



COMMUNITY CONSOLIDATED
SCHOOL DISTRICT 59

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

Prepared by the Business Services Department

For the fiscal year ended June 30, 2017 (Restated)

Community Consolidated School District 59
Arlington Heights, Illinois

Comprehensive Annual Financial Report

Year Ended June 30, 2017

Officials Issuing Report

Dr. Art Fessler, Superintendent of Schools
Vickie Nissen, CSBO/Assistant Superintendent for Business Services

Department Issuing Report

Business Office

Community Consolidated School District 59

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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INTRODUCTORY SECTION

Community Consolidated School District 59
Principal Officers and Advisors

Board of Education

| | |
|--------------------|----------------|
| Barbara Somogyi | President |
| Janice Krinsky | Vice President |
| Sunil Bhawe | Secretary |
| Timothy Burns | Member |
| Karen Osmanski | Member |
| Sharon Roberts | Member |
| Mardell Schumacher | Member |

District Treasurer

| | |
|---------------|---|
| Vickie Nissen | CSBO/Assistant Superintendent for Business Services |
|---------------|---|

District Administrators

| | |
|-----------------------|--|
| Dr. Arthur J. Fessler | Superintendent |
| Tom Luedloff | Associate Superintendent |
| Vickie Nissen | CSBO/Assistant Superintendent for Business Services |
| Ben Grey | Assistant Superintendent of Innovative Learning and Communications |
| Maureen McAbee | Assistant Superintendent for Instruction |
| Karen Starr | Assistant Superintendent for Educational Services |
| Kelley Zerfahs | Assistant Superintendent of Human Resources |

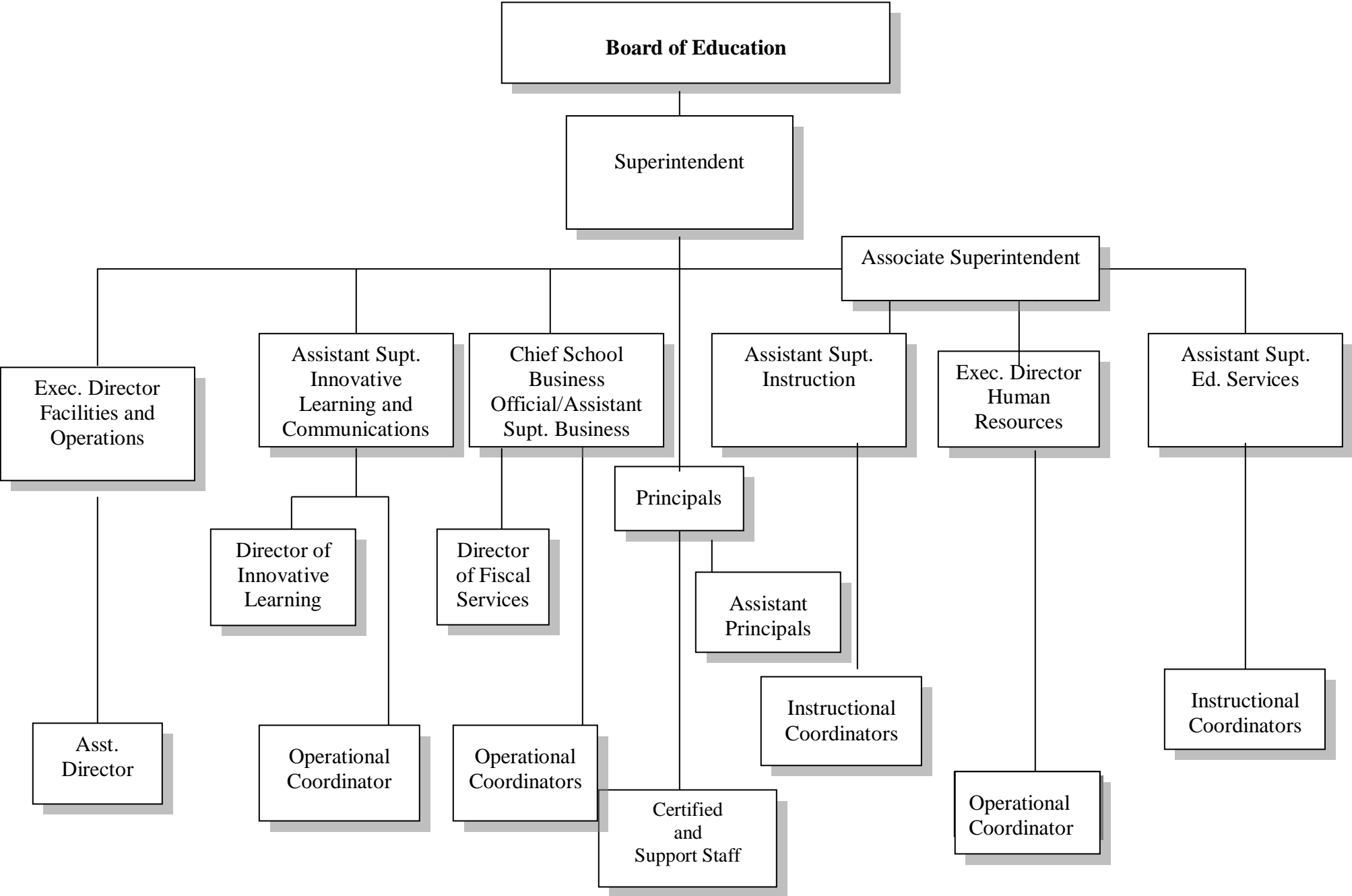
Official Issuing Report

| | |
|---------------|---|
| Vickie Nissen | CSBO/Assistant Superintendent for Business Services |
|---------------|---|

Department Issuing Report

Business Services

**Community Consolidated School District 59
Organizational Chart**





COMMUNITY CONSOLIDATED SCHOOL DISTRICT 59

January 19, 2018

President, Members of the Board of Education and Citizens of District 59
Community Consolidated School District 59
2123 South Arlington Heights Road
Arlington Heights, Illinois 60005

The Comprehensive Annual Financial Report of Community Consolidated School District 59 (District) for the fiscal year ended June 30, 2017 is submitted herewith. The audit fieldwork was completed on September 13, 2017 and the report was subsequently issued. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum public understanding of the District's financial status have been incorporated in the report.

BASIS OF ACCOUNTING AND REPORTING

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and the Association of School Business Officials International (ASBOI) Certificate of Excellence. The Financial Section includes the Management's Discussion and Analysis (MD&A), basic financial statements including government-wide financial statements, governmental fund financial statements, required supplementary information and other supplementary information. Also included is the auditor's report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of federal awards, findings, recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is filed separately.

The District reports on the full accrual basis of accounting for its government-wide financial statements and modified accrual basis of accounting for its fund financial statements. These bases are applied to the District's budget and accounting records. The Notes to Financial Statements expand upon these bases as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Miller, Cooper & Co., Ltd.

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Generally Accepted Accounting Principles (GAAP) require the District to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal directs the reader to the MD&A for a comprehensive view of the District's financial condition. The District's MD&A can be found immediately following the Independent Auditor's Report.

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within this framework. Internal control practices are also integrated into the budgetary management of the District's funds.

GENERAL DISTRICT INFORMATION

The District is a consolidated elementary (Pre K-8) school district in Elk Grove Township, Illinois, which operates as a single district. Students who attend the District's schools reside in four suburban communities: Elk Grove Village, Des Plaines, Arlington Heights, and Mount Prospect. During the 2016/17 school year, 6,866 Pre K-8 students attended the District's one Early Learning Center (Pre K), eleven elementary (Grades K-5) and three junior high (Grades 6-8) schools. The 2016/17 enrollment represents a 0.5% decrease over the previous year.

Since the 2008/09 school year, District 59 has been without one ethnic or racial group that comprised 50% or more of the entire student population. Instead, the largest racial/ethnic group is Hispanic at 42%, slightly decreased from 43% in the prior school year. The second largest group is the White population at 39%. The Asian and Black and Multi-racial/ethnic group populations were relatively unchanged at 12%, 4% and 2%, respectively. The Native American/Alaskan population remained as the smallest ethnic group with less than 2% of the entire population.

The District provides a comprehensive educational program leading to skills that enable a child to function efficiently and effectively in our society. Kindergarten through eighth grade educational programming includes the seven core areas established by the State Board of Education: English/Language Arts, Mathematics, Science, Social Science, Physical Development and Health, Fine Arts and Foreign Language. Supplementing the core areas are a full range of support services including: math and reading support; psychological, social work, health and speech therapy services; English-language and bilingual instruction for non-English speaking students; and gifted education. In addition, instructional programming enhancements include band, orchestra, choral music, visual arts, dance, theatre, physical education, life skills, and applied technology.

The District also offers three choice programs. The Ridge Family Center for Learning is a K-5 school operating on a balanced calendar. Salt Creek Elementary School offers a dual language English/Spanish program. Clearmont Elementary School offers a dual language English/Polish program. Families may choose to attend these programs rather than their neighborhood school. Enrollment in these programs is limited to available space.

To meet the needs of students requiring special education services, the District provides both inclusive and self-contained programming. Additional instructional placements and support as well as diagnostic services are provided through the District's membership in the Northwest Suburban Special Education Organization (NSSEO), an eight-district special education cooperative.

In addition to the elementary and junior high programs, the District offers an Early Childhood program for qualifying students aged three through five. Students who attend this program are considered at-risk of academic failure, have been identified for special education services, or are typically developing students who have paid an annual fee. Potential at-risk and special education students are screened throughout the school year. The overall enrollment is approximately 350 students.

The District's governing body consists of a seven member Board of Education elected from within the District's boundaries. District's boundaries consist of approximately 80% of Elk Grove Township.

Economic conditions, changes in Cook County assessment classification practices, and calculations of the equalizer by the Illinois Department of Revenue have resulted in a declining equalized assessed valuation (EAV). Over the past four years, the District's EAV declined from \$3.1 billion in 2011 to \$2.7 billion in 2016. Residential properties have decreased in value less than the commercial and industrial properties. Therefore, over the past decade, the tax burden has shifted from the commercial and industrial sectors to the residential taxpayers. In 2000, commercial and industrial properties comprised 75% of the District's EAV, with residential properties making up 25%. By 2016, commercial and industrial properties comprised 59% of the EAV, and residential comprised 41%. Nevertheless, a very favorable location adjacent to O'Hare International Airport, convenient transportation, and a major industrial park with 3,600 businesses continues to provide a substantial tax base. As a result, the aggregate tax rate for District 59 (2.998%) remains one of the lowest among all northwest suburban elementary school districts.

In April 2003, District 59 successfully passed a \$5 million debt service extension base referendum. In July 2003, the District proceeded in issuing \$38.5 million (\$28.4 in General Obligation Limited Tax Bonds, Series 2003A; and \$10.1 million in Taxable General Obligation Limited Tax Bonds, Series 2003B). Proceeds of the bonds were used to advance refund the District's outstanding Series 1996, 1998, and 1999 General Obligations Bonds (Alternate Revenue Source). The proceeds were placed in escrow, with maturities scheduled to meet the debt obligation of the alternate revenue bonds. The Series 2003 general obligation bond debt was met by the voter-authorized Bond and Interest levy. This debt was retired in March 2014. In October 2009, the District issued \$7,425,000 in General Obligation School Bonds for the purpose of increasing the Working Cash fund for the District, and to pay costs associated with the issuance of the bonds. This debt was retired in March 2016. In October 2014, the District issued \$8,980,000 in General Obligation School Bonds for the purpose of increasing the Working Cash fund for the District, and to pay costs associated with the issuance of the bonds. This debt is scheduled to retire in March 2022. In February 2015, the District issued \$9,500,000 in General Obligation School Bonds for the purpose of increasing the Working Cash fund for the District, and to pay costs associated with the issuance of the bonds. This debt is scheduled to retire in March 2022.

With original construction of the schools beginning in the 1950's, through the years all facilities have been fully renovated and improved, resulting in state-of-the-art facilities in excellent condition. Over the past seven years, additions have been constructed at Juliette Low, Rupley, Ridge and Robert Frost Schools. During fiscal year 2015, the Board of Education authorized the construction of an Early Learning Center addition to Holmes Junior High, which was completed August, 2015. These additions were in response to enrollment growth as well as expanded early childhood, English Language Learners, and special education programming. All additions were funded by American Recovery and Reinvestment Act funds, interfund transfers of existing fund balances, and/or the partial abatement of the Working Cash fund which includes the bond proceeds. In addition to its fourteen schools, the District's facilities also include the District's Board of Education/Administrative Center, with an attached supply warehouse and maintenance facility, and a freestanding 4,800 square foot storage facility. The following details the District's facilities:

| BUILDING | CONSTRUCTION AND RENOVATIONS | TOTAL SQ FOOTAGE |
|---|---|---|
| AD CENTER | ORIGINAL 1984 | 19,293 |
| WAREHOUSE | ORIGINAL 1971 | 10,623 |
| BRENTWOOD | ORIGINAL 1963, ADDITION #1 1964, ADDITION #2 1968, ADDITIONS/RENOVATED 6/1996 | 54,148 |
| BYRD | ORIGINAL 1967, ADDITION #1 1968, RENOVATED 8/1993, ADDITIONS/RENOVATED/SOUNDPROOFED 8/2001 | 48,193 |
| CLEARMONT | ORIGINAL 1961, ADDITION #1 1962, ADDITION #2 1965, ADDITIONS/RENOVATED 7/1993, ADDITIONS/SOUNDPROOFED 12/2000 | 54,675 |
| DEVONSHIRE | ORIGINAL 1963, ADDITION #1 1964, ADDITION #2 1967, ADDITIONS #3 1970, ADDITIONS/RENOVATED/SOUND PROOFED 12/1994 | 48,767 |
| FOREST VIEW | ORIGINAL 1962, ADDITION #1 1965, ADDITION #2 1970, ADDITIONS/RENOVATED 6/1997 | 56,796 |
| FROST | ORIGINAL 1964, ADDITION #1 1966, ADDITION #2 1987, DEMOED 1998, ADDITIONS/RENOVATED/SOUND PROOFED 6/1998 ADDITIONS 8/2012 | 54,643 |
| JOHN JAY | ORIGINAL 1967, ADDITION #1 1969, RENOVATED (PHASE I) 8/1991, RENOVATED (PHASE 2) 8/1992, SOUND PROOFED 8/1998, ADDITION 2006 | 46,500 |
| JULIETTE LOW | ORIGINAL 1966, (1969 FIRE REBUILDING), ADDITION #1 1970, ADDITIONS/RENOVATED/SOUND PROOFED 6/1999, ADDITION 2010 | 75,713 |
| RIDGE | ORIGINAL 1959, ADDITION #1 1966, ADDITIONS/RENOVATED/SOUNDPROOFED 8/2003, STORAGE ROOM ADDITION 8/2003, ADDITION 2011 | 46,426 |
| RUPLEY | ORIGINAL 1958, ADDITION #1 1959, ADDITION #2 1960, ADDITION #3 1962, ADDITION/RENOVATED 8/1991, SOUNDPROOFED 8/1997, OFFICE RENOVATION (PHASE I) 2010, ADDITION (PHASE 2) 2011 | 59,382 |
| SALT CREEK | ORIGINAL 1963, ADDITION #1 1965, ADDITION #2 1968, ADDITIONS #1 & #2 WERE DEMOED 2000, ADDITIONS/RENOVATED 2000 | 74,057 |
| GROVE | ORIGINAL 1960, ADDITION #1 1961, ADDITION #2 1963, ADDITION #3 1964, ADDITION #4 1966, ADDITION #5/RENOVATED 1975, ADDITION #6 12/1995, RENOVATED 8/2000, ADDITION #7/RENOVATED 8/2001, ADDITION #8/RENOVATED 8/2002, SOUNDPROOFED 8/2003 | 116,274 |
| HOLMES | ORIGINAL 1966, ADDITION #1 1969, ROOF/FASCIA REPLACEMENT 10/2000, ADDITIONS/RENOVATED 12/2001, ADDITIONS/RENOVATED 7/2002. ELC ADDITION 2015. | HJH 86,492 ELC 60,000 TOTAL 146,492 |
| FRIENDSHIP | ORIGINAL 1973 RENOVATED (PHASE I) 8/1998, RENOVATED (PHASE 2) 9/1999, ADDITIONS/RENOVATED 8/2001, RENOVATED 8/2002 | 101,668 |
| LIVELY | ORIGINAL 1967 ADDITION #1 1970, 90% DEMOED 10/1997 | 5,000 |
| TOTAL SQUARE FOOTAGE FOR ALL DISTRICT BUILDINGS | | 872,158 |

The District continues to maintain its excellent financial condition and a AAA bond rating from Standard and Poors. The Board of Education is provided key financial performance indicators, including compliance with the District's Fund Balance Policy, maintaining Recognition Status on the Illinois School Financial Profile, and meeting the State's definition of a balanced budget. As current fund balances exceed the Fund Balance Policy's minimum requirement, the District is able to weather economic uncertainty and provide a stable environment for students, staff, and parents. District 59 maintains a Recognition Status, 3.65, on Illinois' School Financial Profile and the District met the State's balanced budget criteria.

REPORTING ENTITY

The District defines its reporting entity by applying the criteria set forth in GASB pronouncements to potential component units. Briefly, a component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in Note A-1 of the notes to the financial statements. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

STRATEGIC DIRECTIONS

District 59's Board of Education vision is: One District One Population One Core Purpose. The District's mission is to provide the skills, knowledge and experiences that will prepare students to be successful for life. The Board adopted Strategic Plan places emphasis on the following key Strategic Directions: 1) Student Growth – Educating the whole child academically, physically and emotionally; 2) Community and Community Relations – Create and maintain open, two-way communication both internally and externally to foster collaboration, trust, and understanding in an effort to move all stakeholders to advocacy of student success; 3) Recruit and Retain Distinguished Staff – Attract, hire, nurture, supervise, and retain high-quality staff while employing best-practice human relations strategies, processes, and services; 4) Long-Term Financial Stability and Fiscal Integrity – Ensure long-term financial stability and fiscal integrity by aligning the human, financial, and physical resources with the District 59 mission.

BUDGETARY CONTROLS AND FINANCIAL POLICIES

The District's Fund Balance Policy is as follows:

The Superintendent or designee shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The District seeks to maintain an estimated unassigned (in the Educational Fund and Working Cash Fund) and restricted (in the Operations and Maintenance Fund and Transportation Fund) aggregate ending fund balance based on budgeted revenues and expenditures of no less than the range of 50% - 60% of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

The Board of Education shall direct the Administration to develop a deficit reduction plan when the estimated unassigned (in the Educational Fund and Working Cash Fund) and restricted (in the Operations and Maintenance Fund and Transportation Fund) ending fund balance is less than 60% of the aggregate budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds, and if the District's financial condition reflects a structural deficit in its major operating funds.

Periodically the Board of Education may by resolution commit a portion of the unrestricted fund balance for a specific purpose. This commitment must be acted upon prior to the close of the fiscal year. The commitment must be subsequently removed by Board resolution. A committed fund balance may not reduce the remaining aggregate estimated unassigned (in the Educational Fund and Working Cash Fund) and restricted (in the Operations and Maintenance Fund and Transportation Fund) ending fund balance to less than 50% of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

The Board of Education delegates to the Assistant Superintendent for Business Services the authority to assign fund balance for appropriate projects/purposes.

FINANCIAL REPORTING

This is the thirty-fifth year that the financial statements have been prepared in accordance with the standards as set forth by the Government Accounting Standards Board (GASB). The Association of School Business Officials International (ASBOI) has also adopted these standards. The presentation allows the reader to obtain an overview of the District's financial operations by viewing the statements in the front section of the report. Detailed presentations of these statements are available throughout the remainder of the report.

Independent Audit. As required by Illinois state law, an annual audit of the District's financial statements has been made by an independent auditor. The auditors' opinion, as prepared by Miller Cooper & Co., Ltd., Certified Public Accountants, is included within the financial section of this report.

Certificate of Excellence. The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to Community Consolidated School District No. 59 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, the thirty-fourth consecutive year for receipt of the award.

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 generally accepted accounting principles and applicable legal requirements.

Certificates of Excellence are valid for a period of one year only. We believe our current report continues to conform to the Certificate requirements, and we are submitting it to ASBO.

Closing Comment. The purpose of the Comprehensive Annual Financial Report is to provide the Board of Education, Board of Trustees, District Administration, the community and other interested parties a meaningful report of the District's financial condition as of June 30, 2017.

Acknowledgment. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Services Department who assisted in the closing of the District's financial records and the preparation of this report.

We would also like to thank members of the Board of Education for their interest and support in conducting the financial affairs of the District for the 2017 fiscal year.

Respectfully submitted,



Dr. Arthur Fessler
Superintendent of Schools



Ms. Vickie Nissen
CSBO/Asst. Supt. for Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Community Consolidated School District 59

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', written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Community Consolidated School District 59
Arlington Heights, 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 Community Consolidated School District 59 (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, 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.

Other Matters

Emphasis of Matter

Subsequent to the issuance of the audited June 30, 2017 financial statement dated January 19, 2018, management discovered that certain budgeted amounts and the related variances from final budgets reported on the required supplementary information and supplementary financial information (on pages 74 to 99 and 105 to 107) were not correct. The budgeted and related variances from final budget have been restated to correct these errors. The audited 2017 financial statements dated with a single January 19, 2018 date should no longer be relied upon and should be disregarded by the reader. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 69 through 72, the other postemployment benefits data on page 73, budgetary comparison schedules and notes to the required supplementary information on pages 74 through 102, 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 for the year ended June 30, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The other schedules listed in the table of contents as supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Matters (Continued)

Other Information (Continued)

The supplementary financial 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 for the year ended June 30, 2017 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2017 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2017.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated October 12, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and Capital Projects Fund with comparative actual amounts for the year ended June 30, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Debt Service Fund and Capital Projects Fund have been subjected to the auditing procedures applied in the audit of the 2016 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Debt Service Fund and Capital Projects Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois

January 19, 2018, except as to pages 74 through 99 and 105 through 107, which is as of September 14, 2018

Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

This section of Community Consolidated School District 59's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the transmittal letter found in the introductory section and the District's financial statements. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (MD&A).

Financial Highlights

The District experienced a decrease in the FY17 financial position. It reported a \$5.9 million (3.18%) decrease in net position when compared to the prior year.

The District's financial practices reflect long-term financial planning strategies with the specific purpose of maintaining its strong financial position:

- The Board of Education upholds the goal of preserving the District's financial integrity as measured by the State of Illinois School Financial Profile "Financial Recognition" status. This Profile incorporates fund balance to revenue ratio, expenditures to revenue ratio, days' cash on hand, and short and/or long-term debt obligations.
- The School District, by policy, seeks to maintain an estimated unassigned (in the Educational Fund) and assigned (in the Operations and Maintenance, Transportation and Working Cash Funds) aggregate ending fund balance based on budgeted revenues and expenditures of no less than the range of 50-60 percent of the annual aggregated budgeted expenditures in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.
- Budgeting practices incorporate the unpredictable loss of property tax revenue due to assessment appeals and the subsequent issuance of refunds, positioning the District in an anticipatory position with regard to expenditure planning.
- The District updates its long-term financial projections semi-annually incorporating Board planning discussions and long-term financial plans for capital projects, including facilities and technology.
- The District stays abreast of emerging issues and proactively addresses them as part of its on-going financial planning strategies.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

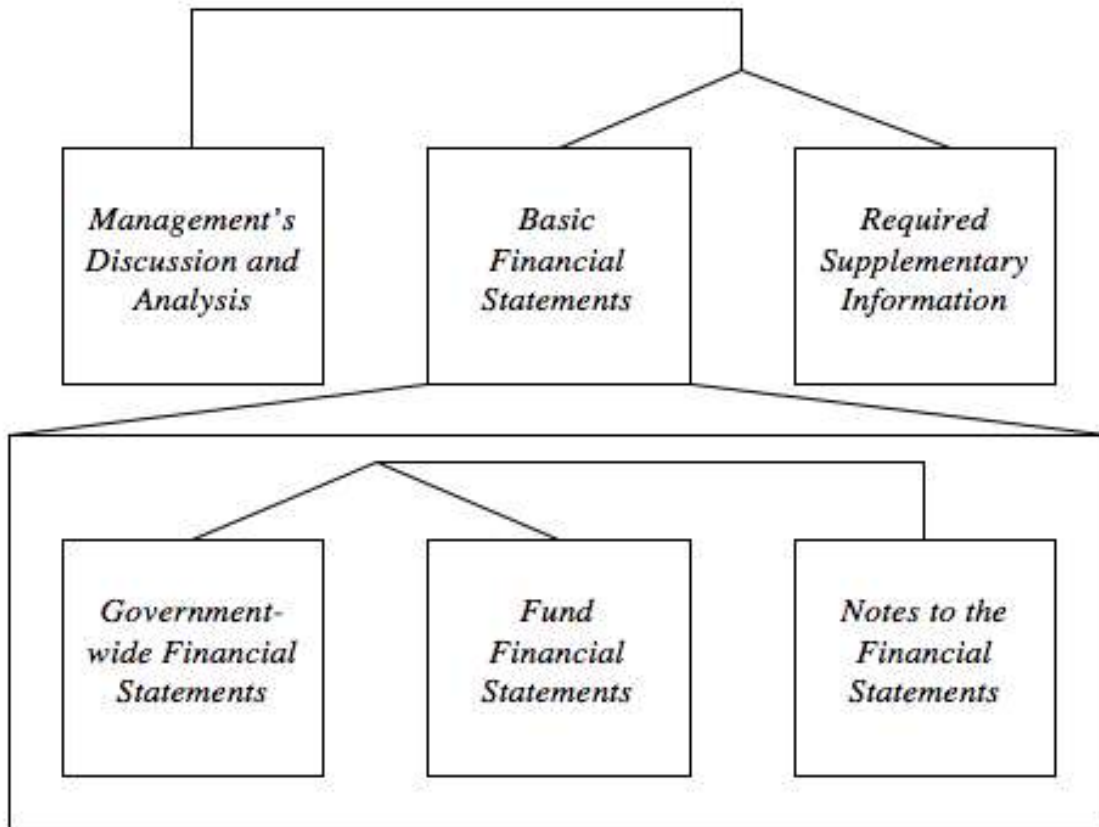
- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.

**Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes to the financial statements that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements and places the District in compliance with Continuing Disclosure Undertaking requirements for the benefit of bondholders. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1.
Organization of Community Consolidated School District 59
Annual Financial Report**



Community Consolidated School District 59
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of the management’s discussion and analysis highlights the structure and contents of each of the statements.

| Figure A-2 | | | |
|--|---|--|--|
| Major Features of the Government-wide and Fund Financial Statements | | | |
| | Government-wide Statements | Fund Financial Statements | |
| | | Governmental Funds | Fiduciary Funds |
| <i>Scope</i> | Entire District (except fiduciary funds). | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance. | Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies. |
| <i>Required financial statements</i> | 1) Statement of net position. | 1) Balance Sheet. | 1) Statement of fiduciary net position. |
| | 2) Statement of activities. | 2) Statement of revenues, expenditures, and changes in fund balances. | 2) Statement of changes in fiduciary net position. |
| <i>Accounting basis and measurement focus</i> | Accrual accounting and economic resources focus. | Modified accrual accounting and current financial focus. | Accrual accounting and economic resources focus. |
| <i>Type of asset/liability information</i> | All assets and liabilities, both financial and capital, short-term and long-term. | Generally assets expected to be consumed and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included. | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can. |
| <i>Type of inflow/outflow information</i> | All revenues and expenses during year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All additions and deductions during the year, regardless of when cash is received or paid. |

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

The two Government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the District's financial health or *position*.

- Over time, a pattern of increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, readers need to consider additional non-financial factors such as changes in the District's property tax base and the condition of District facilities.

In the Government-wide financial statements, the District's activities are all categorized as *governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes, local sources, and state formula aid finance most of these activities.

Fund Financial Statements

Community Consolidated School District 59's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as Working Cash).

