\$ 135,302</u>	<u>\$ 138,227</u>	<u>\$ 119,448</u>	<u>\$ 18,779</u>
Driver's Education Programs				
Salaries	\$ -	\$ -	\$ 40,744	\$ (40,744)
Employee Benefits	-	-	456	(456)
Purchased Services	5,100	5,100	8,671	(3,571)
Supplies and Materials	750	750	1,673	(923)
	<u>\$ 5,850</u>	<u>\$ 5,850</u>	<u>\$ 51,544</u>	<u>\$ (45,694)</u>
Bilingual Programs				
Salaries	\$ 4,559,559	\$ 4,555,244	\$ 4,434,962	\$ 120,282
Employee Benefits	779,303	787,271	745,642	41,629
Purchased Services	-	10,000	988	9,012
Supplies and Materials	50,343	81,507	45,104	36,403
	<u>\$ 5,389,205</u>	<u>\$ 5,434,022</u>	<u>\$ 5,226,696</u>	<u>\$ 207,326</u>
Truant Alternative and Optional Programs				
Salaries	\$ 70,237	\$ 70,237	\$ 70,588	\$ (351)
Employee Benefits	19,883	19,883	19,881	2
Other Objects	1,392,312	-	-	-
	<u>\$ 1,482,432</u>	<u>\$ 90,120</u>	<u>\$ 90,469</u>	<u>\$ (349)</u>
Private Tuition - Other Objects				
Special Education Programs K-12	\$ -	\$ 1,392,312	\$ 1,689,471	\$ (297,159)
	<u>\$ -</u>	<u>\$ 1,392,312</u>	<u>\$ 1,689,471</u>	<u>\$ (297,159)</u>
Total Instruction	\$ 49,260,417	\$ 49,728,815	\$ 48,079,516	\$ 1,649,299
Support Services				
Pupils				
Attendance and Social Work Services				
Salaries	\$ 1,264,602	\$ 1,264,602	\$ 1,197,532	\$ 67,070
Employee Benefits	201,625	201,625	185,222	16,403
Purchased Services	1,000	1,000	22,675	(21,675)
Supplies and Materials	9,500	11,695	5,381	6,314
Other Objects	300	300	-	300
Non-Capitalized Equipment	-	6,595	6,595	-
	<u>\$ 1,477,027</u>	<u>\$ 1,485,817</u>	<u>\$ 1,417,405</u>	<u>\$ 68,412</u>
Guidance Services				
Salaries	\$ 719,340	\$ 719,340	\$ 734,429	\$ (15,089)
Employee Benefits	106,295	106,295	117,687	(11,392)
Purchased Services	700	700	2,270	(1,570)
Supplies and Materials	2,000	2,000	4,591	(2,591)
Other Objects	1,500	1,500	314	1,186
	<u>\$ 829,835</u>	<u>\$ 829,835</u>	<u>\$ 859,291</u>	<u>\$ (29,456)</u>
Health Services				
Salaries	\$ 556,412	\$ 556,412	\$ 512,129	\$ 44,283
Employee Benefits	121,149	121,149	102,117	19,032
Purchased Services	10,000	10,000	104,362	(94,362)
Supplies and Materials	4,000	4,000	13,846	(9,846)
	<u>\$ 691,561</u>	<u>\$ 691,561</u>	<u>\$ 732,454</u>	<u>\$ (40,893)</u>
Psychological Services				
Salaries	\$ 922,601	\$ 922,601	\$ 866,894	\$ 55,707
Employee Benefits	130,760	130,760	102,450	28,310
Purchased Services	12,308	12,308	79,046	(66,738)
Supplies and Materials	5,000	5,000	106	4,894
Other Objects	500	500	-	500
	<u>\$ 1,071,169</u>	<u>\$ 1,071,169</u>	<u>\$ 1,048,496</u>	<u>\$ 22,673</u>
Speech Pathology and Audiology Services				
Salaries	\$ 1,218,438	\$ 1,218,438	\$ 1,105,439	\$ 112,999
Employee Benefits	178,375	178,375	138,047	40,328
Purchased Services	40,500	40,500	301,286	(260,786)
Supplies and Materials	24,812	10,000	7,746	2,254
	<u>\$ 1,462,125</u>	<u>\$ 1,447,313</u>	<u>\$ 1,552,518</u>	<u>\$ (105,205)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Support Services (Continued)				
Pupils (Continued)				
Other Support Services - Pupils				
Salaries	\$ 974,349	\$ 984,349	\$ 1,161,935	\$ (177,586)
Employee Benefits	217,730	217,730	177,386	40,344
Purchased Services	17,000	34,783	103,342	(68,559)
Supplies and Materials	20,000	19,500	31,445	(11,945)
Non-Capitalized Equipment	2,000	2,000	2,999	(999)
	<u>\$ 1,231,079</u>	<u>\$ 1,258,362</u>	<u>\$ 1,477,107</u>	<u>\$ (218,745)</u>
Total Support Services - Pupils	<u>\$ 6,762,796</u>	<u>\$ 6,784,057</u>	<u>\$ 7,087,271</u>	<u>\$ (303,214)</u>
Instructional Staff				
Improvement of Instruction Services				
Salaries	\$ 629,470	\$ 596,003	\$ 802,523	\$ (206,520)
Employee Benefits	307,536	298,203	360,746	(62,543)
Purchased Services	224,390	236,695	181,810	54,885
Supplies and Materials	24,400	23,923	20,852	3,071
Other Objects	900	900	674	226
	<u>\$ 1,186,696</u>	<u>\$ 1,155,724</u>	<u>\$ 1,366,605</u>	<u>\$ (210,881)</u>
Educational Media Services				
Salaries	\$ 346,850	\$ 382,487	\$ 388,152	\$ (5,665)
Employee Benefits	84,519	101,369	84,558	16,811
Purchased Services	9,500	9,500	9,455	45
Supplies and Materials	12,541	13,772	13,802	(30)
	<u>\$ 453,410</u>	<u>\$ 507,128</u>	<u>\$ 495,967</u>	<u>\$ 11,161</u>
Assessment and Testing				
Salaries	\$ -	\$ -	\$ 45	\$ (45)
Employee Benefits	-	-	1	(1)
Purchased Services	209,566	15,000	9,551	5,449
Supplies and Materials	46,500	67,775	81,802	(14,027)
	<u>\$ 256,066</u>	<u>\$ 82,775</u>	<u>\$ 91,399</u>	<u>\$ (8,624)</u>
Total Support Services - Instructional Staff	<u>\$ 1,896,172</u>	<u>\$ 1,745,627</u>	<u>\$ 1,953,971</u>	<u>\$ (208,344)</u>
General Administration				
Board of Education Services				
Purchased Services	\$ 114,300	\$ 114,300	\$ 86,112	\$ 28,188
Supplies and Materials	9,000	9,000	13,510	(4,510)
Other Objects	20,000	20,000	20,828	(828)
Non-Capitalized Equipment	2,000	2,000	9,185	(7,185)
	<u>\$ 145,300</u>	<u>\$ 145,300</u>	<u>\$ 129,635</u>	<u>\$ 15,665</u>
Executive Administration Services				
Salaries	\$ 285,646	\$ 230,200	\$ 330,650	\$ (100,450)
Employee Benefits	56,556	47,608	81,843	(34,235)
Purchased Services	30,000	30,000	20,116	9,884
Supplies and Materials	7,750	7,750	7,968	(218)
Other Objects	10,998	10,998	11,023	(25)
Non-Capitalized Equipment	-	-	949	(949)
	<u>\$ 390,950</u>	<u>\$ 326,556</u>	<u>\$ 452,549</u>	<u>\$ (125,993)</u>
Special Area Administration Services				
Salaries	\$ 1,056,574	\$ 1,056,575	\$ 1,010,898	\$ 45,677
Employee Benefits	323,021	323,432	306,744	16,688
Purchased Services	-	-	1,053	(1,053)
Supplies and Materials	6,000	14,511	8,348	6,163
Other Objects	2,000	2,000	1,275	725
Non-Capitalized Equipment	-	7,959	8,551	(592)
	<u>\$ 1,387,595</u>	<u>\$ 1,404,477</u>	<u>\$ 1,336,869</u>	<u>\$ 67,608</u>
Total Support Services - General Administration	<u>\$ 1,923,845</u>	<u>\$ 1,876,333</u>	<u>\$ 1,919,053</u>	<u>\$ (42,720)</u>
School Administration				
Office of the Principal Services				
Salaries	\$ 3,563,938	\$ 3,564,945	\$ 3,680,115	\$ (115,170)
Employee Benefits	839,775	839,775	855,942	(16,167)
Purchased Services	17,950	18,413	11,790	6,623
Supplies and Materials	20,950	32,411	29,967	2,444
Other Objects	5,500	5,847	9,628	(3,781)
	<u>\$ 4,448,113</u>	<u>\$ 4,461,391</u>	<u>\$ 4,587,442</u>	<u>\$ (126,051)</u>
Other Support Services - School Administration				
