

LEMONT-BROMBEREK
COMBINED SCHOOL DISTRICT 113A

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

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INTRODUCTORY SECTION

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Board of Education and Administration June 30, 2017

Board of Education

Damon Ascolani	President	2019
Patrick Kerrigan	Vice President	2021
Kevin Collins	Secretary	2021
Cynthia Kelly	Member	2019
Al Malley	Member	2019
Bethany Martino	Member	2021
David Molitor	Member	2019

District Administration

Dr. Courtney Orzel	Superintendent
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Department Issuing Report

Business Office

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 31, 2017

Superintendent of Schools and Board of Education
Lemont-Bromberek Combined School District 113A
Lemont, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lemont-Bromberek Combined School District 113A, 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 of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lemont-Bromberek Combined School District 113A, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lemont-Bromberek Combined School District 113A's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and supplemental schedules, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision 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.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

The discussion and analysis of Lemont-Bromberek Combined School District 113A (the "District") financial performance provides an overall review of the District's financial activities as of and 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

- In total, Government-wide net position increased by \$6,316,886, due to the payment of outstanding debt and the performance of the Governmental funds.
- General revenues accounted for \$27,334,006 in revenue or 73.8% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$9,696,280 or 26.2% of total revenues of \$37,030,286.
- The District had \$30,713,400 in expenses related to government activities. However, only \$9,696,280 of these expenses were offset by program specific charges and grants.
- Revenues for fiscal year 2017 (FY17), as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$37,030,286, inclusive of on-behalf payments to the Teacher's Retirement System. Expenditures for FY17 were \$33,476,937, also inclusive on State of Illinois payments to the Teachers Retirement System.
- The Illinois Teacher's Retirement System receives on-behalf pension and post-retirement health insurance programs from the State of Illinois for District 113A certified staff. In FY17, \$7,617,057 was included in the total revenues and expenditures of District 113A representing the State of Illinois contributions.
- Actual revenues received in FY17 for the General Fund, exclusive of the State of Illinois on-behalf payment to the Teachers Retirement System, was \$22,532,780. Actual expenditures exclusive of on-behalf contributions were \$19,090,926 in FY17.
- The District decreased the total outstanding long-term debt by 13.6%. As of June 30, 2017, total outstanding debt was \$21,315,038.
- The District decreased beginning net position by \$6,725,119 due to the completion of a capital asset valuation.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 6) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 6 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two 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. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

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

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, like other local governments, 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.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the 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 the comparison between governmental funds and governmental activities.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 - 46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's Teacher's Retirement and I.M.R.F employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 47 - 51 of this report. Combining and individual fund statements and schedules can be found on pages 52 - 72 of this report.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$15,699,731.

	Net Position	
	2017	2016
Current/Other Assets	\$ 37,409,279	33,202,898
Capital Assets	19,510,128	26,683,310
Total Assets	56,919,407	59,886,208
Deferred Outflows	1,287,344	1,306,490
Total Assets/Deferred Outflows	58,206,751	61,192,698
Long-Term Debt	22,357,424	25,696,336
Other Liabilities	6,753,940	6,755,432
Total Liabilities	29,111,364	32,451,768
Deferred Inflows	13,395,656	12,632,966
Total Liabilities/Deferred Inflows	42,507,020	45,084,734
Net Position		
Investment in Capital Assets	10,350,267	15,405,293
Restricted	7,463,629	6,770,919
Unrestricted	(2,114,165)	(6,068,248)
Total Net Position	15,699,731	16,107,964

A large portion of the District's net position, \$10,350,267, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$7,463,629, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$2,114,165, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ -	-
Operating Grants/Contrib.	9,696,280	7,135,817
General Revenues		
Taxes	24,670,359	24,358,598
General State Aid	816,993	790,006
Other General Revenues	1,846,654	1,599,355
Total Revenues	37,030,286	33,883,776
Expenses		
Instruction	12,967,743	12,916,362
Support Services	8,126,859	7,630,102
Community Services	33,202	32,446
Payments to Other Districts/Govts.	644,223	646,766
Interest and Fees	1,324,316	1,964,262
State Retirement Contribution	7,617,057	5,154,895
Total Expenses	30,713,400	28,344,833
Change in Net Position	6,316,886	5,538,943
Net Position - Beginning as Restated	9,382,845	10,569,021
Net Position - Ending	15,699,731	16,107,964