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information following the governmental funds statements explain the relationship (or differences) between them.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Financial Analysis of the District as a Whole

Net Position: The District experienced a decrease in the FY17 financial position. It reported a \$5.9 million (3.18%) decrease in net position when compared to the prior year as a result of the following (See Figure A-3):

- The District's total assets decreased \$10.3 million, or 4.1%.
 - Current assets decreased \$11.7 million or 7.6%.
 - Capital assets increased \$1.4 million due to building a new Administration Center.
- The District's total liabilities decreased \$5.1 million to \$56.9 million from \$62.0 million. This includes long-term liabilities from general obligation bonds, compensated absences, early retirement incentives, other postemployment benefits and the pension liabilities for Illinois Municipal Retirement Fund (IMRF) and Teachers' Retirement System (TRS) due to the implementation of GASB 68.
- The net change in deferred outflows and inflows resulted in a \$2.8 million decrease. Deferred outflows and inflows related to pensions are recorded for the implementation of GASB 68 and GASB 71 and for property taxes levied for a future period.

Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Figure A-3

Condensed Statements of Net Position (in millions of dollars)
Governmental Activities

| | <u>2015/16</u> | <u>2016/17</u> | <u>Increase (Decrease)</u> | <u>Percentage Change</u> |
|---|----------------|----------------|--------------------------------|------------------------------|
| Assets: | | | | |
| Current Assets | \$154.6 | \$142.9 | -\$11.7 | -7.6% |
| Capital Assets | <u>94.9</u> | <u>96.3</u> | <u>\$1.4</u> | 1.5% |
| Total Assets | 249.5 | 239.2 | -10.3 | -4.1% |
| Deferred Outflow of Resources: | | | | |
| Deferred outflows related to pensions: | 10.2 | 8.5 | -1.7 | -16.7% |
| Liabilities: | | | | |
| Long-term liabilities | 47.5 | 44.5 | -3.0 | -6.3% |
| Other liabilities | <u>14.5</u> | <u>12.4</u> | <u>-2.1</u> | -14.5% |
| Total Liabilities | 62.0 | 56.9 | -5.1 | -8.2% |
| Deferred Inflow of Resources: | | | | |
| Property taxes levied for a future period | 10.1 | 8.1 | -2.0 | -19.8% |
| Deferred inflows related to pensions | <u>1.1</u> | <u>2.1</u> | <u>1.0</u> | 90.9% |
| Total Deferred Outflows | 11.2 | 10.2 | -1.0 | -8.9% |
| Net Position | | | | |
| Net investment in capital assets | 76.9 | 81.0 | 4.1 | 5.3% |
| Restricted | 18.9 | 15.5 | -3.4 | -18.0% |
| Unrestricted | <u>90.7</u> | <u>84.1</u> | <u>-6.6</u> | -7.3% |
| TOTAL NET POSITION | \$186.5 | \$180.6 | -\$5.9 | -3.2% |

Changes in Net Position: The District's total revenues of \$147.8 million were less than the total expenditures of \$153.7 million by \$5.9 million. Total revenues increased \$18.4 million, or 14.2%, compared with a 13.5% increase in total expenditures, or \$18.3 million. The change in revenues included operating grants and contributions that increased \$15.1 million primarily due to the recording of the State of Illinois on-behalf contribution to the state teacher pension system, reflecting a \$15.2 million increase. Instruction program expenditures increased \$16.7 million or 20.2%, which includes the increase of a \$15.2 million in the State of Illinois on-behalf expense to the state teacher pension system. This leaves an increase of \$1.5 million in regular programs salaries, benefits, etc. (See Figure A-4).

**Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

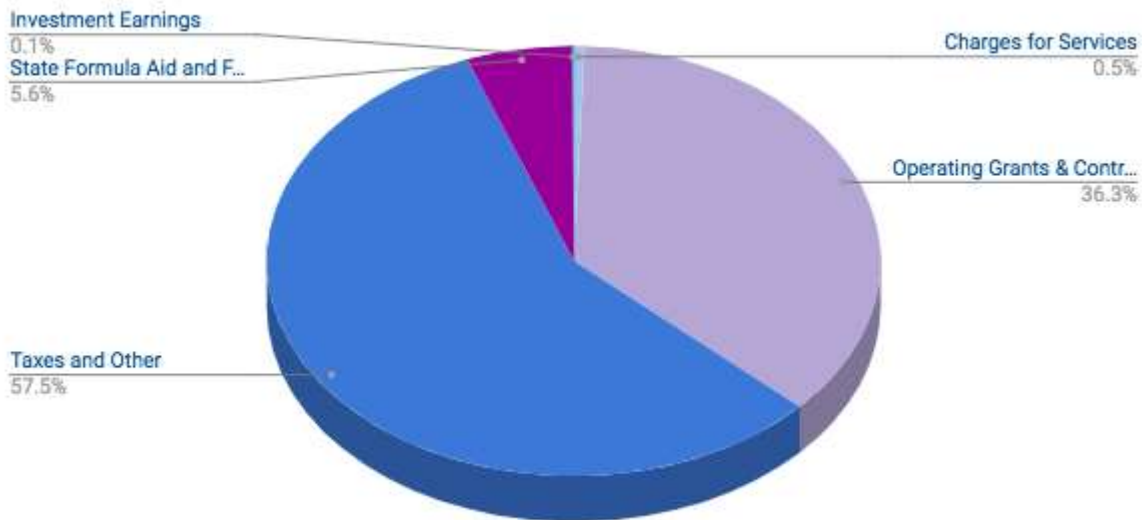
| | Governmental Activities | | Percentage |
|------------------------------------|--------------------------------|-----------------------|----------------------|
| | <u>2015/16</u> | <u>2016/17</u> | <u>Change</u> |
| REVENUE | | | |
| Program Revenues | | | |
| Charges for Services | \$ 1.0 | \$ 0.8 | -20.0% |
| Operating Grants and Contributions | 38.4 | 53.5 | 39.3% |
| General Revenues | | | |
| Taxes | 80.8 | 84.8 | 5.0% |
| State Aid – Formula Grants | 7.5 | 8.3 | 10.7% |
| Other | <u>1.7</u> | <u>0.4</u> | -77.6% |
| TOTAL REVENUE | 129.4 | 147.8 | 14.2% |
| EXPENSES | | | |
| Instruction | 82.8 | 99.5 | 20.2% |
| Pupil and Instructional Services | 13.0 | 14.0 | 7.7% |
| Administration and Business | 15.8 | 15.0 | -5.1% |
| Transportation | 5.2 | 5.4 | 3.8% |
| Operations and Maintenance | 13.2 | 13.7 | 3.8% |
| Other | <u>5.4</u> | <u>6.1</u> | 13.0% |
| TOTAL EXPENSES | 135.4 | 153.7 | 13.5% |
| DECREASE IN NET POSITION | \$ (6.0) | \$ (5.9) | -1.3% |
| NET POSITION | | | |
| Beginning of year | | \$ 186.5 | |
| End of year | | \$ 180.6 | -3.2% |

**Community Consolidated School District 59
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Governmental Activities

Revenue (See Figure A-5): Total District revenue for fiscal year 2017 was \$147.8 million. General revenues (\$93.5 million) are comprised of tax revenue, general state aid, investment earnings, and other non-restricted funds and comprise 63.2% of total revenue. Approximately 57.4% of the District’s total revenue is generated by local property taxes and corporate personal property replacement taxes (CPPRT), which are based on corporate income within the District’s boundaries. Program revenues make up approximately 36.8% of total revenue. Examples of revenue sources within these categories include federal grant programs, state special education reimbursements, the reporting of the state’s on-behalf contribution to the Teacher Retirement System (TRS), charges for services, and reimbursement programs for food services and transportation services.

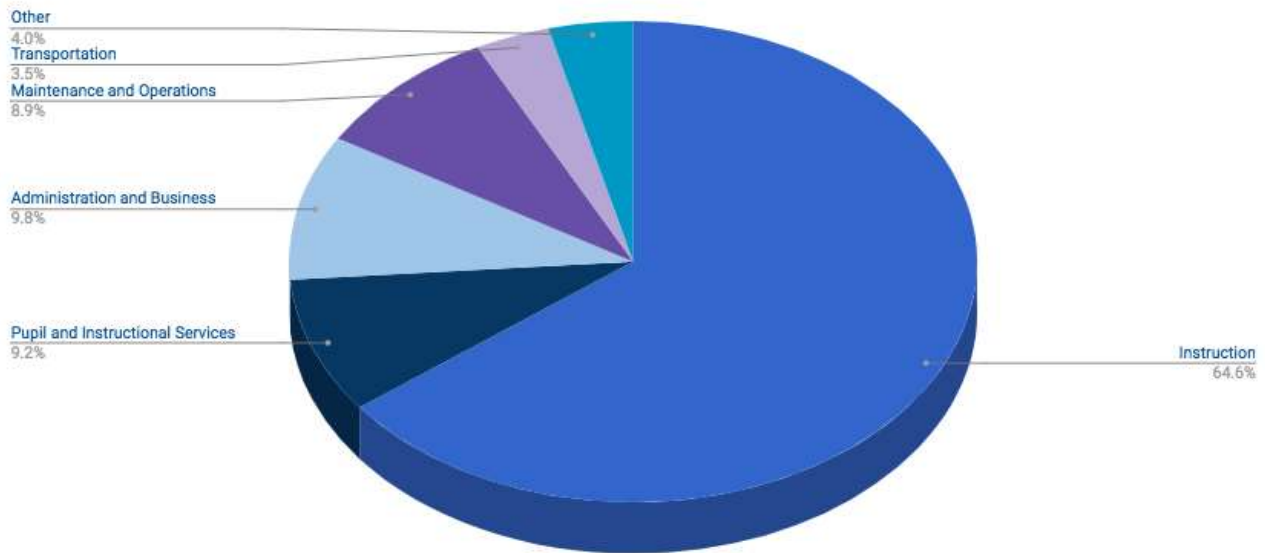
Figure A-5 Sources of Revenues for Fiscal Year 2017



Expenses (See Figure A-6): Fiscal year 2017 expenditures totaled \$153.7 million. The operation of the District’s instructional program and its related support functions comprise 64.6% of the District’s overall expenses. Capital improvement projects as well as regular on-going facility maintenance have been identified within the operations and maintenance function including the Capital Projects Fund, for a total 8.9% of overall expenses. The costs associated with daily transporting approximately 4,600 students total 3.5% of the District’s overall expenses. Within the category of “Other”, nonprogrammed charges accounts for \$6.1 million in expenditures, paid to cover the expense of students whose special instructional needs are met by other educational organizations, such as the Northwest Suburban Special Education Cooperative (NSSEO). Interest on debt along with community services account for the balance of “Other” expenditures, making up 4.0% of total expenditures. Administrative services, which includes school, central, and the school nutrition program, comprise 9.8% of total expenditures.

**Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Figure A-6 Expenses for Fiscal Year 2017



Net Costs: Figure A-7 presents the costs of six major District activities: instruction, pupil and instructional services, administration and business, operations and maintenance, transportation and other. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost represents the financial burden that was placed on the District's taxpayers by each of these functions.

The total costs of the District's activities during 2016/7 totaled \$153.7 million, a 13.5% increase over the prior year.

**Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Figure A-7

Net Cost of Governmental Activities (in millions of dollars)

| | Total Cost of Services | | Pct. Chg. | Net Cost of Services | | Pct. Chg. |
|----------------------------------|-------------------------------|-----------------------|----------------------|-----------------------------|-----------------------|----------------------|
| | <u>2015/16</u> | <u>2016/17</u> | | <u>2015/16</u> | <u>2016/17</u> | |
| Instruction | \$82.8 | \$99.5 | 20.2% | \$48.0 | \$49.3 | 2.7% |
| Pupil and Instructional Services | 13.0 | 14.0 | 7.7% | 12.8 | 13.9 | 8.6% |
| Administration and Business | 15.8 | 15.0 | -5.1% | 13.5 | 12.7 | -5.9% |
| Operations and Maintenance | 13.2 | 13.7 | 3.8% | 13.3 | 13.8 | -3.8% |
| Transportation | 5.2 | 5.4 | 3.8% | 3.0 | 3.6 | 20.0% |
| Other | <u>5.4</u> | <u>6.1</u> | 13.0% | <u>5.3</u> | <u>6.1</u> | 15.1% |
| TOTAL | \$135.4 | \$153.7 | 13.5% | \$95.9 | \$99.4 | 3.6% |

Financial Analysis of the District's Funds

The short-term financial performance of the District is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$114.9 million.

Analysis of the District's governmental funds (before other financing sources and uses) demonstrates the commitment to long-term financial strategies and conservative budgeting practices:

- General Fund revenues were less than expenditures by \$2.9 million.
- Operations and Maintenance Fund revenues were less than expenditures by \$3.5 million.
- The Transportation Fund revenues exceeded expenditures by \$4,793.
- The Municipal Retirement/Social Security Fund revenues were greater than expenditures by \$94,158.
- The Series 2014 and the Series 2015 Debt Service Fund debt obligation was met by a debt service levy.

General Fund Budgetary Highlights

The General Fund is comprised of the Educational and Working Cash Accounts. The General Fund fund balance of \$102.9 million reflects a decrease of \$4.8 million, or 4.5%, from the prior year's fund balance of \$107.7 million.

Revenue: Total revenue in the General Fund, excluding TRS on-behalf contributions, came in less than the District's budget by \$86,260 or 0.1%.

**Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Within the category of local sources, property taxes were more than budgeted by \$2.2 million or 3.4%. Other local sources were less than budgeted by \$2.2 million and include receipts from school and meal fees, Cobra and retiree insurance payments, contributions, local grants, outdoor education fees, and facility rentals.

The reported State revenues, excluding the TRS on-behalf contribution, were \$248,125 less than budget estimates.

At the federal level, the revenue was greater than budget by \$192,551.

Expenditures: Actual expenditures, excluding TRS on-behalf contribution were \$2.9 million, or 3.3%, under budget. Prudent financial management by budget managers for regular education programs of over \$1.3 million, savings in payments for special education programs of \$0.2 million, \$0.9 million in Pre-K programs, \$0.3 million in food services, \$0.2 million in assessment and testing and budgeting \$0.2 million for contingencies made up the savings.

Capital Assets

By the end of fiscal year 2017, the District had invested \$194 million in a broad range of capital assets, including land, construction in progress, buildings, land improvements, vehicles, equipment and intangible assets. When netted with depreciation, the total capital assets equaled \$96.3 million, an increase of 1.5%. (See Figure A-8.) (More detailed information about capital assets can be found in Notes to the Financial Statements.) Additions and deletions to capital assets including building improvements, building additions, land purchases, land improvements, vehicle purchases, and general equipment purchases netted a decrease of \$1.2 million during fiscal year 2017. Accumulated depreciation to buildings, land improvements, vehicles, equipment and intangible assets totaled approximately \$97.5 million. The net impact of the increased value of capital assets and the depreciated value accounted for a \$1.4 million increase in the value of capital assets for fiscal year 2017.

Figure A-8

Capital Assets (net of depreciation, in millions of dollars)

| | Government Activities | | <u>Pct. Chg.</u> |
|--------------------------------------|------------------------------|-----------------------|-------------------------|
| | <u>2015/16</u> | <u>2016/17</u> | |
| Capital Assets not being depreciated | \$ 3.2 | \$ 6.2 | 93.8% |
| Net Capital Assets being depreciated | <u>91.7</u> | <u>90.1</u> | -1.7% |
| TOTAL | \$ 94.9 | \$ 96.3 | 1.5% |

**Community Consolidated School District 59
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

The District regularly updates its enrollment forecasts and incorporates these forecasts into its facility planning. In addition, future Board facility discussions will include the current administration building. Other capital improvements are primarily focused on improving building efficiency, classroom learning spaces, addressing school security, and maintaining existing facilities and their infrastructure.

Debt Administration

At year-end, the District had \$44.5 million in general obligation bonds and other long-term liabilities outstanding. (See Figure A-9.) (More detailed information about the District’s long-term liabilities is presented in Notes to the Financial Statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)

| | Total School District | | |
|--|------------------------------|----------------|-----------------|
| | <u>2015/16</u> | <u>2016/17</u> | <u>Change</u> |
| General Obligation Bonds | \$18.0 | \$15.2 | \$(2.8) |
| Unamortized Premium | 1.8 | 1.3 | (0.5) |
| Early Retirement Incentives | 0.7 | 0.5 | (0.2) |
| Other Postemployment Benefits | 0.5 | 0.6 | 0.1 |
| Net Pension Liabilities (IMRF and TRS) | 26.3 | 26.7 | 0.4 |
| Compensated absences | <u>0.2</u> | <u>0.2</u> | - |
| TOTAL | \$ 47.5 | \$ 44.5 | \$ (3.0) |

In October 2009, the District issued \$7,425,000 in General Obligation School Bonds for the purpose of increasing the Working Cash fund for the District, and to pay costs associated with the issuance of the bonds. This debt was retired in March 2016. On October 1, 2014, the District issued \$9.9 million General Obligation Limited Tax School Bonds, Series 2014 and in January 2015 issued \$10.5 General Obligation Limited Tax School Bonds, Series 2015, both to increase the Working Cash Fund and to pay costs associated with the issuance of the bonds. The funds allocated in the Working Cash Fund were designated to pay for the construction of the Early Learning Center.

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could have financial implications in the future. The following emerging issues represent areas that are monitored on an ongoing basis:

Community Consolidated School District 59
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

- Continued economic uncertainty, including the State of Illinois' financial crisis, low rates of investment returns, and the overall local economic vitality.
- Means-testing or revisions to funding and/or pro-ration formulas at the State level that would be intended to reduce the inequities in funding between school districts in Illinois.
- The funding shortfall for state pension funds including the Teacher's Retirement System (TRS) that would shift additional funding obligations to the local school district.
- Unfunded mandates generated by legislative actions, such as changes to state and federal health insurance laws and breakfast programs.
- The uncertain future of property values which may negatively impact equalized assessed value (EAV) growth.
- Historically low Consumer Price Index that limits property tax revenues.
- The assessment decisions being made by the Cook County Property Tax Appeals Board and the Circuit Court.
- Assessment reduction or exemption efforts, either by individual property owners, municipalities, legislation, and/or County ordinance.
- Increases in tax rate objections and TIF districts.
- State tax laws that create incentives for businesses that could erode the funding of the taxing bodies.
- Legislative initiatives that are based on the assumption that schools are too dependent on property taxes as a source of revenue.

Long-term financial planning, conservative budgeting practices, and stable negotiated agreements with all union groups provide the District flexibility to successfully address anticipated circumstances as they develop.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, 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 information, contact Business Services, Community Consolidated School District 59, 2123 S. Arlington Heights Road, Arlington Heights, Illinois 60005. You may also refer to the website: www.ccsd59.org.

BASIC FINANCIAL STATEMENTS

Community Consolidated School District 59
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2017

ASSETS

| | |
|---|---------------------------|
| Cash and investments | \$ 95,162,163 |
| Receivables (net of allowance for uncollectibles): | |
| Interest | 185,036 |
| Property taxes | 36,232,211 |
| Replacement taxes | 778,473 |
| Accounts | 290,218 |
| Intergovernmental | 10,226,513 |
| Prepaid items | 25 |
| Capital assets: | |
| Land | 3,098,076 |
| Construction in progress | 3,046,607 |
| Depreciable buildings, property, and equipment, net | <u>90,134,987</u> |
| Total assets | <u>239,154,309</u> |

DEFERRED OUTFLOW OF RESOURCES

| | |
|---------------------------------------|-------------------------|
| Deferred outflows related to pensions | <u>8,555,778</u> |
| Total deferred outflows | <u>8,555,778</u> |

LIABILITIES

| | |
|-------------------------------|--------------------------|
| Accounts payable | 4,375,554 |
| Salaries and benefits payable | 7,300,838 |
| Claims payable | 523,584 |
| Interest payable | 215,433 |
| Unearned revenue | 400 |
| Long-term liabilities: | |
| Due within one year | 3,297,942 |
| Due after one year | <u>41,199,014</u> |
| Total liabilities | <u>56,912,765</u> |

DEFERRED INFLOW OF RESOURCES

| | |
|---|--------------------------|
| Property taxes levied for a future period | 8,115,670 |
| Deferred inflows related to pensions | <u>2,068,547</u> |
| Total deferred inflows | <u>10,184,217</u> |

NET POSITION

| | |
|----------------------------------|------------------------------|
| Net investment in capital assets | 81,044,670 |
| Restricted for: | |
| Operations and maintenance | 4,609,534 |
| Debt service | 3,278,245 |
| Student transportation | 6,746,567 |
| Retirement benefits | 782,937 |
| Unrestricted | <u>84,151,152</u> |
| Total net position | <u>\$ 180,613,105</u> |

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

| Functions / Programs | Expenses | PROGRAM REVENUES | | Net (Expenses) Revenue and Changes in Net Position |
|--|-----------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities | | | | |
| Instruction: | | | | |
| Regular programs | \$ 33,493,388 | \$ 192,883 | \$ 1,969,009 | \$ (31,331,496) |
| Special programs | 13,223,359 | 76,919 | 4,782,224 | (8,364,216) |
| Other instructional programs | 11,048,743 | 36,666 | 1,387,876 | (9,624,201) |
| State retirement contributions | 41,644,376 | - | 41,644,376 | - |
| Support services: | | | | |
| Pupils | 7,666,505 | - | - | (7,666,505) |
| Instructional staff | 6,426,708 | - | 173,584 | (6,253,124) |
| General administration | 3,488,709 | - | - | (3,488,709) |
| School administration | 7,010,831 | - | - | (7,010,831) |
| Business | 4,509,057 | 494,443 | 1,803,976 | (2,210,638) |
| Transportation | 5,425,816 | 1,886 | 1,788,499 | (3,635,431) |
| Operations and maintenance | 13,752,741 | 1,650 | - | (13,751,091) |
| Central | 2,740,852 | - | - | (2,740,852) |
| Other supporting services | 14,884 | - | - | (14,884) |
| Community services | 404,041 | - | - | (404,041) |
| Nonprogrammed charges - excluding special education | 2,705,445 | - | - | (2,705,445) |
| Interest and fees | 239,913 | - | - | (239,913) |
| | <u>\$ 153,795,368</u> | <u>\$ 804,447</u> | <u>\$ 53,549,544</u> | <u>\$ (99,441,377)</u> |
| Total governmental activities | | | | |
| General revenues: | | | | |
| Taxes: | | | | |
| | | | | 66,319,588 |
| | | | | 9,493,038 |
| | | | | 3,564,474 |
| | | | | 5,494,138 |
| | | | | 8,257,935 |
| | | | | 83,514 |
| | | | | 300,869 |
| | | | | <u>93,513,556</u> |
| | | | | (5,927,821) |
| | | | | <u>186,540,926</u> |
| | | | | \$ 180,613,105 |
| | | | | <u>\$ 180,613,105</u> |

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59

Governmental Funds

BALANCE SHEET

June 30, 2017

| | General | Operations and Maintenance | Transportation | Municipal Retirement / Soc. Sec. |
|---|-----------------------|-------------------------------|---------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 85,585,050 | \$ 3,908,449 | \$ 2,904,619 | \$ 147,440 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Interest | 185,036 | - | - | - |
| Property taxes | 30,301,681 | 1,891,762 | 1,560,356 | 846,954 |
| Replacement taxes | 33,715 | 463,828 | - | 280,930 |
| Accounts | 7,692 | 255,869 | 26,657 | - |
| Intergovernmental | 6,536,416 | - | 3,690,097 | - |
| Prepaid items | 25 | - | - | - |
| | <u>122,649,615</u> | <u>6,519,908</u> | <u>8,181,729</u> | <u>1,275,324</u> |
| Total assets | <u>\$ 122,649,615</u> | <u>\$ 6,519,908</u> | <u>\$ 8,181,729</u> | <u>\$ 1,275,324</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,045,650 | \$ 1,300,381 | \$ 1,083,416 | \$ 77,378 |
| Salaries and benefits payable | 6,896,939 | 175,390 | 1,826 | 226,683 |
| Claims payable | 523,584 | - | - | - |
| Unearned revenue | 400 | - | - | - |
| | <u>8,466,573</u> | <u>1,475,771</u> | <u>1,085,242</u> | <u>304,061</u> |
| Total liabilities | <u>8,466,573</u> | <u>1,475,771</u> | <u>1,085,242</u> | <u>304,061</u> |
| DEFERRED INFLOWS | | | | |
| Unavailable interest revenue | 131,224 | - | - | - |
| Unavailable grant revenue | 4,376,996 | - | 3,162,235 | - |
| Property taxes levied for a future period | 6,775,398 | 434,603 | 349,920 | 188,326 |
| | <u>11,283,618</u> | <u>434,603</u> | <u>3,512,155</u> | <u>188,326</u> |
| Total deferred inflows | <u>11,283,618</u> | <u>434,603</u> | <u>3,512,155</u> | <u>188,326</u> |
| FUND BALANCES (DEFICIT) | | | | |
| Nonspendable | 25 | - | - | - |
| Restricted | - | 4,609,534 | 3,584,332 | 782,937 |
| Assigned | 6,757,546 | - | - | - |
| Unassigned | 96,141,853 | - | - | - |
| | <u>102,899,424</u> | <u>4,609,534</u> | <u>3,584,332</u> | <u>782,937</u> |
| Total fund balance (deficit) | <u>102,899,424</u> | <u>4,609,534</u> | <u>3,584,332</u> | <u>782,937</u> |
| Total liabilities, deferred inflows, and fund balance | <u>\$ 122,649,615</u> | <u>\$ 6,519,908</u> | <u>\$ 8,181,729</u> | <u>\$ 1,275,324</u> |

The accompanying notes are an integral part of this statement.

| Debt Service | Capital Projects | Total |
|---------------------|---------------------|-----------------------|
| \$ 2,229,643 | \$ 386,962 | \$ 95,162,163 |
| - | - | 185,036 |
| 1,631,458 | - | 36,232,211 |
| - | - | 778,473 |
| - | - | 290,218 |
| - | - | 10,226,513 |
| - | - | 25 |
| <u>\$ 3,861,101</u> | <u>\$ 386,962</u> | <u>\$ 142,874,639</u> |
| | | |
| \$ - | \$ 868,729 | \$ 4,375,554 |
| - | - | 7,300,838 |
| - | - | 523,584 |
| - | - | 400 |
| <u>-</u> | <u>868,729</u> | <u>12,200,376</u> |
| | | |
| - | - | 131,224 |
| - | - | 7,539,231 |
| 367,423 | - | 8,115,670 |
| <u>367,423</u> | <u>-</u> | <u>15,786,125</u> |
| | | |
| - | - | 25 |
| 3,493,678 | - | 12,470,481 |
| - | - | 6,757,546 |
| - | (481,767) | 95,660,086 |
| <u>3,493,678</u> | <u>(481,767)</u> | <u>114,888,138</u> |
| | | |
| <u>\$ 3,861,101</u> | <u>\$ 386,962</u> | <u>\$ 142,874,639</u> |

Community Consolidated School District 59
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

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

| | | |
|--|------------------|-----------------------|
| Total fund balances - governmental funds | | \$ 114,888,138 |
| Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet. | | 96,279,670 |
| Certain grant receivables are not available to pay for current expenditures are unavailable in the governmental funds. | | 7,539,231 |
| Certain revenue receivable (interest) are recognized in the statement of net position do not provide current financial resources and are unavailable in the governmental funds. | | 131,224 |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds: | | |
| Deferred outflows of resources related to pensions | \$ 6,983,708 | |
| Deferred outflows of 2017 employer contributions related to pensions | <u>1,572,070</u> | 8,555,778 |
| Deferred inflows of resources related to pensions | | (2,068,547) |
| Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, accordingly, is not recognized in the governmental funds balance sheet. | | (215,433) |
| Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet. | | <u>(44,496,956)</u> |
| Net position of governmental activities | | <u>\$ 180,613,105</u> |

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2017

| | General | Operations and Maintenance | Transportation | Municipal Retirement / Soc. Sec. |
|--|---------------------------|-------------------------------|-------------------------|--|
| Revenues | | | | |
| Property taxes | \$ 66,319,588 | \$ 4,207,869 | \$ 3,427,730 | \$ 1,857,439 |
| Replacement taxes | 213,371 | 3,502,836 | - | 1,777,931 |
| State aid | 53,200,364 | 23,627 | 1,991,410 | - |
| Federal aid | 5,654,705 | - | - | - |
| Interest | 32,536 | 1,371 | 1,311 | 184 |
| Other | <u>1,099,030</u> | <u>4,400</u> | <u>1,886</u> | <u>-</u> |
| Total revenues | <u>126,519,594</u> | <u>7,740,103</u> | <u>5,422,337</u> | <u>3,635,554</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 32,866,256 | - | - | 433,787 |
| Special programs | 10,269,846 | - | - | 500,205 |
| Other instructional programs | 10,619,247 | - | - | 280,120 |
| State retirement contributions | 41,644,376 | - | - | - |
| Support services: | | | | |
| Pupils | 7,142,520 | - | - | 250,391 |
| Instructional staff | 5,546,704 | - | - | 295,861 |
| General administration | 3,336,360 | - | - | 102,238 |
| School administration | 6,563,137 | - | - | 377,227 |
| Business | 3,775,355 | 33,128 | - | 198,250 |
| Transportation | 7,699 | - | 5,367,827 | 35,151 |
| Operations and maintenance | - | 7,586,894 | - | 825,708 |
| Central | 2,219,402 | - | - | 215,517 |
| Other supporting services | 14,884 | - | - | - |
| Community services | 335,339 | - | - | 26,941 |
| Nonprogrammed charges | 5,050,952 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and other | - | - | - | - |
| Capital outlay | <u>10,096</u> | <u>3,599,656</u> | <u>49,717</u> | <u>-</u> |
| Total expenditures | <u>129,402,173</u> | <u>11,219,678</u> | <u>5,417,544</u> | <u>3,541,396</u> |
| Excess (deficiency) of revenues over expenditures | (2,882,579) | (3,479,575) | 4,793 | 94,158 |
| Other financing sources (uses) | | | | |
| Transfers in | 1,057,488 | 2,350,000 | - | - |
| Transfers (out) | <u>(2,994,000)</u> | <u>-</u> | <u>(2,000,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,936,512)</u> | <u>2,350,000</u> | <u>(2,000,000)</u> | <u>-</u> |
| Net change in fund balance | (4,819,091) | (1,129,575) | (1,995,207) | 94,158 |
| Fund balance, beginning of year | <u>107,718,515</u> | <u>5,739,109</u> | <u>5,579,539</u> | <u>688,779</u> |
| Fund balance (deficit), end of year | <u>\$ 102,899,424</u> | <u>\$ 4,609,534</u> | <u>\$ 3,584,332</u> | <u>\$ 782,937</u> |

The accompanying notes are an integral part of this statement.

| Debt Service | Capital Projects | Total |
|---------------------|---------------------|-----------------------|
| \$ 3,564,474 | \$ - | \$ 79,377,100 |
| - | - | 5,494,138 |
| - | - | 55,215,401 |
| - | - | 5,654,705 |
| 840 | - | 36,242 |
| - | - | 1,105,316 |
| <u>3,565,314</u> | <u>-</u> | <u>146,882,902</u> |
| - | - | 33,300,043 |
| - | - | 10,770,051 |
| - | - | 10,899,367 |
| - | - | 41,644,376 |
| - | - | 7,392,911 |
| - | - | 5,842,565 |
| - | - | 3,438,598 |
| - | - | 6,940,364 |
| - | 1,626,397 | 5,633,130 |
| - | - | 5,410,677 |
| - | - | 8,412,602 |
| - | - | 2,434,919 |
| - | - | 14,884 |
| - | - | 362,280 |
| - | - | 5,050,952 |
| 2,770,000 | - | 2,770,000 |
| 731,850 | - | 731,850 |
| - | 876,327 | 4,535,796 |
| <u>3,501,850</u> | <u>2,502,724</u> | <u>155,585,365</u> |
| 63,464 | (2,502,724) | (8,702,463) |
| - | 1,617,000 | 5,024,488 |
| (30,488) | - | (5,024,488) |
| <u>(30,488)</u> | <u>1,617,000</u> | <u>-</u> |
| 32,976 | (885,724) | (8,702,463) |
| <u>3,460,702</u> | <u>403,957</u> | <u>123,590,601</u> |
| <u>\$ 3,493,678</u> | <u>\$ (481,767)</u> | <u>\$ 114,888,138</u> |

Community Consolidated School District 59

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds \$ (8,702,463)

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. 1,369,642

Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.