Salaries	\$ 335,159	\$ 335,159	\$ 368,686	\$ (33,527)
Employee Benefits	77,899	77,899	76,507	1,392
	<u>\$ 413,058</u>	<u>\$ 413,058</u>	<u>\$ 445,193</u>	<u>\$ (32,135)</u>
Total Support Services - School Administration	<u>\$ 4,861,171</u>	<u>\$ 4,874,449</u>	<u>\$ 5,032,635</u>	<u>\$ (158,186)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - EDUCATIONAL FUND
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Support Services (Continued)				
Business				
Direction of Business Support Services				
Salaries	\$ 169,373	\$ 334,904	\$ 179,604	\$ 155,300
Employee Benefits	47,259	74,488	46,077	28,411
Purchased Services	-	-	1,497	(1,497)
Other Objects	-	-	585	(585)
	<u>\$ 216,632</u>	<u>\$ 409,392</u>	<u>\$ 227,763</u>	<u>\$ 181,629</u>
Fiscal Services				
Salaries	\$ 309,611	\$ 199,526	\$ 297,778	\$ (98,252)
Employee Benefits	63,863	45,582	55,968	(10,386)
Purchased Services	30,353	30,353	97,815	(67,462)
Supplies and Materials	20,650	20,650	4,028	16,622
Other Objects	2,000	2,000	14,150	(12,150)
Non-Capitalized Equipment	3,000	3,000	10,386	(7,386)
	<u>\$ 429,477</u>	<u>\$ 301,111</u>	<u>\$ 480,125</u>	<u>\$ (179,014)</u>
Internal Services				
Purchased Services	\$ 115,566	\$ 115,566	\$ 68,570	\$ 46,996
Supplies and Materials	68,671	64,083	76,422	(12,339)
	<u>\$ 184,237</u>	<u>\$ 179,649</u>	<u>\$ 144,992</u>	<u>\$ 34,657</u>
Total Support Services - Business	<u>\$ 830,346</u>	<u>\$ 890,152</u>	<u>\$ 852,880</u>	<u>\$ 37,272</u>
Operations and Maintenance				
Purchased Services	\$ -	\$ -	\$ 11,918	\$ (11,918)
Total Support Services - Operation and Maintenance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,918</u>	<u>\$ (11,918)</u>
Transportation				
Salaries	\$ 450	\$ -	\$ -	\$ -
Employee Benefits	-	-	8,382	(8,382)
Total Support Services - Transportation	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 8,382</u>	<u>\$ (8,382)</u>
Food Services				
Purchased Services	\$ 2,515,000	\$ 2,515,000	\$ 2,434,696	\$ 80,304
Supplies and Materials	5,000	5,000	669	4,331
Non-Capitalized Equipment	34,200	34,200	60,699	(26,499)
Total Support Services - Food Services	<u>\$ 2,554,200</u>	<u>\$ 2,554,200</u>	<u>\$ 2,496,064</u>	<u>\$ 58,136</u>
Central				
Information Services				
Salaries	\$ 902,919	\$ 902,919	\$ 932,575	\$ (29,656)
Employee Benefits	148,454	148,454	143,549	4,905
Purchased Services	776,384	776,384	801,857	(25,473)
Supplies and Materials	20,500	20,500	28,321	(7,821)
Other Objects	-	-	4,937	(4,937)
Non-Capitalized Equipment	-	-	21,727	(21,727)
	<u>\$ 1,848,257</u>	<u>\$ 1,848,257</u>	<u>\$ 1,932,966</u>	<u>\$ (84,709)</u>
Staff Services				
Salaries	\$ 665,887	\$ 655,887	\$ 392,338	\$ 263,549
Employee Benefits	63,073	63,073	76,024	(12,951)
Purchased Services	56,500	56,500	59,069	(2,569)
Supplies and Materials	4,600	4,600	5,738	(1,138)
Other Objects	8,375	8,375	6,228	2,147
Non-Capitalized Equipment	-	-	1,338	(1,338)
	<u>\$ 798,435</u>	<u>\$ 788,435</u>	<u>\$ 540,735</u>	<u>\$ 247,700</u>
Data Processing Services				
Purchased Services	\$ -	\$ 17,838	\$ 55,797	\$ (37,959)
	<u>\$ -</u>	<u>\$ 17,838</u>	<u>\$ 55,797</u>	<u>\$ (37,959)</u>
Total Support Services - Central	<u>\$ 2,646,692</u>	<u>\$ 2,654,530</u>	<u>\$ 2,529,498</u>	<u>\$ 125,032</u>
Other Support Services				
Salaries	\$ -	\$ -	\$ 2,868	\$ (2,868)
Employee Benefits	-	-	41	(41)
Supplies and Materials	1,500	1,500	-	1,500
Total Other Support Services	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 2,909</u>	<u>\$ (1,409)</u>
Total Support Services	<u>\$ 21,477,172</u>	<u>\$ 21,380,848</u>	<u>\$ 21,894,581</u>	<u>\$ (513,733)</u>
Community Services				
Salaries	\$ 172,233	\$ 175,459	\$ 187,305	\$ (11,846)
Employee Benefits	47,672	48,192	47,970	222
Purchased Services	36,986	54,309	52,697	1,612
Supplies and Materials	17,234	19,724	11,628	8,096
Non-Capitalized Equipment	-	1,614	1,588	26
Total Community Services	<u>\$ 274,125</u>	<u>\$ 299,298</u>	<u>\$ 301,188</u>	<u>\$ (1,890)</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
EXPENDITURES (Continued)				
Payments to Other Districts and Governmental Units				
Payments to Other Districts and Governmental Units (In-State)				
Payments for Special Education Programs				
Purchased Services	\$ 395,000	\$ 395,000	\$ 307,336	\$ 87,664
	<u>\$ 395,000</u>	<u>\$ 395,000</u>	<u>\$ 307,336</u>	<u>\$ 87,664</u>
Other Payments to In-State Governmental Units				
Other Objects	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>\$ 307,336</u>	<u>\$ 107,664</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)				
Payments for Special Education Programs				
Other Objects	\$ 1,955,000	\$ 1,955,000	\$ 2,073,812	\$ (118,812)
Payment for CTE Programs				
Other Objects	552,204	552,204	528,415	23,789
Payments for Other Programs				
Other Objects	-	-	4,026	(4,026)
Other Payments to In-State Governmental Units				
Other Objects	100,000	100,000	26,400	73,600
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 2,607,204</u>	<u>\$ 2,607,204</u>	<u>\$ 2,632,653</u>	<u>\$ (25,449)</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 3,022,204</u>	<u>\$ 3,022,204</u>	<u>\$ 2,939,989</u>	<u>\$ 82,215</u>
Capital Outlay				
Instruction				
Regular Programs	\$ 33,121	\$ 33,121	\$ 36,702	\$ (3,581)
Special Education Programs	-	-	3,327	(3,327)
Other Instructional Programs	5,000	-	23,007	(23,007)
Support Services				
Business	-	-	13,500	(13,500)
Total Capital Outlay	<u>\$ 38,121</u>	<u>\$ 33,121</u>	<u>\$ 76,536</u>	<u>\$ (43,415)</u>
Provision for Contingencies	<u>\$ 312,012</u>	<u>\$ 512,012</u>	<u>\$ -</u>	<u>\$ 512,012</u>
On-Behalf Payments	<u>\$ 27,000,000</u>	<u>\$ 27,000,000</u>	<u>\$ 61,518,968</u>	<u>\$ (34,518,968)</u>
Total Expenditures	<u>\$ 101,384,051</u>	<u>\$ 101,976,298</u>	<u>\$ 134,810,778</u>	<u>\$ (32,834,480)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (4,698,278)	\$ (4,190,757)	\$ (3,285,471)	\$ 905,286
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	4,698,278	4,190,757	3,940,757	(250,000)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,286</u>	<u>\$ 655,286</u>
FUND BALANCE - JULY 1, 2016	<u>16,460,536</u>	<u>16,629,206</u>	<u>16,629,206</u>	
FUND BALANCE - JUNE 30, 2017	<u>\$ 16,460,536</u>	<u>\$ 16,629,206</u>	<u>\$ 17,284,492</u>	