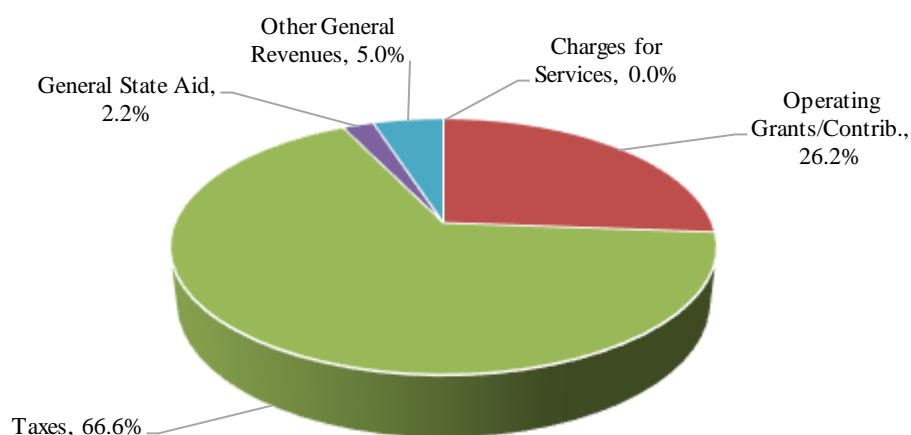
Net position of the District's governmental activities increased by 67.3 percent (a restated \$9,382,845 in 2016 compared to \$15,699,731 in 2017). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$2,114,165 at June 30, 2017.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

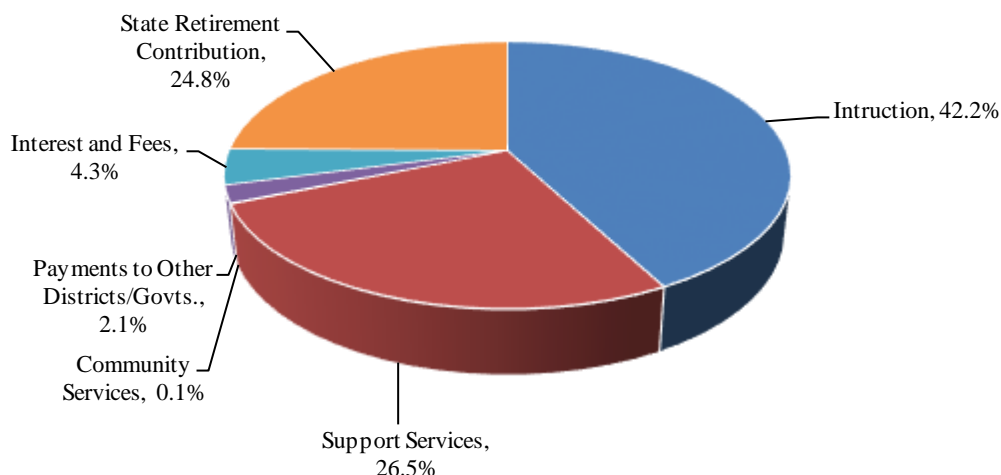
Management's Discussion and Analysis June 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