Grant revenue 937,374

Interest 47,271

Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities:

Deferred outflow and inflows of resources related to IMRF pension (3,571,589)

Deferred outflow and inflows of resources related to TRS pension 963,691

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 27,700

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. 3,000,553

Change in net position of governmental activities \$ (5,927,821)

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59

Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

| | Agency Fund | Private Purpose Trust Fund |
|---|------------------|----------------------------------|
| <hr/> | | |
| ASSETS | | |
| Cash and investments | <u>\$ 35,680</u> | <u>\$ 17,799</u> |
| LIABILITIES | | |
| Due to student groups | 29,052 | - |
| Due to supporting organizations | <u>6,628</u> | <u>-</u> |
| Total liabilities | <u>35,680</u> | <u>-</u> |
| NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES | <u>\$ -</u> | <u>\$ 17,799</u> |

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59
Fiduciary Funds - Private Purpose Trust Fund
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2017

| | Private Purpose Trust Fund |
|-----------------------------------|----------------------------------|
| <hr/> | |
| ADDITIONS | |
| Contributions by external parties | \$ - |
| DEDUCTIONS | |
| Scholarships paid | <u>741</u> |
| Change in net position | (741) |
| Net position, beginning of year | <u>18,540</u> |
| Net position, end of year | <u><u>\$ 17,799</u></u> |

The accompanying notes are an integral part of this statement.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Community Consolidated School District 59 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

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

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds) and the acquisition or construction of major capital facilities (capital projects fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account and the Working Cash Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation.

b. Special Revenue Funds

The special revenue funds are used to account and report for the proceeds of specific revenue sources (other than those accounted for in the debt service, capital projects or fiduciary funds) that are legally restricted or committed to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes and personal property replacement taxes.

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

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

c. Debt Service Fund

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

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond issues or transfers from other funds.

e. Fiduciary Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Agency Fund - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. These funds account for activities such as student yearbook, and student clubs and council.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund (Continued)

The Private Purpose Trust Fund - is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Private Purpose Trust Funds account for scholarship and memorial trust funds.

4. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are used to account for the District's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The fiduciary fund statements are reported using the accrual basis of accounting.

5. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, or laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital project funds, are by definition restricted for those specified purposes.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any other purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. As of June 30, 2017, the District has no committed fund balances.

d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board of Education or the individual to which the Board of Education delegates the authority to assign amounts to be used for specific purposes. Under the District's *Fund Balance Policy*, the District Superintendent has the authority to assign fund balances. As of June 30, 2017, the District reports an assigned fund balance of \$6,757,546 for self-insurance.

e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, assigned balances, and, finally, they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

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

The nonspendable fund balance in the General Fund consists of \$25 for prepaid items. The assigned fund balance in the General Fund is comprised of \$6,757,546 for self-insurance. The remaining restricted fund balances are for the purpose of the restricted funds as described above and Note A-3.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to future periods. At June 30, 2017, the District has deferred outflows of resources related to pensions. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future reporting periods. At June 30, 2017, the District has deferred inflows of resources related to unavailable interest revenue, unavailable grant revenue, property taxes levied for a future period and pension liabilities.

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the District has the ability to access.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fair Value Measurements (Continued)

- Level 2 Inputs to the valuation methodology include the following:
- * Quoted prices for similar assets or liabilities in active markets;
 - * Quoted prices for identical or similar assets or liabilities in inactive markets;
 - * Inputs other than quoted prices that are observable for the asset or liability;
 - * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for the District's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

Commercial Paper: Valued at closing price of the instruments reported on the active market on which the similar securities are traded.

U.S. Treasury Securities and Debt Securities: Valued at closing price of similar instruments reported on the active market on which the individual securities are traded.

ISDLAF Term Series: Valued using pricing models (using the market value method) maximizing the use of observable inputs for similar securities, as quoted prices are not available for identical or similar instruments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

10. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Prepaid Items

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

12. Capital Assets

Capital assets, which include land, land improvements, buildings, equipment, vehicles, and intangible assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost or group cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| <u>Assets</u> | <u>Years</u> |
|-------------------|--------------|
| Buildings | 30 - 40 |
| Land improvements | 20 |
| Vehicles | 5 |
| Equipment | 5 - 15 |

The District has capitalized an intangible asset, computer software, that is included with equipment. The District follows the same capitalization policy and estimated useful life for its intangible asset as it does for its equipment capital assets. The District also amortizes the intangible asset utilizing the straight-line method.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Accumulated Unpaid Vacation and Sick Pay

District employees are eligible to earn 12 to 14 sick days each year depending on years of service and employee classification. Unused sick leave days accumulate up to the maximum Teachers Retirement System (TRS) allowable days for certified employees and 240 days for Education Support Professionals (ESP) and custodial/maintenance employees. Other employees accumulate unused sick days without limitation. Unused, earned sick days are generally used for credit with both the Teachers Retirement System (TRS) and Illinois Municipal Retirement Fund (IMRF). However, the Administrative Handbook does provide administrative retirees some reimbursement of unused sick days providing they enroll in non-district health insurance plans, the amounts for which are not significant. As such, the accrual for compensated absences does not include any amounts for earned but unused sick pay.

Employees who work a 12-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 10 days may be carried over into the next year with the exception of members of the Superintendency Team who may carry over 12 days. The compensated absences long-term liability is reported on the government-wide financial statements. Compensated absences payments will be repaid from the fund from which the employees salary is charged.

14. 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 and losses on refunding of bonds are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are reported as an expense in the period the costs are incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs and losses on refundings, 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 and losses, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. Pensions

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the District's restricted net position was restricted as a result of enabling legislation.

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

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

| | |
|---|----------------------|
| Bonds payable | \$ 15,235,000 |
| Unamortized premiums | 1,324,486 |
| Compensated absences | 200,240 |
| IMRF net pension liability | 12,407,086 |
| TRS net pension liability | 14,266,254 |
| Other postemployment benefits | 529,015 |
| Early retirement incentives | <u>534,875</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position of governmental activities | <u>\$ 44,496,956</u> |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Governmental funds report capital outlay 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." The details of this difference are as follows:

| | |
|--|----------------------------|
| Capital outlay | \$ 5,883,228 |
| Depreciation expense | (4,511,551) |
| Loss on disposal | <u>(2,035)</u> |
| Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities | \$ <u><u>1,369,642</u></u> |

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

| | |
|---|----------------------------|
| Principal payments on bonds payable | \$ 2,770,000 |
| IMRF pension liability, net | 1,365,706 |
| TRS pension liability, net | (1,790,140) |
| Other postemployment benefits, net | (31,116) |
| Compensated absences, net | 23,462 |
| Early retirement incentives, net | 198,404 |
| Unamortized premium | <u>464,237</u> |
| Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities. | \$ <u><u>3,000,553</u></u> |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS

The District previously utilized the custodial services of the Township School Treasurer (the Treasurer). During the fiscal year, the Treasurer was abolished by vote of the citizens of the District. Effective January 1, 2017, the District assumed custody of all cash and investments, which are managed by a Board of Education appointed school treasurer. The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) certificates of deposit or time deposits of banks and savings and loan association which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2017, the District's cash and investments consisted of the following:

| | <u>Governmental</u> | <u>Fiduciary</u> | <u>Total</u> |
|----------------------|---------------------|------------------|---------------|
| Cash and investments | \$ 95,162,163 | \$ 53,479 | \$ 95,215,642 |

For disclosure purposes, this amount is segregated as follows:

| | <u>Total</u> |
|--|----------------------|
| Cash on hand | \$ 3,000 |
| Deposits with financial institutions* | 31,687,565 |
| Illinois School District Liquid Assets Fund Plus | 53 |
| Other investments | 63,525,024 |
| | <u>\$ 95,215,642</u> |

*Includes accounts held in demand and savings accounts, but primarily consists of certificates of deposit and money market savings accounts, which are valued at cost.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

| Investment Type | Fair Value | Investment Maturity | | | |
|--------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | | Less Than One Year | One to Five Years | Six to Ten Years | Eleven Years Plus |
| Debt securities | | | | | |
| FHLB | \$ 14,825,538 | \$ - | \$ 8,135,234 | \$ 6,690,304 | \$ - |
| FHLMC | 16,038,426 | - | 7,126,520 | 6,980,873 | 1,931,033 |
| FNMA | 13,259,535 | 941,520 | 4,043,087 | 5,026,492 | 3,248,436 |
| FFCB | 9,128,663 | - | 4,541,168 | 4,587,495 | - |
| U.S. Treasury bonds | 3,901,804 | 1,500,125 | 2,401,679 | - | - |
| Commercial paper | | | | | |
| Apple Inc. | 349,735 | 349,735 | - | - | - |
| Chevron Corp. | 299,923 | 299,923 | - | - | - |
| Coca-Cola Co. | 349,636 | 349,636 | - | - | - |
| Intercontinental | 349,802 | 349,802 | - | - | - |
| John Deere Canada ULC | 349,906 | 349,906 | - | - | - |
| Johnson & Johnson | 349,547 | 349,547 | - | - | - |
| L'Oreal USA Inc. | 349,958 | 349,958 | - | - | - |
| Microsoft Corp. | 299,733 | 299,733 | - | - | - |
| PACCAR Financial | 349,829 | 349,829 | - | - | - |
| Pfizer Inc. | 349,234 | 349,234 | - | - | - |
| Simon Properties | 349,067 | 349,067 | - | - | - |
| Statoil ASA | 274,795 | 274,795 | - | - | - |
| USAA Capital | 349,893 | 349,893 | - | - | - |
| ISDLAF + Term Series | 2,000,000 | 2,000,000 | - | - | - |
| | <u>\$ 63,525,024</u> | <u>\$ 8,812,703</u> | <u>\$ 26,247,688</u> | <u>\$ 23,285,164</u> | <u>\$ 5,179,469</u> |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

The following investments are measured at net asset value (NAV):

| | | | <u>Unfunded Commitment</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|----------|----|----|--------------------------------|---------------------------------|---|
| ISDLAF + | \$ | 53 | N/A | Daily | 1 day |

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized rating organizations (NRSROs). The District's investment policy authorizes investments in any type of security as permitted by State statute. As of June 30, 2017, the District's other investments had ratings with their applicable rating agency as follows:

| <u>Investment</u> | <u>Moody's Investor</u> | <u>Standard & Poor's</u> |
|--|-----------------------------|----------------------------------|
| Federal Home Loan Bank (FHLB) | Aaa | AA+ |
| Federal Home Loan Mortgage Corp (FHLMC) | Aaa | AA+ |
| Federal National Mortgage Association (FNMA) | Aaa | AA+ |
| Federal Farm Credit Banks (FFCB) | Aaa | AA+ |
| U.S. Treasury bonds | Aaa | AA+ |
| Apple Inc. | P-1 | A-1+ |
| Chevron Corp. | P-1 | A-1+ |
| Coca-Cola Company | P-1 | A-1+ |
| Intercontinental Exchange | P-1 | A-1 |
| John Deere | P-1 | A-1 |
| Johnson & Johnson | P-1 | A-1+ |
| Loreal USA Inc. | P-1 | A-1+ |
| Microsoft Corporation | P-1 | A-1+ |
| PACCAR Financial Corporation | P-1 | A-1 |
| Pfizer Inc. | P-1 | A-1+ |
| Simon Property Group | P-1 | A-1 |
| Statoilhydro ASA | P-1 | A-1 |
| USAA Capital Corp. | P-1 | A-1+ |

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2017, the bank balances of the District's deposits with financial institutions totaled \$31,687,565, all of which was fully insured or collateralized.

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

5. Fair Value Measurement of Investments

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

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------|----------------|----------------------|----------------|----------------------|
| Commercial paper | \$ - | \$ 4,371,058 | \$ - | \$ 4,371,058 |
| Debt securities | | | | |
| FHLB | - | 14,825,538 | - | 14,825,538 |
| FHLMC | - | 16,038,426 | - | 16,038,426 |
| FNMA | - | 13,259,535 | - | 13,259,535 |
| FFCB | - | 9,128,663 | - | 9,128,663 |
| U.S. Treasury bonds | - | 3,901,804 | - | 3,901,804 |
| ISDLAF + Term Series | - | 2,000,000 | - | 2,000,000 |
| Investments, at fair value | <u>\$ -</u> | <u>\$ 63,525,024</u> | <u>\$ -</u> | <u>\$ 63,525,024</u> |

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 12, 2016. The District's property tax is levied each year on all taxable real property located in the District and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to the Property Tax Extension Limitation Law (PTELL), which limits increases in property tax extensions.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.8032 for 2016.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2016 tax levy was \$2,708,598,823.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2016 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 2%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflow of resources - property taxes levied for a future period.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES

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

TRS issues a publicly available financial report that can be obtained at www.trsil.org; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

Benefits Provided

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

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

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Contributions

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

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

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 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 \$41,039,221 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$313,384 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 employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$970,024 were paid from federal and special trust funds that required employer contributions of \$373,847. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Contributions (Continued)

Early 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 percent 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 District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$27,026 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 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 follow:

| | |
|---|------------------------------|
| District's proportionate share of the net pension liability | \$ 14,266,254 |
| State's proportionate share of the net pension liability associated with the District | <u>417,888,743</u> |
| Total | <u><u>\$ 432,154,997</u></u> |

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0180731800 percent, which was an decrease of 0.0009713932 percent from its proportion measured as of June 30, 2015.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$42,553,388 and revenue of \$41,039,221 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:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 105,486 | \$ 9,676 |
| Change of assumptions | 1,225,258 | - |
| Net difference between projected and actual earnings on pension plan investments | 403,047 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | <u>1,434,879</u> | <u>1,003,967</u> |
| Total deferred amounts to be recognized in pension expense in future periods | <u>3,168,670</u> | <u>1,013,643</u> |
| District contributions subsequent to the measurement date | <u>687,231</u> | <u>-</u> |
| Total deferred amounts related to pensions | <u>\$ 3,855,901</u> | <u>\$ 1,013,643</u> |

The District reported \$687,231 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that 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:

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

| <u>Year ended June 30:</u> | <u>Net Deferred Outflows of Resources</u> |
|----------------------------|---|
| 2018 | \$ 509,292 |
| 2019 | 509,292 |
| 2020 | 812,124 |
| 2021 | 289,882 |
| 2022 | <u>34,437</u> |
| | <u>\$ 2,155,027</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 percent |
| Salary increases | varies by amount of service credit |
| Investment rate of return | 7.00 percent, net of pension plan investment expense, including inflation |

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

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

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

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

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

| | <u>1% Decrease</u> <u>(5.83%)</u> | <u>Current</u> <u>Discount</u> <u>(6.83%)</u> | <u>1% Increase</u> <u>(7.83%)</u> |
|---|--------------------------------------|---|--------------------------------------|
| District's proportionate share of the net pension liability | \$ 17,448,208 | \$ 14,266,254 | \$ 11,667,442 |

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*.

2. Illinois Municipal Retirement Fund

Plan Description

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

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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

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

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

| | |
|--|-------------|
| Retirees and beneficiaries currently receiving benefits | 352 |
| Inactive plan members entitled to but not yet receiving benefits | 336 |
| Active plan members | 292 |
| | <hr/> |
| Total | 980 |
| | <hr/> <hr/> |

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 13.19%. For the fiscal year ended June 30, 2017 the District contributed \$1,790,532 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.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The District's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market Value of Assets |
| Price Inflation | 2.75% |
| Salary Increases | 3.75% to 14.5% including inflation |
| Investment Rate of Return | 7.50% |
| Projected Retirement Age | Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013. |
| Mortality | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP- 2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projections 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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:

| Asset Class | Portfolio Target Percentage | Long-Term Expected Real Rate of Return |
|-------------------------|-----------------------------|--|
| Domestic equity | 38% | 6.85% |
| International equity | 17% | 6.75% |
| Fixed income | 27% | 3.00% |
| Real estate | 8% | 5.75% |
| Alternative investments | 9% | 2.65-7.35% |
| Cash equivalents | 1% | 2.25% |
| Total | 100% | |

Single Discount Rate

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

- a. 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
- b. 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).

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Single Discount Rate (Continued)

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

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2016:

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2015 | \$ 74,316,396 | \$ 60,543,604 | \$ 13,772,792 |
| Changes for the year: | | | |
| Service cost | 1,500,150 | - | 1,500,150 |
| Interest on the total pension liability | 5,464,177 | - | 5,464,177 |
| Difference between expected and actual experience of the total pension liability | (1,271,495) | - | (1,271,495) |
| Changes of assumptions | (338,886) | - | (338,886) |
| Contributions - employer | - | 1,762,748 | (1,762,748) |
| Contributions - employees | - | 586,892 | (586,892) |
| Net Investment Income | - | 4,162,405 | (4,162,405) |
| Benefit payments, including refunds of employee contributions | (3,640,260) | (3,640,260) | - |
| Other (net transfer) | - | 207,607 | (207,607) |
| Net changes | <u>1,713,686</u> | <u>3,079,392</u> | <u>(1,365,706)</u> |
| Balances at December 31, 2016 | <u>\$ 76,030,082</u> | <u>\$ 63,622,996</u> | <u>\$ 12,407,086</u> |

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 than the current rate:

| | 1% Lower (6.50%) | Current Discount (7.50%) | 1% Higher (8.50%) |
|-----------------------|----------------------|--------------------------------|----------------------|
| Net pension liability | \$ <u>21,516,075</u> | \$ <u>12,407,086</u> | \$ <u>4,835,653</u> |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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 \$4,038,727. At June 30, 2017, the District reported deferred inflows and outflows of resources related to pensions from the following sources:

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Deferred Amounts to be Recognized in Pension Expense in Future Periods | | |
| Differences between expected and actual experience | \$ 635,835 | \$ 832,912 |
| Change of assumptions | 51,768 | 221,992 |
| Net difference between projected and actual earnings on pension plan investments | <u>3,127,435</u> | <u>-</u> |
| Total deferred amounts to be recognized in pension expense in the future periods | <u>3,815,038</u> | <u>1,054,904</u> |
| Pension contributions made subsequent to the measurement date | <u>884,839</u> | <u>-</u> |
| Total deferred amounts related to pensions | <u><u>\$ 4,699,877</u></u> | <u><u>\$ 1,054,904</u></u> |

The District reported \$884,839 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that 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:

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

| Year Ended June 30, | Net Deferred Outflows of Resources |
|------------------------|--|
| 2018 | \$ 1,205,556 |
| 2019 | 574,004 |
| 2020 | 913,022 |
| 2021 | 67,552 |
| 2022 | - |
| Thereafter | - |
| Total | \$ 2,760,134 |

3. Summary of Pension Items

Below is a summary of the various pension items:

| | TRS | IMRF | Total |
|---------------------------------|---------------|---------------|---------------|
| Deferred outflows of resources: | | | |
| Employer contributions | \$ 687,231 | \$ 884,839 | \$ 1,572,070 |
| Experience | 105,486 | 635,835 | 741,321 |
| Assumptions | 1,225,258 | 51,768 | 1,277,026 |
| Proportionate share | 1,434,879 | - | 1,434,879 |
| Investments | 403,047 | 3,127,435 | 3,530,482 |
| | \$ 3,855,901 | \$ 4,699,877 | \$ 8,555,778 |
| Net pension liability | \$ 14,266,254 | \$ 12,407,086 | \$ 26,673,340 |
| Deferred inflows of resources: | | | |
| Experience | 9,676 | 832,912 | 842,588 |
| Assumptions | - | 221,992 | 221,992 |
| Proportionate share | 1,003,967 | - | 1,003,967 |
| | \$ 1,013,643 | \$ 1,054,904 | \$ 2,068,547 |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PENSION LIABILITIES (Continued)

4. Social Security/Medicare

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

NOTE F - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (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.

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

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

On-behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$605,155, and the District recognized revenue and expenditures of this amount during the year.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$453,866 to the THIS Fund, which was 100 percent 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>).

2. Retiree Health Plan

Plan Description

The District provides the continuation of health care benefits to employees, who retire from the District. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Retirement for Certified personnel is defined as age 50 and 20 years of service, or age 60 and 10 years of service, or age 62 and 5 years of service. Retirement for Non-Certified personnel is defined as age 55 and 25 years of service, or age 60 and 8 years of service, or combined age and service of 85.

Funding Policy

Funding for certain employees is provided by the District based on the provisions in the employees' contracts with the District. The District's expected contribution on behalf of these employees to the insurance provider was \$252,511 for fiscal year 2017.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). Actuarial calculations reflect a long-term perspective. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over thirty years. For fiscal year 2017, the District's annual estimated OPEB cost was \$283,327. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net estimated OPEB obligation to the Retiree Health Plan:

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

| | |
|--|------------------------|
| | June 30, 2017 |
| | <hr/> |
| Annual required contribution | \$ 280,007 |
| Interest on net OPEB obligation | 19,916 |
| Adjustment to annual required contribution | <hr/> (16,596) |
| Annual OPEB cost | 283,327 |
| Contributions made | <hr/> (252,211) |
| Increase in net OPEB obligation | 31,116 |
| Net OPEB obligation, beginning of year | <hr/> 497,899 |
| Net OPEB obligation, end of year | \$ <hr/> <hr/> 529,015 |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

| <u>Actuarial Valuation Date</u> | | <u>Annual OPEB Cost</u> | <u>Percentage Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|---|----|---------------------------------|--|--------------------------------|
| 6/30/17 | \$ | 283,327 | 89.0% | \$ 529,015 |
| 6/30/16* | | 287,487 | 103.7 | 497,899 |
| 6/30/15 | | 287,544 | 103.0 | 508,666 |

* Annual OPEB cost estimated using ARC from most recent valuation information.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Funding Status and Funding Progress

As of July 1, 2016 (the most recent date available), the actuarial accrued liability for benefits was \$3,683,711, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Participants:

| | |
|--|-----|
| Active fully eligible to retire | 103 |
| Actives not yet fully eligible to retire | 822 |
| Retirees | 22 |

| | |
|-------------------------------|-------------------------------|
| Actuarial valuation date | July 1, 2016 |
| Data collection date | April 2017 |
| Actuarial cost method | Entry age normal |
| Amortization period | Level percentage of pay, open |
| Remaining amortization period | 30 years |

Actuarial assumptions:

| | |
|----------------------------|---|
| Investment rate of return | 4.00% |
| Projected salary increases | 4.00% |
| Healthcare inflation rate | All district medical plans: 5% for all years |

| | |
|---|---------------------------------|
| Mortality, turnover, disability, retirement ages | Similar rates utilized for IMRF |
|---|---------------------------------|

| | |
|---|-----|
| Percentage of active employees assumed to elect benefit | 15% |
|---|-----|

| | |
|----------------|--|
| Marital status | 50% of employees electing coverage are assumed to be married and elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees. |
|----------------|--|

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - 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 |
|--|-------------------------|-----------------|---------------|--------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 3,098,076 | \$ - | \$ - | \$ 3,098,076 |
| Construction in progress | 139,610 | 2,960,669 | 53,672 | 3,046,607 |
| Total capital assets not being depreciated | 3,237,686 | 2,960,669 | 53,672 | 6,144,683 |
| Capital assets, being depreciated | | | | |
| Buildings | 154,784,210 | 2,806,293 | 1,313,647 | 156,276,856 |
| Land improvements | 2,539,843 | 106,988 | 78,818 | 2,568,013 |
| Vehicles | 793,630 | 62,950 | 40,706 | 815,874 |
| Equipment | 27,487,232 | - | - | 27,487,232 |
| Intangible assets | 805,496 | - | 341,236 | 464,260 |
| Total capital assets being depreciated | 186,410,411 | 2,976,231 | 1,774,407 | 187,612,235 |
| Less accumulated depreciation for: | | | | |
| Buildings | 67,223,699 | 3,935,297 | 1,308,315 | 69,850,681 |
| Land improvements | 1,560,425 | 88,786 | 84,150 | 1,565,061 |
| Vehicles | 584,041 | 73,130 | 38,671 | 618,500 |
| Equipment | 24,650,043 | 389,848 | - | 25,039,891 |
| Intangible assets | 719,861 | 24,490 | 341,236 | 403,115 |
| Total accumulated depreciation | 94,738,069 | 4,511,551 | 1,772,372 | 97,477,248 |
| Total capital assets being depreciated, net | 91,672,342 | (1,535,320) | 2,035 | 90,134,987 |
| Governmental activities capital assets, net | \$ 94,910,028 | \$ 1,425,349 | \$ 55,707 | \$ 96,279,670 |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | | |
|---|----|-------------------------|
| Governmental activities | | |
| General Government | | |
| Instructional staff | | |
| Regular programs | \$ | 11,175 |
| Support services | | |
| Instructional staff | | 1,046 |
| School administration | | 256 |
| Operations and Maintenance | | 4,473,531 |
| Transportation | | 15,139 |
| Central | | <u>10,404</u> |
| Total depreciation from governmental activities | \$ | <u><u>4,511,551</u></u> |

NOTE H - LONG-TERM LIABILITIES

During the year ended June 30, 2017, the following is the long-term liability activity for the District:

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2017</u> |
|--|---------------------------------------|----------------------|----------------------|--|
| Bonds payable: | | | | |
| General obligation bonds | \$ 18,005,000 | \$ - | \$ 2,770,000 | \$ 15,235,000 |
| Unamortized Premium - 2014 | 657,746 | - | 187,185 | 470,561 |
| Unamortized Premium - 2015 | <u>1,130,977</u> | <u>-</u> | <u>277,052</u> | <u>853,925</u> |
| Total bonds payable | <u>19,793,723</u> | <u>-</u> | <u>3,234,237</u> | <u>16,559,486</u> |
| Early retirement incentives | 733,279 | 46,984 | 245,388 | 534,875 |
| Other postemployment benefits | 497,899 | 283,327 | 252,211 | 529,015 |
| Compensated absences | 223,702 | 627,557 | 651,019 | 200,240 |
| IMRF net pension liability | 13,772,792 | 6,964,327 | 8,330,033 | 12,407,086 |
| TRS net pension liability | <u>12,476,114</u> | <u>3,264,582</u> | <u>1,474,442</u> | <u>14,266,254</u> |
| Total long-term liabilities - governmental activities | <u>\$ 47,497,509</u> | <u>\$ 11,186,777</u> | <u>\$ 14,187,330</u> | <u>\$ 44,496,956</u> |

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE H - LONG-TERM LIABILITIES (Continued)

At June 30, 2017, amounts due within one year on the outstanding long-term liabilities were as follows:

| | |
|--|---------------------|
| General obligation bonds | \$ 2,850,000 |
| Early retirement incentives | 247,702 |
| Compensated absences | <u>200,240</u> |
| Total long-term liabilities due within one year - governmental activities | <u>\$ 3,297,942</u> |

The summary of activity in bonds payable at June 30, 2017 is as follows:

| <u>Purpose</u> | <u>Balance at July 1, 2016</u> | <u>Debt Issued</u> | <u>Debt Retired</u> | <u>Balance at June 30, 2017</u> |
|--|------------------------------------|--------------------|---------------------|-------------------------------------|
| Refunding school bonds issued on October 1, 2014, interest at 2.00% - 4.00%, due on March 1, 2022. | \$ 8,670,000 | \$ - | \$ 1,475,000 | \$ 7,195,000 |
| Refunding school bonds issued on February 17, 2015, interest at 1.00% - 5.00%, due on March 1, 2022. | <u>9,335,000</u> | <u>-</u> | <u>1,295,000</u> | <u>8,040,000</u> |
| | <u>\$ 18,005,000</u> | <u>\$ -</u> | <u>\$ 2,770,000</u> | <u>\$ 15,235,000</u> |

The obligations for future health claims and retiree health plan will be repaid from the General Fund. Portions of the early retirement incentives and all compensated absences payments will be repaid from the fund from which the employee's salary is charged.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE H - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds

At June 30, 2017, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

| Year Ending June 30 | Principal | Interest | Total |
|------------------------|----------------------|---------------------|----------------------|
| 2018 | \$ 2,850,000 | \$ 646,300 | \$ 3,496,300 |
| 2019 | 2,950,000 | 547,450 | 3,497,450 |
| 2020 | 3,065,000 | 430,550 | 3,495,550 |
| 2021 | 3,205,000 | 293,550 | 3,498,550 |
| 2022 | <u>3,165,000</u> | <u>150,200</u> | <u>3,315,200</u> |
| Total | <u>\$ 15,235,000</u> | <u>\$ 2,068,050</u> | <u>\$ 17,303,050</u> |

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$3,493,678 in the Debt Service Fund to service the outstanding bonds payable.