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND - WORKING CASH FUND
 YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 57,680	\$ 57,663	\$ 57,780	\$ 117
Earnings on Investments	10,000	10,000	38,519	28,519
Total Revenues	<u>\$ 67,680</u>	<u>\$ 67,663</u>	<u>\$ 96,299</u>	<u>\$ 28,636</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 67,680	\$ 67,663	\$ 96,299	\$ 28,636
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 67,680	\$ 67,663	\$ 96,299	<u>\$ 28,636</u>
FUND BALANCE - JULY 1, 2016	<u>6,581,901</u>	<u>6,581,901</u>	<u>6,581,900</u>	
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 6,649,581</u></u>	<u><u>\$ 6,649,564</u></u>	<u><u>\$ 6,678,199</u></u>	

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ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - TORT FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 829,724	\$ 829,474	\$ 831,161	\$ 1,687
Earnings on Investments	-	-	191	191
Total Revenues	\$ 829,724	\$ 829,474	\$ 831,352	\$ 1,878
EXPENDITURES				
Support Services				
General Administration				
Workers' Compensation or Worker's Occupational Disease Act				
Purchased Services	\$ 405,706	\$ 405,706	\$ 444,677	\$ (38,971)
	\$ 405,706	\$ 405,706	\$ 444,677	\$ (38,971)
Unemployment Insurance Payments				
Purchased Services	\$ 45,000	\$ 45,000	\$ 25,180	\$ 19,820
	\$ 45,000	\$ 45,000	\$ 25,180	\$ 19,820
Insurance Payments				
Purchased Services	\$ 270,339	\$ 270,339	\$ 239,809	\$ 30,530
	\$ 270,339	\$ 270,339	\$ 239,809	\$ 30,530
Risk Management and Claims Services Payments				
Purchased Services	\$ -	\$ -	\$ 636	\$ (636)
	\$ -	\$ -	\$ 636	\$ (636)
Judgment and Settlements				
Purchased Services	\$ -	\$ 187,500	\$ 38,958	\$ 148,542
Other Objects	-	-	190,781	(190,781)
	\$ -	\$ 187,500	\$ 229,739	\$ (42,239)
Educational, Inspectional, Supervisory Services				
Purchased Services	\$ 50,000	\$ 50,000	\$ 41,251	\$ 8,749
	\$ 50,000	\$ 50,000	\$ 41,251	\$ 8,749
Legal Services				
Purchased Services	\$ 141,258	\$ 141,258	\$ 61,962	\$ 79,296
	\$ 141,258	\$ 141,258	\$ 61,962	\$ 79,296
Total Support Services - General Administration	\$ 912,303	\$ 1,099,803	\$ 1,043,254	\$ 56,549
Total Support Services	\$ 912,303	\$ 1,099,803	\$ 1,043,254	\$ 56,549
Total Expenditures	\$ 912,303	\$ 1,099,803	\$ 1,043,254	\$ 56,549
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (82,579)	\$ (270,329)	\$ (211,902)	\$ 58,427
OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (82,579)	\$ (270,329)	\$ (211,902)	\$ 58,427
FUND BALANCE - JULY 1, 2016	464,415	464,415	464,416	
FUND BALANCE - JUNE 30, 2017	\$ 381,836	\$ 194,086	\$ 252,514	

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ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 5,732,346	\$ 5,706,826	\$ 5,718,584	\$ 11,758
Earnings on Investments	7,500	7,500	19,154	11,654
Total Revenues	<u>\$ 5,739,846</u>	<u>\$ 5,714,326</u>	<u>\$ 5,737,738</u>	<u>\$ 23,412</u>
EXPENDITURES				
Debt Services				
Interest				
Other Interest on Long-Term Debt				
Other Objects	\$ 4,362,253	\$ 4,370,004	\$ 4,370,003	\$ 1
Total Debt Services - Interest	<u>\$ 4,362,253</u>	<u>\$ 4,370,004</u>	<u>\$ 4,370,003</u>	<u>\$ 1</u>
Debt Services - Payment of Principal on Long-Term Debt				
Other Objects	\$ 1,557,205	\$ 1,557,205	\$ 1,557,203	\$ 2
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 1,557,205</u>	<u>\$ 1,557,205</u>	<u>\$ 1,557,203</u>	<u>\$ 2</u>
Debt Services - Other				
Other Objects	\$ 5,000	\$ 10,000	\$ 4,387	\$ 5,613
Total Debt Services - Other	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 4,387</u>	<u>\$ 5,613</u>
Total Debt Services	<u>\$ 5,924,458</u>	<u>\$ 5,937,209</u>	<u>\$ 5,931,593</u>	<u>\$ 5,616</u>
Total Expenditures	<u>\$ 5,924,458</u>	<u>\$ 5,937,209</u>	<u>\$ 5,931,593</u>	<u>\$ 5,616</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (184,612)	\$ (222,883)	\$ (193,855)	\$ 29,028
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	166,201	166,201	166,201	-
NET CHANGE IN FUND BALANCE	\$ (18,411)	\$ (56,682)	\$ (27,654)	<u>\$ 29,028</u>
FUND BALANCE - JULY 1, 2016	5,308,684	5,308,684	5,308,683	
FUND BALANCE - JUNE 30, 2017	<u>\$ 5,290,273</u>	<u>\$ 5,252,002</u>	<u>\$ 5,281,029</u>	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Earnings on Investments	\$ 35,200	\$ 35,200	\$ 18,559	\$ (16,641)
Total Revenues	<u>\$ 35,200</u>	<u>\$ 35,200</u>	<u>\$ 18,559</u>	<u>\$ (16,641)</u>
EXPENDITURES				
Support Services				
Facilities Acquisition and Construction				
Supplies and Materials	\$ -	\$ -	\$ 731,102	\$ (731,102)
Other Objects	-	-	30	(30)
Non-Capitalized Equipment	-	-	109,675	(109,675)
Total Support Services - Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,807</u>	<u>\$ (840,807)</u>
Total Support Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,807</u>	<u>\$ (840,807)</u>
Capital Outlay				
Support Services				
Facilities Acquisition and Construction	\$ 8,415,000	\$ 8,415,000	\$ 7,432,731	\$ 982,269
Total Capital Outlay	<u>\$ 8,415,000</u>	<u>\$ 8,415,000</u>	<u>\$ 7,432,731</u>	<u>\$ 982,269</u>
Total Expenditures	<u>\$ 8,415,000</u>	<u>\$ 8,415,000</u>	<u>\$ 8,273,538</u>	<u>\$ 141,462</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,379,800)	\$ (8,379,800)	\$ (8,254,979)	\$ 124,821
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	-	250,000	250,000
NET CHANGE IN FUND BALANCE	\$ (8,379,800)	\$ (8,379,800)	\$ (8,004,979)	<u>\$ 374,821</u>
FUND BALANCE - JULY 1, 2016	<u>9,272,923</u>	<u>9,122,752</u>	<u>9,122,752</u>	
FUND BALANCE - JUNE 30, 2017	<u>\$ 893,123</u>	<u>\$ 742,952</u>	<u>\$ 1,117,773</u>	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 281,615	\$ 281,531	\$ 282,103	\$ 572
Earnings on Investments	-	-	402	402
Total Revenues	<u>\$ 281,615</u>	<u>\$ 281,531</u>	<u>\$ 282,505</u>	<u>\$ 974</u>
EXPENDITURES				
Support Services				
Operations and Maintenance				
Purchased Services	\$ -	\$ -	\$ 153,593	\$ (153,593)
Supplies and Materials	-	-	9,198	(9,198)
Non-Capitalized Equipment	-	-	155,448	(155,448)
Total Support Services - Operations and Maintenance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,239</u>	<u>\$ (318,239)</u>
Total Support Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,239</u>	<u>\$ (318,239)</u>
Capital Outlay				
Facilities Acquisition and Construction	\$ 350,000	\$ 400,000	\$ -	\$ 400,000
Operations and Maintenance	-	-	20,500	(20,500)
Total Capital Outlay	<u>\$ 350,000</u>	<u>\$ 400,000</u>	<u>\$ 20,500</u>	<u>\$ 379,500</u>
Total Expenditures	<u>\$ 350,000</u>	<u>\$ 400,000</u>	<u>\$ 338,739</u>	<u>\$ 61,261</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (68,385)	\$ (118,469)	\$ (56,234)	\$ 62,235
OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (68,385)	\$ (118,469)	\$ (56,234)	<u>\$ 62,235</u>
FUND BALANCE - JULY 1, 2016	<u>174,633</u>	<u>174,633</u>	<u>174,633</u>	
FUND BALANCE - JUNE 30, 2017	<u>\$ 106,248</u>	<u>\$ 56,164</u>	<u>\$ 118,399</u>	

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
A S S E T S				
Cash and Cash Equivalents	\$ 73,366	\$ 334,905	\$ 351,080	\$ 57,191
	<u>\$ 73,366</u>	<u>\$ 334,905</u>	<u>\$ 351,080</u>	<u>\$ 57,191</u>
L I A B I L I T I E S				
Due to Activity Fund Organizations				
Elementary				
Beach School	\$ 2,376	\$ -	\$ 2,059	\$ 317
Ellis School	1,405	300	570	1,135
Indian Hills School	2,035	-	526	1,509
Magee School	9,394	14,999	14,450	9,943
Murphy School	1,984	1,136	480	2,640
Middle School	13,785	20,341	21,375	12,751
High School	33,916	124,263	137,911	20,268
Village Student Council	23	1,706	1,729	-
Ila Bauer Scholarship	4,476	-	-	4,476
Ben Martindale Scholarship	4,004	-	-	4,004
District	(32)	172,160	171,980	148
Total Due to Activity Fund Organizations	<u>\$ 73,366</u>	<u>\$ 334,905</u>	<u>\$ 351,080</u>	<u>\$ 57,191</u>
Total Liabilities	<u>\$ 73,366</u>	<u>\$ 334,905</u>	<u>\$ 351,080</u>	<u>\$ 57,191</u>

