

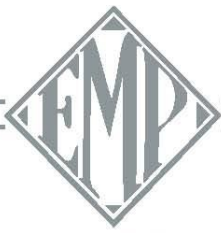
**COOK COUNTY SCHOOL DISTRICT NO. 92  
BROADVIEW, ILLINOIS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

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## EVANS, MARSHALL & PEASE, P.C.

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AND CONSULTANTS

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### Independent Auditor's Report

Board of Education  
Cook County School District No. 92  
Broadview, Illinois 60155

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cook County School District No. 92 (the "District"), Broadview, Illinois, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

#### Basis for Qualified Opinion

The District has elected to omit the disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

## **Qualified Opinion**

In our opinion, except for the effect of the omission discussed in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cook County School District No. 92, Broadview, Illinois, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Prior-Year Comparative Information*

We have previously audited the District’s 2016 financial statements, and we expressed qualified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 11, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We 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 October 11, 2016, which contained qualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information as listed in the table of contents for the year ended June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016

financial statements. The information has 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 those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is 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 December 14, 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.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

December 14, 2017  
Rolling Meadows, IL  
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### **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Education  
Cook County School District No. 92  
Broadview, Illinois 60155

We have audited, in accordance with the 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, the financial statements of Cook County School District No. 92 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cook County School District No. 92's financial statements, and have issued our report thereon dated December 14, 2017. The financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, in accordance with generally accepted accounting principles accepted in the United States.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cook County School District No. 92's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cook County School District No. 92's internal control. Accordingly, we do not express an opinion on the effectiveness of Cook County School District No. 92's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cook County School District No. 92's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

December 14, 2017  
Rolling Meadows, Illinois



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**



The management's discussion and analysis of Cook County School District 92's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

### **Financial Highlights**

- General revenues accounted for \$6,850,503 or 63.2% of all revenues. Program specific revenues in the form of charges for services, fees and grants accounted for \$3,996,380 or 36.8% of total revenues of \$10,846,883.
- The District incurred \$10,269,305 in total expenses related to government activities and \$10,846,883 in total revenue.
- The District continued to pay down its long-term debt retiring \$355,560 in fiscal 2017.
- Interest on investments has increased from the prior year. All investment principal is secured by FDIC, collateralization, letters of credit and insured deposits.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

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

#### *Government-wide financial statements*

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

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

*Fund financial statements*

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and activities.

The District currently maintains nine individual governmental funds and accounts. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund (which includes the Educational Account and the Working Cash Account), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Tort Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

*Notes to basic financial statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Required supplementary information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

**District-Wide Financial Analysis**

The District's total net position improved to \$14,898,341 at June 30, 2017; this is an increase of \$577,578 from the total net position at June 30, 2016.

**Table 1**  
**Condensed Statement of Net Position**

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current and other assets	\$ 12,140,238	\$ 11,490,707
Capital assets	<u>8,391,657</u>	<u>8,641,330</u>
Total Assets	<u>20,531,895</u>	<u>20,132,037</u>
<b>Deferred Outflows of Resources:</b>		
Pensions	<u>489,100</u>	<u>432,982</u>
Total Deferred Outflows of Resources	<u>489,100</u>	<u>432,982</u>
<b>Liabilities:</b>		
Current liabilities	467,930	492,667
Non-current liabilities	<u>2,773,035</u>	<u>2,903,729</u>
Total Liabilities	<u>3,240,965</u>	<u>3,396,396</u>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue - property tax	2,739,875	2,663,986
Pensions	<u>141,814</u>	<u>183,874</u>
Total Deferred Inflows of Resources	<u>2,881,689</u>	<u>2,847,860</u>
<b>Net Position:</b>		
Net investment in capital assets	6,143,193	6,094,625
Restricted for:		
Operations and maintenance	542,439	680,580
Debt service	225,203	197,638
Transportation	586,614	617,273
Municipal retirement/social security	256,417	111,666
Capital projects	59,339	59,002
Tort	213,523	107,024
Fire prevention and safety	218,491	146,348
Unrestricted	<u>6,653,122</u>	<u>6,306,607</u>
Total Net Position	<u>14,898,341</u>	<u>14,320,763</u>

The District has set fund balance goals in each of its funds in order to track progress towards balancing the District's budget.

The District's revenues in the governmental fund activities of \$10,846,883 exceeded its expenses of \$10,269,305 by \$577,578.

**Table 2**  
**Changes in Net Position**

	<u>2017</u>	<u>2016</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 57,950	\$ 48,958
Operating grants and contributions	3,938,430	2,419,714
<i>General revenues:</i>		
Taxes	5,739,510	5,934,854
General state aid	954,778	853,516
Other	156,215	34,697
Total revenues	<u>10,846,883</u>	<u>9,291,739</u>
<b>Expenses:</b>		
Instruction	6,017,146	4,295,579
Support services	2,852,758	2,182,193
Other	1,399,401	1,353,181
Total expenses	<u>10,269,305</u>	<u>7,830,953</u>
<b>Change in Net Position</b>	577,578	1,460,786
<b>Net Position, Beginning</b>	<u>14,320,763</u>	<u>12,859,977</u>
<b>Net Position, Ending</b>	<u>\$ 14,898,341</u>	<u>\$ 14,320,763</u>

Taxes accounted for the largest portion of the District's revenues, contributing 52.9%. The remainder of revenues came from state and federal grants and other sources. The total cost of all the District's programs was \$10,263,705, mainly related to instructing and caring for the students, as well as student transportation.

**Financial Analysis of the District's Funds**

- The General Fund balance increased by \$531,111 to an ending balance of \$9,537,712.
- The Operations and Maintenance Fund balance decreased by \$125,732 to an ending balance of \$554,848.
- The Debt Service Fund balance increased by \$32,228 to an ending balance of \$237,958.
- The Transportation Fund balance decreased by \$278,609 to an ending balance of \$338,664.
- The Municipal Retirement/Social Security Fund balance increased by \$379,897 to an ending balance of \$491,563.
- The Capital Projects Fund balance increased by \$337 to an ending balance of \$59,339.
- The Tort Fund balance increased by \$178,876 to an ending balance of \$285,900.
- The Fire Prevention and Safety Fund balance increased by \$74,385 to an ending balance of \$220,733.

**Budgetary Information**

For the year ended June 30, 2017, actual expenditures exceeded budgeted expenditures in the Educational Account by \$3,252,987; the Operations and Maintenance Fund by \$30,729; the Transportation Fund by \$28,448; and in the Debt Service Fund by \$20,028. The Educational Account expenditures exceeded budget primarily due to unbudgeted "on-behalf" payments from the State of Illinois in the amount of \$3,227,625. Without state on-behalf contributions, actual expenditures would have exceeded budgeted expenditures by only \$19,762. The excess of actual expenditures over budgeted expenditures were funded by available fund balances and transfers from other funds.

### Capital Assets and Debt Administration

#### Capital assets

At the end of fiscal 2017, the District had compiled a total investment in capital assets of \$14,216,812 (\$8,391,657 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$362,496. More detailed information about capital assets can be found in Note 3 of the basic financial statements.

**Table 3**  
**Capital Assets, Net of**  
**Accumulated Depreciation**

	<u>2017</u>	<u>2016</u>
Land	\$ 314,014	\$ 314,014
Equipment	294,164	232,570
Buildings	<u>7,783,479</u>	<u>8,094,746</u>
Total	<u>\$ 8,391,657</u>	<u>\$ 8,641,330</u>

#### Long-term debt

The District retired \$320,000 in bonds in fiscal 2017. At the end of fiscal 2017, the District had a debt margin of \$3,428,552. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

**Table 4**  
**Outstanding Long-Term Debt**

	<u>2017</u>	<u>2016</u>
General Obligation and Capital Appreciation Bonds	\$ 2,210,000	\$ 2,530,000
Capital Leases	<u>38,464</u>	<u>16,975</u>
Total	<u>\$ 2,248,464</u>	<u>\$ 2,546,975</u>

### Factors Bearing on the District's Future

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

#### Revenues:

Of the District revenues, 50.76% come from local sources (ie, local real estate taxes). The District is dependent on economic development and new growth to bring in revenues above the (CPI) tax cap to support operating expenses. Recent changes in the economy may affect these revenues.

#### Expenses:

Capital Leases - The District has instituted a lease strategy for the replacement of copiers District-wide. This strategy should equalize expenses in this area by year 4 of the lease and help greatly in planning annual cash flows.

Life Safety – The District is currently working with the District's Board Members on reviewing major projects that need to be addressed.

### Requests for Information

The financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the report, or need additional financial information, contact the District's business office: Cook County School District 92, Mr. Kerry Dean, Director of Business Operations, 2400 South 18<sup>th</sup> Avenue, Broadview, IL. 60155.

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## **BASIC FINANCIAL STATEMENTS**



COOK COUNTY SCHOOL DISTRICT NO. 92  
STATEMENT OF NET POSITION  
JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2016

	2017	2016
<b>ASSETS</b>		
Cash and investments	\$ 9,130,651	\$ 8,647,383
Receivables (net of allowance for uncollectibles):		
Interest	17,033	13,777
Property taxes	2,739,875	2,663,987
Replacement taxes	36,903	38,073
Intergovernmental	188,608	100,795
Prepaid items	27,168	26,692
Capital assets not being depreciated:		
Land	314,014	314,014
Capital assets, net of accumulated depreciation		
Buildings, improvements and equipment	8,077,643	8,327,316
Total Assets	20,531,895	20,132,037
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	489,100	432,982
Total Deferred Outflows of Resources	489,100	432,982
<b>LIABILITIES</b>		
Accounts payable	104,527	143,307
Salaries and wages payable	1,924	5,163
Payroll deductions payable	(101)	469
Interest payable	7,166	8,092
Non-current Liabilities:		
Due within one year	354,414	335,636
Due in more than one year	2,773,035	2,903,729
Total Liabilities	3,240,965	3,396,396
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property tax	2,739,875	2,663,986
Pensions	141,814	183,874
Total Deferred Inflows of Resources	2,881,689	2,847,860
<b>NET POSITION</b>		
Net investment in capital assets	6,143,193	6,094,625
Restricted for:		
Operations and maintenance	542,439	680,580
Debt service	225,203	197,638
Transportation	586,614	617,273
Municipal retirement/Social security	256,417	111,666
Capital projects	59,339	59,002
Tort	213,523	107,024
Fire prevention and safety	218,491	146,348
Unrestricted	6,653,122	6,306,607
Total Net Position	\$ 14,898,341	\$ 14,320,763