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2017, a total of \$4,555,000 of bonds outstanding is considered defeased.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$186,893,319 of which \$171,658,319 is potentially available.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE I - OPERATING LEASES

The District leases equipment under noncancelable operating leases. The total costs for such leases were \$96,564 for the year ended June 30, 2017. At June 30, 2017, future minimum lease payments for these leases were as follows:

| Year Ending June 30 | Total |
|------------------------|-------------------|
| 2018 | \$ 96,564 |
| 2019 | 96,564 |
| 2020 | 3,252 |
| 2021 | 2,981 |
| | <u>\$ 199,361</u> |

NOTE J - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters.

The District is self-insured for employee medical, prescription, and dental coverage. Blue Cross/Blue Shield administers claims for a per-person, per-month fee. Expenditures are recorded as incurred in the form of direct contributions from the District to Blue Cross/Blue Shield for payment of employee health claims and administration fees. The District's liability will not exceed \$150,000 per covered employee in the aggregate as provided by stop-loss provisions incorporated in the plan.

The District has recorded an unpaid claims liability for claims that have occurred but are not settled and for claims incurred but not recorded (IBNR). This liability is based upon estimates from an annual actuarial study, based on historical trends. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Such accrued liabilities are necessarily based on estimates; thus, the District's ultimate liability may exceed or be less than the amounts accrued.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE J - RISK MANAGEMENT (Continued)

For the two years ended June 30, 2017 and June 30, 2016, changes in the liability for unpaid claims are summarized as follows:

| | <u>Beginning Claims Payable</u> | <u>Current Year Claims and Changes in Estimates</u> | <u>Claims Payments</u> | <u>Ending Claims Payable</u> |
|------------------|-------------------------------------|---|----------------------------|----------------------------------|
| Fiscal Year 2017 | \$ <u>428,701</u> | \$ <u>9,277,671</u> | \$ <u>9,182,788</u> | \$ <u>523,584</u> |
| Fiscal Year 2016 | \$ <u>406,039</u> | \$ <u>8,571,423</u> | \$ <u>8,548,761</u> | \$ <u>428,701</u> |

The District continues to carry commercial insurance for all other risks of loss, including worker's compensation, torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K - RETIREMENT INCENTIVES

If a certified employee notifies the District by June 30 of an irrevocable intent to retire at the end of the school year four years later, the certified employee shall receive a total increase of six percent (6%) per year over his or her salary in the previous year for the final three years of employment prior to retirement. If a certified employee provides notification of an irrevocable intent to retire less than three years in the future, the certified employee shall receive a total increase of six percent (6%) in each of the remaining years before he or she retires. As of June 30, 2017, the District's liability for retirement incentives is \$534,875, and is reported as part of the long-term liabilities in the government-wide statements.

NOTE L - INTERFUND TRANSFERS

The District transferred \$30,488 from the Debt Service Fund to the General (Educational Account) Fund. The amount transferred represents interest earned on investments.

The District transferred \$350,000 from the Working Cash Account to the Operations and Maintenance Fund. The amount transferred is an abatement of the Working Cash Fund.

The District transferred \$1,027,000 from the Working Cash Account to the Educational Account. The amount transferred is an abatement of the Working Cash Fund.

The District transferred \$2,000,000 from the Transportation Fund to the Operations and Maintenance Fund. The amount transferred is intended to cover current year expenditures.

Community Consolidated School District 59

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE L - INTERFUND TRANSFERS (Continued)

The District transferred \$1,617,000 from the General (Educational Account) Fund to the Capital Projects Fund. The amount transferred is intended to cover current year capital expenditures.

NOTE M - JOINT AGREEMENTS

The District is a member of the Northwest Suburban Special Education Organization (NSSEO), a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, NSSEO should not be included as a component unit of the District.

NOTE N - CONTINGENCIES

1. Litigation

The District, in the normal course of business, is subject to various ongoing property tax appeals and objections, and general litigation. Although the outcome of these matters is not presently determinable, the resolution of these matters, should the outcome be unfavorable, could have a significant impact on future tax revenues.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE O - CONSTRUCTION COMMITMENTS

The District has certain contracts for construction projects at June 30, 2017. Commitments under these contracts approximate \$14,814,000 at June 30, 2017 for the building of an administration building.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 19, 2018, the date these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Community Consolidated School District 59

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

June 30, 2017

Calendar year ended December 31,

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------------|--------------------------|-------------------------|
| Total pension liability | | | |
| Service cost | \$ 1,500,150 | \$ 1,403,295 | \$ 1,434,533 |
| Interest on the total pension liability | 5,464,177 | 5,083,515 | 4,610,842 |
| Difference between expected and actual experience of the total pension liability | (1,271,495) | 2,062,115 | 630,917 |
| Assumption changes | (338,886) | 167,892 | 2,892,473 |
| Benefit payments and refunds | <u>(3,640,260)</u> | <u>(3,320,415)</u> | <u>(2,982,954)</u> |
| Net change in total pension liability | 1,713,686 | 5,396,402 | 6,585,811 |
| Total pension liability, beginning | <u>74,316,396</u> | <u>68,919,994</u> | <u>62,334,183</u> |
| Total pension liability, ending | <u>\$ 76,030,082</u> | <u>\$ 74,316,396</u> | <u>\$ 68,919,994</u> |
| Plan fiduciary net position | | | |
| Contributions, employer | \$ 1,762,748 | \$ 1,741,016 | \$ 1,522,951 |
| Contributions, employee | 586,892 | 597,919 | 559,405 |
| Net investment income | 4,162,405 | 299,971 | 3,508,070 |
| Benefit payments, including refunds of employee contributions | (3,640,260) | (3,320,415) | (2,982,954) |
| Other (net transfer) | <u>207,607</u> | <u>740,124</u> | <u>(82,127)</u> |
| Net change in plan fiduciary net position | 3,079,392 | 58,615 | 2,525,345 |
| Plan fiduciary net position, beginning | <u>60,543,604</u> | <u>60,484,989</u> | <u>57,959,644</u> |
| Plan fiduciary net position, ending | <u>\$ 63,622,996</u> | <u>\$ 60,543,604</u> | <u>\$ 60,484,989</u> |
| Net pension liability | <u>\$ 12,407,086</u> | <u>\$ 13,772,792</u> | <u>\$ 8,435,005</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 83.68 % | 81.47 % | 87.76 % |
| Covered Valuation Payroll | \$ 13,041,993 | \$ 13,224,995 | \$ 12,422,912 |
| Net pension liability as a percentage of covered valuation payroll | 95.13 % | 104.14 % | 67.90 % |

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

Community Consolidated School District 59
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2017

| <u>Calendar Year</u> Ending <u>December 31,</u> | <u>Actuarially</u> <u>Determined</u> <u>Contribution</u> | <u>Actual</u> <u>Contribution</u> | <u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u> | <u>Covered</u> <u>Valuation</u> <u>Payroll</u> | <u>Actual Contribution</u> as a % of <u>Covered Valuation Payroll</u> |
|---|--|--------------------------------------|---|--|---|
| 2016 | \$ 1,720,239 * | \$ 1,762,748 | \$ (42,509) | \$ 13,041,993 | 13.52 % |
| 2015 | 1,680,897 | 1,741,016 | (60,119) | 13,224,995 | 13.16 |
| 2014 | 1,552,864 | 1,522,951 | 29,913 | 12,422,912 | 12.26 |

* Estimated based on contribution rate of 13.91% and covered valuation payroll of \$13,041,993 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

Community Consolidated School District 59
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability | 0.0180731800 % | 0.0190445732 % | 0.0156539260 % |
| District's proportionate share of the net pension liability | \$ 14,266,254 | \$ 12,476,114 | \$ 9,290,253 |
| State's proportionate share of the net pension liability (asset) associated with the District | <u>417,888,743</u> | <u>316,573,436</u> | <u>303,113,255</u> |
| Total | <u>\$ 432,154,997</u> | <u>\$ 329,049,550</u> | <u>\$ 312,403,508</u> |
| District's covered-employee payroll | \$ 52,502,245 | \$ 49,780,644 | \$ 48,167,534 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 27.17 % | 25.06 % | 19.29 % |
| Plan fiduciary net position as a percentage of the total pension liability | 36.40 % | 41.50 % | 43.00 % |

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

Community Consolidated School District 59
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|----------------|-------------------|
| Contractually required contribution | \$ 699,433 | \$ 668,021 | \$ 542,797 |
| Contributions in relation to the contractually required contribution | <u>699,921</u> | <u>667,321</u> | <u>544,662</u> |
| Contribution deficiency (excess) | <u>\$ (488)</u> | <u>\$ 700</u> | <u>\$ (1,865)</u> |
| District's covered-employee payroll | \$ 54,031,725 | \$ 52,502,245 | \$ 49,780,644 |
| Contributions as a percentage of covered-employee payroll | 1.29 % | 1.27 % | 1.09 % |

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 and, therefore, 10 years of information is not available.

Community Consolidated School District 59
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
June 30, 2017

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Covered Payroll | (6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5) |
|--------------------------------|--|---|-------------------------------------|---|---------------------------|--|
| 6/30/17 | \$ - | \$ 3,683,711 | 0.00 % | \$ 3,683,711 | \$ 63,877,654 | 5.77 % |
| 6/30/16 | - | 3,760,086 | 0.00 | 3,760,086 | 60,677,024 | 6.20 |
| 6/30/15 | - | 3,760,086 | 0.00 | 3,760,086 | 60,677,024 | 6.20 |

Note: A skip valuation was performed for the fiscal year ended June 30, 2016.

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---|-------------------|-------------------|----------------------------------|-------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 63,198,476 | \$ 65,411,969 | \$ 2,213,493 | \$ 62,447,823 |
| Special education levy | 931,476 | 907,619 | (23,857) | 892,268 |
| Corporate personal property replacement taxes | 200,000 | 213,371 | 13,371 | 182,072 |
| Regular tuition from pupils or parents | 62,266 | 93,373 | 31,107 | 87,214 |
| Regular tuition from other districts | 17,200 | 18,080 | 880 | 16,920 |
| Summer school tuition from pupils or parents | 60,000 | 36,666 | (23,334) | 48,819 |
| Special education tuition from pupils or parents | 198,123 | 76,919 | (121,204) | 127,608 |
| Special education tuition from other districts | 33,341 | - | (33,341) | 15,312 |
| Interest on investments | 2,181,474 | 914,455 | (1,267,019) | 585,510 |
| Gain or loss on sale of investments | - | (881,919) | (881,919) | 679,346 |
| Sales to pupils - lunch | 249,953 | 494,443 | 244,490 | 508,822 |
| Sales to pupils - breakfast | 9,754 | - | (9,754) | - |
| Sales to pupils - a la carte | 235,148 | - | (235,148) | - |
| Contributions and donations from private sources | 35,000 | 16,070 | (18,930) | 27,282 |
| Refund of prior years' expenditures | 15,000 | 25,588 | 10,588 | (1,953) |
| Local fees | - | 41,690 | 41,690 | 246,866 |
| Other | 268,000 | 296,201 | 28,201 | 257,017 |
| | <u>67,695,211</u> | <u>67,664,525</u> | <u>(30,686)</u> | <u>66,120,926</u> |
| Total local sources | <u>67,695,211</u> | <u>67,664,525</u> | <u>(30,686)</u> | <u>66,120,926</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|-----------------------------------|--------------|--------------|----------------------------------|----------------|
| | Budget | Actual | | |
| State sources | | | | |
| General State Aid | \$ 8,254,427 | \$ 8,257,935 | \$ 3,508 | \$ 7,455,403 |
| Special Education - | | | | |
| Private Facility Tuition | 190,000 | 292,461 | 102,461 | 183,049 |
| Special Education - Funding for | 867,050 | 947,788 | 80,738 | 703,060 |
| Children Requiring Sp Ed Services | | | | |
| Special Education - Personnel | 1,188,000 | 1,339,372 | 151,372 | 922,095 |
| Special Education - Orphanage | | | | |
| - Individual | 40,000 | 14,040 | (25,960) | 38,553 |
| Special Education - Summer School | 6,853 | - | (6,853) | 7,143 |
| Bilingual Ed. - Downstate | | | | |
| - T.P.I. and T.P.E. | 766,116 | 317,307 | (448,809) | 792,938 |
| State Free Lunch and Breakfast | 6,933 | 6,143 | (790) | 14,872 |
| Early Childhood - Block Grant | 479,851 | 376,706 | (103,145) | 335,734 |
| Other state sources | 4,883 | 4,236 | (647) | 4,082 |
| On Behalf Payments to TRS from | | | | |
| the state | 20,492,304 | 41,644,376 | 21,152,072 | 26,498,140 |
| Total state sources | 32,296,417 | 53,200,364 | 20,903,947 | 36,955,069 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|--------------|--------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Federal sources | | | | |
| National School Lunch Program | \$ 1,707,339 | \$ 1,467,782 | \$ (239,557) | \$ 1,447,465 |
| Special Breakfast Program | 331,296 | 314,341 | (16,955) | 325,180 |
| Title I - Low Income | 1,316,110 | 1,459,476 | 143,366 | 1,451,105 |
| Federal - Special Education - Pre-School Flow Through | - | 53,527 | 53,527 | 52,038 |
| Federal - Special Education - I.D.E.A. - Flow Through | 1,194,019 | 1,206,784 | 12,765 | 1,164,105 |
| Federal - Special Education - I.D.E.A. - Room and Board | - | 99,380 | 99,380 | - |
| Language Acquisition | 278,464 | 261,337 | (17,127) | 340,505 |
| Title II - Teacher Quality | 144,926 | 145,721 | 795 | 132,912 |
| Medicaid Matching Funds - Administrative Outreach | 190,000 | 118,158 | (71,842) | 242,781 |
| Medicaid Matching Funds - Fee-For-Service-Program | 300,000 | 528,199 | 228,199 | 439,665 |
| Total federal sources | 5,462,154 | 5,654,705 | 192,551 | 5,595,756 |
| Total revenues | 105,453,782 | 126,519,594 | 21,065,812 | 108,671,751 |
| Expenditures | | | | |
| Instruction | | | | |
| Regular programs | | | | |
| Salaries | 16,421,835 | 15,795,100 | 626,735 | 15,329,966 |
| Employee benefits | 2,057,577 | 2,164,908 | (107,331) | 2,163,777 |
| On-behalf payments to TRS from the state | 20,492,304 | 41,644,376 | (21,152,072) | 26,498,140 |
| Purchased services | 52,369 | 71,052 | (18,683) | 168,054 |
| Supplies and materials | 1,308,277 | 784,382 | 523,895 | 785,396 |
| Capital outlay | - | - | - | 16,212 |
| Other objects | 2,305 | 84 | 2,221 | 2,085 |
| Non-capitalized equipment | 12,000 | 5,579 | 6,421 | 54,989 |
| Total | 40,346,667 | 60,465,481 | (20,118,814) | 45,018,619 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---|---------------|---------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Pre-K programs | | | | |
| Salaries | \$ 11,116,774 | \$ 10,936,238 | \$ 180,536 | \$ 10,764,530 |
| Employee benefits | 1,406,454 | 1,450,411 | (43,957) | 1,378,333 |
| Purchased services | 147,050 | 419,657 | (272,607) | 300,955 |
| Supplies and materials | 1,983,036 | 968,675 | 1,014,361 | 399,607 |
| Capital outlay | - | - | - | 6,798 |
| Other objects | 2,400 | 2,082 | 318 | 2,261 |
| Non-capitalized equipment | 311,670 | 268,088 | 43,582 | 125,078 |
| Total | 14,967,384 | 14,045,151 | 922,233 | 12,977,562 |
| Special education programs | | | | |
| Salaries | 5,102,074 | 4,884,509 | 217,565 | 4,673,484 |
| Employee benefits | 967,585 | 1,007,153 | (39,568) | 911,354 |
| Purchased services | 25,850 | 8,445 | 17,405 | 34,795 |
| Supplies and materials | 95,392 | 67,176 | 28,216 | 98,645 |
| Other objects | - | - | - | 99 |
| Non-capitalized equipment | 10,000 | 3,283 | 6,717 | 11,922 |
| Total | 6,200,901 | 5,970,566 | 230,335 | 5,730,299 |
| Special education programs pre-K | | | | |
| Salaries | 1,696,210 | 1,682,137 | 14,073 | 1,582,184 |
| Employee benefits | 326,160 | 341,717 | (15,557) | 352,059 |
| Purchased services | 200 | 312 | (112) | 4,281 |
| Supplies and materials | 16,731 | 36,743 | (20,012) | 23,309 |
| Total | 2,039,301 | 2,060,909 | (21,608) | 1,961,833 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Remedial and Supplemental programs K-12 | | | | |
| Salaries | \$ 839,149 | \$ 896,117 | \$ (56,968) | \$ 996,220 |
| Employee benefits | 571,042 | 493,379 | 77,663 | 521,187 |
| Supplies and materials | <u>45,164</u> | <u>48,961</u> | <u>(3,797)</u> | <u>44,944</u> |
| Total | <u>1,455,355</u> | <u>1,438,457</u> | <u>16,898</u> | <u>1,562,351</u> |
| Interscholastic programs | | | | |
| Salaries | 406,945 | 424,715 | (17,770) | 422,443 |
| Employee benefits | 6,911 | 5,279 | 1,632 | 5,036 |
| Purchased services | 21,150 | 19,701 | 1,449 | 21,011 |
| Supplies and materials | 37,626 | 49,408 | (11,782) | 55,244 |
| Capital outlay | - | 10,096 | (10,096) | - |
| Other objects | 1,975 | 1,265 | 710 | 1,894 |
| Non-capitalized equipment | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,975</u> |
| Total | <u>474,607</u> | <u>510,464</u> | <u>(35,857)</u> | <u>518,603</u> |
| Summer school programs | | | | |
| Salaries | 353,227 | 278,417 | 74,810 | 389,785 |
| Employee benefits | 4,536 | 2,460 | 2,076 | 3,748 |
| Supplies and materials | 22,100 | 16,344 | 5,756 | 7,444 |
| Other objects | <u>500</u> | <u>170</u> | <u>330</u> | <u>220</u> |
| Total | <u>380,363</u> | <u>297,391</u> | <u>82,972</u> | <u>401,197</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|-------------------|-------------------|----------------------------------|-------------------|
| | Budget | Actual | | |
| Gifted programs | | | | |
| Salaries | \$ 451,299 | \$ 452,627 | \$ (1,328) | \$ 457,568 |
| Employee benefits | 48,130 | 47,830 | 300 | 51,503 |
| Supplies and materials | 3,000 | - | 3,000 | 693 |
| Other objects | <u>1,000</u> | <u>150</u> | <u>850</u> | <u>350</u> |
| Total | <u>503,429</u> | <u>500,607</u> | <u>2,822</u> | <u>510,114</u> |
| Bilingual programs | | | | |
| Salaries | 8,185,506 | 7,942,635 | 242,871 | 7,717,688 |
| Employee benefits | 1,256,245 | 1,267,222 | (10,977) | 1,187,100 |
| Purchased services | - | - | - | 19 |
| Supplies and materials | <u>81,475</u> | <u>111,024</u> | <u>(29,549)</u> | <u>126,757</u> |
| Total | <u>9,523,226</u> | <u>9,320,881</u> | <u>202,345</u> | <u>9,031,564</u> |
| Special education programs | | | | |
| K-12 - private tuition | | | | |
| Other objects | <u>750,000</u> | <u>799,914</u> | <u>(49,914)</u> | <u>813,340</u> |
| Total instruction | <u>76,641,233</u> | <u>95,409,821</u> | <u>(18,768,588)</u> | <u>78,525,482</u> |
| Support services | | | | |
| Pupils | | | | |
| Attendance and social work services | | | | |
| Salaries | 1,452,990 | 1,289,058 | 163,932 | 1,326,573 |
| Employee benefits | 203,430 | 182,839 | 20,591 | 168,330 |
| Purchased services | 100,000 | 104,360 | (4,360) | 17,970 |
| Supplies and materials | <u>3,000</u> | <u>5,237</u> | <u>(2,237)</u> | <u>2,135</u> |
| Total | <u>1,759,420</u> | <u>1,581,494</u> | <u>177,926</u> | <u>1,515,008</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Guidance services | | | | |
| Salaries | \$ 247,687 | \$ 336,695 | \$ (89,008) | \$ 167,625 |
| Employee benefits | <u>58,899</u> | <u>60,872</u> | <u>(1,973)</u> | <u>20,285</u> |
| Total | <u>306,586</u> | <u>397,567</u> | <u>(90,981)</u> | <u>187,910</u> |
| Health services | | | | |
| Salaries | 933,986 | 857,120 | 76,866 | 857,806 |
| Employee benefits | 174,260 | 150,670 | 23,590 | 155,605 |
| Purchased services | 2,930 | 4,964 | (2,034) | 23,725 |
| Supplies and materials | 30,650 | 16,272 | 14,378 | 25,547 |
| Other objects | 195 | 300 | (105) | 540 |
| Non-capitalized equipment | <u>5,000</u> | <u>11,950</u> | <u>(6,950)</u> | <u>1,279</u> |
| Total | <u>1,147,021</u> | <u>1,041,276</u> | <u>105,745</u> | <u>1,064,502</u> |
| Psychological services | | | | |
| Salaries | 1,246,114 | 1,207,295 | 38,819 | 1,101,715 |
| Employee benefits | 203,177 | 164,996 | 38,181 | 139,196 |
| Purchased services | 500 | 383 | 117 | 7,651 |
| Supplies and materials | <u>10,500</u> | <u>9,563</u> | <u>937</u> | <u>13,649</u> |
| Total | <u>1,460,291</u> | <u>1,382,237</u> | <u>78,054</u> | <u>1,262,211</u> |
| Speech pathology and audiology services | | | | |
| Salaries | 1,803,493 | 1,846,758 | (43,265) | 1,776,482 |
| Employee benefits | 259,542 | 246,866 | 12,676 | 220,896 |
| Purchased services | 25,500 | 4,656 | 20,844 | 277 |
| Supplies and materials | <u>3,350</u> | <u>5,829</u> | <u>(2,479)</u> | <u>2,074</u> |
| Total | <u>2,091,885</u> | <u>2,104,109</u> | <u>(12,224)</u> | <u>1,999,729</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------|------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Other support services - pupils | | | | |
| Salaries | \$ 482,384 | \$ 488,990 | \$ (6,606) | \$ 239,851 |
| Employee benefits | 46,339 | 111,818 | (65,479) | 55,891 |
| Purchased services | 32,000 | 10,958 | 21,042 | 11,263 |
| Supplies and materials | 65,000 | 22,484 | 42,516 | 37,235 |
| Other objects | 3,000 | 1,587 | 1,413 | 2,180 |
| | 628,723 | 635,837 | (7,114) | 346,420 |
| Total | 628,723 | 635,837 | (7,114) | 346,420 |
| Total pupils | 7,393,926 | 7,142,520 | 251,406 | 6,375,780 |
| Instructional staff | | | | |
| Improvement of instruction services | | | | |
| Salaries | 1,676,331 | 1,552,604 | 123,727 | 1,493,118 |
| Employee benefits | 178,178 | 204,396 | (26,218) | 200,644 |
| Purchased services | 265,655 | 266,821 | (1,166) | 290,106 |
| Supplies and materials | 57,548 | 39,327 | 18,221 | 96,923 |
| Other objects | - | 100 | (100) | 900 |
| | 2,177,712 | 2,063,248 | 114,464 | 2,081,691 |
| Total | 2,177,712 | 2,063,248 | 114,464 | 2,081,691 |
| Educational media services | | | | |
| Salaries | 2,611,028 | 2,555,658 | 55,370 | 2,591,112 |
| Employee benefits | 545,527 | 532,403 | 13,124 | 530,261 |
| Purchased services | 3,158 | 6,190 | (3,032) | 28,474 |
| Supplies and materials | 144,432 | 125,659 | 18,773 | 117,788 |
| Capital outlay | 11,470 | - | 11,470 | 31,851 |
| Non-capitalized equipment | 7,000 | 5,771 | 1,229 | - |
| | 3,322,615 | 3,225,681 | 96,934 | 3,299,486 |
| Total | 3,322,615 | 3,225,681 | 96,934 | 3,299,486 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Assessment and testing | | | | |
| Salaries | \$ 149,092 | \$ 159,490 | \$ (10,398) | \$ 157,663 |
| Employee benefits | 26,916 | 15,360 | 11,556 | 14,516 |
| Purchased services | 20,000 | 16,060 | 3,940 | 18,882 |
| Supplies and materials | <u>83,500</u> | <u>66,865</u> | <u>16,635</u> | <u>84,234</u> |
| Total | <u>279,508</u> | <u>257,775</u> | <u>21,733</u> | <u>275,295</u> |
| Total instructional staff | <u>5,779,835</u> | <u>5,546,704</u> | <u>233,131</u> | <u>5,656,472</u> |
| General administration | | | | |
| Board of education services | | | | |
| Salaries | 127,726 | 127,179 | 547 | 120,340 |
| Employee benefits | 10,295 | 10,814 | (519) | 10,350 |
| Purchased services | 764,204 | 923,924 | (159,720) | 615,482 |
| Supplies and materials | 4,410 | 2,003 | 2,407 | 2,295 |
| Other objects | <u>18,915</u> | <u>19,832</u> | <u>(917)</u> | <u>19,787</u> |
| Total | <u>925,550</u> | <u>1,083,752</u> | <u>(158,202)</u> | <u>768,254</u> |
| Executive administration services | | | | |
| Salaries | 649,131 | 651,633 | (2,502) | 689,852 |
| Employee benefits | 239,164 | 213,618 | 25,546 | 230,011 |
| Purchased services | 32,495 | 18,535 | 13,960 | 27,810 |
| Supplies and materials | 16,305 | 18,239 | (1,934) | 19,878 |
| Other objects | 18,030 | 14,118 | 3,912 | 14,029 |
| Non-capitalized equipment | <u>450</u> | <u>-</u> | <u>450</u> | <u>-</u> |
| Total | <u>955,575</u> | <u>916,143</u> | <u>39,432</u> | <u>981,580</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--------------------------------------|------------|------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Special area administrative services | | | | |
| Salaries | \$ 965,932 | \$ 952,600 | \$ 13,332 | \$ 1,048,081 |
| Employee benefits | 244,944 | 272,466 | (27,522) | 270,709 |
| Purchased services | 57,600 | 104,771 | (47,171) | 39,181 |
| Supplies and materials | 6,000 | 4,678 | 1,322 | 4,566 |
| Other objects | 1,800 | 1,950 | (150) | 1,750 |
| | 1,276,276 | 1,336,465 | (60,189) | 1,364,287 |
| Total | 1,276,276 | 1,336,465 | (60,189) | 1,364,287 |
| Total general administration | 3,157,401 | 3,336,360 | (178,959) | 3,114,121 |
| School administration | | | | |
| Office of the principal services | | | | |
| Salaries | 4,974,307 | 4,963,717 | 10,590 | 4,812,247 |
| Employee benefits | 1,520,114 | 1,510,540 | 9,574 | 1,482,526 |
| Purchased services | 11,425 | 11,729 | (304) | 20,235 |
| Supplies and materials | 46,735 | 60,388 | (13,653) | 51,171 |
| Other objects | 3,350 | 8,304 | (4,954) | 2,028 |
| Non-capitalized equipment | 700 | 8,459 | (7,759) | 698 |
| | 6,556,631 | 6,563,137 | (6,506) | 6,368,905 |
| Total | 6,556,631 | 6,563,137 | (6,506) | 6,368,905 |
| Total school administration | 6,556,631 | 6,563,137 | (6,506) | 6,368,905 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------|------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Business | | | | |
| Direction of business support services | | | | |
| Salaries | \$ 215,030 | \$ 209,379 | \$ 5,651 | \$ 202,635 |
| Employee benefits | 67,251 | 48,012 | 19,239 | 46,971 |
| Purchased services | 117,980 | 91,256 | 26,724 | 86,636 |
| Supplies and materials | 32,790 | 21,615 | 11,175 | 20,257 |
| Other objects | 1,150 | 1,050 | 100 | 1,029 |
| Total | 434,201 | 371,312 | 62,889 | 357,528 |
| Fiscal services | | | | |
| Salaries | 331,447 | 389,674 | (58,227) | 307,538 |
| Employee benefits | 64,656 | 70,936 | (6,280) | 56,777 |
| Purchased services | 20,650 | 1,266 | 19,384 | 14,378 |
| Supplies and materials | - | - | - | 1,546 |
| Other objects | 1,550 | 1,280 | 270 | 1,516 |
| Total | 418,303 | 463,156 | (44,853) | 381,755 |
| Operation and maintenance of plant services | | | | |
| Capital outlay | - | - | - | 8,440 |
| Non-capitalized equipment | - | - | - | 1,871 |
| Total | - | - | - | 10,311 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--------------------------------------|-----------|-----------|----------------------------------|----------------|
| | Budget | Actual | | |
| Pupil transportation services | | | | |
| Salaries | \$ 2,000 | \$ 7,051 | \$ (5,051) | \$ 4,701 |
| Employee benefits | 28 | 47 | (19) | 41 |
| Purchased services | - | 601 | (601) | 60 |
| | 2,028 | 7,699 | (5,671) | 4,802 |
| Food services | | | | |
| Salaries | 660,999 | 612,581 | 48,418 | 625,118 |
| Employee benefits | 25,901 | 15,549 | 10,352 | 13,723 |
| Purchased services | 1,995,915 | 1,767,067 | 228,848 | 1,668,691 |
| Supplies and materials | 31,801 | 41,078 | (9,277) | 56,520 |
| Other objects | - | - | - | 99 |
| Non-capitalized equipment | 67,930 | 14,876 | 53,054 | 37,413 |
| | 2,782,546 | 2,451,151 | 331,395 | 2,401,564 |
| Internal services | | | | |
| Salaries | 134,609 | 124,123 | 10,486 | 293,852 |
| Employee benefits | 51,565 | 19,061 | 32,504 | 55,317 |
| Purchased services | 326,550 | 294,992 | 31,558 | 267,280 |
| Supplies and materials | 70,030 | 50,225 | 19,805 | 90,855 |
| Other objects | 1,350 | 1,335 | 15 | 2,056 |
| | 584,104 | 489,736 | 94,368 | 709,360 |
| | 4,221,182 | 3,783,054 | 438,128 | 3,865,320 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------|------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Central planning, research, development and evaluation services | | | | |
| Salaries | \$ 147,519 | \$ 148,170 | \$ (651) | \$ 143,222 |
| Employee benefits | 44,222 | 44,552 | (330) | 43,616 |
| Purchased services | 70,800 | 53,436 | 17,364 | 7,305 |
| Supplies and materials | 200 | 113 | 87 | 168 |
| Other objects | 800 | 440 | 360 | - |
| Total | 263,541 | 246,711 | 16,830 | 194,311 |
| Information services | | | | |
| Salaries | 158,165 | 166,265 | (8,100) | 153,529 |
| Employee benefits | 24,084 | 27,029 | (2,945) | 24,215 |
| Purchased services | 109,205 | 93,466 | 15,739 | 102,758 |
| Supplies and materials | 29,000 | 4,065 | 24,935 | 5,719 |
| Other objects | 555 | 875 | (320) | 1,364 |
| Non-capitalized equipment | - | 1,319 | (1,319) | - |
| Total | 321,009 | 293,019 | 27,990 | 287,585 |
| Staff services | | | | |
| Salaries | 577,287 | 578,771 | (1,484) | 634,312 |
| Employee benefits | 135,360 | 142,850 | (7,490) | 163,155 |
| Purchased services | 35,650 | 41,381 | (5,731) | 33,877 |
| Supplies and materials | 85,620 | 60,808 | 24,812 | 69,623 |
| Other objects | 600 | 233 | 367 | 306 |
| Total | 834,517 | 824,043 | 10,474 | 901,273 |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---------------------------|-------------------|-------------------|----------------------------------|-------------------|
| | Budget | Actual | | |
| Data processing services | | | | |
| Salaries | \$ 498,951 | \$ 475,936 | \$ 23,015 | \$ 462,852 |
| Employee benefits | 70,491 | 76,659 | (6,168) | 68,378 |
| Purchased services | 116,600 | 79,391 | 37,209 | 53,419 |
| Supplies and materials | 164,850 | 179,140 | (14,290) | 139,692 |
| Other objects | 300 | 300 | - | - |
| Non-capitalized equipment | <u>53,197</u> | <u>44,203</u> | <u>8,994</u> | <u>1,445</u> |
| Total | <u>904,389</u> | <u>855,629</u> | <u>48,760</u> | <u>725,786</u> |
| Total central | <u>2,323,456</u> | <u>2,219,402</u> | <u>104,054</u> | <u>2,108,955</u> |
| Other supporting services | | | | |
| Salaries | 20,000 | 6,350 | 13,650 | 10,723 |
| Employee benefits | 7,212 | 7,699 | (487) | 7,774 |
| Supplies and materials | <u>5,502</u> | <u>835</u> | <u>4,667</u> | <u>1,898</u> |
| Total | <u>32,714</u> | <u>14,884</u> | <u>17,830</u> | <u>20,395</u> |
| Total support services | <u>29,465,145</u> | <u>28,606,061</u> | <u>859,084</u> | <u>27,509,948</u> |
| Community services | | | | |
| Salaries | 195,276 | 155,362 | 39,914 | 83,621 |
| Employee benefits | 23,565 | 41,256 | (17,691) | 25,076 |
| Purchased services | 76,226 | 90,311 | (14,085) | 86,426 |
| Supplies and materials | <u>30,031</u> | <u>48,410</u> | <u>(18,379)</u> | <u>28,319</u> |
| Total | <u>325,098</u> | <u>335,339</u> | <u>(10,241)</u> | <u>223,442</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance | 2016 |
|---|--------------------|--------------------|----------------------|--------------------|
| | Budget | Actual | From Final Budget | Actual |
| Payments for special education programs | | | | |
| Purchased services | \$ 2,170,304 | \$ 2,345,507 | \$ (175,203) | \$ 2,425,310 |
| Total | <u>2,170,304</u> | <u>2,345,507</u> | <u>(175,203)</u> | <u>2,425,310</u> |
| Payments for regular programs - tuition | | | | |
| Other objects | <u>20,000</u> | <u>104,791</u> | <u>(84,791)</u> | <u>10,645</u> |
| Payments for special education programs - tuition | | | | |
| Other objects | <u>2,355,655</u> | <u>2,600,654</u> | <u>(244,999)</u> | <u>2,359,893</u> |
| Total payments to other districts and other government units | <u>4,545,959</u> | <u>5,050,952</u> | <u>(504,993)</u> | <u>4,795,848</u> |
| Provision for contingencies | <u>200,000</u> | <u>-</u> | <u>200,000</u> | <u>-</u> |
| Total expenditures | <u>111,177,435</u> | <u>129,402,173</u> | <u>(18,224,738)</u> | <u>111,054,720</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5,723,653)</u> | <u>(2,882,579)</u> | <u>2,841,074</u> | <u>(2,382,969)</u> |