See Accompanying Independent Auditor's Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
FOR YEAR ENDED JUNE 30, 2017

OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Total Expenditures	\$	73,291,810
O&M	Total Expenditures		5,875,760
DS	Total Expenditures		5,931,593
TR	Total Expenditures		4,170,143
MR/SS	Total Expenditures		2,785,980
TORT	Total Expenditures		1,043,254
	Total Expenditures	\$	93,098,540

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

ED	Pre-K Programs	\$	204,455
ED	Special Education Programs Pre-K		824,192
ED	Adult/Continuing Education Programs		295
ED	Summer School Programs		119,448
ED	Special Education Programs K-12 - Private Tuition		1,689,471
ED	Community Services		299,600
ED	Total Payments to Other District & Govt Units		2,939,989
ED	Capital Outlay		76,536
ED	Non-Capitalized Equipment		293,946
O&M	Capital Outlay		125,547
O&M	Non-Capitalized Equipment		37,794
DS	Debt Service - Payments of Principal on Long-Term Debt		1,557,203
MR/SS	Pre-K Programs		10,219
MR/SS	Special Education Programs - Pre-K		46,580
MR/SS	Adult/Continuing Education Programs		23
MR/SS	Summer School Programs		4,325
MR/SS	Community Services		28,426
MR/SS	Total Payments to Other Dist & Govt Units		27,085
	Total Deductions	\$	8,285,134
	Total Operating Expenses (Regular K-12)		84,813,406
	9 Mo ADA (See the General State Aid Claim for 2016-2017 (ISBE 54-33, L12)		6,511.83
	Estimated OEPP	\$	13,024.51

PER CAPITA TUITION CHARGE			
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LESS OFFSETTING RECEIPTS/REVENUES:

TR	Regular - Transp Fees from Other Sources (In State)	\$	45,886
TR	Regular - Transp Fees from Co-curricular Activities (In State)		20,361
ED	Total Food Service		88,839
ED-O&M	Total District/School Activity Income		167,674
ED-O&M	Rentals		26,731
ED-O&M-TR	Total Special Education		3,163,934
ED-O&M-MR/SS	Total Career and Technical Education		17,786
ED-MR/SS	Total Bilingual Ed		769,350
ED	State Free Lunch & Breakfast		37,159
ED-O&M	Driver Education		56,639
ED-O&M-TR-MR/SS	Total Transportation		2,546,628
ED-MR/SS	Total Food Service		3,422,669
ED-O&M-TR-MR/SS	Total Title I		2,254,713
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through		844,014
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board		84,766
ED-O&M-MR/SS	Total CTE - Perkins		36,974
ED-TR-MR/SS	Title III - Immigrant Education Program (IEP)		2,890
ED-O&M-TR-MR/SS	Title III - Language Inst Program - Limited Eng (LIPLP)		120,797
ED-O&M-TR-MR/SS	Title II - Teacher Quality		66,136
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach		140,703
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program		768,947
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)		8,251
	Total Allowance for PCTC Computation	\$	14,691,847
	Net Operating Expense for PCTC Computation		70,121,559
	Total Depreciation Allowance (from page 27, Col I)		2,128,867
	Total Allowance for PCTC Computation		72,250,426
	9 Mo ADA		6,511.83
	Total Estimated PCTC	\$	11,095.26

Unaudited

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	76
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	80
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	84
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future	
Demographic and Economic Information	89
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	91
These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010
Expenses								
Governmental Activities								
Instruction								
Regular Programs	\$ 30,996,739	\$ 31,506,641	\$ 30,244,288	\$ 27,245,665	\$ 20,837,896	\$ 22,418,167	\$ 21,896,666	\$ 20,990,334
Special Education Programs	10,388,245	9,263,172	8,498,507	7,019,041	6,669,405	6,575,279	6,140,817	5,757,123
Other Instructional Programs	10,917,989	10,740,663	9,848,931	9,906,022	9,451,845	10,746,276	11,091,582	10,942,586
Supporting Services								
Pupils	7,871,869	7,028,535	6,599,281	5,671,563	6,013,039	4,460,743	4,193,755	3,877,219
Instructional Staff	2,251,156	1,952,519	2,493,675	1,950,447	1,873,079	2,003,790	1,929,893	2,136,614
General Administration	3,182,112	2,739,884	2,888,694	2,768,389	2,911,237	2,852,235	2,004,990	1,815,634
School Administration	5,833,235	5,125,896	4,666,228	4,502,095	3,718,378	3,234,150	3,139,591	2,991,339
Business	973,899	1,095,658	1,167,717	1,155,436	998,920	1,077,641	965,147	963,357
Facilities Acquisition and Construction	840,815	163,608	-	506,513	1,847	40,268	166,883	776,219
Operations and Maintenance	6,683,396	6,740,832	6,275,686	5,612,071	5,781,988	5,087,139	5,355,880	5,055,879
Transportation	4,632,918	4,920,051	4,692,036	4,263,100	5,049,483	4,259,677	4,091,200	3,817,088
Food Services	2,513,036	2,597,382	2,536,299	2,151,438	2,494,645	2,514,745	2,353,814	2,424,251
Central	2,960,075	3,037,380	2,392,570	2,808,663	2,849,066	1,472,282	1,220,786	73,886
Other Support Services	2,984	2,205	363	217,288	226,631	277,326	127,344	61,238
Community Services	362,237	310,124	228,184	264,749	296,898	207,054	191,936	249,742
Payments to Other Governments	2,967,074	3,325,769	3,452,402	3,148,448	3,338,130	3,530,658	3,439,086	3,121,549
Interest and Fees on Long-Term Debt	3,480,610	1,741,231	2,648,666	2,876,037	3,195,110	3,300,005	3,525,311	3,720,178
On-Behalf Retirement Contributions	61,518,968	21,300,702	20,648,770	13,307,743	9,767,363	8,388,700	7,249,972	7,136,019
Depreciation - Unallocated	2,034,730	1,669,913	1,721,003	1,800,740	1,943,460	2,100,796	2,204,090	2,148,978
Total Governmental Activities Expenses	\$ 160,412,087	\$ 115,262,165	\$ 111,003,300	\$ 97,175,448	\$ 87,418,420	\$ 84,546,931	\$ 81,288,743	\$ 78,059,233
Program Revenues								
Governmental Activities								
Charges for Service								
Regular Programs	\$ 255,848	\$ 212,209	\$ 161,320	\$ 170,052	\$ 153,983	\$ 94,841	\$ 126,505	\$ 823,387
Other Instructional Programs	496,976	486,903	437,974	500,367	527,657	717,811	665,654	33,552
Operations and Maintenance	26,731	9,332	13,725	6,279	11,923	11,445	7,834	21,236
Transportation	66,247	44,682	46,722	43,253	61,731	71,615	84,992	84,479
Food Services	88,839	96,239	102,650	444,990	541,219	619,027	482,687	566,259
Operating Grants and Contributions	76,182,958	35,497,325	34,384,483	27,139,822	23,731,998	24,937,806	20,661,212	18,970,330
Total Governmental Activities Program Revenues	\$ 77,117,599	\$ 36,346,690	\$ 35,146,874	\$ 28,304,763	\$ 25,028,511	\$ 26,452,545	\$ 22,028,884	\$ 20,499,243
Net (Expense) Revenue	\$ (83,294,488)	\$ (78,915,475)	\$ (75,856,426)	\$ (68,870,685)	\$ (62,389,909)	\$ (58,094,386)	\$ (59,259,859)	\$ (57,559,990)

(continued)