District-Wide Revenues by Source



District-Wide Expenses by Function



Revenues for governmental activities totaled \$37,030,286, while the cost of all governmental functions totaled \$30,713,400. This results in a surplus of \$6,316,886. In 2016, revenues of \$33,883,776 exceeded expenses of \$28,344,833, resulting in a surplus of \$5,538,943. The surplus in FY17 is due primarily to a significant decrease in instruction expenses in the current year.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combining ending fund balances of \$22,615,454, which is \$3,553,349, or 18.6 percent, higher than last year's total of \$19,062,105. Of the \$22,615,454 total, \$13,242,281, or 58.6 percent, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY17 were \$29,413,229 representing approximately 101.9 percent of the total budgeted FY17 revenues. Actual expenditures, excluding on-behalf payments, totaled \$25,859,880 representing approximately 54.8 percent of the total budgeted FY17 expenditures. Expenditures were monitored closely during the year, which resulted in the expenditures being below budget. Property taxes accounted for the largest portion of the District's revenues, contributing 82.6 percent of total revenues. The remainder of revenues came from other local, state, and federal grant sources.

The total cost of all the District's programs was \$25,859,880, with the majority, 59.0 percent of expenditures dedicated to instructing and caring for the students and student transportation. The remaining amount of District expenditures was split among district leadership and business services, building operation and non-operational support such as debt service, pension and other payroll taxes, and tort liability and life safety capital improvements.

District 113A uses capital improvement and replacement schedule for curriculum, facility improvement and technology. Each schedule allows for replacement of instructional materials and equipment as necessary so the District does not experience deferred maintenance or replacement issues.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the Educational and Operations and Maintenance accounts. The General Fund's budgeted revenues, exclusive of on behalf payments, were greater than actual revenues, exclusive of on behalf payments, of \$22,532,780 by \$498,979. Actual expenditures, exclusive of on behalf payments, of \$19,090,926, were less than budgeted expenditures, exclusive of on behalf payments, of \$20,234,596 by \$1,143,670.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of June 30, 2017 was \$19,510,128 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements and equipment.

	Capital Assets - Net of Depreciation	
	2017	2016
Land	\$ 1,507,280	1,507,280
Land Improvements	255,787	300,544
Buildings and Building Improvements	17,010,575	17,221,962
Equipment	736,486	928,405
Total	19,510,128	19,958,191

This year's major additions included:

Buildings and Building Improvements	\$ 622,152
Equipment	90,576
	<u>712,728</u>

Additional information on the District's capital assets can be found in note 3 on page 22 of this report.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

The District decreased debt by \$3,352,170 during the fiscal year with a total outstanding debt of \$21,315,038. At the end of FY17, the District had a debt limit of \$71,558,022.

	Long-Term Debt Outstanding	
	2017	2016
Capital Appreciation Bonds	\$ 21,315,038	24,405,236
Notes Payable	-	261,972
	<u>21,315,038</u>	<u>24,667,208</u>

Additional information on the District's long-term debt can be found in Note 3 on pages 24 - 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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:

Local property taxes are the primary revenue source for District 113A. The annual increase in property tax is generally limited to the lesser of 5% or the increase in the CPI from the preceding year. Based on the December 2016 CPI, the District 113A property tax increase will be limited to a 2.1% increase, or approximately \$480,269.

Interest income has increased due to increased interest rates as well as increased reserves. We have increased next year's budget accordingly to reflect this additional revenue. In addition, with new home construction, the impact fees received has improved as well. For several years, the impact fees were flat. This past year we saw a significant recovery in this area and the District has budgeted accordingly for next year.

We continue to watch the impact of changes to state funding and remain cognizant of any changes that may occur.

District 113A staff continue to work collaboratively to improve student achievement through identifying learning targets linked to Illinois state learning standards and the District Strategic Plan, integrate technology as an effective learning tool, provide effective professional development for staff, and redesign teaching methods to provide a wider variety of instruction focused on meeting individual students learning needs, abilities and interests through differentiation.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A, ILLINOIS

Management's Discussion and Analysis June 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

Due to diligent planning, all of the District's facilities have been constructed or remodeled to create a contemporary learning environment. In the interest of ensuring the safety of all students and staff the District continuously reviews the physical structure of the District. The District has put all physical structures and equipment on preventative maintenance schedules in order to assure that life spans of structures and equipment are closely monitored. This year we were able to complete several large projects requiring one-time expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Lemont-Bromberek Combined School District 113A, 16100 127th Street, Lemont, Illinois 60439.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Statement of Net Position