(Continued)

Community Consolidated School District 59

General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---|------------------------|-----------------------|----------------------------------|-----------------------|
| | Budget | Actual | | |
| Other financing sources (uses) | | | | |
| Permanent transfer from Working Cash Account - abatement | \$ (2,309,000) | (1,377,000) | \$ 932,000 | \$ (2,990,120) |
| Permanent transfer from Working Cash Account - abatement | 1,959,000 | 1,027,000 | (932,000) | - |
| Permanent transfer from Working Cash Account - interest | (1,000,000) | - | 1,000,000 | (1,500,000) |
| Permanent transfer of interest | 47,347 | 30,488 | (16,859) | 34,420 |
| Transfer to Capital Projects Fund | <u>(12,343,500)</u> | <u>(1,617,000)</u> | <u>10,726,500</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(13,646,153)</u> | <u>(1,936,512)</u> | <u>366,145</u> | <u>(4,455,700)</u> |
| Net change to fund balance | <u>\$ (19,369,806)</u> | (4,819,091) | <u>\$ 14,550,715</u> | (6,838,669) |
| Fund balance, beginning of year | | <u>107,718,515</u> | | <u>114,557,184</u> |
| Fund balance, end of year | | <u>\$ 102,899,424</u> | | <u>\$ 107,718,515</u> |

(Concluded)

Community Consolidated School District 59
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 4,819,946 | \$ 4,207,869 | \$ (612,077) | \$ 4,954,259 |
| Corporate personal property replacement taxes | 2,751,487 | 3,502,836 | 751,349 | 2,097,340 |
| Interest on investments | 73,887 | 48,622 | (25,265) | 30,686 |
| Gain or loss on sale of investments | - | (47,251) | (47,251) | 35,259 |
| Rentals | - | 1,650 | 1,650 | 910 |
| Other | - | 2,750 | 2,750 | 5,171 |
| Total local sources | <u>7,645,320</u> | <u>7,716,476</u> | <u>71,156</u> | <u>7,123,625</u> |
| State sources | | | | |
| Other | - | 23,627 | 23,627 | 90,000 |
| Total state sources | <u>-</u> | <u>23,627</u> | <u>23,627</u> | <u>90,000</u> |
| Total revenues | <u>7,645,320</u> | <u>7,740,103</u> | <u>94,783</u> | <u>7,213,625</u> |

(Continued)

Community Consolidated School District 59
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|-------------------|-------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures | | | | |
| Support services | | | | |
| Business | | | | |
| Facilities acquisition and construction services | | | | |
| Purchased services | \$ - | \$ 33,128 | \$ (33,128) | \$ - |
| Capital outlay | <u>3,175,000</u> | <u>3,462,209</u> | <u>(287,209)</u> | <u>474,354</u> |
| Total | <u>3,175,000</u> | <u>3,495,337</u> | <u>(320,337)</u> | <u>474,354</u> |
| Operation and maintenance of plant services | | | | |
| Salaries | 4,052,340 | 4,091,945 | (39,605) | 3,913,244 |
| Employee benefits | 795,889 | 755,295 | 40,594 | 733,414 |
| Purchased services | 1,175,533 | 1,180,993 | (5,460) | 1,248,266 |
| Supplies and materials | 1,461,703 | 1,546,115 | (84,412) | 1,556,742 |
| Capital outlay | 137,000 | 137,447 | (447) | 924,684 |
| Other objects | 2,500 | 5,050 | (2,550) | 2,059 |
| Non-capitalized equipment | <u>10,000</u> | <u>7,496</u> | <u>2,504</u> | <u>71,839</u> |
| Total | <u>7,634,965</u> | <u>7,724,341</u> | <u>(89,376)</u> | <u>8,450,248</u> |
| Total business | <u>10,809,965</u> | <u>11,219,678</u> | <u>(409,713)</u> | <u>8,924,602</u> |
| Total support services | <u>10,809,965</u> | <u>11,219,678</u> | <u>(409,713)</u> | <u>8,924,602</u> |

(Continued)

Community Consolidated School District 59
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|--------------------|---------------------|----------------------------------|---------------------|
| | Budget | Actual | | |
| Payments to other districts and Government units | | | | |
| Payments to other governmental units (in-state) | | | | |
| Payments for special education programs | | | | |
| Other objects | \$ 40,000 | \$ - | \$ 40,000 | \$ - |
| Total other payments | <u>40,000</u> | <u>-</u> | <u>40,000</u> | <u>-</u> |
| Provision for contingencies | <u>150,000</u> | <u>-</u> | <u>150,000</u> | <u>-</u> |
| Total expenditures | <u>10,999,965</u> | <u>11,219,678</u> | <u>(219,713)</u> | <u>8,924,602</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,354,645)</u> | <u>(3,479,575)</u> | <u>(124,930)</u> | <u>(1,710,977)</u> |
| Other financing sources | | | | |
| Permanent transfer from Working Cash Account - abatement | 350,000 | 350,000 | - | - |
| Permanent transfer from Working Cash Account - interest | 1,000,000 | - | 1,000,000 | 1,500,000 |
| Permanent transfer | <u>2,000,000</u> | <u>2,000,000</u> | <u>-</u> | <u>-</u> |
| Total other financing sources | <u>3,350,000</u> | <u>2,350,000</u> | <u>1,000,000</u> | <u>1,500,000</u> |
| Net change in fund balance | <u>\$ (4,645)</u> | <u>(1,129,575)</u> | <u>\$ (1,124,930)</u> | <u>(210,977)</u> |
| Fund balance, beginning of year | | <u>5,739,109</u> | | <u>5,950,086</u> |
| Fund balance, end of year | | <u>\$ 4,609,534</u> | | <u>\$ 5,739,109</u> |

(Concluded)

Community Consolidated School District 59
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 3,460,873 | \$ 3,427,730 | \$ (33,143) | \$ 3,334,824 |
| Regular transportation fees from pupils or parents | 27,590 | 1,886 | (25,704) | 2,750 |
| Interest on investments | 107,642 | 47,248 | (60,394) | 29,326 |
| Gain or loss on sale of investments | - | (45,937) | (45,937) | 34,040 |
| Total local sources | <u>3,596,105</u> | <u>3,430,927</u> | <u>(165,178)</u> | <u>3,400,940</u> |
| State sources | | | | |
| Transportation - Regular/Vocational | 32,851 | 253,064 | 220,213 | 182,505 |
| Transportation - Special Education | 1,600,000 | 1,659,442 | 59,442 | 1,352,985 |
| Early Childhood - Block Grant | 96,131 | 78,904 | (17,227) | 96,131 |
| Total state sources | <u>1,728,982</u> | <u>1,991,410</u> | <u>262,428</u> | <u>1,631,621</u> |
| Total revenues | <u>5,325,087</u> | <u>5,422,337</u> | <u>97,250</u> | <u>5,032,561</u> |

(Continued)

Community Consolidated School District 59
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures | | | | |
| Support services | | | | |
| Business | | | | |
| Pupil transportation services | | | | |
| Salaries | \$ 244,150 | \$ 245,398 | \$ (1,248) | \$ 240,860 |
| Employee benefits | 41,905 | 44,343 | (2,438) | 43,307 |
| Purchased services | 4,013,007 | 4,848,929 | (835,922) | 4,629,946 |
| Supplies and materials | 164,000 | 210,777 | (46,777) | 200,262 |
| Capital outlay | 50,500 | 49,717 | 783 | 50,428 |
| Other objects | 300 | 383 | (83) | 142 |
| Non-capitalized equipment | <u>30,000</u> | <u>17,997</u> | <u>12,003</u> | <u>32,438</u> |
| Total | <u>4,543,862</u> | <u>5,417,544</u> | <u>(873,682)</u> | <u>5,197,383</u> |
| Total support services | <u>4,543,862</u> | <u>5,417,544</u> | <u>(873,682)</u> | <u>5,197,383</u> |
| Provision for contingencies | <u>15,000</u> | <u>-</u> | <u>15,000</u> | <u>-</u> |
| Total expenditures | <u>4,558,862</u> | <u>5,417,544</u> | <u>(858,682)</u> | <u>5,197,383</u> |
| Excess (deficiency) of revenues over expenditures | 766,225 | 4,793 | (761,432) | (164,822) |

(Continued)

Community Consolidated School District 59
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---------------------------------|-----------------------|---------------------|----------------------------------|---------------------|
| | Budget | Actual | | |
| Other financing uses | | | | |
| Permanent transfer | \$ (2,000,000) | \$ (2,000,000) | \$ - | \$ - |
| Total other financing uses | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (1,233,775)</u> | (1,995,207) | <u>\$ (761,432)</u> | (164,822) |
| Fund balance, beginning of year | | <u>5,579,539</u> | | <u>5,744,361</u> |
| Fund balance, end of year | | <u>\$ 3,584,332</u> | | <u>\$ 5,579,539</u> |

(Concluded)

Community Consolidated School District 59
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 899,396 | \$ 111,577 | \$ (787,819) | \$ 895,160 |
| Social security/Medicare only levy | 896,654 | 1,745,862 | 849,208 | 876,035 |
| Corporate personal property replacement taxes | 1,666,513 | 1,777,931 | 111,418 | 1,613,968 |
| Interest on investments | 14,353 | 5,854 | (8,499) | 3,660 |
| Gain or loss on sale of investments | - | (5,670) | (5,670) | 3,887 |
| Total local sources | <u>3,476,916</u> | <u>3,635,554</u> | <u>158,638</u> | <u>3,392,710</u> |
| Total revenues | <u>3,476,916</u> | <u>3,635,554</u> | <u>158,638</u> | <u>3,392,710</u> |
| Expenditures | | | | |
| Instruction | | | | |
| Regular programs | - | 285,053 | (285,053) | 268,985 |
| Pre-K programs | 519,591 | 148,734 | 370,857 | 139,447 |
| Special education programs | 357,303 | 367,877 | (10,574) | 373,521 |
| Special education programs pre-K Remedial and supplemental programs K-12 | 142,766 | 132,328 | 10,438 | 131,204 |
| Interscholastic programs | 19,543 | - | 19,543 | - |
| Summer school programs | 7,182 | 15,699 | (8,517) | 16,183 |
| Gifted programs | 4,151 | 19,136 | (14,985) | 23,594 |
| Bilingual programs | 6,738 | 6,270 | 468 | 6,333 |
| | <u>248,918</u> | <u>239,015</u> | <u>9,903</u> | <u>233,157</u> |
| Total instruction | <u>1,306,192</u> | <u>1,214,112</u> | <u>92,080</u> | <u>1,192,424</u> |

(Continued)

Community Consolidated School District 59
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | | 2016 Actual |
|--|----------------|----------------|----------------------------------|----------------|
| | Budget | Actual | Variance From Final Budget | |
| Support services | | | | |
| Pupils | | | | |
| Attendance and social work services | \$ 35,692 | \$ 30,935 | \$ 4,757 | \$ 32,085 |
| Guidance services | - | 4,452 | (4,452) | 2,302 |
| Health services | 129,870 | 122,584 | 7,286 | 141,607 |
| Psychological services | 16,621 | 17,661 | (1,040) | 15,398 |
| Speech pathology and audiology services | 40,630 | 38,314 | 2,316 | 37,924 |
| Other support services -pupils | <u>25,948</u> | <u>36,445</u> | <u>(10,497)</u> | <u>19,343</u> |
| Total pupils | <u>248,761</u> | <u>250,391</u> | <u>(1,630)</u> | <u>248,659</u> |
| Instructional staff | | | | |
| Improvement of instruction services | 49,172 | 22,943 | 26,229 | 21,721 |
| Educational media services | 266,095 | 270,629 | (4,534) | 259,699 |
| Assessment and testing | <u>8,858</u> | <u>2,289</u> | <u>6,569</u> | <u>2,430</u> |
| Total instructional staff | <u>324,125</u> | <u>295,861</u> | <u>28,264</u> | <u>283,850</u> |
| General administration | | | | |
| Board of education services | 1,716 | 1,877 | (161) | 1,744 |
| Executive administration services | 43,140 | 45,536 | (2,396) | 44,677 |
| Special area administrative services | <u>54,554</u> | <u>54,825</u> | <u>(271)</u> | <u>54,050</u> |
| Total general administration | <u>99,410</u> | <u>102,238</u> | <u>(2,828)</u> | <u>100,471</u> |
| School administration | | | | |
| Office of the principal services | <u>346,012</u> | <u>377,227</u> | <u>(31,215)</u> | <u>316,248</u> |
| Total school administration | <u>346,012</u> | <u>377,227</u> | <u>(31,215)</u> | <u>316,248</u> |

(Continued)

Community Consolidated School District 59
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--|---------------------|------------------|----------------------------------|------------------|
| | Budget | Actual | | |
| Business | | | | |
| Direction of business support services | \$ 13,390 | \$ 11,757 | \$ 1,633 | \$ 11,394 |
| Fiscal services | 65,393 | 101,853 | (36,460) | 62,891 |
| Operation and maintenance of plant services | 834,019 | 825,708 | 8,311 | 785,154 |
| Pupil transportation services | 42,206 | 35,151 | 7,055 | 33,527 |
| Food services | 34,975 | 59,642 | (24,667) | 59,309 |
| Internal services | <u>55,959</u> | <u>24,998</u> | <u>30,961</u> | <u>60,187</u> |
| Total business | <u>1,045,942</u> | <u>1,059,109</u> | <u>(13,167)</u> | <u>1,012,462</u> |
| Central | | | | |
| Planning, research, development and evaluation services | 2,385 | 2,339 | 46 | 2,272 |
| Information services | 30,075 | 34,450 | (4,375) | 31,587 |
| Staff services | 83,773 | 80,613 | 3,160 | 77,461 |
| Data processing services | <u>103,230</u> | <u>98,115</u> | <u>5,115</u> | <u>94,727</u> |
| Total central | <u>219,463</u> | <u>215,517</u> | <u>3,946</u> | <u>206,047</u> |
| Total support services | <u>2,283,713</u> | <u>2,300,343</u> | <u>(16,630)</u> | <u>2,167,737</u> |
| Community services | <u>15,203</u> | <u>26,941</u> | <u>(11,738)</u> | <u>(281)</u> |
| Provision for contingencies | <u>20,000</u> | <u>-</u> | <u>20,000</u> | <u>-</u> |
| Total expenditures | <u>3,625,108</u> | <u>3,541,396</u> | <u>83,712</u> | <u>3,359,880</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (148,192)</u> | <u>94,158</u> | <u>\$ 242,350</u> | <u>32,830</u> |

(Continued)

Community Consolidated School District 59
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---------------------------------|--------|------------|----------------------------------|----------------|
| | Budget | Actual | | |
| Fund balance, beginning of year | | \$ 688,779 | | \$ 655,949 |
| Fund balance, end of year | | \$ 782,937 | | \$ 688,779 |

(Concluded)

Community Consolidated School District 59
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level.

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

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements were originally adopted by the Board of Education on August 22, 2016.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2017:

| <u>Fund</u> | <u>Variance</u> |
|----------------------------|-----------------|
| General | \$ 18,224,738 |
| Operations and Maintenance | 219,713 |
| Transportation | 858,682 |

Community Consolidated School District 59
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

2. EXPENDITURES IN EXCESS OF BUDGETS (Continued)

The District had expenditures in excess of the budget in the General fund as a result of higher than anticipated on-behalf payments to TRS from the State of Illinois.