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues								
Governmental Activities								
Taxes								
Property Taxes, Levied for General Purposes	\$ 27,575,195	\$ 27,324,073	\$ 26,984,357	\$ 26,582,717	\$ 25,998,851	\$ 24,993,660	\$ 24,184,257	\$ 23,771,391
Property Taxes, Levied for Debt Service	5,718,584	5,893,919	6,225,598	6,485,706	6,485,681	6,270,308	6,024,066	5,918,508
Personal Property Replacement Taxes	250,095	225,141	244,553	233,646	222,938	210,638	238,826	193,600
TIF Revenues	-	-	-	-	-	1,080,508	1,116,095	1,089,613
Grants and Contributions not Restricted to Specific Activities	44,632,201	42,734,645	38,828,995	36,289,770	33,913,672	34,117,507	33,201,558	30,833,076
Unrestricted Investment Earnings	235,268	143,350	89,407	58,393	110,410	56,624	175,964	230,822
Bond Premium Amortization								
(Gain)/Loss on Refunding	-	-	(2,551,738)	-	(66,592)	-	-	-
Miscellaneous	135,409	216,086	257,899	403,485	143,377	383,928	616,033	130,886
Gain/(Loss) on Sale of Capital Assets	-	-	(55,080)	-	-	(880)	(91,359)	-
Total Governmental Activities General Revenues	<u>\$ 78,546,752</u>	<u>\$ 76,537,214</u>	<u>\$ 70,023,991</u>	<u>\$ 70,053,717</u>	<u>\$ 66,808,337</u>	<u>\$ 67,112,293</u>	<u>\$ 65,465,440</u>	<u>\$ 62,167,896</u>
Change in Net Position	\$ (4,747,736)	\$ (2,378,261)	\$ (5,832,435)	\$ 1,183,032	\$ 4,418,428	\$ 9,017,907	\$ 6,205,581	\$ 4,607,906
Net Position - Beginning	27,579,642	29,957,903	43,563,536	42,380,504	37,962,076	28,934,558	28,728,861	31,207,846
Net Position Adjustment	<u>2,003,595</u>	<u>-</u>	<u>(7,773,198)</u>	<u>-</u>	<u>-</u>	<u>9,611</u>	<u>(5,999,884)</u>	<u>(7,086,891)</u>
Net Position - Ending	<u>\$ 24,835,501</u>	<u>\$ 27,579,642</u>	<u>\$ 29,957,903</u>	<u>\$ 43,563,536</u>	<u>\$ 42,380,504</u>	<u>\$ 37,962,076</u>	<u>\$ 28,934,558</u>	<u>\$ 28,728,861</u>
Net Position by Component								
Governmental Activities								
Net Investment in Capital Assets	\$ 15,705,938	\$ 15,067,833	\$ 14,438,183	\$ 16,979,329	\$ 15,339,651	\$ 13,470,815	\$ 11,544,846	\$ 14,537,557
Restricted for:								
Tort	83,157	295,249	240,765	-	-	-	-	67,489
Drivers Education	30,175	-	-	-	-	3,060	88,622	-
Operations and Maintenance	-	-	-	-	-	-	1,514,712	4,255,309
Debt Service	-	-	-	-	-	-	-	651,189
Transportation	2,701,895	2,294,291	2,312,596	2,491,162	2,394,214	2,607,358	2,698,171	3,227,197
Retirement	21,372	354,441	729,945	754,817	518,542	595,561	638,250	1,007,020
Capital Projects	-	-	-	-	-	-	-	385,854
Fire Prevention and Safety	112,555	169,191	386,584	435,962	598,926	498,457	321,001	269,511
Working Cash	-	-	-	-	-	-	-	6,209,786
Unrestricted (Deficit)	<u>6,180,409</u>	<u>9,398,637</u>	<u>11,849,830</u>	<u>22,902,266</u>	<u>23,529,171</u>	<u>20,786,825</u>	<u>12,128,956</u>	<u>(1,882,051)</u>
Total Governmental Activities Net Position	<u>\$ 24,835,501</u>	<u>\$ 27,579,642</u>	<u>\$ 29,957,903</u>	<u>\$ 43,563,536</u>	<u>\$ 42,380,504</u>	<u>\$ 37,962,076</u>	<u>\$ 28,934,558</u>	<u>\$ 28,728,861</u>

Source: 2010-2017 Annual Financial Reports

Note: The District implemented GASB No. 34 in fiscal year 2010 therefore financial information prior to that date is not available on the GASB No. 34 basis

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Local Sources	\$ 34,849,192	\$ 34,651,934	\$ 34,562,503	\$ 34,928,890	\$ 34,257,770	\$ 34,510,404	\$ 33,722,915	\$ 32,863,733	\$ 32,832,915	\$ 32,759,959
State Sources	51,483,099	48,910,032	45,003,360	43,086,145	41,083,471	41,934,838	40,162,717	30,259,772	27,030,814	30,762,212
Federal Sources	7,813,090	8,021,237	7,561,350	7,035,704	6,794,835	8,731,776	6,450,079	12,407,615	9,928,188	3,162,984
On-Behalf Payments	61,518,968	21,300,702	20,648,770	13,307,743	9,767,363	8,388,700	7,249,972	7,136,019	5,061,455	3,241,649
	<u>\$ 155,664,349</u>	<u>\$ 112,883,905</u>	<u>\$ 107,775,983</u>	<u>\$ 98,358,482</u>	<u>\$ 91,903,439</u>	<u>\$ 93,565,718</u>	<u>\$ 87,585,683</u>	<u>\$ 82,667,139</u>	<u>\$ 74,853,372</u>	<u>\$ 69,926,804</u>
EXPENDITURES										
Instruction	\$ 49,124,011	\$ 49,387,179	\$ 46,594,335	\$ 43,285,541	\$ 39,383,623	\$ 38,934,594	\$ 38,340,818	\$ 36,373,694	\$ 34,307,224	\$ 29,642,806
Support Services	35,703,211	34,213,878	33,282,391	31,620,089	33,261,924	27,246,555	25,460,304	24,604,569	22,795,312	24,444,169
Community Services	329,614	291,473	222,434	264,749	296,898	207,054	192,004	251,322	218,382	168,756
Payments to Other Governments	2,967,074	3,325,769	3,452,402	3,148,448	3,338,130	3,530,658	3,439,086	3,121,549	2,363,071	6,093,486
Debt Service										
Principal	1,557,203	2,436,434	3,175,474	3,293,010	3,446,655	3,827,464	4,556,431	4,497,396	4,436,270	2,438,831
Interest and Fees	4,374,390	4,801,135	3,554,770	3,392,252	3,227,739	2,995,605	2,926,787	2,825,790	2,627,084	3,020,137
Capital Outlay	7,655,314	20,706,099	2,220,718	447,980	441,194	259,698	216,614	691,112	6,125,644	9,662,281
On-Behalf Payments	61,518,968	21,300,702	20,648,770	13,307,743	9,767,363	8,388,700	7,249,972	7,136,019	5,061,455	3,241,649
	<u>\$ 163,229,785</u>	<u>\$ 136,462,669</u>	<u>\$ 113,151,294</u>	<u>\$ 98,759,812</u>	<u>\$ 93,163,526</u>	<u>\$ 85,390,328</u>	<u>\$ 82,382,016</u>	<u>\$ 79,501,451</u>	<u>\$ 77,934,442</u>	<u>\$ 78,712,115</u>
Excess or (Deficiency) of										
Revenues over Expenditures	\$ (7,565,436)	\$ (23,578,764)	\$ (5,375,311)	\$ (401,330)	\$ (1,260,087)	\$ 8,175,390	\$ 5,203,667	\$ 3,165,688	\$ (3,081,070)	\$ (8,785,311)
Other Financing Sources (Uses)										
Issuance of Debt	\$ -	\$ 2,029,000	\$ 48,230,699	\$ -	\$ 3,200,000	\$ -	\$ 182,040	\$ 47,606	\$ 1,773,892	\$ -
Premium on Issuance of Debt	-	-	3,485,147	-	85,615	-	-	-	-	-
Discount on Issuance of Debt	-	-	(472,145)	-	-	-	-	-	-	-
Payments to Refunding Bond Escrow Agent	-	-	(20,884,088)	-	(3,206,592)	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	21,625	-	-	-	49,000	-	-	-
Other Sources	-	-	1,702	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 2,029,000</u>	<u>\$ 30,382,940</u>	<u>\$ -</u>	<u>\$ 79,023</u>	<u>\$ -</u>	<u>\$ 231,040</u>	<u>\$ 47,606</u>	<u>\$ 1,773,892</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (7,565,436)	\$ (21,549,764)	\$ 25,007,629	\$ (401,330)	\$ (1,181,064)	\$ 8,175,390	\$ 5,434,707	\$ 3,213,294	\$ (1,307,178)	\$ (8,785,311)
Debt Service as a Percentage										
of Noncapital Expenditures	3.81%	6.25%	6.07%	6.80%	7.20%	8.01%	9.11%	9.29%	9.84%	7.91%