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

COOK COUNTY SCHOOL DISTRICT NO. 92  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/ PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	2017	2016
Governmental Activities:					
Instruction:					
Regular programs	\$ 2,245,049	\$ 51,134	\$ 139,875	\$ (2,054,040)	\$ (1,881,809)
Regular programs - Pre-K	128,385	-	-	(128,385)	(124,541)
Special programs	257,385	-	188,307	(69,078)	(37,504)
Other instructional programs	158,702	6,816	123,809	(28,077)	(26,605)
State on-behalf retirement	3,227,625	-	3,227,625	-	-
Support services:					
Pupils	138,628	-	-	(138,628)	(108,622)
Instructional staff	145,056	-	12,044	(133,012)	(84,500)
General administration	650,066	-	-	(650,066)	(442,789)
School administration	331,754	-	-	(331,754)	(304,450)
Business	617,706	-	232,280	(385,426)	(260,996)
Operations and maintenance	570,835	-	6,350	(564,485)	(473,457)
Transportation	159,031	-	8,140	(150,891)	(65,821)
Other support services	239,682	-	-	(239,682)	(198,006)
Community services	15,102	-	-	(15,102)	(14,013)
Payments to other governmental units	925,026	-	-	(925,026)	(869,464)
Debt service:	-	-	-	-	-
Interest	96,327	-	-	(96,327)	(100,055)
Other	450	-	-	(450)	(450)
Depreciation - unallocated	362,496	-	-	(362,496)	(369,199)
<b>Total Governmental Activities</b>	<b>\$ 10,269,305</b>	<b>\$ 57,950</b>	<b>\$ 3,938,430</b>	<b>\$ (6,272,925)</b>	<b>\$ (5,362,281)</b>
GENERAL REVENUE					
Taxes:					
Real estate taxes, levied for general purposes				5,071,163	5,279,039
Real estate taxes, levied for debt service				434,798	444,356
Corporate personal property replacement taxes				233,549	211,459
State aid - formula grants				954,778	853,516
Interest on investments				54,548	12,773
Loss on sale of capital assets				-	(572)
Other				101,667	22,496
<b>Total General Revenues</b>				<b>6,850,503</b>	<b>6,823,067</b>
<b>CHANGE IN NET POSITION</b>				<b>577,578</b>	<b>1,460,786</b>
<b>NET POSITION, BEGINNING</b>				<b>14,320,763</b>	<b>12,859,977</b>
<b>NET POSITION, ENDING</b>				<b>\$ 14,898,341</b>	<b>\$ 14,320,763</b>

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

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COOK COUNTY SCHOOL DISTRICT NO. 92  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017

WITH SUMMARIZED COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund
<b>ASSETS</b>				
Cash and investments	\$ 7,996,380	\$ 383,757	\$ 45,785	\$ 92,486
Receivables (net of allowance for uncollectibles):				
Interest	13,689	835	233	1,606
Property taxes	1,510,446	210,170	216,306	316,062
Replacement taxes	36,903	-	-	-
Intergovernmental	184,529	-	-	4,079
Interfund receivables	-	-	-	-
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 9,741,947</b>	<b>\$ 594,762</b>	<b>\$ 262,324</b>	<b>\$ 414,233</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 33,270	\$ 16,576	\$ -	\$ 40,241
Salaries and wages payable	1,924	-	-	-
Interfund receivables	-	-	-	-
Other liabilities	(498)	-	-	-
<b>Total Liabilities</b>	<b>34,696</b>	<b>16,576</b>	<b>-</b>	<b>40,241</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property tax	169,539	23,338	24,366	35,328
<b>Total Deferred Inflows of Resources</b>	<b>169,539</b>	<b>23,338</b>	<b>24,366</b>	<b>35,328</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	554,848	237,958	338,664
Unassigned	9,537,712	-	-	-
<b>Total Fund Balance</b>	<b>9,537,712</b>	<b>554,848</b>	<b>237,958</b>	<b>338,664</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 9,741,947</b>	<b>\$ 594,762</b>	<b>\$ 262,324</b>	<b>\$ 414,233</b>

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

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total	
				2017	2016
\$ 248,530	\$ 59,230	\$ 118,051	\$ 186,432	\$ 9,130,651	\$ 8,647,383
160	109	158	243	17,033	13,777
274,368	-	174,415	38,108	2,739,875	2,663,987
-	-	-	-	36,903	38,073
-	-	-	-	188,608	100,795
-	-	-	-	-	70,000
-	-	27,168	-	27,168	26,692
<u>\$ 523,058</u>	<u>\$ 59,339</u>	<u>\$ 319,792</u>	<u>\$ 224,783</u>	<u>\$ 12,140,238</u>	<u>\$ 11,560,707</u>
\$ -	\$ -	\$ 14,440	\$ -	\$ 104,527	\$ 143,307
-	-	-	-	1,924	5,163
-	-	-	-	-	70,000
397	-	-	-	(101)	469
<u>397</u>	<u>-</u>	<u>14,440</u>	<u>-</u>	<u>106,350</u>	<u>218,939</u>
<u>31,098</u>	<u>-</u>	<u>19,452</u>	<u>4,050</u>	<u>307,171</u>	<u>407,544</u>
<u>31,098</u>	<u>-</u>	<u>19,452</u>	<u>4,050</u>	<u>307,171</u>	<u>407,544</u>
-	-	27,168	-	27,168	26,692
491,563	59,339	258,732	220,733	2,161,837	1,900,931
-	-	-	-	9,537,712	9,006,601
<u>491,563</u>	<u>59,339</u>	<u>285,900</u>	<u>220,733</u>	<u>11,726,717</u>	<u>10,934,224</u>
<u>\$ 523,058</u>	<u>\$ 59,339</u>	<u>\$ 319,792</u>	<u>\$ 224,783</u>	<u>\$ 12,140,238</u>	<u>\$ 11,560,707</u>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017

Total fund balances-governmental funds (Exhibit C) \$ 11,726,717

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

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole:

Cost of capital assets	\$ 14,216,812	
Accumulated depreciation	<u>(5,825,155)</u>	8,391,657

Certain revenues receivable by the District and recognized in the governmental funds balance sheet do not provide current financial resources and are unearned in the statement of net position, as follows:

Property tax revenues	(2,432,704)	
Pensions	<u>(141,814)</u>	(2,574,518)

Deferred charges included in the statement of net position are not available to be paid with current period revenues and therefore are not recognized in the governmental funds balance sheet.

Pensions	<u>489,100</u>	489,100
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. All liabilities, both current and long-term, are reported in the statement of net position.

Long-term debt payable	(2,248,464)	
Pensions	(861,459)	
Compensated absences	(17,526)	
Interest payable	<u>(7,166)</u>	<u>(3,134,615)</u>

Net position of governmental activities (Exhibit A) \$ 14,898,341

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



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COOK COUNTY SCHOOL DISTRICT 92  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017

WITH SUMMARIZED COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund
<b>REVENUES:</b>				
Property taxes	\$ 3,126,502	\$ 436,217	\$ 448,479	\$ 713,344
Corporate personal property replacement taxes	207,424	-	-	-
State sources	1,243,764	6,350	-	8,140
State sources - on-behalf retirement	3,227,625	-	-	-
Federal sources	407,329	-	-	-
Interest on investments	43,951	2,993	800	4,814
Refund of prior years' expenditures	61,403	1,426	-	26,888
Other	63,262	3,685	-	2,953
<b>Total Revenues</b>	<b>8,381,260</b>	<b>450,671</b>	<b>449,279</b>	<b>756,139</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	2,211,206	-	-	-
Regular programs - Pre-K	123,626	-	-	-
Special programs	248,706	-	-	-
Other instructional programs	154,893	-	-	-
State on-behalf retirement	3,227,625	-	-	-
<b>Support Services:</b>				
Pupils	128,476	-	-	-
Instructional staff	138,089	-	-	-
General administration	443,324	-	-	-
School administration	312,189	-	-	-
Business	526,136	-	-	-
Operations and maintenance	-	547,152	-	-
Transportation	-	-	-	154,106
Other support services	213,658	-	-	-
Community services	15,102	-	-	-
Payments to other governmental units	815,133	29,251	-	80,642
<b>Debt Service:</b>				
Principal	-	-	355,560	-
Interest	-	-	97,253	-
Other	-	-	450	-
Capital Outlay	112,823	-	-	-
<b>Total Expenditures</b>	<b>8,670,986</b>	<b>576,403</b>	<b>453,263</b>	<b>234,748</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE</b>	<b>(289,726)</b>	<b>(125,732)</b>	<b>(3,984)</b>	<b>521,391</b>

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

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total	
				2017	2016
\$ 525,132	\$ -	\$ 353,018	\$ 79,531	\$ 5,682,223	\$ 5,557,546
26,125	-	-	-	233,549	211,459
-	-	-	-	1,258,254	1,228,552
-	-	-	-	3,227,625	1,580,986
-	-	-	-	407,329	463,692
212	337	582	859	54,548	12,773
-	-	-	-	89,717	21,478
-	-	-	-	69,900	49,976
<u>551,469</u>	<u>337</u>	<u>353,600</u>	<u>80,390</u>	<u>11,023,145</u>	<u>9,126,462</u>
33,786	-	-	-	2,244,992	2,097,963
4,756	-	-	-	128,382	124,760
8,673	-	-	-	257,379	294,227
3,805	-	-	-	158,698	206,130
-	-	-	-	3,227,625	1,580,986
5,859	-	-	-	134,335	111,571
2,474	-	-	-	140,563	99,430
11,887	-	174,724	-	629,935	454,809
9,291	-	-	-	321,480	312,714
72,440	-	-	-	598,576	501,789
-	-	-	6,005	553,157	486,310
-	-	-	-	154,106	67,608
18,601	-	-	-	232,259	203,381
-	-	-	-	15,102	14,013
-	-	-	-	925,026	869,464
-	-	-	-	355,560	338,425
-	-	-	-	97,253	110,382
-	-	-	-	450	450
-	-	-	-	112,823	38,534
<u>171,572</u>	<u>-</u>	<u>174,724</u>	<u>6,005</u>	<u>10,287,701</u>	<u>7,912,946</u>
<u>379,897</u>	<u>337</u>	<u>178,876</u>	<u>74,385</u>	<u>735,444</u>	<u>1,213,516</u>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017

WITH SUMMARIZED COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Debt Service Fund	Transportation Fund
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 800,000	\$ -	\$ 36,212	\$ -
Transfers out	(36,212)	-	-	(800,000)
Capital leases	57,049	-	-	-
Total Other Financing Sources (Uses)	820,837	-	36,212	(800,000)
NET CHANGES IN FUND BALANCES	531,111	(125,732)	32,228	(278,609)
FUND BALANCES, BEGINNING	9,006,601	680,580	205,730	617,273
FUND BALANCES, ENDING	<u>\$ 9,537,712</u>	<u>\$ 554,848</u>	<u>\$ 237,958</u>	<u>\$ 338,664</u>

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

Municipal Retirement/ Social Security Fund	Capital Projects Fund	Tort Fund	Fire Prevention and Safety Fund	Total	
				2017	2016
\$ -	\$ -	\$ -	\$ -	\$ 836,212	\$ 1,730,391
-	-	-	-	(836,212)	(1,730,391)
-	-	-	-	57,049	-
-	-	-	-	57,049	-
379,897	337	178,876	74,385	792,493	1,213,516
111,666	59,002	107,024	146,348	10,934,224	9,720,708
<u>\$ 491,563</u>	<u>\$ 59,339</u>	<u>\$ 285,900</u>	<u>\$ 220,733</u>	<u>\$ 11,726,717</u>	<u>\$ 10,934,224</u>

COOK COUNTY SCHOOL DISTRICT 92  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

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Total net change in fund balances-governmental funds (Exhibit D) \$ 792,493

For modified accrual purposes tax collections made within 60 days after year end are included as revenue in the fiscal year. However, for accrual basis these collections are not recognized until the subsequent year end. (176,262)

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. Capital outlays for items below the District's capitalization policy limits and repairs and maintenance are expensed.

Depreciation expense	\$ (362,496)	
Capital outlays over capitalization threshold	<u>112,823</u>	
		(249,673)

The issuance of long-term debt (e.g. bonds or capital leases) provides current financial resources to governmental funds but are recorded as long-term liabilities in the Statement of Net Position.