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2016 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

Community Consolidated School District 59
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2016 Contribution Rate:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Aggregate Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular members): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. |
| Asset Valuation Method | 5-year smoothed market; 20% corridor |
| Wage Growth | 3.50% |
| Price Inflation | 2.75% - approximate; no explicit price inflation assumption is used in this valuation. |
| Salary Increases | 3.75% to 14.50%, including inflation |
| Investment Rate of Return | 7.50% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013. |
| Mortality | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Community Consolidated School District 59

General Fund

COMBINING BALANCE SHEET

June 30, 2017

| | Educational Account | Working Cash Account | Total |
|---|---------------------------|--------------------------|---------------------------|
| ASSETS | | | |
| Cash and investments | \$ 73,209,296 | \$ 12,375,754 | \$ 85,585,050 |
| Receivables (net of allowance for uncollectibles): | | | |
| Interest | 185,036 | - | 185,036 |
| Property taxes | 30,301,681 | - | 30,301,681 |
| Replacement taxes | 33,715 | - | 33,715 |
| Accounts | 7,692 | - | 7,692 |
| Intergovernmental | 6,536,416 | - | 6,536,416 |
| Prepaid items | <u>25</u> | <u>-</u> | <u>25</u> |
| Total assets | <u>\$ 110,273,861</u> | <u>\$ 12,375,754</u> | <u>\$ 122,649,615</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 1,045,650 | \$ - | \$ 1,045,650 |
| Salaries and benefits payable | 6,896,939 | - | 6,896,939 |
| Claims payable | 523,584 | - | 523,584 |
| Unearned revenue | <u>400</u> | <u>-</u> | <u>400</u> |
| Total liabilities | <u>8,466,573</u> | <u>-</u> | <u>8,466,573</u> |
| DEFERRED INFLOWS | | | |
| Unavailable interest revenue | 131,224 | - | 131,224 |
| Unavailable grant revenue | 4,376,996 | - | 4,376,996 |
| Property taxes levied for a future period | <u>6,775,398</u> | <u>-</u> | <u>6,775,398</u> |
| Total deferred inflows | <u>11,283,618</u> | <u>-</u> | <u>11,283,618</u> |
| FUND BALANCES | | | |
| Nonspendable | 25 | - | 25 |
| Assigned | 6,757,546 | - | 6,757,546 |
| Unassigned | <u>83,766,099</u> | <u>12,375,754</u> | <u>96,141,853</u> |
| Total fund balance | <u>90,523,670</u> | <u>12,375,754</u> | <u>102,899,424</u> |
| Total liabilities, deferred inflows, and fund balance | <u>\$ 110,273,861</u> | <u>\$ 12,375,754</u> | <u>\$ 122,649,615</u> |

Community Consolidated School District 59

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2017

| | Educational Account | Working Cash Account | Total |
|---|------------------------|-------------------------|-----------------------|
| Revenues | | | |
| Property taxes | \$ 66,319,588 | \$ - | \$ 66,319,588 |
| Replacement taxes | 213,371 | - | 213,371 |
| State aid | 53,200,364 | - | 53,200,364 |
| Federal aid | 5,654,705 | - | 5,654,705 |
| Interest | 29,433 | 3,103 | 32,536 |
| Other | 1,099,030 | - | 1,099,030 |
| Total revenues | 126,516,491 | 3,103 | 126,519,594 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 32,866,256 | - | 32,866,256 |
| Special programs | 10,269,846 | - | 10,269,846 |
| Other instructional programs | 10,619,247 | - | 10,619,247 |
| State retirement contributions | 41,644,376 | - | 41,644,376 |
| Support services: | | | |
| Pupils | 7,142,520 | - | 7,142,520 |
| Instructional staff | 5,546,704 | - | 5,546,704 |
| General administration | 3,336,360 | - | 3,336,360 |
| School administration | 6,563,137 | - | 6,563,137 |
| Business | 3,775,355 | - | 3,775,355 |
| Transportation | 7,699 | - | 7,699 |
| Central | 2,219,402 | - | 2,219,402 |
| Other supporting services | 14,884 | - | 14,884 |
| Community services | 335,339 | - | 335,339 |
| Nonprogrammed charges | 5,050,952 | - | 5,050,952 |
| Capital outlay | 10,096 | - | 10,096 |
| Total expenditures | 129,402,173 | - | 129,402,173 |
| Excess of revenues over expenditures | (2,885,682) | 3,103 | (2,882,579) |
| Other financing sources (uses) | | | |
| Transfers in | 1,057,488 | - | 1,057,488 |
| Transfers out | (1,617,000) | (1,377,000) | (2,994,000) |
| Total other financing sources (uses) | (559,512) | (1,377,000) | (1,936,512) |
| Net change in fund balance | (3,445,194) | (1,373,897) | (4,819,091) |
| Fund balance, beginning of year | 93,968,864 | 13,749,651 | 107,718,515 |
| Fund balance, end of year | \$ 90,523,670 | \$ 12,375,754 | \$ 102,899,424 |

Community Consolidated School District 59
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended June 30, 2017 (Restated)
With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|--------------------------------------|--------------------|------------------|----------------------------------|------------------|
| | Original Budget | Actual | | |
| Revenues | | | | |
| Local sources | | | | |
| General levy | \$ 3,597,674 | \$ 3,564,474 | \$ (33,200) | \$ 3,528,462 |
| Interest on investments | 47,347 | 29,332 | (18,015) | 17,850 |
| Gain or loss on sale of investments | - | (28,492) | (28,492) | 20,321 |
| Total local sources | <u>3,645,021</u> | <u>3,565,314</u> | <u>(79,707)</u> | <u>3,566,633</u> |
| Total revenues | <u>3,645,021</u> | <u>3,565,314</u> | <u>(79,707)</u> | <u>3,566,633</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Debt services - interest | | | | |
| Bonds - interest | <u>732,900</u> | <u>729,400</u> | <u>3,500</u> | <u>818,345</u> |
| Total debt service - interest | <u>732,900</u> | <u>729,400</u> | <u>3,500</u> | <u>818,345</u> |
| Principal payments on long-term debt | <u>2,770,000</u> | <u>2,770,000</u> | <u>-</u> | <u>2,680,000</u> |
| Other debt service | | | | |
| Other objects | <u>-</u> | <u>2,450</u> | <u>(2,450)</u> | <u>2,399</u> |
| Total | <u>-</u> | <u>2,450</u> | <u>(2,450)</u> | <u>2,399</u> |
| Total debt service | <u>3,502,900</u> | <u>3,501,850</u> | <u>1,050</u> | <u>3,500,744</u> |
| Total expenditures | <u>3,502,900</u> | <u>3,501,850</u> | <u>1,050</u> | <u>3,500,744</u> |

(Continued)

Community Consolidated School District 59

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the year ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | | 2016 |
|--------------------------------------|--------------------|--------------|----------------------------------|--------------|
| | Original Budget | Actual | Variance From Final Budget | Actual |
| Excess of revenues over expenditures | \$ 142,121 | \$ 63,464 | \$ (78,657) | \$ 65,889 |
| Other financing uses | | | | |
| Permanent transfer of interest | (47,347) | (30,488) | 16,859 | (34,420) |
| Total other financing uses | (47,347) | (30,488) | 16,859 | (34,420) |
| Net change in fund balance | \$ 94,774 | 32,976 | \$ (61,798) | 31,469 |
| Fund balance, beginning of year | | 3,460,702 | | 3,429,233 |
| Fund balance, end of year | | \$ 3,493,678 | | \$ 3,460,702 |

(Concluded)

Community Consolidated School District 59

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL

For the year ended June 30, 2017 (Restated)

With Comparative Actual Amounts for the Year Ended June 30, 2016

| | 2017 | | Variance From Final Budget | 2016 Actual |
|---|---------------------|---------------------|----------------------------------|--------------------|
| | Budget | Actual | | |
| Expenditures | | | | |
| Support services | | | | |
| Facilities acquisition and construction services | | | | |
| Purchased services | \$ 1,443,500 | \$ 1,626,397 | \$ (182,897) | \$ 22,080 |
| Supplies and materials | 400,000 | - | 400,000 | 495,402 |
| Capital outlay | 10,500,000 | 876,327 | 9,623,673 | 5,558,139 |
| Non-capitalized equipment | <u>-</u> | <u>-</u> | <u>-</u> | <u>140,479</u> |
| Total support services | <u>12,343,500</u> | <u>2,502,724</u> | <u>9,840,776</u> | <u>6,216,100</u> |
| Total expenditures | <u>12,343,500</u> | <u>2,502,724</u> | <u>9,840,776</u> | <u>6,216,100</u> |
| Deficiency of revenues over expenditures | <u>(12,343,500)</u> | <u>(2,502,724)</u> | <u>9,840,776</u> | <u>(6,216,100)</u> |
| Other financing sources | | | | |
| Permanent transfer from Working Cash Account - abatement | - | - | - | 2,990,120 |
| Transfer from General Fund | <u>12,343,500</u> | <u>1,617,000</u> | <u>(10,726,500)</u> | <u>-</u> |
| Total other financing sources | <u>12,343,500</u> | <u>1,617,000</u> | <u>(10,726,500)</u> | <u>2,990,120</u> |
| Net change in fund balance | <u>\$ -</u> | (885,724) | <u>\$ (885,724)</u> | (3,225,980) |
| Fund balance, beginning of year | | <u>403,957</u> | | <u>3,629,937</u> |
| Fund balance (deficit), end of year | | <u>\$ (481,767)</u> | | <u>\$ 403,957</u> |

Community Consolidated School District 59
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2017

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2017</u> |
|---------------------------------------|---------------------------------------|-------------------|------------------|--|
| Assets | | | | |
| Cash | \$ 29,245 | \$ 105,578 | \$ 99,143 | \$ 35,680 |
| Total assets | <u>\$ 29,245</u> | <u>\$ 105,578</u> | <u>\$ 99,143</u> | <u>\$ 35,680</u> |
| Liabilities | | | | |
| Due to student groups | | | | |
| Friendship Jr High School | \$ 4,561 | \$ 24,340 | \$ 28,034 | \$ 867 |
| Grove Jr High School | 3,450 | 50,390 | 43,139 | 10,701 |
| Holmes Jr High School | 12,037 | 29,387 | 25,935 | 15,489 |
| Salt Creek | 1,494 | 863 | 362 | 1,995 |
| Total due to student groups | <u>21,542</u> | <u>104,980</u> | <u>97,470</u> | <u>29,052</u> |
| Due to supporting organizations | | | | |
| Ecology Club | 414 | - | - | 414 |
| Gifted and Talented Association | 588 | - | - | 588 |
| Jay Children's Fund | 2,485 | - | - | 2,485 |
| Mobile Home Back to School Patrol | 1,671 | 253 | 609 | 1,315 |
| Student Council | 338 | 345 | 330 | 353 |
| Student Store | 1,098 | - | - | 1,098 |
| Student Store | 1,109 | - | 734 | 375 |
| Total due to supporting organizations | <u>7,703</u> | <u>598</u> | <u>1,673</u> | <u>6,628</u> |
| Total liabilities | <u>\$ 29,245</u> | <u>\$ 105,578</u> | <u>\$ 99,143</u> | <u>\$ 35,680</u> |

STATISTICAL SECTION
(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.

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Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. 110

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 117

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 120

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 126

Operating Information

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. 128

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

Community Consolidated School District 59

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 81,044,670 | \$ 76,905,028 | \$ 73,495,350 | \$ 72,430,149 | \$ 70,809,782 | \$ 68,881,912 | \$ 65,660,775 | \$ 59,345,607 | \$ 61,798,424 | \$ 57,978,930 |
| Restricted For: | | | | | | | | | | |
| Operations and maintenance | 4,609,534 | 5,739,109 | 5,950,086 | 3,307,573 * | - | - | - | - | - | - |
| Debt service | 3,278,245 | 3,217,569 | 3,151,061 | 3,219,499 | 3,174,604 | 4,528,588 | 3,088,944 | 3,422,275 | 3,048,004 | 3,002,740 |
| Student transportation | 6,746,567 | 8,836,541 | 8,335,629 | 8,067,214 * | - | - | - | - | - | - |
| Capital projects | - | 403,957 | 3,629,937 | - | - | - | - | - | - | - |
| Retirement benefits | 782,937 | 688,779 | 655,949 | 464,543 | 844,800 | 1,318,523 | 1,962,019 | 2,389,101 | - | - |
| Unrestricted | <u>84,151,152</u> | <u>90,749,943</u> | <u>97,327,637</u> | <u>112,503,702</u> | <u>128,996,800</u> | <u>129,914,587</u> | <u>111,044,581</u> | <u>116,963,327</u> | <u>110,264,636</u> | <u>106,064,503</u> |
| Total net assets | <u>\$180,613,105</u> | <u>\$186,540,926</u> | <u>\$192,545,649</u> | <u>\$199,992,680</u> | <u>\$203,825,986</u> | <u>\$204,643,610</u> | <u>\$181,756,319</u> | <u>\$182,120,310</u> | <u>\$175,111,064</u> | <u>\$167,046,173</u> |

* Operations and maintenance and student transportation funds were not designated as restricted prior to the year ended June 30, 2014.

Community Consolidated School District 59
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Programs a, g | \$ 33,493,388 | \$ 32,436,027 | \$ 30,358,492 | \$ 35,244,296 | \$ 31,135,330 | \$ 29,931,859 | \$ 31,791,528 | \$ 29,691,214 | \$ 26,753,399 | \$ 26,259,087 |
| Special Education Programs | 13,223,359 | 13,055,853 | 12,075,638 | 10,980,062 | 7,730,988 | 7,230,195 | 7,275,285 | 7,219,361 | 6,245,973 | 5,812,435 |
| Other Instructional Programs b | 11,048,743 | 10,814,998 | 10,748,481 | 10,122,805 | 10,409,386 | 9,528,164 | 9,732,226 | 10,039,540 | 8,640,830 | 7,655,317 |
| State retirement contributions c | 41,644,376 | 26,498,140 | 24,911,598 | 17,259,924 | 13,298,931 | 11,593,232 | 10,684,396 | 10,399,062 | 7,284,030 | 4,945,955 |
| Support Services | | | | | | | | | | |
| Pupils | 7,666,505 | 6,800,489 | 5,669,155 | 5,584,877 | 5,063,173 | 4,988,735 | 4,627,169 | 4,596,881 | 4,261,415 | 3,865,893 |
| Instruction staff j | 6,426,708 | 6,206,092 | 5,982,375 | 4,994,377 | 4,754,920 | 4,572,462 | 4,799,775 | 4,599,131 | 4,390,893 | 4,283,129 |
| Support Services - General Administration | 3,488,709 | 3,447,432 | 2,870,516 | 2,654,743 | 2,766,607 | 2,551,409 | 2,244,743 | 2,360,231 | 2,160,274 | 2,153,701 |
| Support Services - School Administration j | 7,010,831 | 6,809,105 | 6,417,794 | 5,663,503 | 5,545,972 | 5,099,142 | 5,196,273 | 5,120,037 | 4,772,006 | 4,523,279 |
| Business d, e | 4,509,057 | 5,523,595 | 4,491,807 | 5,772,738 | 4,014,008 | 4,037,968 | 3,896,934 | 3,722,220 | 2,850,355 | 2,764,464 |
| Facilities Acquisition and Construction e | | | - | - | 797,140 | 5,426,819 | 77,630 | 247,866 | 244,705 | 29,278 |
| Operation and Maintenance l | 13,752,741 | 13,254,904 | 11,820,804 | 11,324,351 | 10,538,008 | 5,770,004 | 11,117,740 | 10,733,707 | 10,289,991 | 9,977,471 |
| Pupil Transportation Services | 5,425,816 | 5,220,808 | 5,317,432 | 5,133,424 | 4,867,638 | 4,585,561 | 5,630,609 | 5,110,266 | 4,728,912 | 4,708,439 |
| Central | 2,740,852 | 2,434,327 | 2,661,865 | 2,232,673 | 2,317,703 | 2,141,281 | 2,303,772 | 2,163,798 | 2,674,675 | 2,336,647 |
| Other supporting services f | 14,884 | 20,439 | 32,586 | 246,885 | - | - | - | - | - | - |
| Community services | 404,041 | 272,380 | 178,945 | 161,786 | 156,080 | 162,208 | 134,313 | 181,528 | 134,158 | 188,698 |
| Payments to other governmental units g | - | - | - | - | 4,314,496 | 4,434,321 | 3,990,219 | 3,573,168 | 3,013,646 | 2,662,205 |
| Nonprogrammed charges - excluding special education g | 2,705,445 | 2,370,538 | 2,465,805 | 2,170,658 | - | - | - | - | - | - |
| Interest on long-term debt | 239,913 | 284,869 | 624,608 | 469,292 | 633,367 | 815,770 | 966,562 | 1,073,375 | 1,059,171 | 1,160,948 |
| Total government expenses | \$ 153,795,368 | \$ 135,449,996 | \$ 126,627,901 | \$ 120,016,394 | \$ 108,343,747 | \$ 102,869,130 | \$ 104,469,174 | \$ 100,831,385 | \$ 89,504,433 | \$ 83,326,946 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Operating grants and contributions a | 804,447 | 1,064,506 | 1,044,540 | 1,255,145 | 1,043,525 | 993,295 | 1,157,173 | 1,061,003 | 1,127,200 | 1,382,176 |
| Operating grants and contributions a | 53,549,544 | 38,411,177 | 36,516,588 | 27,934,584 | 23,191,959 | 20,801,435 | 22,229,839 | 21,527,652 | 17,253,293 | 13,432,201 |
| Total government program revenues d | \$ 54,353,991 | \$ 39,475,683 | \$ 37,561,128 | \$ 29,189,729 | \$ 24,235,484 | \$ 21,794,730 | \$ 23,387,012 | \$ 22,588,655 | \$ 18,380,493 | \$ 14,814,377 |
| Net (Expense)/Revenue | \$ (99,441,377) | \$ (95,974,313) | \$ (89,066,773) | \$ (90,826,665) | \$ (84,108,263) | \$ (81,074,400) | \$ (81,082,162) | \$ (78,242,730) | \$ (71,123,940) | \$ (68,512,569) |
| General Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes h | | | | | | | | | | |
| Property taxes levied for general purposes | 66,319,588 | 63,340,091 | 65,139,846 | 59,865,317 | 73,518,112 | 93,873,533 | 70,579,004 | 75,242,779 | 68,127,537 | 65,456,909 |
| Real estate taxes, levied for specific purposes | 9,493,038 | 10,060,278 | 11,593,115 | 10,553,781 | - | - | - | - | - | - |
| Real estate taxes, levied for debt service | 3,564,474 | 3,528,462 | 3,789,011 | 3,478,612 | - | - | - | - | - | - |
| Personal property replacement taxes | 5,494,138 | 3,893,380 | 4,872,601 | 4,532,575 | - | - | - | - | - | - |
| State aid-formula grants | 8,257,935 | 7,455,403 | 6,946,234 | 6,177,081 | - | - | - | - | - | - |
| Payments in lieu of taxes | - | - | - | - | 4,480,589 | 4,385,210 | 4,766,892 | 3,675,835 | 4,543,723 | 5,194,188 |
| Unrestricted grants and contributions | - | - | - | - | 5,113,913 | 4,372,906 | 3,668,584 | 2,139,108 | 1,583,077 | 1,743,607 |
| Miscellaneous | 300,869 | 246,662 | 634,940 | 273,688 | 1,230,757 | 986,371 | 931,003 | 2,121,230 | 657,191 | 609,363 |
| Investment earnings i | 83,514 | 1,445,314 | 1,286,247 | 2,112,305 | (987,176) | 343,671 | 772,688 | 2,073,024 | 4,277,303 | 5,933,526 |
| Total general revenues | \$ 93,513,556 | \$ 89,969,590 | \$ 94,261,994 | \$ 86,993,359 | \$ 83,356,195 | \$ 103,961,691 | \$ 80,718,171 | \$ 85,251,976 | \$ 79,188,831 | \$ 78,937,593 |
| Change in Net Position | \$ (5,927,821) | \$ (6,004,723) | \$ 5,195,221 | \$ (3,833,306) | \$ (752,068) | \$ 22,887,291 | \$ (363,991) | \$ 7,009,246 | \$ 8,064,891 | \$ 10,425,024 |

- a Variances due to student 1:1 device implementation in a rotation schedule.
- b Fiscal year 2011 reflects a reduction in health insurance expenditures due to plan design changes and employee contribution increases.
- c Expenditure fluctuations are due to rate variances which are set by the State of Illinois.
- d In 2008, depreciation on District capital items was appropriately moved to Operations and Maintenance.
- e In 2014, facilities acquisition and construction was moved to Business.
- f In 2014, other supporting services was segregated from Central.
- g In 2014, Payments to other government units, which included tuition for General Education and Special Education Students, moved to Special Programs and Nonprogrammed charges - excluding special education.
- h In 2014, taxes were specifically reported by designation
- i Reflects fluctuations of market value at June 30.
- j In FY2015, an additional teacher support position was added.
- k In FY2015, all elementary schools added an assistant principal position.
- l In FY 2016, addition of Early Childhood Building

Community Consolidated School District 59
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 25 | \$ 709 | \$ 868 | \$ 37,621 | \$ 51,768 | \$ 49,186 | \$ 64,580 | \$ 59,879 | \$ 1,690,306 | \$ 967,359 |
| Assigned: | | | | | | | | | | |
| Insurance | 6,757,546 | 7,353,728 | 7,291,976 | 6,342,798 | 5,471,109 | 4,707,079 | 1,800,977 | 121,759 | - | - |
| Unassigned | <u>96,141,853</u> | <u>100,364,078</u> | <u>107,264,340</u> | <u>105,843,916</u> | <u>115,671,279</u> | <u>115,459,306</u> | <u>101,327,220</u> | <u>82,511,449</u> | <u>78,603,260</u> | <u>76,522,884</u> |
| Total general fund | <u>\$ 102,899,424</u> | <u>\$ 107,718,515</u> | <u>\$ 114,557,184</u> | <u>\$ 112,224,335</u> | <u>\$ 121,194,156</u> | <u>\$ 120,215,571</u> | <u>\$ 103,192,777</u> | <u>\$ 82,693,087</u> | <u>\$ 80,293,566</u> | <u>\$ 77,490,243</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted: | | | | | | | | | | |
| Operations and Maintenance | \$ 4,609,534 | \$ 5,739,109 | \$ 5,950,086 | \$ 3,307,573 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transportation | 3,584,332 | 5,579,539 | 5,744,361 | 5,771,278 | - | - | - | - | - | - |
| Municipal Retirement/Social Security | 782,937 | 688,779 | 655,949 | 464,543 | 844,800 | 1,318,523 | 1,962,019 | 2,389,101 | - | - |
| Debt service | 3,493,678 | 3,460,702 | 3,429,233 | 3,273,941 | 3,269,979 | 4,699,567 | 3,325,403 | 3,711,296 | 3,311,096 | 3,313,928 |
| Capital Project | - | 403,957 | 3,629,937 | - | - | - | - | - | - | - |
| Assigned: | | | | | | | | | | |
| Transportation | - | - | - | - | 5,857,928 | 5,264,771 | 3,267,563 | 3,570,447 | - | - |
| Construction | - | - | - | - | - | 1,093,924 | 612,698 | 5,293,621 | - | - |
| Unassigned | <u>(481,767)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(419,664)</u> | <u>(478,508)</u> | <u>(972,534)</u> | <u>19,942,864</u> | <u>25,971,810</u> | <u>24,193,854</u> |
| Total all other governmental funds | <u>\$ 11,988,714</u> | <u>\$ 15,872,086</u> | <u>\$ 19,409,566</u> | <u>\$ 12,817,335</u> | <u>\$ 9,553,043</u> | <u>\$ 11,898,277</u> | <u>\$ 8,195,149</u> | <u>\$ 34,907,329</u> | <u>\$ 29,282,906</u> | <u>\$ 27,507,782</u> |
| Grand total all fund balances | <u>\$ 114,888,138</u> | <u>\$ 123,590,601</u> | <u>\$ 133,966,750</u> | <u>\$ 125,041,670</u> | <u>\$ 130,747,199</u> | <u>\$ 132,113,848</u> | <u>\$ 111,387,926</u> | <u>\$ 117,600,416</u> | <u>\$ 109,576,472</u> | <u>\$ 104,998,025</u> |

Note: District implemented GASB Statement No. 54 in fiscal year 2011.

Note: Operations and maintenance fund was reclassified from the General Fund to other governmental funds.

Note: During 2014, all funds were reclassified from assigned to restricted.

Community Consolidated School District 59
 GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Local sources: | | | | | | | | | | |
| Property taxes (a) | \$ 79,377,100 | \$ 76,928,831 | \$ 80,521,972 | \$ 73,897,710 | \$ 73,518,112 | \$ 93,873,533 | \$ 70,579,004 | \$ 75,242,779 | \$ 68,127,595 | \$ 65,456,892 |
| Replacement taxes (f) | 5,494,138 | 3,893,380 | 4,872,601 | 4,532,575 | 4,480,589 | 4,385,210 | 4,766,892 | 3,675,835 | 4,543,723 | 5,194,187 |
| Interest (b) | 36,242 | 1,439,885 | 1,305,492 | 2,151,921 | (917,704) | 285,221 | 828,240 | 2,073,024 | 4,277,534 | 5,886,757 |
| Other | <u>1,105,316</u> | <u>1,342,738</u> | <u>1,679,480</u> | <u>1,589,833</u> | <u>2,213,282</u> | <u>1,990,124</u> | <u>2,099,676</u> | <u>3,486,542</u> | <u>1,799,540</u> | <u>2,009,770</u> |
| Total local sources | <u>86,012,796</u> | <u>83,604,834</u> | <u>88,379,545</u> | <u>82,172,039</u> | <u>79,294,279</u> | <u>100,534,088</u> | <u>78,273,812</u> | <u>84,478,180</u> | <u>78,748,392</u> | <u>78,547,606</u> |
| State sources: | | | | | | | | | | |
| Unrestricted State Aid (d) | 8,257,935 | 7,455,403 | 6,946,234 | 6,177,081 | 5,113,913 | 4,372,906 | 3,668,584 | 2,139,108 | 1,583,077 | 1,743,607 |
| Restricted State Aid | 5,313,090 | 4,723,147 | 5,681,386 | 4,929,908 | 5,868,676 | 5,511,459 | 5,828,808 | 4,088,516 | 5,784,276 | 5,557,964 |
| TRS On-behalf payments (e) | <u>41,644,376</u> | <u>26,498,140</u> | <u>24,911,598</u> | <u>17,259,924</u> | <u>13,298,931</u> | <u>11,593,232</u> | <u>10,684,396</u> | <u>10,399,062</u> | <u>7,284,030</u> | <u>4,945,955</u> |
| Total state sources | <u>55,215,401</u> | <u>38,676,690</u> | <u>37,539,218</u> | <u>28,366,913</u> | <u>24,281,520</u> | <u>21,477,597</u> | <u>20,181,788</u> | <u>16,626,686</u> | <u>14,651,383</u> | <u>12,247,526</u> |
| Federal sources: | | | | | | | | | | |
| Restricted Federal Aid (c) | <u>5,654,705</u> | <u>5,595,756</u> | <u>5,746,848</u> | <u>5,238,133</u> | <u>5,023,982</u> | <u>4,395,181</u> | <u>5,696,685</u> | <u>5,290,934</u> | <u>3,923,502</u> | <u>2,614,385</u> |
| Total federal sources | <u>5,654,705</u> | <u>5,595,756</u> | <u>5,746,848</u> | <u>5,238,133</u> | <u>5,023,982</u> | <u>4,395,181</u> | <u>5,696,685</u> | <u>5,290,934</u> | <u>3,923,502</u> | <u>2,614,385</u> |
| Total revenues | <u>\$ 146,882,902</u> | <u>\$ 127,877,280</u> | <u>\$ 131,665,611</u> | <u>\$ 115,777,085</u> | <u>\$ 108,599,781</u> | <u>\$ 126,406,866</u> | <u>\$ 104,152,285</u> | <u>\$ 106,395,800</u> | <u>\$ 97,323,277</u> | <u>\$ 93,409,517</u> |

Notes:

a 2005 marks the first year of tax collections for Series 2003 debt retirement. In FY10, Cook County started collecting 55% of the levy during the Spring collections instead of 45%. This added to the 55% for the fall collection.

b Reflects fluctuation of market value as of June 30.

c Fiscal Years 2010 and 2011 Federal Aid include funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

d In 2014, the District received a large increase in the State of Illinois Poverty Grant due to substantial growth in low income students.

e In 2015, there was an increase related to the implementation of GASB 68.

f In 2016, reduction due to recording of accrual for CPPRT overpayment due back to the state.