Source: 2008-2017 Annual Financial Reports

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	GASB 54							Pre-GASB 54		
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 854,765	\$ 96,063	\$ 111,316	\$ 356,240	\$ 115,273	\$ 66,861	\$ 244,800	\$ -	\$ -	\$ -
Restricted	113,332	295,249	240,765	-	-	3,060	88,622	-	-	-
Unassigned	23,247,108	23,284,210	24,543,634	27,372,705	27,654,423	29,000,182	23,618,894	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	13,516,343	11,272,763	10,403,138
Total General Fund	\$ 24,215,205	\$ 23,675,522	\$ 24,895,715	\$ 27,728,945	\$ 27,769,696	\$ 29,070,103	\$ 23,952,316	\$ 13,516,343	\$ 11,272,763	\$ 10,403,138
All Other Governmental Funds										
Nonspendable	\$ 53,316	\$ 20,978	\$ 182,745	\$ 362,377	\$ 358,704	\$ 441,221	\$ 542,389	\$ -	\$ -	\$ -
Restricted	7,915,366	7,938,682	9,567,864	8,805,132	8,663,444	8,756,267	10,110,276	-	-	-
Committed	1,117,773	9,122,752	27,569,630	21,547	178,001	179,581	219,629	-	-	-
Assigned	8,821,474	8,930,636	9,022,380	9,312,704	9,662,190	9,365,927	4,813,099	-	-	-
Reserved	-	-	-	-	-	-	-	616,882	507,792	281,277
Unreserved, reported in:										
Operations and Maintenance Fund	-	-	-	-	-	-	-	4,305,774	4,270,548	1,648,678
Debt Services Fund	-	-	-	-	-	-	-	5,209,248	4,918,697	5,049,538
Transportation Fund	-	-	-	-	-	-	-	3,231,977	3,231,977	2,824,807
Illinois Municipal Retirement/Social Security Fund	-	-	-	-	-	-	-	390,138	499,228	577,227
Capital Projects Fund	-	-	-	-	-	-	-	385,854	143,580	5,735,864
Working Cash Fund	-	-	-	-	-	-	-	6,209,786	6,082,322	5,859,323
Tort Fund	-	-	-	-	-	-	-	67,489	37,090	-
Fire Prevention/Life Safety Fund	-	-	-	-	-	-	-	269,511	243,849	135,172
Total All Other Governmental Funds	\$ 17,907,929	\$ 26,013,048	\$ 46,342,619	\$ 18,501,760	\$ 18,862,339	\$ 18,742,996	\$ 15,685,393	\$ 20,686,659	\$ 19,935,083	\$ 22,111,886
Total All Governmental Funds	\$ 42,123,134	\$ 49,688,570	\$ 71,238,334	\$ 46,230,705	\$ 46,632,035	\$ 47,813,099	\$ 39,637,709	\$ 34,203,002	\$ 31,207,846	\$ 32,515,024

Source: 2008-2017 Annual Financial Reports

Note: The Working Cash Fund and Tort Fund are included in the General Fund in 2011 through 2017. The Tort Fund is included in the General Fund for 2008.

Note: GASB 54 was implemented in fiscal year 2011. With this implementation, the Working Cash Fund and the Tort Fund were combined with the General Fund and governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN LEVY YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxes Extended for Levy Year	\$ 33,587,950	\$ 33,439,445	\$ 33,442,552	\$ 33,426,472	\$ 32,990,572	\$ 32,096,357	\$ 30,771,244	\$ 29,871,156	\$ 29,721,419	\$ 28,366,931
Amount of Levy Collected within the Fiscal Year of the Levy	16,978,367	16,608,749	16,614,194	16,584,111	16,304,766	15,841,679	14,962,281	14,558,714	14,482,753	13,813,386
Percentage of Levy Collected within the Fiscal Year of the Levy	50.55%	49.67%	49.68%	49.61%	49.42%	49.36%	48.62%	48.74%	48.73%	48.70%
Amount of Collections in Subsequent Years	N/A	16,610,777	16,605,350	16,617,804	16,540,687	16,190,888	15,401,844	15,246,042	15,159,262	15,430,430
Amount of Levy Collected to Date	16,978,367	33,219,526	33,219,544	33,201,915	32,845,453	32,032,567	30,364,125	29,804,756	29,642,015	29,243,816
Percentage of Levy Collected to Date	50.55%	99.34%	99.33%	99.33%	99.56%	99.80%	98.68%	99.78%	99.73%	103.09%

Source: Lake County Clerk's Office, Lake County Treasurer's Office

Note: Amounts collected in subsequent years for the 2016 levy is not yet available.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN LEVY YEARS

Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2016	\$ 277,217,722	\$ 1,256,535	\$ 61,247,981	\$ 10,225,732	\$ -	\$ 349,947,970	9.5980	\$ 1,049,843,910
2015	251,352,253	1,158,993	59,006,593	9,089,520	-	320,607,359	10.4300	961,822,077
2014	269,047,165	1,227,153	56,779,864	8,322,809	-	335,376,991	9.9716	1,006,130,973
2013	283,661,881	1,165,055	61,570,190	8,524,000	-	354,921,126	9.4180	1,064,763,378
2012	315,581,376	1,256,251	67,083,960	9,948,668	-	393,870,255	8.3760	1,181,610,765
2011	378,188,938	1,014,930	75,783,402	11,326,219	-	466,313,489	6.8830	1,398,940,467
2010	439,527,179	1,058,071	77,222,061	11,362,833	-	529,170,144	5.8150	1,587,510,432
2009	459,802,020	901,983	81,220,966	12,065,292	-	553,990,261	5.3920	1,661,970,783
2008	462,752,512	824,538	83,671,738	12,687,515	-	559,936,303	5.3080	1,679,808,909
2007	444,030,400	802,080	78,559,061	12,338,977	-	535,730,518	5.2950	1,607,191,554

Source: Lake County Clerk's Office

Note: The total direct tax rate is the total property tax extension divided by the total taxable equalized assessed value. The County assesses property at approximately 33.3% of actual value for all types of property.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN LEVY YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lake County	0.632	0.663	0.682	0.663	0.608	0.554	0.505	0.464	0.453	0.444
Lake County Forest Preserve District	0.193	0.208	0.210	0.218	0.212	0.201	0.198	0.200	0.199	0.201
Township of Avon	0.075	0.081	0.081	0.076	0.067	0.057	0.067	0.065	0.064	0.063
Road and Bridge-Avon	0.096	0.105	0.108	0.102	0.007	0.006	0.011	0.017	0.017	0.017
Special Road Improvement-Avon	-	-	-	-	0.083	0.070	0.065	0.063	0.062	0.061
Central Lake County Joint Action Water Agency	0.046	0.054	0.056	0.055	0.052	0.047	0.045	0.042	0.042	0.042
Village of Round Lake Beach	0.807	0.864	0.832	0.777	0.702	0.599	0.543	0.544	0.531	0.517
Greater Round Lake Fire Protection District	1.087	1.171	1.155	1.093	0.988	0.862	0.754	0.688	0.664	0.652
Round Lake Library District	0.680	0.709	0.709	0.656	0.581	0.475	0.404	0.371	0.365	0.363
Round Lake Park District	0.787	0.849	0.842	0.797	0.720	0.603	0.530	0.485	0.477	0.473
Round Lake Sanitary District	-	-	-	-	-	-	-	-	-	-
Community College District #532	0.285	0.299	0.306	0.296	0.272	0.240	0.218	0.200	0.196	0.192
Total Overlapping Rate	4.688	5.003	4.981	4.733	4.292	3.714	3.340	3.139	3.070	3.025
Round Lake Area Schools Community Unit District No. 116	9.598	10.430	9.971	9.418	8.376	6.883	5.815	5.392	5.308	5.295
Total Rate	14.286	15.433	14.952	14.151	12.668	10.597	9.155	8.531	8.378	8.320

Source: Lake County Clerk's Office

Note: Tax rates are per \$100 equalized assessed valuation.

Note: The District is subject to the property tax extension limitation law, which limits the District's ability to raise its direct rates.

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 PRINCIPAL TAXPAYERS IN THE DISTRICT
 CURRENT LEVY YEAR AND NINE YEARS AGO

Taxpayer	2016		2007 (3)	
	Equalized Assessed Value(1)	Percentage of Total District Equalized Assessed Valuation(2)	Equalized Assessed Value	Percentage of Total District Equalized Assessed Valuation(4)
Mept Coventry Glen, LLC	\$ 5,562,904	1.59%	\$ 6,354,063	1.19%
BRE Retail Residual Owner 3 LLC	4,214,020	1.20%		
Cedar Villas Associates LLC	3,699,630	1.06%	4,039,596	0.75%
Illinois Underground and Illinois Underground Contractors Inc.	2,562,184	0.73%	3,192,288	0.60%
Rosewood Apartments	1,910,175	0.55%	2,379,762	0.44%
Timber Creek Homes	2,047,193	0.58%	1,689,605	0.32%
Nipoti LLC	1,606,744	0.46%		
Kmart Corp Property Tax Compliance	1,446,815	0.41%	5,462,187	1.02%
Eagle Creek SC LLC	1,246,555	0.36%	1,499,850	0.28%
Round Lake Beach LP	977,993	0.28%		
Bradley Operating Ltd.			4,423,781	0.83%
Cadillac Sand Realty			2,182,583	0.41%
Ferdinand, Mark R			1,932,726	0.36%
	<u>\$ 25,274,213</u>	<u>7.22%</u>	<u>\$ 33,156,441</u>	<u>6.19%</u>

- (1) Includes tax year 2016 equalized assessed valuations of property parcels with an aggregate total over approximately \$194,000.
 (2) Uses the District's 2016 equalized assessed valuation of \$349,947,970.
 (3) Includes tax year 2007 equalized assessed valuations of property parcels with an aggregate total over approximately \$220,000.
 (4) Uses the District's 2007 equalized assessed valuation of \$535,730,518.