June 30, 2017

	Governmental Activities
<hr/>	
ASSETS	
Current Assets	
Equity in Pooled Cash and Investments	\$ 24,006,278
Receivables - Net of Allowances	
Property Taxes	12,321,010
Entitlements	587,268
Other	8,776
Prepays	485,947
Total Current Assets	37,409,279
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,507,280
Depreciable	39,354,333
Accumulated Depreciation	(21,351,485)
Total Noncurrent Assets	19,510,128
Total Assets	56,919,407
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	679,334
Deferred Items - TRS	608,010
Total Deferred Outflows of Resources	1,287,344
Total Assets and Deferred Outflows of Resources	58,206,751

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 387,249
Accrued Payroll	1,531,767
Other Payables	342,690
Accrued Interest Payable	35,171
Current Portion of Long-Term Debt	<u>4,457,063</u>
Total Current Liabilities	<u>6,753,940</u>
Noncurrent Liabilities	
Compensated Absences	280,332
Net Other Post-Employment Benefit Obligation Payable	999,476
Net Pension Liability - IMRF	1,840,704
Net Pension Liability - TRS	2,308,854
Capital Appreciation Bonds Payable	<u>16,928,058</u>
Total Noncurrent Liabilities	<u>22,357,424</u>
Total Liabilities	<u>29,111,364</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	12,532,119
Deferred Items - IMRF	27,509
Deferred Items - TRS	<u>836,028</u>
Total Deferred Inflows of Resources	<u>13,395,656</u>
Total Liabilities and Deferred Inflows of Resources	<u>42,507,020</u>
NET POSITION	
Net Investment in Capital Assets	10,350,267
Restricted	
Operations and Maintenance	1,643,230
Debt Service	4,093,880
Transportation	1,318,214
Retirement Benefits	408,305
Unrestricted (Deficit)	<u>(2,114,165)</u>
Total Net Position	<u>15,699,731</u>

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Statement of Activities

For the Fiscal Year Ended June 30, 2017

		Program Revenues		(Expenses)/
		Charges	Operating	Revenues
		for	Grants/	Governmental
	Expenses	Services	Contributions	Activities
Governmental Activities				
Instruction	\$ 12,967,743	-	9,379,282	(3,588,461)
Support Services	8,126,859	-	316,998	(7,809,861)
Community Services	33,202	-	-	(33,202)
Payments to Other Districts/Govts.	644,223	-	-	(644,223)
Interest and Fees	1,324,316	-	-	(1,324,316)
State Retirement Contributions	7,617,057	-	-	(7,617,057)
Total Governmental Activities	30,713,400	-	9,696,280	(21,017,120)
General Revenues				
Taxes				
Property Taxes				24,306,235
Personal Property Replacement Taxes				364,124
General State Aid				816,993
Earnings on Investments				61,436
Miscellaneous				1,785,218
				27,334,006
Change in Net Position				6,316,886
Net Position - Beginning as Restated				9,382,845
Net Position - Ending				15,699,731

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Balance Sheet - Governmental Funds
June 30, 2017**

	General	Debt Service	Nonmajor	Totals
ASSETS				
Equity in Pooled Cash and Investments	\$ 16,554,623	4,133,208	3,318,447	24,006,278
Receivables - Net of Allowances				
Property Taxes	9,200,969	2,301,588	818,453	12,321,010
Entitlements	426,896	-	160,372	587,268
Other	8,776	-	-	8,776
Prepays	471,203	-	14,744	485,947
Total Assets	26,662,467	6,434,796	4,312,016	37,409,279
LIABILITIES				
Accounts Payable	192,931	-	194,318	387,249
Accrued Payroll	1,531,767	-	-	1,531,767
Other Payables	222,273	-	120,417	342,690
Total Liabilities	1,946,971	-	314,735	2,261,706
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	9,358,782	2,340,916	832,421	12,532,119
Total Liabilities and Deferred Inflows of Resources	11,305,753	2,340,916	1,147,156	14,793,825
FUND BALANCES				
Nonspendable	471,203	-	14,744	485,947
Restricted	1,643,230	4,093,880	1,726,519	7,463,629
Assigned	-	-	1,423,597	1,423,597
Unassigned	13,242,281	-	-	13,242,281
Total Fund Balances	15,356,714	4,093,880	3,164,860	22,615,454
Total Liabilities, Deferred Inflows of Resources and Fund Balances	26,662,467	6,434,796	4,312,016	37,409,279