Capital leases		(57,049)
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Repayment of debt principal is recorded as an expenditure in governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. The District debt was reduced by principal payments made to bond and note holders. 355,560

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The expenses include the changes in:

Interest payable	926	
Pensions	(92,358)	
Compensated absences	<u>3,941</u>	
		<u>(87,491)</u>

Change in net position of governmental activities (Exhibit B) \$ 577,578

COOK COUNTY SCHOOL DISTRICT 92  
AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2016

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	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	<u>\$ 17,231</u>	<u>\$ 13,563</u>
Total Assets	<u>\$ 17,231</u>	<u>\$ 13,563</u>
LIABILITIES		
Due to student groups	<u>\$ 17,231</u>	<u>\$ 13,563</u>
Total Liabilities	<u>\$ 17,231</u>	<u>\$ 13,563</u>

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cook County School District No. 92 (the “District”) operates as a public school system governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

**A. The Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District’s reporting entity. Even though there are local government agencies serving the geographic area that is served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

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

The District is a member of the following Joint Venture organization:

Proviso Area for Exceptional Children (PAEC) (See Note 9)

**B. Basis of Presentation**

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

*Government-Wide Financial Statements (GWFS)*

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

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when measurable and available.

*Fund financial statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues available if they are collected within 60 days after year-end. All other state and federal revenues are measurable and available if they are vouchered by the Illinois State Board of Education on or before June 30, 2017, which are normally collected within 60 days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The funds of the District are described below:

**Governmental Funds**

**General Fund** – The General Fund, which consists of the legally mandated Educational Account and the Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in other funds. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state and federal government aid. The Working Cash Account accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the Educational Account and the Special Revenue Fund's Operations and Maintenance and Transportation Funds. Loans by the Working Cash Account to other funds must be repaid within one year.

As allowed by the School Code of Illinois, this account may be permanently abolished and become a part of the General Fund or it may be partially abated to the Educational Account, Special Revenue Funds, Debt Service Funds, or the Fire Prevention and Safety Fund.

**Special Revenue Funds** – The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes and include the Operations and Maintenance Fund, Transportation Fund, the Municipal Retirement/Social Security Fund, and the Tort Fund. Special Revenue Funds do not include the Debt Service Fund, Capital Projects Funds, or Fiduciary Funds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Debt Service Fund** – The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. Since there are no legal requirements on bond indentures which mandate a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all issues.

**Capital Projects Funds** – The Capital Projects Funds include the Capital Projects Fund and the Fire Prevention and Safety Fund. The Capital Projects Fund accounts for construction projects and renovations financed through serial bond issues or local property taxes levied specifically for such purposes. The Fire Prevention and Safety Fund accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

**Fiduciary Fund Types (not included in government-wide statements)**

**Agency Funds** – The Agency Funds (including Student Activity Funds) account for assets held by the District in a trustee capacity or as an agent for student organizations and employees. These funds are custodial in nature (assets equals liabilities) and do not involve measurement focus of the results of operations.

**Major and Non-major Funds**

An emphasis is placed on major funds with the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and:
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**The District has elected to treat all funds as major.**

The funds classified as major are as follows:

*General Fund* – see above for description.

*Operations and Maintenance Fund* – accounts for expenditures made for the repair and maintenance of the District's building and property. Revenue consists primarily of local property taxes.

*Debt Services 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.

*Transportation Fund* – accounts for all revenues and expenditures related to student transportation to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

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

*Capital Projects Fund* – accounts for financial resources to be used for the acquisition or construction of major capital facilities.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*Tort Fund* – accounts for financial resources to be used for activity relating to insurance and risk management.

*Fire Prevention and Safety Fund* – accounts for capital expenditures related to fire prevention and safety concerns.

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

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

**D. Net Position/Equity and Fund Balance Reporting**

*Net Position/Equity Reporting*

Equity is classified as net position displayed in three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position.

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

*Restricted Net Position* – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Unless specifically identified, expenditures reduce restricted resources first, then unrestricted resources as they are needed.

*Fund Balance Reporting*

Governmental fund balances are classified into five major classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned.

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The nonspendable fund balance consists of prepaids in the Tort Fund of \$27,168.

*Restricted* – The restricted balance classification refers to amounts that are subject to restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are by definition restricted for those specified purposes. The restricted balance consists of the Operations and Maintenance Fund (\$554,848), the Debt Service Fund (\$237,958), the Transportation Fund (\$338,664), the Municipal Retirement/Social Security Fund (\$491,563), the Capital Projects Fund (\$59,339), the Tort Fund (\$258,732), and the Fire Prevention and Safety Fund (\$220,733), totaling \$2,161,837. The District has several revenue sources received within different funds that fall into these categories:

Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

State grants – proceeds from state grants and the related expenditures have been included in the Educational Account and the Transportation Fund. At June 30, 2017, expenditures exceeded revenues from state grants, resulting in no restricted fund balance.

Federal grants – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2017, expenditures exceeded revenues from federal grants, resulting in no restricted fund balance.

Social Security – expenditures and related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2017, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

*Committed* – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit that amount. The formal action required to modify, rescind, or commit fund balance is by formal resolution of the school board to allocate funds to a specific project. There are no committed fund balance designations.

*Assigned* – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments may take place after the end of the reporting period. There are no assigned fund balance designations.

*Unassigned* – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund (\$9,537,712).

*Expenditures of Fund Balances* – unless specifically identified, expenditures reduce restricted balances first, then committed balances, next to assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The General Fund and any other fund with a negative fund balance are considered to be unassigned. All special revenue funds are deemed to be "restricted" and prepaid expenses are reported as "non-spendable".

**E. Cash and Investments**

Cash and investments held by the District are reported by the District at cost or net asset value. Gains or losses on the sale of investments are recognized upon realization.

Funds of the District are in the custody of the Proviso Township School Treasurer's Office. The Township Treasurer's Office invests excess funds of the District and other school districts that utilize its services, and issues payments to vendors and payroll to employees. The District is billed for the services of the Treasurer's Office and also receives interest on its investments controlled by the Treasurer's Office. See Note 2 for a further description of the Treasurer's duties and services.

**F. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

COOK COUNTY SCHOOL DISTRICT NO. 92  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

Capital Assets	Years
Buildings and improvements	20-50
Equipment	5-15

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

**G. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations (capital leases) are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

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

**H. Property Taxes**

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the Proviso Township School Treasurer for the use of the District, its share of collections. Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2016 tax levy was November 15, 2016. Taxes attach as an enforceable lien on property on January 1 and are due and payable in two installments. The first installment is due on March 1. The due date of the second installment varies and can occur in September, October, or November. The first installment is an estimated bill, and is 55 percent of the prior year's tax bill starting with the 2015 levy, up from 50 percent in previous years. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill.

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

	Maximum	Actual	
	2016 Levy	2016 Levy	2015 Levy
Educational	3.5000	3.3608	3.5000
Special Education	0.4000	0.3841	0.4000
Operations and Maintenance	0.5500	0.5281	0.5500
Bond and Interest	None	0.5430	0.5618
Transportation	None	0.7939	1.6672
Municipal Retirement	None	0.3443	0.0130
Social Security	None	0.3443	0.0130
Working Cash	0.0500	0.0480	0.0500
Tort	None	0.4382	0.2607
Life Safety	0.1000	0.0960	0.1000
Total		6.8807	7.1157

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

During the year, the County Assessor's office settled claims by various taxpayers in the District regarding their property's assessed value. The District was required to refund the excess taxes collected on the higher assessed value to the taxpayers.

Based upon collection histories, the District has provided an allowance for uncollectible real property taxes equivalent to 1 percent of the current levy. All property taxes receivable over one year old have been written off. At June 30, 2017, real property taxes receivable less the allowance for uncollectible real property taxes are as follows:

Property taxes receivable	\$ 2,796,485
Less: allowance for uncollectible taxes	<u>(56,610)</u>
Property taxes receivable, net	<u><u>\$ 2,739,875</u></u>

**I. Corporate Personal Property Replacement Taxes**

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

**J. Prepaid Items**

The District's prepaid amounts are accounted for using the consumption method. At June 30, 2017, \$27,168 is from prepaid insurance policies. These amounts are reported as non-spendable fund balances in the governmental funds.

**K. Program Revenues**

Amounts reported as program revenues include 1) tuition and fees and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than as program revenues.

**L. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

**M. Compensated Absences**

Under terms of employment, employees are granted vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2017, are determined on the basis of current salary rates and include salary related payments.

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacation days earned and not taken can be carried forward up to a maximum of between five and twenty days per employee (depending on employee group), but expire at June 30 of the succeeding calendar year. The amount (\$17,526) is included as a liability in the Government-Wide Financial Statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

All certified employees receive a specified number of sick days per year depending on their years of service, in accordance with the agreement between Board of Education and the Education Association. Unused sick leave days accumulate with no maximum imposed. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward credit to TRS.

Educational support personnel receive ten sick days per year, which accumulate to a maximum of 180 days. The District does not reimburse employees for unused sick days remaining upon termination of employment. Upon retirement, however, employees may apply unused sick days remaining toward service credit for IMRF.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future event and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

**N. Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for this category: pensions reported in the government-wide Statement of Net Position (\$489,100). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

**O. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items, which arise only under the modified accrual basis of accounting, which qualify for reporting in this category. The first is unavailable revenue; it is reported in both the government-wide Statement of Net Position (\$2,739,875) and in the governmental funds Balance Sheet (\$307,171). The item for unavailable revenue is from property taxes. The amount differs from the governmental funds statement to the government-wide statement due to the difference in the basis of accounting in each. The second is pensions (\$141,814). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. These items amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**P. Comparative Data**

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2016, from which such summarized information was derived.

**Q. Eliminations and Reclassifications**

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



COOK COUNTY SCHOOL DISTRICT NO. 92  
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**NOTE 2 – CASH AND INVESTMENTS**

Under Illinois Compiled Statutes, the Proviso Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independent elected body, to serve the school districts in the Township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district to the township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity, imprest funds and petty cash, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments is distributed annually based on the District's percentage participation in the pool. The Treasurer's investment policies are established by the District's Board of Education prescribed by the *Illinois School Code* and the *Illinois Compiled Statutes*.

Categorization by risk category is not determinable for all cash and investments pooled by a separate legal governmental agency (Treasurer). Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2017, the amount of pooled cash and investments held by the Proviso Township School Treasurer and allocated to the District was \$9,119,933. The remaining \$10,718 consists of imprest (\$5,000), cafeteria benefit plan (\$5,418) and petty cash (\$300) for total cash of \$9,130,651.

Deposits of the student activity fund, which are held in the District's custody, consist of cash held in financial institutions.

**Custodial Credit Risk – Student Activity**

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 does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$17,240 held in bank accounts of the District is covered by collateral or FDIC coverage.

**Investments**

*Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. As of June 30, 2017, the weighted average maturity (in years) is 1.10 for the investment pool.

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

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks and Savings and Loan Associations are insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 2 – CASH AND INVESTMENTS (Cont'd)**

- The Illinois Funds or Illinois School District Liquid Asset Fund Plus.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer.