Community Consolidated School District 59
 GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
 LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Programs (g) | \$ 33,300,043 | \$ 31,883,463 | \$ 30,306,893 | \$ 34,900,239 | \$ 30,504,158 | \$ 29,177,086 | \$ 28,427,628 | \$ 28,061,074 | \$ 26,357,085 | \$ 24,821,521 |
| Special Programs (f) | 10,770,051 | 10,572,548 | 9,746,945 | 8,866,239 | 7,696,246 | 7,100,745 | 7,174,696 | 7,168,263 | 6,246,221 | 5,745,381 |
| Other Instructional Programs (a) | 10,899,367 | 10,740,745 | 10,776,274 | 10,114,906 | 10,332,747 | 9,519,071 | 9,810,797 | 10,024,811 | 8,640,640 | 7,626,422 |
| TRS On-behalf payments (b) | 41,644,376 | 26,498,140 | 24,911,598 | 17,259,924 | 13,298,931 | 11,593,232 | 10,684,396 | 10,399,062 | 7,284,030 | 4,945,955 |
| Support Services: | | | | | | | | | | |
| Pupils | 7,392,911 | 6,624,439 | 5,597,414 | 5,583,750 | 5,049,079 | 4,955,686 | 4,606,823 | 4,576,374 | 4,244,616 | 3,769,804 |
| Instructional Staff | 5,842,565 | 5,908,471 | 5,724,107 | 4,987,351 | 4,699,030 | 4,505,276 | 4,700,845 | 4,555,578 | 4,341,338 | 4,081,727 |
| General Administration | 3,438,598 | 3,214,592 | 2,863,480 | 2,654,337 | 2,749,484 | 2,536,117 | 2,218,808 | 2,344,964 | 2,145,568 | 2,147,688 |
| School Administration | 6,940,364 | 6,685,153 | 6,430,631 | 5,661,338 | 5,487,396 | 5,085,454 | 5,133,226 | 5,106,947 | 4,748,386 | 4,500,734 |
| Business (c) | 5,633,130 | 4,701,949 | 4,355,876 | 5,546,575 | 16,073,884 | 15,703,937 | 16,745,481 | 16,175,201 | 15,204,488 | 14,995,850 |
| Transportation (c)(e) | 5,410,677 | 5,185,284 | 5,288,611 | 5,129,383 | - | - | - | - | - | - |
| Operations and Maintenance (c) | 8,412,602 | 8,312,589 | 7,758,368 | 7,504,403 | - | - | - | - | - | - |
| Central | 2,434,919 | 2,314,721 | 2,487,217 | 2,156,039 | 2,139,624 | 1,979,082 | 2,119,796 | 2,253,733 | 2,036,674 | 1,765,380 |
| Other supporting services (d) | 14,884 | 20,395 | 32,586 | 246,885 | - | - | - | - | - | - |
| Community services | 362,280 | 223,442 | 167,856 | 161,786 | 155,132 | 157,560 | 132,626 | 180,501 | 134,142 | 188,698 |
| Nonprogrammed charges (f) | 5,050,952 | 4,795,848 | 4,809,060 | 4,271,200 | - | - | - | - | - | - |
| Payments to other governmental units (f) | - | - | - | - | 4,314,496 | 4,434,321 | 3,990,220 | 3,573,168 | 3,013,646 | 2,662,205 |
| Principal | 2,770,000 | 2,680,000 | 3,335,000 | 3,210,000 | 4,705,000 | 4,510,000 | 4,350,000 | 4,210,000 | 4,080,000 | 3,970,000 |
| Interest and other | 731,850 | 820,744 | 301,134 | 289,538 | 516,353 | 712,940 | 870,328 | 872,335 | 917,226 | 1,026,400 |
| Capital outlay (h) | 4,535,796 | 7,070,906 | 18,446,175 | 2,938,721 | 2,244,870 | 3,710,437 | 9,399,105 | 6,667,114 | 3,350,770 | 2,248,533 |
| Total expenditures | <u>\$ 155,585,365</u> | <u>\$ 138,253,429</u> | <u>\$ 143,339,225</u> | <u>\$ 121,482,614</u> | <u>\$ 109,966,430</u> | <u>\$ 105,680,944</u> | <u>\$ 110,364,775</u> | <u>\$ 106,169,125</u> | <u>\$ 92,744,830</u> | <u>\$ 84,496,298</u> |
| Debt service as a percentage of noncapital expenditures | <u>2.4%</u> | <u>2.7%</u> | <u>3.0%</u> | <u>3.0%</u> | <u>5.1%</u> | <u>5.4%</u> | <u>5.5%</u> | <u>5.4%</u> | <u>5.9%</u> | <u>6.5%</u> |
| Debt service as a percentage of total expenditures | <u>2.3%</u> | <u>2.5%</u> | <u>2.5%</u> | <u>2.9%</u> | <u>4.7%</u> | <u>4.9%</u> | <u>4.7%</u> | <u>4.8%</u> | <u>5.4%</u> | <u>5.9%</u> |

Notes:

- a Reflects no growth in programming with a reduction in insurance benefit expenditures.
- b TRS On-behalf payment rate is set by the State of Illinois.
- c In 2014, transportation and operations and maintenance were segregated from business.
- d In 2014, other supporting services was segregated from central.
- e District bid transportation services for FY12 and realized significant savings from the prior transportation provider.
- f In 2014, payments to other governmental units which included tuition for general education and special education students, moved to special programs and nonprogrammed charges.
- g Variances due to student 1:1 device implementations in a rotation schedule.
- h An addition to Homes Junior High was added in FY15 for the District preschool program. Previously, the program was distributed among five elementary schools.

Community Consolidated School District 59
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 LAST TEN FISCAL YEARS

| | General | O&M, Trans & IMRF/Soc Sec | Debt Service | Capital Projects | Total |
|---|-----------------------|------------------------------|---------------------|---------------------|-----------------------|
| Beginning Balance July 1, 2007 | \$ 76,798,096 | \$ 16,235,921 | \$ 3,050,789 | \$ - | \$ 96,084,806 |
| Revenues | 72,900,679 | 15,254,896 | 5,253,942 | - | 93,409,517 |
| Expenditures | 65,123,661 | 14,376,237 | 4,996,400 | - | 84,496,298 |
| Transfers | - | - | - | - | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2008</i> | <i>\$ 84,575,114</i> | <i>\$ 17,114,580</i> | <i>\$ 3,308,331</i> | <i>\$ -</i> | <i>\$ 104,998,025</i> |
| Beginning Balance July 1, 2008 | \$ 84,575,114 | \$ 17,114,580 | \$ 3,308,331 | \$ - | \$ 104,998,025 |
| Revenues | 77,083,887 | 14,973,918 | 5,265,472 | - | 97,323,277 |
| Expenditures | 72,898,314 | 14,849,290 | 4,997,226 | - | 92,744,830 |
| Transfers | 265,481 | - | (265,481) | - | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2009</i> | <i>\$ 89,026,168</i> | <i>\$ 17,239,208</i> | <i>\$ 3,311,096</i> | <i>\$ -</i> | <i>\$ 109,576,472</i> |
| Beginning Balance July 1, 2009 | \$ 89,026,168 | \$ 17,239,208 | \$ 3,311,096 | \$ - | \$ 109,576,472 |
| Revenues | 87,844,345 | 12,992,769 | 5,558,686 | - | 106,395,800 |
| Expenditures | 82,114,721 | 16,565,690 | 5,082,335 | 2,406,379 | 106,169,125 |
| Transfers | 173,420 | - | (76,151) | 7,700,000 | 7,797,269 |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2010</i> | <i>\$ 94,929,212</i> | <i>\$ 13,666,287</i> | <i>\$ 3,711,296</i> | <i>\$ 5,293,621</i> | <i>\$ 117,600,416</i> |
| Beginning Balance July 1, 2010 | \$ 94,929,212 | \$ 13,666,287 | \$ 3,711,296 | \$ 5,293,621 | \$ 117,600,416 |
| Revenues | 84,987,134 | 13,123,549 | 4,895,117 | 1,146,485 | 104,152,285 |
| Expenditures | 84,054,051 | 15,262,988 | 5,220,328 | 5,827,408 | 110,364,775 |
| Transfers | 60,682 | - | (60,682) | - | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2011</i> | <i>\$ 95,922,977</i> | <i>\$ 11,526,848</i> | <i>\$ 3,325,403</i> | <i>\$ 612,698</i> | <i>\$ 111,387,926</i> |
| Beginning Balance July 1, 2011 | \$ 95,922,977 | \$ 11,526,848 | \$ 3,325,403 | \$ 612,698 | \$ 111,387,926 |
| Revenues | 103,664,666 | 16,136,277 | 6,605,923 | - | 126,406,866 |
| Expenditures | 83,206,553 | 14,657,397 | 5,222,940 | 2,594,054 | 105,680,944 |
| Transfers | (2,002,699) | (1,063,762) | (8,819) | 3,075,280 | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2012</i> | <i>\$ 114,378,391</i> | <i>\$ 11,941,966</i> | <i>\$ 4,699,567</i> | <i>\$ 1,093,924</i> | <i>\$ 132,113,848</i> |
| Beginning Balance July 1, 2012 | \$ 114,378,391 | \$ 11,941,966 | \$ 4,699,567 | \$ 1,093,924 | \$ 132,113,848 |
| Revenues | 88,842,315 | 15,942,280 | 3,815,186 | - | 108,599,781 |
| Expenditures | 88,605,497 | 15,051,463 | 5,221,353 | 1,088,117 | 109,966,430 |
| Transfers | 23,421 | 5,807 | (23,421) | (5,807) | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2013</i> | <i>\$ 114,638,630</i> | <i>\$ 12,838,590</i> | <i>\$ 3,269,979</i> | <i>\$ -</i> | <i>\$ 130,747,199</i> |
| Beginning Balance July 1, 2013 | \$ 114,638,630 | \$ 12,838,590 | \$ 3,269,979 | \$ - | \$ 130,747,199 |
| Revenues | 96,224,219 | 16,016,738 | 3,536,128 | - | 115,777,085 |
| Expenditures | 98,671,142 | 19,311,934 | 3,499,538 | - | 121,482,614 |
| Transfers | 32,628 | - | (32,628) | - | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2014</i> | <i>\$ 112,224,335</i> | <i>\$ 9,543,394</i> | <i>\$ 3,273,941</i> | <i>\$ -</i> | <i>\$ 125,041,670</i> |
| Beginning Balance July 1, 2014 | \$ 112,224,335 | \$ 9,543,394 | \$ 3,273,941 | \$ - | \$ 125,041,670 |
| Revenues | 109,362,001 | 18,478,477 | 3,825,133 | - | 131,665,611 |
| Expenditures | 105,557,352 | 17,071,475 | 3,636,134 | 17,074,264 | 143,339,225 |
| Transfers | (22,070,494) | 1,400,000 | (33,707) | 20,704,201 | - |
| Other | 20,598,694 | - | - | - | 20,598,694 |
| <i>Ending Balance June 30, 2015</i> | <i>\$ 114,557,184</i> | <i>\$ 12,350,396</i> | <i>\$ 3,429,233</i> | <i>\$ 3,629,937</i> | <i>\$ 133,966,750</i> |
| Beginning Balance July 1, 2015 | \$ 114,557,184 | \$ 12,350,396 | \$ 3,429,233 | \$ 3,629,937 | \$ 133,966,750 |
| Revenues | 82,173,611 | 15,638,896 | 3,566,633 | - | 101,379,140 |
| Expenditures | 84,556,580 | 17,481,865 | 3,500,744 | 6,216,100 | 111,755,289 |
| Transfers | (4,455,700) | 1,500,000 | (34,420) | 2,990,120 | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2016</i> | <i>\$ 107,718,515</i> | <i>\$ 12,007,427</i> | <i>\$ 3,460,702</i> | <i>\$ 403,957</i> | <i>\$ 123,590,601</i> |
| Beginning Balance July 1, 2016 | \$ 107,718,515 | \$ 12,007,427 | \$ 3,460,702 | \$ 403,957 | \$ 123,590,601 |
| Revenues | 84,875,218 | 16,797,994 | 3,565,314 | - | 105,238,526 |
| Expenditures | 87,757,797 | 20,178,618 | 3,501,850 | 2,502,724 | 113,940,989 |
| Transfers | (1,936,512) | 350,000 | (30,488) | 1,617,000 | - |
| Other | - | - | - | - | - |
| <i>Ending Balance June 30, 2017</i> | <i>\$ 102,899,424</i> | <i>\$ 8,976,803</i> | <i>\$ 3,493,678</i> | <i>\$ (481,767)</i> | <i>\$ 114,888,138</i> |
| Beginning Balance July 1, 2017* | \$ 102,899,424 | \$ 8,976,803 | \$ 3,493,678 | \$ (481,767) | \$ 114,888,138 |
| Revenues | 84,849,410 | 17,322,830 | 3,645,021 | - | 105,817,261 |
| Expenditures | 94,545,268 | 22,831,960 | 3,499,800 | 18,857,237 | 139,734,265 |
| Transfers | (24,339,000) | - | (47,347) | 19,339,000 | (5,047,347) |
| Other | - | - | - | - | - |
| <i>Estimated Ending Balance June 30, 2018</i> | <i>\$ 68,864,566</i> | <i>\$ 3,467,673</i> | <i>\$ 3,591,552</i> | <i>\$ (4)</i> | <i>\$ 75,923,787</i> |

* FY2018 figures represent budget numbers.

NOTE *Revenues and expenditures exclude on-behalf contributions by the State.

Community Consolidated School District 59
COMPOSITION OF EQUALIZED ASSESSED VALUATION
BY CLASSIFICATION OF PROPERTY
LAST TEN YEARS

| | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|--------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| Residential | \$ 1,194,724,558 | 31.2% | \$ 1,290,588,959 | 32.6% | 1,382,880,612 | 37.3% | 1,285,645,078 | 37.0% | 1,199,098,243 | 38.7% | 1,100,428,136 | 38.9% | 882,763,897 | 36.3% | 976,163,192 | 39.3% | 943,263,269 | 38.8% | 1,120,793,891 | 41.4% |
| Farm | 30,048 | 0.0% | 30,048 | 0.0% | 18,778 | 0.0% | 16,909 | 0.0% | 16,909 | 0.0% | 16,909 | 0.0% | 17,336 | 0.0% | 16,041 | 0.0% | 16,041 | 0.0% | 16,041 | 0.0% |
| Commercial | 964,799,778 | 25.2% | 965,966,345 | 24.4% | 850,205,280 | 23.0% | 766,268,576 | 22.1% | 651,236,616 | 21.0% | 596,141,024 | 21.1% | 553,906,337 | 22.8% | 549,097,886 | 22.1% | 537,881,047 | 22.2% | 584,783,864 | 21.6% |
| Industrial | 1,665,916,438 | 43.5% | 1,697,671,364 | 42.9% | 1,470,303,063 | 39.7% | 1,420,635,772 | 40.9% | 1,247,290,075 | 40.2% | 1,133,367,153 | 40.0% | 993,025,306 | 40.8% | 953,483,445 | 38.4% | 944,108,637 | 38.9% | 1,000,166,939 | 36.9% |
| Railroad | 836,711 | 0.0% | 942,852 | 0.0% | 1,139,193 | 0.0% | 1,460,448 | 0.0% | 1,576,817 | 0.1% | 1,730,380 | 0.1% | 2,148,504 | 0.1% | 2,291,028 | 0.1% | 2,776,398 | 0.1% | 2,838,088 | 0.1% |
| Total | \$ 3,826,307,533 | 100.0% | \$ 3,955,199,568 | 100.0% | \$ 3,704,546,926 | 100.0% | \$ 3,474,026,783 | 100.0% | \$ 3,099,218,660 | 100.0% | \$ 2,831,683,602 | 100.0% | \$ 2,431,861,380 | 100.0% | \$ 2,481,051,592 | 100.0% | \$ 2,428,045,392 | 100.0% | \$ 2,708,598,823 | 100.0% |

The table below shows the effect of the multiplier and exemptions in tax years 2006 through 2015.

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed Value | \$ 1,505,328,980 | \$ 1,471,059,725 | \$ 1,214,856,980 | \$ 1,130,632,166 | \$ 1,098,443,304 | \$ 1,070,858,740 | \$ 969,443,702 | \$ 963,471,007 | \$ 962,695,076 | \$ 1,023,388,761 |
| Equalization factor | 2.8439 | 2.9786 | 3.3701 | 3.3000 | 2.9706 | 2.8056 | 2.6621 | 2.7253 | 2.6685 | 2.8032 |
| pre-exemption EAV | \$ 4,281,005,086 | \$ 4,381,698,497 | \$ 4,094,189,507 | \$ 3,731,086,147 | \$ 3,263,035,680 | \$ 3,004,401,281 | \$ 2,580,756,079 | \$ 2,625,747,535 | \$ 2,568,951,811 | \$ 2,868,763,375 |
| Homeowners Exemption | 362,437,351 | 322,389,698 | 278,519,605 | 168,205,695 | 94,275,450 | 104,902,446 | 104,590,649 | 99,798,923 | 97,966,192 | 98,130,800 |
| Senior Citizen Homestead Exemption | 15,791,751 | 18,542,829 | 18,346,823 | 16,650,430 | 17,130,727 | 23,220,878 | 22,443,625 | 22,276,887 | 22,533,439 | 22,601,154 |
| Veterans Exemption | 39,698 | 39,698 | 36,920 | 32,551 | - | - | - | - | - | 26,828 |
| Freeze returning Veterans | 76,349,253 | 85,380,704 | 92,482,733 | 71,852,688 | 52,056,343 | 44,162,998 | 21,392,717 | 22,122,919 | 17,648,791 | 36,157,810 |
| Persons | 62,000 | 136,000 | 224,000 | 268,000 | 302,000 | 373,857 | 397,708 | 407,214 | 431,043 | 451,878 |
| Veterans | 17,500 | 10,000 | 17,500 | 40,000 | 52,500 | 57,500 | 65,000 | 90,000 | 2,326,954 | 2,796,082 |
| Total | \$ 3,826,307,533 | \$ 3,955,199,568 | \$ 3,704,546,926 | \$ 3,474,026,783 | \$ 3,099,218,660 | \$ 2,831,683,602 | \$ 2,431,861,380 | \$ 2,481,051,592 | \$ 2,428,045,392 | \$ 2,708,598,823 |

SOURCE OF INFORMATION: Office of the County Clerk, Cook County, IL

Community Consolidated School District 59
 SCHOOL DISTRICT TAX RATES BY PURPOSE AND LEVIES EXTENDED
 LAST TEN YEARS

| | Tax Rate Ceiling | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>Rates Extended*</u> | | | | | | | | | | | |
| Educational | \$ 3.5000 | \$ 2.4718 | \$ 2.6771 | \$ 2.5392 | \$ 2.5289 | \$ 2.1436 | \$ 1.9295 | \$ 1.6695 | \$ 1.5454 | \$ 1.4159 | \$ 1.3982 |
| Special Education | 0.4000 | 0.0342 | 0.0381 | 0.0373 | 0.0370 | 0.0318 | 0.0258 | 0.0230 | 0.0216 | 0.0202 | 0.0209 |
| Liability Insurance | None | - | - | - | - | - | - | - | - | - | 0.0065 |
| Operations and Maintenance | 0.5500 | 0.1573 | 0.2036 | 0.2460 | 0.2538 | 0.1916 | 0.1409 | 0.1297 | 0.1164 | 0.1243 | 0.1126 |
| Transportation | None | 0.1292 | 0.1441 | 0.1330 | 0.1316 | 0.1236 | 0.1049 | 0.1151 | 0.0675 | 0.0632 | 0.0653 |
| Working Cash | 0.0500 | - | - | - | - | - | - | - | 0.0142 | 0.0133 | 0.0137 |
| Social Security | None | 0.0700 | 0.0379 | 0.0363 | 0.0358 | 0.0288 | 0.0516 | 0.0403 | 0.0189 | 0.0202 | 0.0183 |
| Illinois Municipal Retirement | None | - | 0.0381 | 0.0361 | 0.0339 | 0.0238 | - | - | 0.0189 | 0.0202 | 0.0183 |
| Limited Bonds | | 0.1355 | 0.1513 | 0.1481 | 0.1510 | 0.1296 | 0.1693 | 0.1511 | 0.1416 | 0.1327 | 0.1371 |
| Total | \$ 4.5000 | \$ 2.9980 | \$ 3.2902 | \$ 3.1760 | \$ 3.1720 | \$ 2.6728 | \$ 2.4220 | \$ 2.1287 | \$ 1.9445 | \$ 1.8100 | \$ 1.7909 |
| <u>Levies Extended</u> | | | | | | | | | | | |
| Total Levies Extended | | \$ 81,203,793 | \$ 79,906,974 | \$ 78,798,199 | \$ 77,138,643 | \$ 75,690,903 | \$ 75,063,073 | \$ 73,962,030 | \$ 72,053,437 | \$ 71,589,112 | \$ 68,529,168 |
| Collected Within Fiscal Year of the Levy | | \$ 71,080,494 | \$ 67,830,478 | \$ 67,054,661 | \$ 61,006,637 | \$ 60,156,724 | \$ 59,900,858 | \$ 38,347,742 | \$ 37,940,730 | \$ 32,871,901 | \$ 31,464,489 |
| Collected in Subsequent Years | | - | 11,489,077 | 10,669,033 | 14,407,082 | 13,263,971 | 12,575,334 | 32,189,405 | 31,691,420 | 36,885,451 | 35,481,906 |
| Total Collections | | \$ 71,080,494 | \$ 79,319,555 | \$ 77,723,693 | \$ 75,413,719 | \$ 73,420,695 | \$ 72,476,192 | \$ 70,537,146 | \$ 69,632,150 | \$ 69,757,353 | \$ 66,946,395 |
| Percentage of Extensions Collected | | 87.53% | 99.26% | 98.64% | 97.76% | 97.00% | 96.55% | 95.37% | 96.64% | 97.44% | 97.69% |

SOURCE OF INFORMATION: Cook County Levy, Rate and Extension Reports for 2007 - 2016

* Tax Rates are expressed in dollars per \$100 of Assessed Valuation

Community Consolidated School District 59
PROPERTY TAX RATES - DIRECT AND OVERLAPPING TAX RATES
LAST EIGHT TAX LEVY YEARS

| <u>TAXING AGENCY</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Community Consolidated SD #59 | 2.998 | 3.291 | 3.176 | 3.172 | 2.673 | 2.422 | 2.129 | 1.945 |
| County of Cook | 0.533 | 0.552 | 0.568 | 0.560 | 0.531 | 0.462 | 0.423 | 0.394 |
| Cook County Forest Preserve District | 0.063 | 0.069 | 0.069 | 0.069 | 0.063 | 0.058 | 0.051 | 0.049 |
| Consolidated Elections | - | 0.034 | - | 0.031 | - | 0.025 | - | 0.021 |
| Elk Grove Township | 0.066 | 0.078 | 0.076 | 0.077 | 0.064 | 0.056 | 0.049 | 0.044 |
| Elk Grove Twp General Assistance | 0.013 | 0.017 | 0.017 | 0.017 | 0.014 | 0.012 | 0.011 | 0.010 |
| Elk Grove Twp Road & Bridge | 0.016 | 0.018 | 0.018 | 0.017 | 0.014 | 0.013 | 0.011 | 0.010 |
| Metro Water Reclamation | | | | | | | | |
| District of Chicago | 0.406 | 0.426 | 0.430 | 0.417 | 0.370 | 0.320 | 0.274 | 0.261 |
| Northwest Mosquito Abatement Dist. | 0.010 | 0.011 | 0.013 | 0.013 | 0.011 | 0.010 | 0.009 | 0.008 |
| Village of Arlington Heights** | 1.665 | 1.925 | 1.816 | 1.818 | 1.532 | 1.385 | 1.254 | 1.108 |
| City of Des Plaines** | 1.566 | 1.802 | 1.750 | 1.776 | 1.483 | 1.389 | 1.279 | 1.174 |
| Des Plaines Spec. Serv. Area 5 | 0.604 | 0.715 | 0.692 | 0.727 | 0.596 | 0.581 | 0.522 | 0.489 |
| Des Plaines Spec. Serv. Area 9 | 0.419 | 0.440 | 0.431 | 0.425 | 0.388 | 0.366 | 0.330 | 0.334 |
| Des Plaines Spec. Serv. Area 10 | 0.435 | 0.420 | 0.352 | 0.361 | 0.384 | 0.791 | 0.303 | 0.349 |
| Des Plaines Spec. Serv. Area 13 | 0.605 | 0.671 | 0.636 | 0.664 | 0.501 | 0.434 | - | - |
| Village of Mount Prospect** | 1.844 | 2.153 | 2.034 | 2.036 | 1.697 | 1.518 | 1.348 | 1.204 |
| Mount Prospect Spec. Serv. Area 5 | 0.119 | 0.142 | 0.138 | 0.140 | 0.122 | 0.114 | 0.105 | 0.095 |
| City of Rolling Meadows** | 2.225 | 2.403 | 2.225 | 2.241 | 1.917 | 1.706 | 1.417 | 1.158 |
| Rolling Meadows Spec. Serv. Area 3 | - | 0.268 | 0.266 | 0.268 | 0.253 | 0.233 | 0.207 | 0.176 |
| Village of Elk Grove Village** | 1.279 | 1.365 | 1.286 | 1.306 | 1.147 | 1.015 | 0.866 | 0.749 |
| Rolling Meadows Park District | 0.677 | 0.749 | 0.711 | 0.709 | 0.607 | 0.546 | 0.486 | 0.420 |
| Arlington Heights Park District | 0.488 | 0.626 | 0.636 | 0.633 | 0.545 | 0.496 | 0.450 | 0.392 |
| Mount Prospect Park District | 0.594 | 0.681 | 0.654 | 0.657 | 0.557 | 0.502 | 0.453 | 0.411 |
| Elk Grove Park District | 0.749 | 0.827 | 0.810 | 0.805 | 0.711 | 0.634 | 0.563 | 0.524 |
| Elk Grove Rural Fire Protection | 1.305 | 1.410 | 1.329 | 1.296 | 1.096 | 1.121 | 1.055 | 1.033 |
| Forest View Fire Protection District | 0.165 | 0.194 | 0.188 | 0.042 | 0.033 | 0.139 | 0.146 | 0.159 |
| Roselle Fire Protection District | 0.582 | 0.683 | 0.638 | 0.660 | 0.559 | 0.546 | 0.546 | 0.493 |
| Arlington Heights HSD #214 | 2.527 | 2.881 | 2.776 | 2.768 | 2.324 | 2.067 | 1.839 | 1.636 |
| Harper Community College #512 | 0.416 | 0.466 | 0.451 | 0.444 | 0.373 | 0.334 | 0.295 | 0.258 |

*Tax rates are expressed in dollars per one hundred dollars of equalized assessed valuations.

**Rates of municipalities include library funds.

Note: Eight years of information is presented and District will continued to add to the schedule until ten years are available.

Source: Cook County Clerk

Community Consolidated School District 59
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | Total Primary Government | Percentage of Personal Income (a) | Per Capita (a) |
|------------------------|---|---------------------------|---|--|---------------------------|
| | General Obligation Bonds | Capital Leases | | | |
| 2017 | \$ 15,235,000 | \$ - | \$ 15,235,000 | * | 463 |
| 2016 | 18,005,000 | - | 18,005,000 | 1.60% | 542 |
| 2015 | 20,685,000 | - | 20,685,000 | 1.86% | 621 |
| 2014 | 5,540,000 | - | 5,540,000 | 0.49% | 166 |
| 2013 | 8,750,000 | - | 8,750,000 | 0.84% | 262 |
| 2012 | 13,455,000 | - | 13,455,000 | 1.24% | 404 |
| 2011 | 17,965,000 | - | 17,965,000 | 1.67% | 542 |
| 2010 | 22,315,000 | - | 22,315,000 | 2.02% | 674 |
| 2009 | 19,100,000 | - | 19,100,000 | 1.76% | 578 |
| 2008 | 23,180,000 | - | 23,180,000 | 2.15% | 700 |

(a) See page 122 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

* This information was not available at the time the audit was released.

Community Consolidated School District 59
DIRECT GENERAL OBLIGATION BONDED DEBT

| Principal Due (Mar 1) | Series 2014, 2015 Bonds |
|----------------------------------|------------------------------------|
| 2018 | \$ 2,850,000 |
| 2019 | 2,950,000 |
| 2020 | 3,065,000 |
| 2021 | 3,205,000 |
| 2022 | 3,165,000 |
| | <hr/> |
| | \$ 15,235,000 |
| | <hr/> <hr/> |

Community Consolidated School District 59
TAX LEVIES FOR DIRECT BONDED DEBT

| Tax Year | Series 2014, 2015 Debt Service |
|-----------------|---|
| 2016 | \$ 3,457,850 |
| 2017 | 3,446,875 |
| 2018 | 3,439,000 |
| 2019 | 3,427,050 |
| 2020 | 3,426,875 |
| Thereafter | 3,240,100 |
| | <hr/> |
| | \$ 20,437,750 |
| | <hr/> <hr/> |

SOURCE OF INFORMATION: Debt Retirement Schedule for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2014 and 2015.

Community Consolidated School District 59
SCHEDULE OF BONDS OUTSTANDING

| Fiscal Year | Rate | Bonds Issued | Paid/Refunded | from Tax Levies | Interest Payable |
|---|-------------|---------------------|----------------------|------------------------|-------------------------|
| <i>Issue Dated October 1, 2014 Series</i> | | | | | |
| 2018 | 3.000% | \$ 1,515,000 | - | \$ 1,515,000 | \$ 272,650 |
| 2019 | 4.000% | 1,560,000 | - | 1,560,000 | 227,200 |
| 2020 | 4.000% | 1,625,000 | - | 1,625,000 | 164,800 |
| 2021 | 4.000% | 1,690,000 | - | 1,690,000 | 99,800 |
| 2022 | 4.000% | 805,000 | - | 805,000 | 32,200 |
| | | <u>\$ 7,195,000</u> | <u>\$ -</u> | <u>\$ 7,195,000</u> | <u>\$ 796,650</u> |
| <i>Issue Dated February 17, 2015 Series</i> | | | | | |
| 2018 | 4.000% | \$ 1,335,000 | - | \$ 1,335,000 | \$ 373,650 |
| 2019 | 1.000% | 375,000 | - | 375,000 | 320,250 |
| 2020 | 5.000% | 1,015,000 | - | 1,015,000 | - |
| 2021 | 5.000% | 1,440,000 | - | 1,440,000 | 265,750 |
| 2022 | 5.000% | 1,515,000 | - | 1,515,000 | 193,750 |
| 2023 | 5.000% | 2,360,000 | - | 2,360,000 | 118,000 |
| | | <u>\$ 8,040,000</u> | <u>\$ -</u> | <u>\$ 8,040,000</u> | <u>\$ 1,271,400</u> |

SOURCE OF INFORMATION: Official Statement for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2014 and 2015.