Data Source: Office of the Lake County Clerk

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 LEGAL DEBT MARGINS
 LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 48,292,820	\$ 44,243,816	\$ 46,282,025	\$ 48,979,115	\$ 54,354,095	\$ 64,351,261	\$ 73,025,480	\$ 76,450,656	\$ 77,271,210	\$ 73,930,811
Total Net Debt Applicable to Limit	50,381,540	51,474,625	51,462,730	22,993,729	25,817,759	31,659,026	35,473,691	39,781,217	44,191,042	48,037,518
Legal Debt Margin	\$ (2,088,720)	\$ (7,230,809)	\$ (5,180,705)	\$ 25,985,386	\$ 28,536,336	\$ 32,692,235	\$ 37,551,789	\$ 36,669,439	\$ 33,080,168	\$ 25,893,293
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	104.33%	116.34%	111.19%	46.95%	47.50%	49.20%	48.58%	52.04%	57.19%	64.98%

Source: 2008-2017 Annual Financial Reports

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2017

Equalized Assessed Value 2016 Tax Year	\$	349,947,970	
Statutory Debt Limit Percentage		<u>13.8%</u>	
Statutory Debt Limit	\$		48,292,820
Total Debt Outstanding	\$	60,902,405	
Exempted Debt		<u>10,520,865</u>	
Net Debt Subjected to the Limit			<u>50,381,540</u>
Legal Debt Margin	\$		<u><u>(2,088,720)</u></u>

Source: 2017 Annual Financial Report

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

June 30,	General Obligation Bonds	Alternative Revenue Bonds	Lease/ Purchase Agreements	SEDOL Bonds	Total Debt	Percentage of Estimated Actual Property Value	Personal Income	Ratio of Outstanding Debt per Personal Income	Estimated Population	Outstanding Debt Per Capita
2017	\$ 60,112,374	\$ -	\$ 99,337	\$ 690,694	\$ 60,902,405	6%	\$ 672,344,000	9%	28,128	2,165
2016	63,090,975	-	146,728	774,849	64,012,552	7%	678,151,000	9%	28,241	2,267
2015	65,125,100	-	193,657	844,178	66,162,935	7%	793,408,352	8%	29,416	2,249
2014	39,822,492	-	31,346	921,242	40,775,080	4%	739,306,150	6%	29,590	1,378
2013	43,592,848	-	89,831	995,224	44,677,903	4%	658,083,700	7%	36,509	1,224
2012	46,913,818	-	157,243	1,065,611	48,136,672	3%	658,083,700	7%	36,509	1,318
2011	49,857,519	-	764,952	1,135,348	51,757,819	3%	665,551,700	8%	36,420	1,421
2010	52,447,687	655,000	1,307,706	1,203,981	55,614,374	3%	668,974,600	8%	35,103	1,584
2009	40,867,398	1,285,000	2,038,644	1,266,716	45,457,758	3%	704,003,700	6%	34,962	1,300
2008	43,830,040	1,895,000	2,312,478	82,617	48,120,135	3%	704,003,700	7%	34,854	1,381

Sources: Debt information was obtained from the District's Annual Financial Reports for 2008-2017. Personal income and estimated population were obtained from the U.S. Census Bureau: Population - School District Data Files, Income - American FactFinder, American Community Survey 5-year estimates (2008-2012), and 3-year estimates (2009-2011), most recent available.

N/A - information not available at time of publication

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
NET BONDED DEBT
LAST TEN FISCAL YEARS

June 30,	General Bonded Debt	Less: Amounts Available to Repay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Taxable Value	Net General Bonded Debt Per Capita
2017	\$ 60,112,374	\$ 5,281,029	\$ 54,831,345	5.22%	\$ 1,949
2016	63,090,975	5,308,683	57,782,292	6.01%	2,046
2015	65,125,100	6,481,961	58,643,139	5.83%	1,994
2014	39,822,492	5,638,061	34,184,431	3.21%	1,155
2013	43,592,848	5,645,765	37,947,083	3.21%	1,039
2012	46,913,818	5,541,749	41,372,069	2.96%	1,133
2011	49,857,519	5,380,326	44,477,193	2.80%	1,221
2010	52,447,687	5,209,248	47,238,439	2.84%	1,346
2009	40,867,398	4,918,697	35,948,701	2.14%	1,028
2008	43,830,040	5,049,538	38,780,502	2.41%	1,113

Sources: Debt information was obtained from the District's Annual Financial Reports for 2008-2017.

N/A - information not available at time of publication

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2017

Taxing Authority	Outstanding Bonded Debt	Percentage of Debt Applicable to District	District's Share of Debt
Lake County Forest Preserve	270,760,000 (4)	1.400%	\$ 3,790,640
Lake County	0 (1)	1.400%	-
Central Lake County Joint Action Water Agency	6,105,000	4.216%	257,387
Village of Round Lake	0 (1)	28.423%	-
Village of Round Lake Beach	6,760,000 (3)(4)	56.800%	3,839,680
Village of Round Lake Park	5,215,000	64.664%	3,372,228
Round Lake Park District	893,000 (1)(4)	46.246%	412,977
Community College #532	15,985,000 (1)(4)	1.482%	<u>236,898</u>
 Total Overlapping Bonded Debt			 \$ 11,909,809
 Round Lake Area Schools Community Unit District No. 116	 \$53,832,202 (2)	 100.000%	 <u>53,832,202</u>
 Total Direct and Overlapping General Obligation Bonded Debt			 <u>\$ 65,742,011</u>

(1) Excludes outstanding principal amounts of General Obligation Alternate Revenue Source Bonds

(2) Includes outstanding original principal amounts of Capital Appreciation Bonds

(3) Considered to be self-supported debt as abatements are filed annually.

(4) Excludes outstanding Debt Certificates and/or leases and loans.

Source: Lake County Clerk's Office

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income	Unemployment Rate (2)
2017	28,128	\$ 672,344,000	23,903	7.3%
2016	28,241	678,151,000	24,013	7.4%
2015	29,416	793,408,352	26,972	9.1%
2014	29,590	739,306,150	24,985	12.1%
2013	36,509	658,083,700	18,025	12.4%
2012	36,509	658,083,700	18,025	13.7%
2011	36,420	665,551,700	18,274	14.6%
2010	35,103	668,974,600	19,057	14.5%
2009	34,962	704,003,700	20,136	10.4%
2008	34,854	704,003,700	20,199	8.0%

Sources: (1) U.S. Census Bureau information -
 Population - School District Data Files
 Income - American FactFinder, American Community Survey 5-year estimates (2008-2012) and 3-year estimates (2009-2011), most recent available.

(2) Illinois Department of Employment Security - Village of Round Lake Beach information chosen because it has the largest population of all the communities in the District - 28,148 of 36,509 or approximately 78% of the District in 2011.

N/A - information not available at time of publication

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

Employer	2017			Percentage of Total District Employment	2009*			Percentage of Total District Employment
	Employees**	Data Source	Rank		Employees	Data Source	Rank	
Baxter Healthcare Corp	1,900	(2)	1	13.67%	2,100	(5)	1	16.73%
School District 116	920	(3)	2	6.62%	646	(3)	2	5.15%
Round Lake Area Park District	300	(4)	3	2.16%	295	(5)	3	2.35%
Jewel-Osco	250	(4)	4	1.80%	196	(5)	5	1.56%
Wal-Mart Supercenter	220	(4)	5	1.58%	233	(5)	4	1.86%
Nor States Bank	150	(4)	6	1.08%				
Kohl's	110	(4)	7	0.79%				
Hillcrest Nursing Center	100	(4)	8	0.72%				
The Grieve Corp	100	(1)	8	0.72%	70	(5)	10	0.56%
Ace Hardware	90	(4)	9	0.65%				
Midwest Printed Circuit Services	85	(1)	10	0.61%	80	(5)	9	0.64%
Village of Round Lake Beach	74	(3)	11	0.53%	104	(3)	8	0.83%
Village of Round Lake	54	(3)	12	0.39%				
Super Kmart	N/A				195	(5)	6	1.55%
Round Lake Senior High School	N/A				130	(5)	7	1.04%
G M Sign Inc.	N/A				60	(5)	11	0.48%

* In the absence of obtaining 2008 principal employers 2009 principal employers are included

** Includes part-time, seasonal and temporary employees

IDES: The estimated number of persons employed in the District in 2016 is 13,904.