**NOTE 3 – CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 314,014	\$ -	\$ -	\$ 314,014
Total capital assets, not being depreciated	314,014	-	-	314,014
Capital assets, being depreciated:				
Buildings	12,165,401	-	-	12,165,401
Equipment	1,624,574	112,823	-	1,737,397
Total capital assets, being depreciated	13,789,975	112,823	-	13,902,798
Accumulated depreciation:				
Buildings	4,070,655	311,267	-	4,381,922
Equipment	1,392,004	51,229	-	1,443,233
Total accumulated depreciation	5,462,659	362,496	-	5,825,155
Net Depreciable Capital Assets	8,327,316	(249,673)	-	8,077,643
Net Total Capital Assets	<u>\$ 8,641,330</u>	<u>\$ (249,673)</u>	<u>\$ -</u>	<u>\$ 8,391,657</u>

Depreciation expense of \$362,496 was unallocated.

**NOTE 4 – INTERFUND TRANSFERS**

**Interfund Transfers**

The District transferred \$800,000 from the Transportation Fund to the Educational Account to meet ordinary and necessary expenses. The District transferred \$36,212 from the Educational Account to the Debt Service Fund for capital lease payments.

Interfund transfers are used to (1) move revenues from the fund in which statute or budget requires collection to the fund that statute or budget requires expenditure, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Bonds Payable:					
03/15/2003 GO Bonds	\$ 2,530,000	\$ -	\$ 320,000	\$ 2,210,000	\$ 335,000
Total Bonds Payable	<u>2,530,000</u>	<u>-</u>	<u>320,000</u>	<u>2,210,000</u>	<u>335,000</u>
Capital Leases Payable	<u>16,975</u>	<u>57,049</u>	<u>35,560</u>	<u>38,464</u>	<u>19,414</u>
Subtotal	<u>2,546,975</u>	<u>57,049</u>	<u>355,560</u>	<u>2,248,464</u>	<u>354,414</u>
Net Pension Liability	670,923	226,774	36,238	861,459	-
Compensated Absences	<u>21,467</u>	<u>-</u>	<u>3,941</u>	<u>17,526</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 3,239,365</u>	<u>\$ 283,823</u>	<u>\$ 395,739</u>	<u>\$ 3,127,449</u>	<u>\$ 354,414</u>

**Bonds Payable**

On March 15, 2003, the District issued \$5,850,000 in general obligation bonds with interest rates of 2.5% to 4.5%. At June 30, 2017, \$2,210,000 remains outstanding.

**Capital Leases Payable**

The District entered into capital lease agreements in prior years to purchase \$58,573 of copiers and office equipment. This year, \$7,322 was included in depreciation expense with accumulated depreciation at year-end of \$25,626. At June 30, 2017, \$1,339 remains outstanding.

During the year ended June 30, 2017, the District entered into capital lease agreement in the amount of \$57,049 for the purchase of educational and online resources. This lease is to be paid in annual amounts of \$20,078 per year at a simple interest rate of 5.583%. This year, \$5,705 was included in depreciation expense with accumulated depreciation at year-end of \$5,705. At June 30, 2017, \$37,125 remains outstanding.

**Annual Debt Service Requirements**

As of June 30, 2017, the annual debt service requirements to service bonds payable and capital leases payable are:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 354,414	\$ 85,998	\$ 440,412
2019	364,050	71,584	435,634
2020	360,000	56,456	416,456
2021	375,000	41,522	416,522
2022	390,000	25,500	415,500
2023	<u>405,000</u>	<u>8,607</u>	<u>413,607</u>
Total	<u>\$ 2,248,464</u>	<u>\$ 289,667</u>	<u>\$ 2,538,131</u>

General obligation bonds are liquidated by the Debt Service Fund. Capital leases are liquidated with the general revenues of the Educational Account which are transferred to the Debt Service Fund, in which expenditures are recorded. Pensions and compensated absences are liquidated by the General Fund.

**NOTE 5 – LONG-TERM OBLIGATIONS (Cont'd)**

**Legal Debt Margin**

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the district. As of June 30, 2017, the statutory debt limit for the District was \$5,677,016, providing a debt margin of \$3,428,552, which is the most recent information available.

**NOTE 6 – RETIREMENT FUND COMMITMENTS**

**A. Teachers' Retirement System (TRS) of the State of Illinois**

**General Information about the Pension Plan**

*Plan Description*

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

TRS issues a publicly available financial report that can be obtained at [www.trsil.org](http://www.trsil.org); by writing to TRS at 2815 West Washington Street, P. O. 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 of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

*Contributions*

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

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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 employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$3,198,769 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 \$53,741, 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 \$-0- were paid from federal and special trust funds that required employer contributions of \$-0-. These contributions are deferred because they were paid after the June 30, 2016, measurement date.

**Employer retirement 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 Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program that ended 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 employer paid \$-0- to TRS for employer ERO contributions.

The employer 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 employer paid \$189 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 employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

Employer's proportionate share of the net pension liability	\$ 524,829
State's proportionate share of the net pension liability associated with the employer	<u>32,572,004</u>
Total	<u><u>\$ 33,096,833</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 employer's proportion of the net pension liability was based on the employer'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 employer's proportion was 0.000665 percent, which was a decrease of 0.00021 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the employer recognized pension expense of \$3,252,510 and revenue of \$3,198,769 for support provided by the state. At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,881	\$ 356
Net difference between projected and actual earnings on pension plan investments	14,827	-
Changes of assumptions	45,075	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	172,173	117,120
Employer contributions subsequent to the measurement date	<u>53,741</u>	-
Total	<u><u>\$ 289,697</u></u>	<u><u>\$ 117,476</u></u>

\$53,741 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 28,869
2019	\$ 28,869
2020	\$ 11,359
2021	\$ 41,616
2022	\$ 7,767

*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:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	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.

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**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.40%	7.53%
U.S. equities small/mid cap	3.60%	7.88%
International equities developed	14.40%	1.57%
Emerging market equities	3.60%	2.82%
U.S. bonds core	10.70%	5.11%
International debt developed	5.30%	9.09%
Real estate	15.00%	2.57%
Commodities (real return)	11.00%	4.87%
Hedge funds (absolute return)	8.00%	3.26%
Private equity	14.00%	12.33%
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 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.

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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

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

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 641,887	\$ 524,829	\$ 429,223

*TRS Fiduciary Net Position*

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

**B. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided**

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

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



**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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:

	IMRF
Retirees and Beneficiaries currently receiving benefits	19
Inactive Plan Members entitled to but not yet receiving benefits	57
Active Plan Members	21
Total	97

**Contributions**

As set by statute, the employer’s Regular Plan Members are required to contribute 4.5 percent 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 employer’s annual contribution rate for calendar year 2016 was 10.58 percent. For the year ended June 30, 2017, the employer contributed \$70,445 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The employer’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:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.75%.
- *Salary Increases* were expected to be 3.75% to 14.50%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.50%.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For *Disabled Retirees*, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 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.
- The *long-term expected rate of return* on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Portfolio Target Allocation	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:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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 the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 3,039,258	\$ 2,666,390	\$ 372,868
Changes for the year:			
Service Cost	90,472	-	90,472
Interest on the Total Pension Liability	224,338	-	224,338
Differences Between Expected and Actual Experience of the Total Pension Liability	(31,802)	-	(31,802)
Changes of Assumptions	(7,088)	-	(7,088)
Contributions - Employer	-	82,198	(82,198)
Contributions - Employees	-	36,551	(36,551)
Net Investment Income	-	185,221	(185,221)
Benefits Payments, including Refunds of Employee Contributions	(170,651)	(170,651)	-
Other (Net Transfer)	-	8,188	(8,188)
Net Changes	105,269	141,507	(36,238)
Balances at December 31, 2016	<u>\$ 3,144,527</u>	<u>\$ 2,807,897</u>	<u>\$ 336,630</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:

	1% Lower (6.50%)	Current Rate (7.50%)	1% Higher (8.50%)
Total Pension Liability	\$ 3,525,658	\$ 3,144,527	\$ 2,828,022
Plan Fiduciary Net Position	2,807,897	2,807,897	2,807,897
Net Pension Liability (Asset)	<u>\$ 717,761</u>	<u>\$ 336,630</u>	<u>\$ 20,125</u>

COOK COUNTY SCHOOL DISTRICT NO. 92  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2017

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

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

For the year ended June 30, 2017, the employer recognized pension expense of \$70,445. At June 30, 2017, the employer reported deferred outflows or resources and deferred inflows 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>	<u>Net Deferred Outflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>			
Differences between expected and actual experience	\$ 28,991	\$ 19,902	\$ 9,089
Changes of assumptions	769	4,436	(3,667)
Net difference between projected and actual earnings on pension plan investments	<u>135,204</u>	<u>-</u>	<u>135,204</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>164,964</u>	<u>24,338</u>	<u>140,626</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>34,439</u>	<u>-</u>	<u>34,439</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 199,403</u></u>	<u><u>\$ 24,338</u></u>	<u><u>\$ 175,065</u></u>

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 61,716
2018	36,723
2019	39,564
2020	2,623
2021	-
Thereafter	-
Total	<u><u>\$ 140,626</u></u>

**C. Aggregate Pension Amounts**

For the year ended June 30, 2017, aggregate pension amounts are as follows:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred Outflows of Resources	\$ 289,697	\$ 199,403	\$ 489,100
Net Pension Liability*	524,829	336,630	861,459
Deferred Inflows of Resources	117,476	24,338	141,814
Pension Expense, Net of State Support	53,741	70,445	124,186

\*The Net Pension Liability is recorded in non-current liabilities due in more than one year.

**NOTE 6 – RETIREMENT FUND COMMITMENTS (Cont'd)**

**D. Social Security/Medicare**

Employees not qualifying for coverage under the Illinois Teacher's 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.

**NOTE 7 – OTHER POST EMPLOYMENT BENEFITS**

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

*Contributions*

The employer 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 THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, 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 employer. 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 \$28,856, and the employer recognized revenue and expenditures of this amount during the year.

- *Employer Contributions to the THIS Fund*

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the employer paid \$21,642 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**NOTE 8 – JOINT VENTURE – PROVISO AREA FOR EXCEPTIONAL CHILDREN (PAEC)**

The District is a member of Proviso Area for Exceptional Children (PAEC), 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 it does not exercise control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, this joint agreement is not included as component unit of the District.

Complete financial statements for PAEC can be obtained from the Administrative Offices at 1000 Van Buren Street, Maywood, Illinois 60153.

**NOTE 9 – RISK MANAGEMENT**

The District has purchased insurance from various insurance risk pools (see Notes 11 and 12). Risks covered include general liability, workers compensation, and other. Premiums have been reported as expenditures in appropriate funds. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for the last three years.

**NOTE 10 – SCHOOL EMPLOYEES LOSS FUND (SELF)**

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

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

**NOTE 11 – SUBURBAN SCHOOL COOPERATIVE INSURANCE POOL (SSCIP)**

The District is a member of SSCIP, which has been formed to provide casualty, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. SSCIP is controlled by a Board of Directors which is composed of representatives designated by each member. The day-to-day operations of SSCIP are managed through an Executive Board elected by the Board of Directors. It is intended, by the creation of SSCIP to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during the fiscal year, the funds on hand in the account of SSCIP are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during the year to SSCIP.