Community Consolidated School District 59
SECURITY FOR DIRECT GENERAL OBLIGATION BONDS

| Levy Year | Outstanding Debt Service | Plus: Debt Service On The 2014 Limited Bonds | Plus: Debt Service On The 2015 Limited Bonds | Total Debt Service | Debt Service Fund Balance | Aggregate Debt Service Extension Base | Coverage |
|------------------|---------------------------------|---|---|-------------------------------|--------------------------------------|--|-----------------|
| 2016 | - | \$ 1,769,775 | \$ 1,688,075 | \$ 3,457,850 | - | \$ 5,000,000 | 1.45 |
| 2017 | - | 1,764,925 | 1,681,950 | 3,446,875 | - | 5,000,000 | 1.45 |
| 2018 | - | 1,756,000 | 1,683,000 | 3,439,000 | - | 5,000,000 | 1.45 |
| 2019 | - | 1,757,300 | 1,669,750 | 3,427,050 | - | 5,000,000 | 1.46 |
| 2020 | - | 1,756,000 | 1,670,875 | 3,426,875 | - | 5,000,000 | 1.46 |
| 2021 | - | 821,100 | 2,419,000 | 3,240,100 | - | 5,000,000 | 1.54 |

SOURCE OF INFORMATION: Official Statement for Community Consolidated School District Number 59 General Obligation Limited Tax School Bonds, Series 2014 and 2015.

Community Consolidated School District 59
 LEGAL DEBT MARGIN AND IMPACT OF OVERLAPPING DEBT
 LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Population | 32,931 | 33,238 | 33,379 | 33,419 | 33,350 | 33,272 | 33,161 | 33,124 | 33,019 | 33,092 |
| Estimated Full Market Value of Taxable Property | \$ 7,284,136,176 | \$ 7,443,154,776 | \$ 7,295,584,140 | \$ 8,495,050,806 | \$ 9,297,655,980 | \$ 10,422,080,349 | \$ 11,113,640,778 | \$ 11,865,598,704 | \$ 11,478,922,599 | \$ 9,895,902,402 |
| Equalized Assessed Valuation (EAV) | 2,708,598,823 | 2,428,045,392 | 2,481,051,592 | 2,431,861,380 | 2,831,683,602 | 3,099,218,660 | 3,474,026,783 | 3,704,546,926 | 3,955,199,568 | 3,826,307,533 |
| Statutory debt limitation (6.9% of EAV) | 186,893,319 | 167,535,132 | 171,192,560 | 167,798,435 | 195,386,169 | 213,846,088 | 239,707,848 | 255,613,738 | 272,908,770 | 264,015,220 |
| Bonded Debt June 30 | <u>15,235,000</u> | <u>18,005,000</u> | <u>20,685,000</u> | <u>5,540,000</u> | <u>8,750,000</u> | <u>13,455,000</u> | <u>17,965,000</u> | <u>22,315,000</u> | <u>26,525,000</u> | <u>30,605,000</u> |
| Legal bonded debt margin | \$ <u>171,658,319</u> | \$ <u>149,530,132</u> | \$ <u>150,507,560</u> | \$ <u>162,258,435</u> | \$ <u>186,636,169</u> | \$ <u>200,391,088</u> | \$ <u>221,742,848</u> | \$ <u>233,298,738</u> | \$ <u>246,383,770</u> | \$ <u>233,410,220</u> |
| Total net debt: | | | | | | | | | | |
| as a percentage of Debt Limit | 8.15% | 10.75% | 12.08% | 3.30% | 4.48% | 6.29% | 7.49% | 8.73% | 9.72% | 11.59% |
| as a percentage of Full Mkt Value | 0.21% | 0.24% | 0.28% | 0.07% | 0.09% | 0.13% | 0.16% | 0.19% | 0.23% | 0.31% |
| as a percentage of EAV | 0.56% | 0.74% | 0.83% | 0.23% | 0.31% | 0.43% | 0.52% | 0.60% | 0.67% | 0.80% |
| per capita \$ | 462.63 | \$ 541.70 | \$ 619.70 | \$ 165.77 | \$ 262.37 | \$ 404.39 | \$ 541.75 | \$ 673.68 | \$ 803.33 | \$ 924.85 |
| General Obligation Bonded Debt: | | | | | | | | | | |
| District | \$ 15,235,000 | \$ 18,005,000 | \$ 20,685,000 | \$ 5,540,000 | \$ 8,750,000 | \$ 13,455,000 | \$ 17,965,000 | \$ 22,315,000 | \$ 19,100,000 | \$ 30,605,000 |
| Overlapping | <u>247,227,867</u> | <u>244,457,867</u> | <u>256,757,408</u> | <u>260,079,413</u> | <u>275,682,525</u> | <u>244,096,005</u> | <u>233,403,602</u> | <u>256,084,529</u> | <u>216,921,208</u> | <u>203,493,128</u> |
| Total District and Overlapping | \$ <u>262,462,867</u> | \$ <u>262,462,867</u> | \$ <u>277,442,408</u> | \$ <u>265,619,413</u> | \$ <u>284,432,525</u> | \$ <u>257,551,005</u> | \$ <u>251,368,602</u> | \$ <u>278,399,529</u> | \$ <u>236,021,208</u> | \$ <u>234,098,128</u> |
| as a percentage of Full Mkt Value | 3.60% | 3.53% | 3.80% | 3.13% | 3.06% | 2.47% | 2.26% | 2.35% | 2.06% | 2.37% |
| as a percentage of EAV | 9.69% | 10.81% | 11.18% | 10.92% | 10.04% | 8.31% | 7.24% | 7.52% | 5.97% | 6.12% |
| per capita \$ | 7,970.08 | \$ 7,896.47 | \$ 8,311.88 | \$ 7,948.16 | \$ 8,528.71 | \$ 7,740.77 | \$ 7,580.25 | \$ 8,404.77 | \$ 7,148.04 | \$ 7,074.16 |

(1) SOURCE OF INFORMATION: Direct and Overlapping General Obligation Bonded Debt and Office of the County Clerk, Cook County, IL

Note: Statutory Debt limitation is established by the Illinois General Assembly and promulgated by the Illinois Compiled Statutes.

Community Consolidated School District 59
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
June 30, 2017

| <u>Taxing District</u> | <u>Outstanding Bonds</u> | <u>Applicable to District</u> | |
|--|------------------------------|-------------------------------|------------------------------|
| | | <u>Percent</u> | <u>Amount</u> |
| Community Consolidated School Dist. 59 | \$15,235,000 | 100.000% | \$15,235,000 |
| <u>Overlapping Districts:</u> | | | |
| Cook County | 3,213,141,750 | 1.891% | 60,760,510 |
| Cook County Forest Preserve | 159,440,240 (3) | 1.891% | 3,015,015 |
| Metropolitan Water Reclamation District | 2,583,922,748 (1) | 1.927% | 49,792,191 |
| <u>Municipalities:</u> | | | |
| Village of Arlington Heights | 62,225,000 (2) | 12.556% | 7,812,971 |
| City of Des Plaines | 475,000 (2) | 16.042% | 76,200 |
| Village of Elk Grove Village | 73,085,000 | 75.299% | 55,032,274 |
| Village of Mount Prospect | 42,595,000 | 25.565% | 10,889,412 |
| City of Rolling Meadows | 7,455,000 (5) | 8.109% | 604,526 |
| <u>Park Districts:</u> | | | |
| Arlington Heights Park District | 18,485,000 (4) | 13.768% | 2,545,015 |
| Elk Grove Park District | 5,940,000 | 82.422% | 4,895,867 |
| Mt. Prospect Park District | 6,780,000 (3) | 54.960% | 3,726,288 |
| Rolling Meadows Park District | 2,725,000 | 10.324% | 281,329 |
| <u>School Districts:</u> | | | |
| Arlington Heights High School 214 | 39,490,000 (4) | 31.693% | 12,515,566 |
| Harper Community College 512 | 153,255,000 | 15.471% | <u>23,710,081</u> |
| TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT | | | <u>\$ 250,892,245</u> |

- (1) Includes IEPA Revolving Loan Fund Bonds
- (2) Excludes self-supporting bonds
- (3) Excludes outstanding principal amounts of General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (4) Excludes outstanding Debt Certificates
- (5) Includes self-supporting bonds

Sources: Offices of the Cook County Clerk, Comptroller and Treasurer of the Metropolitan Water Reclamation District

Community Consolidated School District 59
PRINCIPAL PROPERTY TAX PAYERS IN THE DISTRICT
CURRENT TAX LEVY YEAR AND NINE YEARS AGO

| Taxpayer | Type of Business, Property | 2016 Equalized Assessed Value | Percent of District's Total EAV |
|---|---|--|--|
| Co Prologis Re Tax | Industrial buildings | \$58,285,894 | 2.15% |
| Tarantula Ventures LLC | Industrial property | 33,291,134 | 1.23% |
| WSC ASP CT Holding SVII | Commercial building over three stories and industrial properties | 32,901,226 | 1.21% |
| United Air Lines | Commercial building over three stories | 24,802,012 | 0.92% |
| Home Properties Colony & Home Properties of New York | Apartments | 23,004,800 | 0.85% |
| MLRP & Wille Road LLC | Numerous industrial properties | 22,874,204 | 0.84% |
| Regent O'Hare LLC | Industrial building | 22,056,791 | 0.81% |
| Alexian Brothers Health System | Commercial building over three stories, Special commercial structure | 20,207,794 | 0.75% |
| Arthur J. Rogers & Co. | Numerous industrial properties | 17,848,011 | 0.66% |
| Natl Tax Search LLC | Industrial building | <u>13,963,824</u> | <u>0.52%</u> |
| | | <u>\$269,235,690</u> | <u>9.94%</u> |
| <u>Taxpayer</u> | <u>Type of Business, Property</u> | <u>2007 Equalized Assessed Value</u> | <u>Percent of District's Total EAV</u> |
| Prime Group Realty | Commercial building over three stories and industrial properties | \$60,704,357 | 1.84% |
| Crane & Norcross | Management company for numerous industrial properties | 56,737,823 | 1.72% |
| United Air Lines | Commercial building over three stories | 35,300,562 | 1.07% |
| Draper & Kramer RIC | Numerous industrial properties | 32,550,429 | 0.99% |
| Centerpoint Properties | Numerous industrial properties | 26,813,190 | 0.81% |
| Home Properties Colony | Apartments | 26,496,381 | 0.80% |
| B.H. Management Services | Apartments | 23,016,468 | 0.70% |
| AMB Property RE Tax | Numerous industrial properties | 21,267,659 | 0.64% |
| MLRP | Commercial building over three stories | 20,171,027 | 0.61% |
| Deloitte Property Tax | Commercial building over three stories | <u>20,104,317</u> | <u>0.61%</u> |
| | | <u>\$323,162,214</u> | <u>9.79%</u> |

Source: Cook County Clerk's and Assessor's Offices

Community Consolidated School District 59

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2017

| Employer | Employees | Percentage of Total Employment |
|---|---------------|--------------------------------------|
| Northwest Community Hospital | 4,000 | 11.50% |
| Alexian Bros. Medical Center | 3,000 | 8.60% |
| Northrop Grumman Corp. | 1,900 | 5.50% |
| Township High School District 214 | 1,670 | 4.80% |
| ADP | 1,500 | 4.30% |
| UOP, LLC (Division HQ) | 1,500 | 4.30% |
| Holy Family Medical Center | 1,036 | 3.00% |
| Oakton Community College | 990 | 2.80% |
| Community Consolidated School District 59 | 869 | 2.50% |
| CVS Caremark | 850 | 2.40% |
| Arlington International Race Track | 845 | 2.40% |
| | <u>18,160</u> | <u>52.10%</u> |

2008

| Employer | Employees | Percentage of Total Employment |
|--------------------------------|--------------|--------------------------------------|
| Alexian Bros Medical Center | 1,800 | 1.80% |
| Automatic Data Processing | 850 | 0.85% |
| CitiGroup | 700 | 0.70% |
| Village of Elk Grove | 375 | 0.38% |
| Metal Impact | 315 | 0.32% |
| Quebecor World | 300 | 0.30% |
| H.C. Brill Co. | 300 | 0.30% |
| American Academy of Pediatrics | 300 | 0.30% |
| Elk Grove High School | 250 | 0.25% |
| Banta Direct Marketing | 250 | 0.25% |
| | <u>5,440</u> | <u>5.45%</u> |

Sources:

- (1) 2017 Illinois Manufacturers Directory
- (2) 2017 Illinois Services Directory
- (3) ReferenceUSA.com Database
- (4) Employer Official Website and/or Financial Documents

Community Consolidated School District 59
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

| Calendar Year | <u>Population</u> | <u>Total Personal Income</u> | <u>Income Per Capita</u> | <u>Unemployment Rate</u> |
|--------------------------|--------------------------|---|---|-------------------------------------|
| 2016 | 32,931 | * | * | 5.0% |
| 2015 | 33,238 | 1,124,308,588 | 33,826 | 5.0% |
| 2014 | 33,288 | 1,112,584,824 | 33,423 | 5.8% |
| 2013 | 33,419 | 1,130,230,580 | 33,820 | 7.4% |
| 2012 | 33,350 | 1,046,756,450 | 31,387 | 7.4% |
| 2011 | 33,272 | 1,043,680,524 | 32,527 | 7.8% |
| 2010 | 33,161 | 1,078,627,847 | 32,527 | 8.5% |
| 2009 | 33,124 | 1,104,354,160 | 33,340 | 8.7% |
| 2008 | 33,019 | 1,086,853,404 | 32,916 | 4.8% |
| 2007 | 33,092 | 1,077,806,440 | 32,570 | 4.0% |

SOURCE OF INFORMATION: Village of Elk Grove Village, IL CAFR

* This information was not available at the time the audit was released.

Community Consolidated School District 59

OPERATING STATISTICS

LAST TEN FISCAL YEARS

| Fiscal Year | Average Daily Attendance (1) | Operating Cost (2) | Operating Cost per Pupil | Percentage Change | Allowable Tuition Costs (2) | Tuition Charge per Pupil | Percentage Change | Teacher FTE (3) * | Average Class Size (3) * | Low Income Rate (3) * |
|--------------------|-------------------------------------|---------------------------|---------------------------------|--------------------------|------------------------------------|---------------------------------|--------------------------|--------------------------|---------------------------------|------------------------------|
| 2008 | 5,481 | 69,636,409 | 12,705 | 2.04% | 64,796,288 | 11,822 | -0.53% | 443.0 | 14.9 | 36.20% |
| 2009 | 5,474 | 74,529,309 | 13,615 | 7.16% | 68,586,632 | 12,530 | 5.98% | 453.0 | 14.4 | 39.90% |
| 2010 | 5,630 | 79,043,025 | 14,039 | 3.11% | 73,973,115 | 13,138 | 4.86% | 444.0 | 15.0 | 40.90% |
| 2011 | 5,659 | 79,399,054 | 14,030 | -0.06% | 72,966,761 | 12,893 | -1.87% | 448.0 | 15.1 | 49.20% |
| 2012 | 5,835 | 78,615,599 | 13,473 | -3.97% | 72,540,591 | 12,432 | -3.57% | 451.0 | 15.5 | 51.50% |
| 2013 | 5,913 | 84,463,713 | 14,286 | 6.03% | 76,992,761 | 13,022 | 4.74% | 471.0 | 19.7 | 52.20% |
| 2014 | 5,841 | 87,820,965 | 15,036 | 5.25% | 77,170,503 | 13,212 | 1.46% | 481.0 | 19.0 | 54.00% |
| 2015 | 6,226 | 87,664,445 | 14,079 | -6.36% | 76,080,707 | 12,220 | -7.51% | 476.0 | 17.0 | 62.00% |
| 2016 | 6,343 | 92,048,384 | 14,512 | 3.07% | 81,454,036 | 12,842 | 5.09% | 476.0 | 20.0 | 53.60% |
| 2017 | 6,312 | 81,971,068 | 12,987 | -10.51% | 75,523,194 | 11,966 | -6.82% | 481.0 | 21.0 | 59.00% |

SOURCE OF INFORMATION:

- (1) General State Aid Claim
- (2) ISBE Annual Financial Report
- (3) Illinois District Report Card

Community Consolidated School District 59
PEAK ENROLLMENT, AVERAGE DAILY MEMBERSHIP
AND AVERAGE DAILY ATTENDANCE

| Fiscal Year Ended June 30, | Peak Enrollment (1) | Average Daily Membership (2) (ADM) | Average Daily Attendance (3) (ADA) | Percent of ADA to ADM |
|---|--------------------------------|---|---|--------------------------------------|
| 2017 | 6,803 | 6,866 | 6,312 | 91.93% |
| 2016 | 6,958 | 6,902 | 6,343 | 91.90% |
| 2015 | 6,933 | 6,579 | 6,226 | 94.63% |
| 2014 | 6,767 | 6,288 | 5,841 | 92.89% |
| 2013 | 6,690 | 6,220 | 5,913 | 95.06% |
| 2012 | 6,469 | 6,014 | 5,835 | 97.03% |
| 2011 | 6,263 | 5,841 | 5,659 | 96.89% |
| 2010 | 6,211 | 5,769 | 5,630 | 97.59% |
| 2009 | 6,040 | 5,616 | 5,474 | 97.48% |
| 2008 | 6,123 | 5,685 | 5,481 | 96.42% |

- (1) Fall Enrollment Counts. Includes outsourced students.
- (2) Illinois Report Card
- (3) Annual General State Aid Claim

Community Consolidated School District 59
HISTORICAL AND PROJECTED ENROLLMENT BY GRADE

| Fiscal Year Ended June 30, | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|
| 2018* | 705 | 765 | 801 | 752 | 815 | 792 | 773 | 747 | 746 | 6,896 |
| 2017 | 702 | 691 | 702 | 773 | 767 | 757 | 716 | 721 | 687 | 6,516 |
| 2016 | 676 | 696 | 783 | 775 | 757 | 733 | 739 | 695 | 707 | 6,561 |
| 2015 | 696 | 795 | 777 | 765 | 749 | 743 | 711 | 695 | 761 | 6,692 |
| 2014 | 737 | 764 | 772 | 727 | 742 | 697 | 691 | 757 | 707 | 6,594 |
| 2013 | 724 | 775 | 713 | 750 | 703 | 699 | 749 | 652 | 702 | 6,467 |
| 2012 | 732 | 708 | 748 | 693 | 663 | 740 | 637 | 699 | 652 | 6,272 |
| 2011 | 660 | 710 | 674 | 666 | 725 | 636 | 679 | 644 | 670 | 6,064 |
| 2010 | 677 | 669 | 665 | 728 | 634 | 672 | 657 | 677 | 654 | 6,033 |
| 2009 | 618 | 662 | 729 | 606 | 652 | 633 | 650 | 644 | 692 | 5,886 |
| 2008 | 622 | 737 | 629 | 662 | 636 | 654 | 650 | 706 | 653 | 5,949 |

SOURCE OF INFORMATION: ISBE Fall Housing Report and CCSD 59 Demographic Study. Excludes pre-school students.

While the District offers a pre-school program, their enrollment is not provided in this schedule.

*Projected Enrollment

Community Consolidated School District 59

STAFFING

| Position | Total | POSITIONS BY EMPLOYEE GROUPS | | | | |
|---|-------------------------------|------------------------------|-------------|--------------|--------------|-------------|
| | | Total | Non-Neg | Certified | Classified | Cameo |
| Building Administrators | 31.6 | 31.6 | | | | |
| Custodians | 49.0 | | | | | 49.0 |
| District Administrators | 15.0 | 15.0 | | | | |
| Educational Services (Certified) | 53.7 | | | 53.7 | | |
| Maintenance | 11.0 | | | | | 11.0 |
| Non-Negotiated | 24.0 | | 24.0 | | | |
| Nurse/Health Care Assistant | 16.0 | | | 2.0 | 14.0 | |
| Secretary | 53.0 | | | | 53.0 | |
| Teacher Assistant | 147.5 | | | | 147.5 | |
| Teacher Elementary | 283.0 | | | 283.0 | | |
| Teacher Junior High | 144.5 | | | 144.5 | | |
| Teacher Ad Building Coaches/DEA President | 19.0 | | | 19.0 | | |
| Teacher Special Education | 61.5 | | | 61.5 | | |
| TOTAL | 908.8 | 46.6 | 24.0 | 563.7 | 214.5 | 60.0 |
| | Percent of Total Staff | 5.1% | 2.6% | 62.0% | 23.6% | 6.6% |

SOURCE OF INFORMATION: District Software Skyward

Community Consolidated School District 59
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Elementary | | | | | | | | | | |
| Brentwood (1963) | | | | | | | | | | |
| Square feet | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 | 54,148 |
| Capacity (1) | 492 | 492 | 492 | 492 | 492 | 492 | 492 | 492 | 492 | 492 |
| Enrollment (2) | 385 | 377 | 407 | 405 | 465 | 443 | 422 | 441 | 410 | 436 |
| Percent of Capacity | 78.21% | 76.59% | 82.68% | 82.27% | 94.46% | 89.99% | 85.73% | 89.59% | 83.29% | 88.57% |
| Byrd (1967) | | | | | | | | | | |
| Square feet | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 | 48,193 |
| Capacity | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 |
| Enrollment | 367 | 343 | 339 | 329 | 339 | 329 | 361 | 375 | 376 | 381 |
| Percent of Capacity | 83.77% | 78.29% | 77.38% | 75.09% | 77.38% | 75.09% | 82.40% | 85.59% | 85.82% | 86.96% |
| Clearmont (1961) | | | | | | | | | | |
| Square feet | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 | 54,675 |
| Capacity | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Enrollment | 335 | 323 | 326 | 329 | 339 | 376 | 410 | 417 | 437 | 407 |
| Percent of Capacity | 67.40% | 64.98% | 65.59% | 66.19% | 68.20% | 75.65% | 82.49% | 83.90% | 87.92% | 81.88% |
| Devonshire (1963) | | | | | | | | | | |
| Square feet | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 | 48,767 |
| Capacity | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 |
| Enrollment | 320 | 321 | 349 | 349 | 357 | 416 | 422 | 441 | 448 | 451 |
| Percent of Capacity | 72.18% | 72.41% | 78.72% | 78.72% | 80.53% | 93.83% | 95.19% | 99.47% | 101.05% | 101.73% |
| Forest View (1962) | | | | | | | | | | |
| Square feet | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 | 56,796 |
| Capacity | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 |
| Enrollment | 336 | 361 | 392 | 374 | 393 | 397 | 422 | 444 | 444 | 434 |
| Percent of Capacity | 65.08% | 69.92% | 75.92% | 72.43% | 76.11% | 76.89% | 81.73% | 85.99% | 85.99% | 84.06% |
| Frost (1964) | | | | | | | | | | |
| Square feet | 47,643 | 47,643 | 47,643 | 47,643 | 47,643 | 56,643 | 56,643 | 56,643 | 56,643 | 56,643 |
| Capacity | 433 | 433 | 433 | 433 | 433 | 515 | 515 | 515 | 515 | 515 |
| Enrollment | 390 | 397 | 418 | 442 | 460 | 493 | 481 | 445 | 410 | 393 |
| Percent of Capacity | 90.04% | 91.66% | 96.51% | 102.05% | 106.21% | 95.74% | 93.41% | 86.42% | 79.62% | 76.32% |
| John Jay (1967) | | | | | | | | | | |
| Square feet | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 | 46,500 |
| Capacity | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 | 423 |
| Enrollment | 316 | 305 | 318 | 322 | 373 | 358 | 360 | 381 | 354 | 339 |
| Percent of Capacity | 74.75% | 72.15% | 75.23% | 76.17% | 88.24% | 84.69% | 85.16% | 90.13% | 83.74% | 80.19% |
| Low (1965) | | | | | | | | | | |
| Square feet | 62,212 | 62,212 | 62,212 | 75,713 | 75,713 | 75,713 | 75,713 | 75,713 | 75,713 | 75,713 |
| Capacity | 566 | 566 | 566 | 688 | 688 | 688 | 688 | 688 | 688 | 688 |
| Enrollment | 378 | 366 | 393 | 379 | 377 | 403 | 395 | 412 | 415 | 430 |
| Percent of Capacity | 66.84% | 64.71% | 69.49% | 55.06% | 54.77% | 58.55% | 57.39% | 59.86% | 60.29% | 62.47% |
| Ridge (1959) | | | | | | | | | | |
| Square feet | 39,926 | 39,926 | 39,926 | 39,926 | 46,426 | 46,426 | 46,426 | 46,426 | 46,426 | 46,426 |
| Capacity | 363 | 363 | 363 | 363 | 422 | 422 | 422 | 422 | 422 | 422 |
| Enrollment | 315 | 290 | 246 | 259 | 340 | 276 | 266 | 259 | 237 | 254 |
| Percent of Capacity | 86.79% | 79.90% | 67.78% | 71.36% | 80.56% | 65.39% | 63.03% | 61.37% | 56.15% | 60.18% |
| Rupley (1958) | | | | | | | | | | |
| Square feet | 50,882 | 50,882 | 50,882 | 50,882 | 59,382 | 59,382 | 59,382 | 59,382 | 59,382 | 59,382 |
| Capacity | 463 | 463 | 463 | 463 | 540 | 540 | 540 | 540 | 540 | 540 |
| Enrollment | 371 | 425 | 438 | 453 | 413 | 470 | 468 | 464 | 453 | 438 |
| Percent of Capacity | 80.21% | 91.88% | 94.69% | 97.93% | 76.50% | 87.06% | 86.69% | 85.95% | 83.91% | 81.14% |
| Salt Creek (1968) | | | | | | | | | | |
| Square feet | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 | 74,057 |
| Capacity | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 |
| Enrollment | 500 | 452 | 419 | 430 | 436 | 403 | 432 | 448 | 436 | 429 |
| Percent of Capacity | 74.27% | 67.14% | 62.24% | 63.87% | 64.76% | 59.86% | 64.17% | 66.54% | 64.76% | 63.72% |
| Junior High | | | | | | | | | | |
| Friendship (1971) | | | | | | | | | | |
| Square feet | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 | 101,668 |
| Capacity | 813 | 813 | 813 | 813 | 813 | 813 | 813 | 813 | 813 | 813 |
| Enrollment | 657 | 635 | 639 | 666 | 662 | 729 | 719 | 750 | 688 | 665 |
| Percent of Capacity | 80.78% | 78.07% | 78.56% | 81.88% | 81.39% | 89.63% | 88.40% | 92.21% | 84.59% | 81.76% |
| Grove (1960) | | | | | | | | | | |
| Square feet | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 | 116,274 |
| Capacity | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 |
| Enrollment | 913 | 913 | 889 | 844 | 862 | 832 | 855 | 901 | 927 | 945 |
| Percent of Capacity | 98.15% | 98.15% | 95.57% | 90.73% | 92.67% | 89.44% | 91.92% | 96.86% | 99.66% | 101.59% |
| Holmes (1966) | | | | | | | | | | |
| Square feet | 86,492 | 86,492 | 86,492 | 86,492 | 86,492 | 86,492 | 86,492 | 86,492 | 145,460 | 145,460 |
| Capacity | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 1,164 | 1,164 |
| Enrollment | 439 | 438 | 460 | 483 | 508 | 542 | 532 | 515 | 658 | 815 |
| Percent of Capacity | 63.45% | 63.30% | 66.48% | 69.80% | 73.42% | 78.33% | 76.89% | 74.43% | 56.54% | 70.04% |

SOURCE OF INFORMATION:

Pupil capacity based on 110 square feet per pupil for grades PreK-5 and 125 square feet per pupil for grades 6-8.

These square footage per student assumptions are used as general parameters by architects when developing models for school design.