IDES: The estimated number of persons employed in the District in 2009 is 11,787

Illinois Department of Employment Security

Data Sources

- (1) 2017 Illinois Manufacturers Directory
- (2) 2017 Illinois Services Directory
- (3) Employer or Village Website and/or Financial Report
- (4) ReferenceUSA.com
- (5) 2009 Official Statement - Round Lake and Round Lake Beach

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
STAFFING INFORMATION BY FUNCTION
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Administration:</u>										
Central Office	21.0	19.0	22.0	20.0	20.0	16.0	15.8	12.8	17.2	17.3
Site Based	30.0	31.0	23.0	23.0	24.0	22.1	19.5	21.0	22.0	17.3
Total Administration	51.0	50.0	45.0	43.0	44.0	38.1	35.3	33.8	39.2	34.7
<u>Teachers:</u>										
High School - Regular Ed	126.5	129.0	121.7	113.6	101.6	99.8	92.8	94.3	91.8	90.5
Middle School - Regular Ed	108.0	108.0	107.0	99.2	81.6	75.8	75.0	77.6	77.1	49.2
Elementary School - Regular Ed	196.0	196.0	196.0	189.1	163.7	159.7	154.5	156.3	159.7	152.8
<i>Subtotal Regular Ed</i>	<u>430.5</u>	<u>433.0</u>	<u>424.7</u>	<u>401.9</u>	<u>346.9</u>	<u>335.3</u>	<u>322.3</u>	<u>328.2</u>	<u>328.6</u>	<u>292.5</u>
High School - Special Ed	27.0	26.0	20.0	19.4	17.4	17.4	15.0	16.0	14.8	14.6
Middle School - Special Ed	19.0	19.0	16.0	16.0	18.0	18.0	18.0	17.7	18.5	8.0
Elementary School - Special Ed	43.0	41.0	39.5	28.5	26.7	28.9	32.0	28.5	28.6	47.0
<i>Subtotal Special Ed</i>	<u>89.0</u>	<u>86.0</u>	<u>75.5</u>	<u>63.9</u>	<u>62.1</u>	<u>64.2</u>	<u>65.0</u>	<u>62.2</u>	<u>61.9</u>	<u>69.6</u>
Total Teachers	519.5	519.0	500.2	465.8	409.0	399.6	387.3	390.4	390.5	362.1
<u>Pupil Support:</u>										
Social Workers	18.5	17.5	14.0	13.0	13.8	13.0	12.5	12.0	12.0	10.1
Psychologists	12.4	10.9	9.5	10.0	9.0	8.5	6.0	6.0	6.0	7.0
Counselors	10.0	10.0	9.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Speech & Language Therapist	15.8	12.1	13.9	11.2	10.2	10.2	8.2	7.9	7.6	6.6
Occupational & Physical Therapists	6.8	5.2	4.0	4.0	4.0	4.0	4.4	3.4	4.2	3.0
Truancy/Other	3.0	4.0	4.0	1.0	4.8	7.0	3.3	2.0	3.0	3.6
Total Pupil Support	66.5	59.7	54.4	46.2	47.9	48.7	40.3	37.3	38.8	36.3
<u>Other Support Staff:</u>										
Aides	142.0	140.0	133.0	110.0	108.3	118.5	108.0	103.0	102.7	90.1
Bus Drivers	46.0	47.0	47.0	47.0	48.2	49.3	46.6	42.5	39.0	37.5
Clerical Support	47.0	51.0	51.0	52.5	53.9	48.7	46.2	49.4	46.6	43.8
Custodial	56.0	54.0	52.0	47.0	49.3	50.2	48.8	45.9	45.5	41.4
Total Other Support Staff	291.0	292.0	283.0	256.5	259.6	266.7	249.6	240.7	233.8	212.8
Grand Total	928.0	920.7	882.6	811.5	760.4	753.1	712.6	702.3	702.3	645.9

Source: District Records

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
ILLINOIS STATE BOARD OF EDUCATION SCHOOL DISTRICT FINANCIAL PROFILE
LAST TEN FISCAL YEARS

	2017 Est.	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund Balance to Revenue Ratio	0.41	0.41	0.46	0.52	0.54	0.54	0.47	0.42	0.42	0.35
Expenditures to Revenue Ratio	0.99	1.02	1.05	1.00	1.03	0.89	0.93	0.96	0.97	0.96
Days Cash on Hand	163.40	174.00	181.65	216.00	189.00	204.00	180.00	161.00	148.00	145.00
Short-Term Borrowing Remaining	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Long-Term Debt Margin Remaining	(13.10)	(26.97)	(22.23)	48.70	47.85	49.14	49.86	47.96	41.60	35.02
Financial Profile Score										
Fund Balance to Revenue Score	4	4	4	4	4	4	4	4	4	4
Expenditures to Revenue Score	4	3	3	4	3	4	4	4	4	4
Days Cash on Hand Score	3	3	4	4	4	4	3	3	3	3
Short-Term Borrowing Score	4	4	4	4	4	4	4	4	4	4
Long-Term Debt Margin Score	1	1	1	2	2	2	2	2	2	2
Weighted Scores										
Fund Balance to Revenue Weighted	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Expenditures to Revenue Weighted	1.40	1.05	1.05	1.40	1.05	1.40	1.40	1.40	1.40	1.40
Days Cash on Hand Weighted	0.30	0.30	0.40	0.40	0.40	0.40	0.30	0.30	0.30	0.30
Short-Term Borrowing Weighted	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Long-Term Debt Margin Weighted	0.10	0.10	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total Profile Score	3.60	3.25	3.35	3.80	3.45	3.80	3.70	3.70	3.70	3.70
Designation	Recognition	Review	Review	Recognition	Review	Recognition	Recognition	Recognition	Recognition	Recognition

Sources: Obtained from Illinois State Board of Education

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Year	Enrollment	Direct Operating Expenditures *	Direct Operating Cost Per Pupil	Total Direct Expenditures **	Direct Cost Per Pupil	Teaching Staff FTE	Pupil-Teacher Ratio	% of Students Receiving Free and Reduced Price Meals
2017	7,128	\$ 86,123,693	12,082	\$ 101,710,817	14,269	519.50	13.7	53.2%
2016	7,182	85,989,075	11,973	115,161,967	16,035	519.00	13.8	67.7%
2015	7,249	83,124,680	11,467	92,502,524	12,761	500.20	14.5	68.0%
2014	7,265	76,900,406	10,585	85,452,069	11,762	465.80	15.6	76.6%
2013	7,274	75,807,910	10,422	83,396,163	11,465	409.00	17.8	75.0%
2012	7,225	69,511,779	9,621	77,001,628	10,658	399.56	18.1	68.3%
2011	7,127	66,874,232	9,383	75,132,044	10,542	387.32	18.4	63.8%
2010	6,936	63,578,914	9,167	72,365,432	10,433	390.43	17.8	60.4%
2009	6,863	59,668,997	8,694	72,872,987	10,618	390.46	17.6	51.3%
2008	6,869	57,754,710	8,408	75,470,466	10,987	362.10	19.0	62.9%

* - Operating Funds include Educational (excluding On-behalf payments), Operations and Maintenance, Transportation, IMRF/SS and Working Cash Funds.

** - Total Direct Expenditures include total expenditures except On-behalf payments

Source: 2008-2017 Annual Financial Reports filed with the Illinois State Board of Education, School Report Card/Fall Housing

ROUND LAKE AREA SCHOOLS COMMUNITY UNIT DISTRICT NO. 116
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Building Area sq ft	Capacity pupils	Capacity with Mobile Classrooms pupils	Housed Students									
				2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
St. Paul Lutheran Church (leased) *	3,200	120	120	n/a	n/a	n/a	106	106	95	96	89	n/a	n/a
420 Greenwood Drive Early Education Center	32,435	250	250	192	192	183	482	543	468	501	512	506	671
882 Nippersink Road Pleviak Elementary (leased)***	75,254	705	705	473	498	522	n/a	n/a	n/a	n/a	n/a	n/a	n/a
304 E Grand Ave, Lake Villa Round Lake Beach Elementary School	43,454	624	653	515	450	486	524	592	588	560	541	584	673
1421 N. Ardmore Drive Indian Hill Elementary School	58,880	546	662	518	521	503	515	517	584	569	592	611	758
1920 Lotus Drive W.J. Murphy Elementary School	45,630	676	676	538	579	601	654	659	641	654	668	640	669
220 Greenwood Street Raymond Ellis Elementary School	59,960	752	752	657	695	748	758	708	741	720	718	737	818
720 Central Park Drive Village Elementary School	42,775	516	516	440	458	430	474	453	473	475	440	452	507
880 Nippersink Road John T. Magee Middle School **	93,000	880	880	733	686	701	683	685	718	684	705	623	n/a
500 Cedar Lake Rd. Round Lake Middle School	80,112	993	1,109	921	948	962	1,012	969	964	938	887	947	1,022
2000 Lotus Drive Round Lake Senior High School	232,910	2,318	2,492	2,123	2,137	2,103	2,057	1,994	1,920	1,884	1,873	1,763	1,751
800 N. High School Drive Administration Service Center	6,000	n/a	n/a	-	-	-	-	-	-	-	-	-	-
Operations Service Center	4,000	n/a	n/a	-	-	-	-	-	-	-	-	-	-
Education Service Center (Round Lake Transition Center)	5,750	70	70	18	18	10	-	-	-	-	-	-	-

Source: District's capital asset records

* Did not start leasing until 2010

** School was closed for renovations from 2006-2008

*** Did not start leasing until 2015