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

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 12 – STATE AND FEDERAL AID CONTINGENCIES**

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

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2017, and the date of this audit report requiring disclosure in the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**



COOK COUNTY SCHOOL DISTRICT NO. 92  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 MOST RECENT FISCAL YEARS

	<u>FY16*</u>	<u>FY15*</u>	<u>FY14*</u>
Employer's proportion of the net pension liability	0.000665%	0.000455%	0.000763%
Employer's proportionate share of the net pension liability	\$ 524,829	\$ 298,055	\$ 464,621
State's proportionate share of the net pension liability associated with the employer	<u>32,572,004</u>	<u>18,988,131</u>	<u>27,840,035</u>
Total	<u>\$ 33,096,833</u>	<u>\$ 19,286,186</u>	<u>\$ 28,304,656</u>
Employer's covered-employee payroll	\$ 2,366,140	\$ 2,105,977	\$ 2,216,053
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	22.18%	14.15%	20.97%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE EMPLOYER CONTRIBUTIONS  
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS  
 MOST RECENT FISCAL YEARS

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	<u>FY16*</u>	<u>FY15*</u>	<u>FY14*</u>
Contractually-required contribution	\$ 13,724	\$ 12,215	\$ 12,853
Contributions in relation to the contractually-required contribution	<u>44,527</u>	<u>31,002</u>	<u>28,749</u>
Contribution deficiency (excess)	<u>\$ (30,803)</u>	<u>\$ (18,787)</u>	<u>\$ (15,896)</u>
Employer's covered-employee payroll	\$ 2,366,140	\$ 2,105,977	\$ 2,216,053
Contributions as a percentage of covered-employee payroll	1.881841%	1.472096%	1.297307%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COOK COUNTY SCHOOL DISTRICT NO. 92  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 90,472	\$ 79,414	\$ 85,001
Interest on the total pension liability	224,338	207,729	198,133
Difference between expected and actual experience of the total pension liability	(31,802)	128,979	(81,727)
Changes of assumption	(7,088)	3,421	121,158
Benefit payments, including refunds of employee contributions	<u>(170,651)</u>	<u>(227,985)</u>	<u>(148,269)</u>
Net change in total pension liability	105,269	191,558	174,296
Total pension liability - beginning	<u>3,039,258</u>	<u>2,847,700</u>	<u>2,673,404</u>
Total pension liability - ending (A)	<u><u>\$ 3,144,527</u></u>	<u><u>\$ 3,039,258</u></u>	<u><u>\$ 2,847,700</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 82,198	\$ 89,418	\$ 75,083
Contributions - employees	36,551	34,333	30,969
Net investment income	185,221	12,805	151,547
Benefit payments, including refunds of employee contributions	(170,651)	(227,985)	(148,269)
Other (net transfer)	<u>8,188</u>	<u>144,614</u>	<u>(1,605)</u>
Net change in plan fiduciary net position	141,507	53,185	107,725
Plan fiduciary net position - beginning	2,666,390	2,613,205	2,505,480
Plan fiduciary net position - ending (B)	<u><u>\$ 2,807,897</u></u>	<u><u>\$ 2,666,390</u></u>	<u><u>\$ 2,613,205</u></u>
Net pension liability/(asset) - ending (A) - (B)	<u><u>\$ 336,630</u></u>	<u><u>\$ 372,868</u></u>	<u><u>\$ 234,495</u></u>
Plan fiduciary net position as a percentage of total pension liability	89.29%	87.73%	91.77%
Covered valuation payroll	\$ 776,912	\$ 762,963	\$ 688,205
Net pension liability as a percentage of covered valuation payroll	43.33%	48.87%	34.07%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 82,197	\$ 82,198	\$ (1)	\$ 776,912	10.58%
2015	89,419	89,418	1	762,963	11.72%
2014	75,093	75,083	10	688,296	10.91%

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\***

**Valuation Date:**

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

**Methods and Assumptions Used to Determine 2016 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
<i>Mortality:</i>	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; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COOK COUNTY SCHOOL DISTRICT NO. 92  
 GENERAL FUND  
 COMBINING BALANCE SHEET  
 JUNE 30, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 2016

	2017			2016
	Educational Account	Working Cash Account	General Fund	General Fund
<b>ASSETS</b>				
Cash and investments	\$ 6,134,873	\$ 1,861,507	\$ 7,996,380	\$ 7,632,682
Receivables (net of allowance for uncollectibles):				
Interest	10,648	3,041	13,689	10,931
Property taxes	1,491,392	19,054	1,510,446	1,478,822
Replacement taxes	36,903	-	36,903	38,073
Intergovernmental	184,529	-	184,529	100,795
Interfund receivables	-	-	-	70,000
Total Assets	<u>\$ 7,858,345</u>	<u>\$ 1,883,602</u>	<u>\$ 9,741,947</u>	<u>\$ 9,331,303</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 33,270	-	\$ 33,270	\$ 93,196
Salaries payable	1,924	-	1,924	5,163
Payroll liabilities	(498)	-	(498)	72
Total Liabilities	<u>34,696</u>	<u>-</u>	<u>34,696</u>	<u>98,431</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	167,514	2,025	169,539	226,271
Total Deferred Inflows of Resources	<u>167,514</u>	<u>2,025</u>	<u>169,539</u>	<u>226,271</u>
<b>FUND BALANCE</b>				
Unassigned	7,656,135	1,881,577	9,537,712	9,006,601
Total Fund Balance	<u>7,656,135</u>	<u>1,881,577</u>	<u>9,537,712</u>	<u>9,006,601</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,858,345</u>	<u>\$ 1,883,602</u>	<u>\$ 9,741,947</u>	<u>\$ 9,331,303</u>

COOK COUNTY SCHOOL DISTRICT 92  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Educational Account	Working Cash Account	General Fund	General Fund
<b>REVENUES:</b>				
Property taxes	\$ 3,086,763	\$ 39,739	\$ 3,126,502	\$ 3,081,058
Corporate personal property replacement taxes	207,424	-	207,424	210,509
State sources	1,243,764	-	1,243,764	1,228,552
State sources - on-behalf retirement	3,227,625	-	3,227,625	1,580,986
Federal sources	407,329	-	407,329	463,692
Interest on investments	34,532	9,419	43,951	34,076
Loss on investments	-	-	-	(18,768)
Refund of prior years' expenditures	61,403	-	61,403	17,536
Other	63,262	-	63,262	48,128
<b>Total Revenues</b>	<b>8,332,102</b>	<b>49,158</b>	<b>8,381,260</b>	<b>6,645,769</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Regular programs	2,211,206	-	2,211,206	2,049,593
Regular programs - Pre-K	123,626	-	123,626	120,038
Special programs	248,706	-	248,706	285,833
Other instructional programs	154,893	-	154,893	199,908
State on-behalf retirement	3,227,625	-	3,227,625	1,580,986
Support services				
Pupils	128,476	-	128,476	104,986
Instructional staff	138,089	-	138,089	94,261
General administration	443,324	-	443,324	287,619
School administration	312,189	-	312,189	303,308
Business	526,136	-	526,136	427,112
Other support services	213,658	-	213,658	184,533
Community services	15,102	-	15,102	14,013
Payments to other governmental units	815,133	-	815,133	804,614
Capital Outlay	112,823	-	112,823	3,718
<b>Total Expenditures</b>	<b>8,670,986</b>	<b>-</b>	<b>8,670,986</b>	<b>6,460,522</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(338,884)</b>	<b>49,158</b>	<b>(289,726)</b>	<b>185,247</b>

(Continued)



COOK COUNTY SCHOOL DISTRICT 92  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	Educational Account	Working Cash Account	General Fund	General Fund
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 800,000	\$ -	\$ 800,000	\$ 1,200,000
Transfers out	(36,212)	-	(36,212)	(30,391)
Capital leases	57,049	-	57,049	-
Total Other Financing Sources (Uses)	820,837	-	820,837	1,169,609
NET CHANGES IN FUND BALANCES	481,953	49,158	531,111	1,354,856
FUND BALANCES, BEGINNING	7,174,182	1,832,419	9,006,601	7,651,745
FUND BALANCES, ENDING	<u>\$ 7,656,135</u>	<u>\$ 1,881,577</u>	<u>\$ 9,537,712</u>	<u>\$ 9,006,601</u>

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016	
	Original Budget	Final Budget	Actual	Over/(Under) Budget	Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 2,511,287	\$ 2,511,287	\$ 2,762,531	\$ 251,244	\$ 2,733,358
Special education levy	286,050	286,050	324,232	38,182	309,282
Corporate personal property replacement tax	210,000	210,000	207,424	(2,576)	210,509
Summer school tuition from pupils	500	500	30	(470)	555
Interest on investments	25,000	25,000	34,532	9,532	26,287
Loss on investments	-	-	-	-	(12,064)
Fees	62,500	62,500	51,104	(11,396)	37,173
Donations and contributions	-	-	5,312	5,312	2,640
Refund of prior years' expenditures	10,200	10,200	61,403	51,203	17,536
Other	6,000	204,934	6,816	(198,118)	7,760
<b>Total Local Sources</b>	<b>3,111,537</b>	<b>3,310,471</b>	<b>3,453,384</b>	<b>142,913</b>	<b>3,333,036</b>
State Sources:					
General state aid	925,000	925,000	954,778	29,778	853,516
Special ed. - private facility tuition	45,000	45,000	29,952	(15,048)	33,449
Special ed. - extraordinary	55,000	55,000	57,782	2,782	61,153
Special ed. - personnel	40,000	40,000	36,000	(4,000)	36,836
Special ed. - orphanage - individual	120,000	120,000	44,939	(75,061)	122,646
Special ed. - summer school	2,000	2,000	-	(2,000)	2,124
CTE - secondary program improvement	400	400	402	2	-
Bilingual education - downstate - TPI	10,630	10,630	253	(10,377)	5,026
State free lunch and breakfast	2,000	2,000	1,653	(347)	2,671
Early childhood - block grant	111,131	111,131	118,005	6,874	111,131
On-behalf retirement	-	-	3,227,625	3,227,625	1,580,986
<b>Total State Sources</b>	<b>1,311,161</b>	<b>1,311,161</b>	<b>4,471,389</b>	<b>3,160,228</b>	<b>2,809,538</b>
Federal Sources:					
National school lunch	165,000	165,000	159,301	(5,699)	174,058
School breakfast program	35,000	35,000	34,531	(469)	35,135
Commodities	-	-	21,017	21,017	15,668
Fresh fruit and vegetables	23,000	23,000	15,778	(7,222)	-
Title I - low income	133,843	184,314	123,154	(61,160)	162,908
IDEA room and board	-	-	19,634	19,634	-
Title II - teacher quality	12,044	12,044	12,044	-	12,302
Medicaid matching funds - fee for service	70,000	70,000	21,870	(48,130)	63,621
<b>Total Federal Sources</b>	<b>438,887</b>	<b>489,358</b>	<b>407,329</b>	<b>(82,029)</b>	<b>463,692</b>
<b>Total Revenues</b>	<b>4,861,585</b>	<b>5,110,990</b>	<b>8,332,102</b>	<b>3,221,112</b>	<b>6,606,266</b>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>EXPENDITURES</b>					
Instruction:					
Regular Programs:					
Salaries	\$ 1,733,300	\$ 1,733,300	\$ 1,719,940	\$ (13,360)	\$ 1,669,627
Employee benefits	261,750	261,750	300,133	38,383	262,756
On-behalf payments	-	-	3,227,625	3,227,625	1,580,986
Purchased services	84,043	156,229	142,805	(13,424)	55,948
Supplies and materials	109,754	45,599	47,816	2,217	61,262
Capital outlay	-	-	39,289	39,289	-
Other objects	1,000	1,000	512	(488)	-
<b>Total</b>	<b>2,189,847</b>	<b>2,197,878</b>	<b>5,478,120</b>	<b>(3,280,242)</b>	<b>3,630,579</b>
Pre-K Programs:					
Salaries	98,173	98,173	99,184	1,011	95,244
Employee benefits	19,670	19,670	19,070	(600)	19,021
Purchased services	1,900	1,900	2,123	223	1,697
Supplies and materials	2,829	2,829	3,249	420	4,076
<b>Total</b>	<b>122,572</b>	<b>122,572</b>	<b>123,626</b>	<b>(1,054)</b>	<b>120,038</b>
Special Education Programs:					
Salaries	309,013	309,013	210,299	(98,714)	239,344
Employee benefits	74,350	74,350	36,414	(37,936)	43,038
Purchased services	2,000	2,000	817	(1,183)	484
Supplies and materials	1,000	1,000	1,176	176	2,837
Other objects	750	750	-	(750)	130
<b>Total</b>	<b>387,113</b>	<b>387,113</b>	<b>248,706</b>	<b>138,407</b>	<b>285,833</b>
Interscholastic Programs:					
Salaries	73,000	73,000	59,126	(13,874)	71,421
Employee benefits	900	900	270	(630)	340
Purchased services	12,000	12,000	8,291	(3,709)	14,217
Supplies and materials	3,650	3,650	1,747	(1,903)	3,617
<b>Total</b>	<b>89,550</b>	<b>89,550</b>	<b>69,434</b>	<b>20,116</b>	<b>89,595</b>
Summer School Programs:					
Salaries	45,500	45,500	26,462	(19,038)	50,351
Employee benefits	550	550	170	(380)	231
Purchased services	-	-	-	-	1,836
Supplies and materials	500	500	266	(234)	35
<b>Total</b>	<b>46,550</b>	<b>46,550</b>	<b>26,898</b>	<b>(19,652)</b>	<b>52,453</b>

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
EXPENDITURES (Cont'd)					
Bilingual Programs:					
Salaries	\$ 57,710	\$ 57,710	\$ 57,708	\$ (2)	\$ 56,855
Employee benefits	1,320	1,320	841	(479)	853
Purchased services	500	500	-	(500)	-
Supplies and materials	250	250	12	(238)	152
Total	59,780	59,780	58,561	(1,219)	57,860
Total Instruction	2,895,412	2,903,443	6,005,345	(3,143,644)	4,236,358
Support Services:					
Pupils:					
Attendance and Social Work Services:					
Salaries	51,375	51,375	51,358	(17)	50,828
Employee benefits	9,340	9,340	8,905	(435)	8,530
Supplies and materials	500	500	190	(310)	402
Total	61,215	61,215	60,453	762	59,760
Health Services:					
Salaries	36,500	36,500	31,400	(5,100)	31,589
Employee benefits	6,000	6,000	109	(5,891)	8,291
Purchased services	20,000	20,000	33,349	13,349	3,299
Supplies and materials	2,500	2,500	3,165	665	2,047
Total	65,000	65,000	68,023	(3,023)	45,226
Other Support Services:					
Salaries	1,250	1,250	-	(1,250)	-
Purchased services	6,500	6,500	-	(6,500)	-
Supplies and materials	3,000	3,000	-	(3,000)	-
Total	10,750	10,750	-	(10,750)	-
Total Pupils	136,965	136,965	128,476	8,489	104,986
Instructional Staff:					
Improvement of Instruction Services:					
Salaries	20,000	20,000	35,474	15,474	7,860
Employee benefits	16,320	16,320	6,440	(9,880)	10,684
Purchased services	36,382	28,044	39,509	11,465	38,211
Supplies and material	1,500	1,500	630	(870)	779
Total	74,202	65,864	82,053	(16,189)	57,534

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
EXPENDITURES (Cont'd)					
Instructional Staff:					
Educational Media Services:					
Salaries	\$ 28,228	\$ 28,228	\$ 10,552	\$ (17,676)	\$ 27,085
Employee benefits	7,417	7,417	2,472	(4,945)	8,673
Supplies and materials	1,000	1,000	43,012	42,012	969
Total	36,645	36,645	56,036	(19,391)	36,727
Assessment and Testing Services:					
Purchased services	9,600	9,600	-	(9,600)	-
Total	9,600	9,600	-	9,600	-
Total Instructional Staff	120,447	112,109	138,089	(25,980)	94,261
General Administration:					
Board of Education Services:					
Salaries	62,000	62,000	-	(62,000)	46,747
Employee benefits	11,854	11,854	-	(11,854)	7,876
Purchased services	82,500	82,500	64,603	(17,897)	64,211
Supplies and materials	5,500	5,500	6,032	-	5,216
Other objects	7,500	7,500	9,632	2,132	6,008
Total	169,354	169,354	80,267	89,087	130,058
Executive Administration Services:					
Salaries	118,450	118,450	175,525	57,075	115,000
Employee benefits	32,286	32,286	40,883	8,597	34,056
Purchased services	16,000	16,000	10,518	(5,482)	2,334
Supplies and materials	2,000	2,000	4,453	2,453	4,798
Other objects	2,000	2,000	2,094	94	1,373
Total	170,736	170,736	233,473	(62,737)	157,561
Special Area Administration Services:					
Salaries	-	-	93,600	93,600	-
Employee benefits	-	-	34,116	34,116	-
Purchased services	-	-	1,738	1,738	-
Other objects	-	-	130	130	-
Total	-	-	129,584	(129,584)	-
Total General Administration	340,090	340,090	443,324	(103,234)	287,619

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016	
	Original Budget	Final Budget	Actual	Over/(Under) Budget	Actual
<b>EXPENDITURES (Cont'd)</b>					
School Administration:					
Office of the Principal Services:					
Salaries	\$ 224,754	\$ 224,754	\$ 228,494	\$ 3,740	\$ 224,038
Employee benefits	69,136	69,136	70,620	1,484	70,760
Purchased services	14,050	6,750	5,488	(1,262)	38
Supplies and materials	7,500	20,500	6,890	(13,610)	8,413
Other objects	2,000	2,000	697	(1,303)	59
<b>Total</b>	<b>317,440</b>	<b>323,140</b>	<b>312,189</b>	<b>10,951</b>	<b>303,308</b>
<b>Total School Administration</b>	<b>317,440</b>	<b>323,140</b>	<b>312,189</b>	<b>10,951</b>	<b>303,308</b>
Business:					
Direction of Business Support Services:					
Salaries	90,000	39,650	105,007	65,357	74,000
Employee benefits	27,690	11,433	16,521	5,088.00	20,235
Purchased services	1,500	54,200	61,079	6,879	125
Supplies and materials	1,200	1,200	15	(1,185)	913
Other objects	1,500	1,500	-	(1,500)	695
<b>Total</b>	<b>121,890</b>	<b>107,983</b>	<b>182,622</b>	<b>(74,639)</b>	<b>95,968</b>
Fiscal Services:					
Salaries	72,423	72,423	-	(72,423)	40,437
Employee benefits	7,900	7,900	-	(7,900)	-
Purchased services	7,000	-	8,932	8,932	6,688
Supplies and materials	1,000	1,000	584	(416)	964
<b>Total</b>	<b>88,323</b>	<b>81,323</b>	<b>9,516</b>	<b>71,807</b>	<b>48,089</b>
Food Services:					
Salaries	92,000	92,000	90,295	(1,705)	53,146
Employee benefits	8,950	8,950	8,850	(100)	2,623
Purchased services	212,350	212,350	198,644	(13,706)	196,619
Supplies and materials	1,500	1,500	21,792	20,292	16,787
<b>Total</b>	<b>314,800</b>	<b>314,800</b>	<b>319,581</b>	<b>(4,781)</b>	<b>269,175</b>
Internal Services:					
Purchased services	16,135	-	1,345	1,345	-
Supplies and materials	13,000	-	13,072	13,072	13,880
<b>Total</b>	<b>29,135</b>	<b>-</b>	<b>14,417</b>	<b>(14,417)</b>	<b>13,880</b>
<b>Total Business</b>	<b>554,148</b>	<b>504,106</b>	<b>526,136</b>	<b>(22,030)</b>	<b>427,112</b>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>EXPENDITURES (Cont'd)</b>					
Central:					
Planning, Research, Development and Evaluation Services:					
Purchased services	\$ 7,108	\$ 7,108	\$ -	\$ (7,108)	\$ -
Total	7,108	7,108	-	7,108	-
Information Services:					
Purchased services	1,400	1,400	2,307	907	2,434
Supplies and materials	5,000	5,000	-	(5,000)	-
Total	6,400	6,400	2,307	(4,093)	2,434
Data Processing Services:					
Salaries	80,866	80,866	80,862	(4)	78,507
Employee benefits	20,179	20,179	20,179	-	18,675
Purchased services	7,500	7,500	10,896	3,396	8,654
Supplies and materials	37,500	37,500	83,398	45,898	75,987
Capital outlay	82,000	82,000	73,534	(8,466)	3,718
Non-capitalized equipment	1,200	1,200	3,529	2,329	-
Total	229,245	229,245	272,398	(43,153)	185,541
Total Central	242,753	242,753	274,705	(40,138)	187,975
Other Support Services:					
Purchased services	-	-	3,639	3,639	-
Supplies and materials	300	1,495	4,294	2,799	276
Other	-	-	4,554	4,554	-
Total Other Support Services	300	1,495	12,487	10,992	276
Total Support Services	1,712,143	1,660,658	1,835,406	(174,748)	1,405,537
Community Services:					
Purchased services	6,000	4,650	9,762	5,112	8,487
Supplies and materials	6,000	9,948	5,340	(4,608)	5,526
Total Community Services	12,000	14,598	15,102	(504)	14,013
Payments to Other Governmental Units:					
Payments for Special Education:					
Purchased services	15,000	28,600	9,218	(19,382)	28,328
Other	790,000	790,000	781,420	(8,580)	752,196
Total	805,000	818,600	790,638	(27,962)	780,524

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
Other payments to in-state governmental units:					
Other	\$ 20,700	\$ 20,700	\$ 24,495	\$ 3,795	\$ 24,090
Total	20,700	20,700	24,495	3,795	24,090
Total Payments to Other Governmental Units	825,700	839,300	815,133	(24,167)	804,614
Total Expenditures	5,445,255	5,417,999	8,670,986	3,252,987	6,460,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(583,670)	(307,009)	(338,884)	(31,875)	145,744
OTHER FINANCING SOURCES (USES)					
Transfers in	800,000	800,000	800,000	-	1,200,000
Transfers out	-	-	(36,212)	(36,212)	(30,391)
Capital leases	-	-	57,049	57,049	-
Total Other Financing Sources (Uses)	800,000	800,000	820,837	20,837	1,169,609
NET CHANGES IN FUND BALANCE	\$ 216,330	\$ 492,991	481,953	\$ (11,038)	1,315,353
FUND BALANCE, BEGINNING			7,174,182		5,858,829
FUND BALANCE, ENDING			\$ 7,656,135		\$ 7,174,182



COOK COUNTY SCHOOL DISTRICT 92  
 WORKING CASH ACCOUNT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 35,764	\$ 35,764	\$ 39,739	\$ 3,975	\$ 38,418
Interest on investments	9,500	9,500	9,419	(81)	7,789
Loss on investments	-	-	-	-	(6,704)
Total Local Sources	<u>45,264</u>	<u>45,264</u>	<u>49,158</u>	<u>3,894</u>	<u>39,503</u>
Total Revenues	<u>45,264</u>	<u>45,264</u>	<u>49,158</u>	<u>3,894</u>	<u>39,503</u>
<b>EXPENDITURES</b>					
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ 45,264</u>	<u>\$ 45,264</u>	49,158	<u>\$ 3,894</u>	39,503
FUND BALANCE, BEGINNING			<u>1,832,419</u>		<u>1,792,916</u>
FUND BALANCE, ENDING			<u>\$ 1,881,577</u>		<u>\$ 1,832,419</u>

COOK COUNTY SCHOOL DISTRICT 92  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 382,274	\$ 382,274	\$ 436,217	\$ 53,943	\$ 423,996
Interest on investments	2,000	2,000	2,993	993	487
Loss on investments	-	-	-	-	(2,721)
Refund of prior years' expenditures	3,600	3,600	1,426	(2,174)	1,622
Other	-	-	3,685	3,685	1,848
<b>Total Local Sources</b>	<b>387,874</b>	<b>387,874</b>	<b>444,321</b>	<b>56,447</b>	<b>425,232</b>
State Sources:					
Other	-	-	6,350	6,350	-
<b>Total State Sources</b>	<b>-</b>	<b>-</b>	<b>6,350</b>	<b>6,350</b>	<b>-</b>
<b>Total Revenues</b>	<b>387,874</b>	<b>387,874</b>	<b>450,671</b>	<b>62,797</b>	<b>425,232</b>
<b>EXPENDITURES</b>					
Support Services:					
Facilities Acquisition and Construction Services:					
Purchased services	12,500	12,500	34,878	22,378	-
Supplies and materials	-	-	-	-	700
Capital outlay	-	-	-	-	17,050
<b>Total</b>	<b>12,500</b>	<b>12,500</b>	<b>34,878</b>	<b>22,378</b>	<b>17,750</b>
Operations and Maintenance of Plant Service:					
Salaries	183,740	183,740	181,075	(2,665)	178,099
Employee benefits	51,352	51,352	51,352	-	51,498
Purchased services	106,532	106,532	113,974	7,442	92,148
Supplies and materials	161,550	161,550	165,873	4,323	163,865
Capital outlay	-	-	-	-	17,766
<b>Total</b>	<b>503,174</b>	<b>503,174</b>	<b>512,274</b>	<b>9,100</b>	<b>503,376</b>
<b>Total Support Services</b>	<b>515,674</b>	<b>515,674</b>	<b>547,152</b>	<b>31,478</b>	<b>521,126</b>
Payments to Other Governmental Units:					
Purchased services	30,000	30,000	29,251	(749)	26,876
<b>Total Payments to Other Governmental Units</b>	<b>30,000</b>	<b>30,000</b>	<b>29,251</b>	<b>(749)</b>	<b>26,876</b>
<b>Total Expenditures</b>	<b>545,674</b>	<b>545,674</b>	<b>576,403</b>	<b>30,729</b>	<b>548,002</b>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (157,800)</u>	<u>\$ (157,800)</u>	<u>\$ (125,732)</u>	<u>\$ 32,068</u>	<u>\$ (122,770)</u>
OTHER FINANCING SOURCES					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
NET CHANGES IN FUND BALANCE	<u>\$ (157,800)</u>	<u>\$ (157,800)</u>	<u>(125,732)</u>	<u>\$ 32,068</u>	<u>377,230</u>
FUND BALANCE, BEGINNING			<u>680,580</u>		<u>303,350</u>
FUND BALANCE, ENDING			<u>\$ 554,848</u>		<u>\$ 680,580</u>

COOK COUNTY SCHOOL DISTRICT 92  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 1,054,685	\$ 1,054,685	\$ 713,344	\$ (341,341)	\$ 1,329,844
Interest on investments	5,000	5,000	4,814	(186)	5,471
Loss on investments	-	-	-	-	(2,593)
Refund of prior years' expenditures	3,480	3,480	26,888	23,408	2,320
Other	-	-	2,953	2,953	-
Total Local Sources	<u>1,063,165</u>	<u>1,063,165</u>	<u>747,999</u>	<u>(315,166)</u>	<u>1,335,042</u>
State Sources:					
Transportation - special education	-	-	8,140	8,140	-
Total State Sources	<u>-</u>	<u>-</u>	<u>8,140</u>	<u>8,140</u>	<u>-</u>
Total Revenues	<u>1,063,165</u>	<u>1,063,165</u>	<u>756,139</u>	<u>(307,026)</u>	<u>1,335,042</u>
<b>EXPENDITURES</b>					
Support Services:					
Pupil Transportation Services:					
Purchased services	81,300	81,300	154,106	72,806	67,608
Total Support Services	<u>81,300</u>	<u>81,300</u>	<u>154,106</u>	<u>72,806</u>	<u>67,608</u>
Payments to Other Governmental Units:					
Purchased services	125,000	125,000	80,642	(44,358)	37,974
Total Payments to Other Governmental Units	<u>125,000</u>	<u>125,000</u>	<u>80,642</u>	<u>(44,358)</u>	<u>37,974</u>
Total Expenditures	<u>206,300</u>	<u>206,300</u>	<u>234,748</u>	<u>28,448</u>	<u>105,582</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>856,865</u>	<u>856,865</u>	<u>521,391</u>	<u>(335,474)</u>	<u>1,229,460</u>
<b>OTHER FINANCING (USES)</b>					
Transfers out	(800,000)	(800,000)	(800,000)	-	(1,700,000)
Total Other Financing (Uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>	<u>(1,700,000)</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ 56,865</u>	<u>\$ 56,865</u>	<u>(278,609)</u>	<u>\$ (335,474)</u>	<u>(470,540)</u>
<b>FUND BALANCE, BEGINNING</b>			<u>617,273</u>		<u>1,087,813</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 338,664</u>		<u>\$ 617,273</u>

COOK COUNTY SCHOOL DISTRICT 92  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 280,030	\$ 280,030	\$ 262,566	\$ (17,464)	\$ 7,578
Social Security/Medicare Levy	-	-	262,566	262,566	7,578
Corporate Personal Property Replacement Taxes	-	-	26,125	26,125	950
Interest on investments	500	500	212	(288)	891
Loss on investments	-	-	-	-	(3,064)
<b>Total Local Sources</b>	<b>280,530</b>	<b>280,530</b>	<b>551,469</b>	<b>270,939</b>	<b>13,933</b>
<b>Total Revenues</b>	<b>280,530</b>	<b>280,530</b>	<b>551,469</b>	<b>270,939</b>	<b>13,933</b>
<b>EXPENDITURES</b>					
Instruction:					
Regular programs	36,025	36,025	33,786	(2,239)	48,370
Pre-K programs	5,085	5,085	4,756	(329)	4,722
Special Education programs	9,459	9,459	8,673	(786)	8,394
Interscholastic programs	3,088	3,088	2,309	(779)	3,678
Summer school programs	1,904	1,904	672	(1,232)	1,732
Bilingual programs	837	837	824	(13)	812
<b>Total Instruction</b>	<b>56,398</b>	<b>56,398</b>	<b>51,020</b>	<b>(5,378)</b>	<b>67,708</b>
Support Services:					
Pupils:					
Attendance and social work services	745	745	740	(5)	732
Health services	682	682	5,119	4,437	5,853
<b>Total Pupils</b>	<b>1,427</b>	<b>1,427</b>	<b>5,859</b>	<b>4,432</b>	<b>6,585</b>
Instructional Staff:					
Improvement of instruction services	334	334	550	216	126
Educational media services	4,925	4,925	1,924	(3,001)	5,043
<b>Total Instructional Staff</b>	<b>5,259</b>	<b>5,259</b>	<b>2,474</b>	<b>(2,785)</b>	<b>5,169</b>
General Administration:					
Board of education services	8,376	8,376	10,174	1,798	8,783
Executive administration services	1,718	1,718	1,713	(5)	1,663
<b>Total General Administration</b>	<b>10,094</b>	<b>10,094</b>	<b>11,887</b>	<b>1,793</b>	<b>10,446</b>

(Continued)

COOK COUNTY SCHOOL DISTRICT 92  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
School Administration:					
Office of the principal services	\$ 9,143	\$ 9,143	\$ 9,291	\$ 148	\$ 9,406
Total School Administration	9,143	9,143	9,291	148	9,406
Business:					
Direction of business support services	19,755	19,755	9,294	(10,461)	17,621
Fiscal services	12,288	12,288	11,572	(716)	7,595
Operations and maintenance of plant services	34,177	34,177	38,302	4,125	39,474
Food services	16,563	16,563	13,272	(3,291)	9,987
Internal services	17,751	17,751	-	(17,751)	-
Total Business	100,534	100,534	72,440	(28,094)	74,677
Central:					
Data processing services	-	-	18,601	18,601	18,848
Total Central	-	-	18,601	18,601	18,848
Total Support Services	126,457	126,457	120,552	(5,905)	125,131
Total Expenditures	182,855	182,855	171,572	(11,283)	192,839
NET CHANGES IN FUND BALANCE	\$ 97,675	\$ 97,675	379,897	\$ 282,222	(178,906)
FUND BALANCE, BEGINNING			111,666		290,572
FUND BALANCE, ENDING			\$ 491,563		\$ 111,666

COOK COUNTY SCHOOL DISTRICT 92  
TORT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 258,911	\$ 258,911	\$ 353,018	\$ 94,107	\$ 192,481
Interest on investments	500	500	582	82	78
Loss on investments	-	-	-	-	(521)
<b>Total Local Sources</b>	<u>259,411</u>	<u>259,411</u>	<u>353,600</u>	<u>94,189</u>	<u>192,038</u>
<b>Total Revenues</b>	<u>259,411</u>	<u>259,411</u>	<u>353,600</u>	<u>94,189</u>	<u>192,038</u>
<b>EXPENDITURES</b>					
Support Services:					
General Administration:					
Workers' compensation	6,500	6,500	6,443	(57)	2,537
Unemployment insurance	25,000	25,000	33,304	8,304	52,492
Insurance payments	55,500	55,500	53,859	(1,641)	90,980
Legal	90,000	90,000	81,118	(8,882)	10,735
<b>Total Support Services</b>	<u>177,000</u>	<u>177,000</u>	<u>174,724</u>	<u>(2,276)</u>	<u>156,744</u>
<b>Total Expenditures</b>	<u>177,000</u>	<u>177,000</u>	<u>174,724</u>	<u>(2,276)</u>	<u>156,744</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ 82,411</u>	<u>\$ 82,411</u>	178,876	<u>\$ 96,465</u>	35,294
<b>FUND BALANCE, BEGINNING</b>			<u>107,024</u>		<u>71,730</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 285,900</u>		<u>\$ 107,024</u>

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COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

**NOTE 1 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (TRS)**

*Changes of Assumptions*

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

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

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

**NOTE 2 – BUDGETARY PROCESS**

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

The budget lapses at the end of each fiscal year.

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

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

**Excess of Expenditures Over Budget**

For the year ended June 30, 2017, the following funds had expenditures exceeding their respective budgets: the Educational Account (\$3,252,987) primarily due to unbudgeted state on-behalf retirement contributions of \$3,227,625; the Operations and Maintenance Fund (\$30,729); the Debt Service Fund (\$20,028); and the Transportation Fund (\$28,448). The Educational Account received \$800,000 which was transferred from the Transportation Fund. The Debt Service Fund received \$36,212 which was transferred from the Educational Account. The excess of actual expenditures over budgeted expenditures were funded by available fund balances and transfers from other funds.

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

**NOTE 2 – BUDGETARY PROCESS (Cont'd)**

**Budget and Book Basis of Accounting**

The major differences between the budgetary basis and the modified accrual basis are as follows:

Revenues (primarily property tax revenues) are recorded when received in cash on the budgetary basis; they are recorded when susceptible to accrual on the modified accrual basis.

Expenditures (primarily payroll expenditures) are recorded when cash is disbursed as determined by the date of the check on the budgetary basis; they are recorded when the liability is incurred on the modified accrual basis.

Adjustments necessary to convert the results of operations and fund balances as of June 30, 2017 on the modified accrual basis for governmental funds to the budgetary basis are as follows:

Net Changes in Fund Balance		
Modified accrual basis:		
General Fund	\$ 531,111	
Operations and Maintenance Fund	(125,732)	
Transportation Fund	(278,609)	
Municipal Retirement/Social Security Fund	379,897	
Tort Fund	178,876	
Debt Service Fund	32,228	
Capital Projects Fund	337	
Fire Prevention and Safety Fund	74,385	\$ 792,493
Due to revenues:		
Received in cash during year but accrued as receivables, net of deferred revenue (modified accrual) at June 30, 2016		2,435,780
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2017, but not recognized in budget		(2,702,416)
Due to expenditures:		
Paid in cash during year but accrued as liability (modified accrual) at June 30, 2016		(148,939)
Accrued as liability (modified accrual) at June 30, 2017, but not recognized in budget		106,350
Budgetary basis		\$ 483,268

COOK COUNTY SCHOOL DISTRICT NO. 92  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017

**NOTE 2 – BUDGETARY PROCESS (Cont'd)**

<u>Fund Balance as of June 30, 2017</u>	
Modified accrual basis	\$ 11,732,317
Due to revenues:	
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2017 but not recognized in budget	(2,702,416)
Due to expenditures:	
Accrued as liability (modified accrual) at June 30, 2017 but not recognized in budget	<u>106,350</u>
Budgetary basis	<u><u>\$ 9,136,251</u></u>

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**SUPPLEMENTARY INFORMATION**



COOK COUNTY SCHOOL DISTRICT 92  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016	
	Original Budget	Final Budget	Actual	Over/(Under) Budget	Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 397,837	\$ 397,837	\$ 448,479	\$ 50,642	\$ 437,707
Interest on investments	750	750	800	50	429
Loss on investments	-	-	-	-	(515)
<b>Total Local Sources</b>	<b>398,587</b>	<b>398,587</b>	<b>449,279</b>	<b>50,692</b>	<b>437,621</b>
<b>Total Revenues</b>	<b>398,587</b>	<b>398,587</b>	<b>449,279</b>	<b>50,692</b>	<b>437,621</b>
<b>EXPENDITURES</b>					
Debt Service:					
Interest	96,650	96,650	97,253	603	110,382
Principal	320,000	336,135	355,560	19,425	338,425
Other	450	450	450	-	450
<b>Total Debt Service</b>	<b>417,100</b>	<b>433,235</b>	<b>453,263</b>	<b>20,028</b>	<b>449,257</b>
<b>Total Expenditures</b>	<b>417,100</b>	<b>433,235</b>	<b>453,263</b>	<b>20,028</b>	<b>449,257</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(18,513)</b>	<b>(34,648)</b>	<b>(3,984)</b>	<b>30,664</b>	<b>(11,636)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	36,212	36,212	30,391
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>36,212</b>	<b>36,212</b>	<b>30,391</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>\$ (18,513)</b>	<b>\$ (34,648)</b>	<b>32,228</b>	<b>\$ 66,876</b>	<b>18,755</b>
<b>FUND BALANCE, BEGINNING</b>			<b>205,730</b>		<b>186,975</b>
<b>FUND BALANCE, ENDING</b>			<b>\$ 237,958</b>		<b>\$ 205,730</b>

COOK COUNTY SCHOOL DISTRICT 92  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Local Sources:					
Interest on investments	\$ -	\$ -	\$ 337	\$ 337	\$ 276
Loss on investments	-	-	-	-	(231)
Total Local Sources	-	-	337	337	45
Total Revenues	-	-	337	337	45
EXPENDITURES					
Total Expenditures	-	-	-	-	-
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	337	<u>\$ 337</u>	45
FUND BALANCE, BEGINNING			59,002		58,957
FUND BALANCE, ENDING			<u>\$ 59,339</u>		<u>\$ 59,002</u>



COOK COUNTY SCHOOL DISTRICT 92  
FIRE PREVENTION AND SAFETY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			Over/(Under) Budget	2016
	Original Budget	Final Budget	Actual		Actual
<b>REVENUES</b>					
Local Sources:					
General tax levy	\$ 71,330	\$ 71,330	\$ 79,531	\$ 8,201	\$ 77,304
Interest on investments	500	500	859	359	216
Loss on investments	-	-	-	-	(738)
Total Local Sources	<u>71,830</u>	<u>71,830</u>	<u>80,390</u>	<u>8,560</u>	<u>76,782</u>
Total Revenues	<u>71,830</u>	<u>71,830</u>	<u>80,390</u>	<u>8,560</u>	<u>76,782</u>
<b>EXPENDITURES</b>					
Support Services:					
Facilities Acquisition and Construction:					
Purchased services	<u>6,250</u>	<u>6,250</u>	<u>6,005</u>	<u>(245)</u>	<u>-</u>
Total Supporting Services	<u>6,250</u>	<u>6,250</u>	<u>6,005</u>	<u>(245)</u>	<u>-</u>
Total Expenditures	<u>6,250</u>	<u>6,250</u>	<u>6,005</u>	<u>(245)</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ 65,580</u>	<u>\$ 65,580</u>	74,385	<u>\$ 8,805</u>	76,782
FUND BALANCE, BEGINNING			<u>146,348</u>		<u>69,566</u>
FUND BALANCE, ENDING			<u>\$ 220,733</u>		<u>\$ 146,348</u>

COOK COUNTY SCHOOL DISTRICT 92  
 AGENCY FUNDS - STUDENT ACTIVITY FUNDS  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>ASSETS</b>				
Cash	\$ 13,563	\$ 7,055	\$ 3,387	\$ 17,231
Total Assets	<u>\$ 13,563</u>	<u>\$ 7,055</u>	<u>\$ 3,387</u>	<u>\$ 17,231</u>
<b>LIABILITIES</b>				
Due to Activity Fund Organizations:				
MSMFA-Darryl Bogg	\$ 207	\$ -	\$ -	\$ 207
Field trips	9,199	7,055	3,325	12,929
Band parents	1,692	-	-	1,692
Student council	1,712	-	-	1,712
7th Grade treasuries	200	-	-	200
NJHS Band	217	-	-	217
Pop machine	336	-	62	274
Total Liabilities	<u>\$ 13,563</u>	<u>\$ 7,055</u>	<u>\$ 3,387</u>	<u>\$ 17,231</u>

COOK COUNTY SCHOOL DISTRICT 92  
 FIVE YEAR SUMMARY OF ASSESSED VALUATIONS,  
 TAX RATES, EXTENSIONS AND COLLECTIONS  
 JUNE 30, 2017

	2016	2015	2014	2013	2012
ASSESSED VALUATION	<u>\$ 82,275,598</u>	<u>\$ 79,004,146</u>	<u>\$ 81,734,354</u>	<u>\$ 85,891,946</u>	<u>\$ 93,216,519</u>
TAX RATES					
Educational	3.3608	3.5000	3.5000	3.5000	3.5000
Tort immunity	0.4382	0.2607	0.1040	0.0253	0.2475
Special education	0.3841	0.4000	0.3121	0.1011	0.0446
Operations and maintenance	0.5281	0.5500	0.4541	0.4639	0.4901
Bond and interest	0.5430	0.5618	0.5189	0.4948	0.4560
Transportation	0.7939	1.6672	1.7687	1.6485	0.5199
Municipal retirement	0.3443	0.0130	0.0104	0.0101	0.1981
Social security	0.3443	0.0130	0.0104	0.0101	0.1981
Working cash	0.0480	0.0500	0.0413	0.0422	0.0446
Fire prevention and safety	0.0960	0.1000	0.0826	0.0843	0.0891
Total	<u>6.8807</u>	<u>7.1157</u>	<u>6.8025</u>	<u>6.3803</u>	<u>5.7880</u>
TAX EXTENSION					
Educational	\$ 2,765,145	\$ 2,765,145	\$ 2,860,702	\$ 3,006,218	\$ 3,262,578
Tort immunity	360,500	206,000	85,038	21,718	230,723
Special education	316,017	316,017	255,111	86,869	41,535
Operations and maintenance	434,523	434,523	371,141	398,420	456,897
Bond and interest	446,797	443,815	424,151	424,951	425,101
Transportation	653,178	1,317,122	1,445,628	1,415,956	484,666
Municipal retirement	283,250	10,300	8,504	8,688	184,637
Social security	283,250	10,300	8,504	8,688	184,637
Working cash	39,502	39,502	33,741	36,221	41,535
Fire prevention and safety	79,004	79,004	67,480	72,441	83,049
Total	<u>\$ 5,661,166</u>	<u>\$ 5,621,728</u>	<u>\$ 5,560,000</u>	<u>\$ 5,480,170</u>	<u>\$ 5,395,358</u>

COOK COUNTY SCHOOL DISTRICT 92  
 OPERATING COST AND TUITION CHARGES  
 FOR THE YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017	2016
OPERATING COST PER PUPIL		
Average Daily Attendance (ADA):	402.89	392.55
Operating Costs:		
Educational	\$ 5,443,361	\$ 4,879,536
Operations and maintenance	576,403	548,002
Debt service	453,263	449,257
Transportation	234,748	105,582
Municipal Retirement/Social Security	171,572	192,839
Tort	174,724	156,744
Subtotal	7,054,071	6,331,960
Less Revenues/Expenditures of Non-regular Programs:		
Pre-K	128,382	124,760
Summer school	27,570	54,185
Capital outlay	112,823	38,534
Non-capitalized equipment	3,529	-
Debt principal retired	355,560	338,425
Community services	15,102	14,013
Payments to other governmental units	925,026	869,464
Subtotal	1,567,992	1,439,381
Operating costs	5,486,079	4,892,579
Operating Cost Per Pupil - Based on ADA	\$ 13,617	\$ 12,464
TUITION CHARGE		
Operating Costs	\$ 5,486,079	\$ 4,892,579
Less - revenues from specific programs, such as Special education or lunch programs	643,904	764,770
Net operating costs	4,842,175	4,127,809
Depreciation allowance	362,849	369,199
Allowable Tuition Costs	\$ 5,205,024	\$ 4,497,008
Tuition Charge Per Pupil - based on ADA	\$ 12,919	\$ 11,456

COOK COUNTY SCHOOL DISTRICT 92  
 SCHEDULE OF BONDS OUTSTANDING  
 JUNE 30, 2017

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Date of Issue: March 15, 2003  
 Principal due each year: December 1  
 Interest dates: June 1 and December 1  
 Type: General Obligation Bonds  
 Interest Rates: 2.50% - 4.50%  
 Paying Agent: LaSalle National Bank

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service
2018	\$ 335,000	\$ 83,989	\$ 418,989
2019	345,000	70,556	415,556
2020	360,000	56,456	416,456
2021	375,000	41,522	416,522
2022	390,000	25,500	415,500
2023	405,000	8,607	413,607
TOTAL	<u>\$ 2,210,000</u>	<u>\$ 286,630</u>	<u>\$ 2,496,630</u>

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