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2017

Total Governmental Fund Balances	\$ 22,615,454
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Amounts reported for Governmental Activities in the Statement of Net Position
are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	19,510,128
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Deferred Outflows/Inflows of Resources related to the pension plans not reported in the funds.	
Deferred Items - IMRF	651,825
Deferred Items - TRS	(228,018)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(350,415)
Net Other Post-Employment Benefit Obligation Payable	(999,476)
Net Pension Liability - IMRF	(1,840,704)
Net Pension Liability - TRS	(2,308,854)
Capital Appreciation Bonds Payable	(21,315,038)
Accrued Interest Payable	<u>(35,171)</u>

Net Position of Governmental Activities	<u>15,699,731</u>
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The notes to the financial statement are an integral part of this statement.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2017

	General	Debt Service	Nonmajor	Totals
Revenues				
Local Sources				
Property Taxes	\$ 18,064,727	4,562,034	1,679,474	24,306,235
Personal Property Replacement Taxes	364,124	-	-	364,124
Earnings on Investments	50,230	8,928	2,278	61,436
Other	1,474,481	-	310,737	1,785,218
State Sources				
General State Aid	816,993	-	-	816,993
Grants-in-Aid	789,929	-	316,998	1,106,927
Federal Sources				
Grants-in-Aid	972,296	-	-	972,296
On Behalf Payments - State of Illinois	7,617,057	-	-	7,617,057
Total Revenues	30,149,837	4,570,962	2,309,487	37,030,286
Expenditures				
Current				
Instruction	11,851,257	-	248,324	12,099,581
Support Services	6,061,322	-	1,544,782	7,606,104
Community Services	33,171	-	31	33,202
Payments to Other Districts and Governments	644,223	-	-	644,223
Capital Outlay	178,145	-	622,902	801,047
Debt Service				
Principal Retirement	261,972	4,296,980	-	4,558,952
Interest and Other	60,836	55,935	-	116,771
On Be-Half Expenditures	7,617,057	-	-	7,617,057
Total Expenditures	26,707,983	4,352,915	2,416,039	33,476,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,441,854	218,047	(106,552)	3,553,349
Other Financing Sources (Uses)				
Transfers In	8,927	-	1,300,000	1,308,927
Transfers Out	(1,300,000)	(8,927)	-	(1,308,927)
	(1,291,073)	(8,927)	1,300,000	-
Net Change in Fund Balances	2,150,781	209,120	1,193,448	3,553,349
Fund Balances - Beginning	13,205,933	3,884,760	1,971,412	19,062,105
Fund Balances - Ending	15,356,714	4,093,880	3,164,860	22,615,454

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 3,553,349
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Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	712,728
Depreciation Expense	(1,160,791)

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Increase to Compensated Absences Payable	(49,247)
Increase to Net Pension Liability - IMRF	(9,001)
Decrease to Net Pension Liability - TRS	215,855
Increase to Net Other Post-Employment Benefit Obligation	(8,742)
Retirement of Long-Term Debt	4,558,952

Changes in Deferred Items Related to Pensions

IMRF	(200,336)
TRS	(88,336)

Capital appreciation bonds appreciate over the life of the bond and the current year's
amortized capital appreciation is recorded as an interest expense in the
government-wide statements.

	(1,206,782)
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Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

	(763)
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Changes in Net Position of Governmental Activities

	6,316,886
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The notes to the financial statements are an integral part of this statement.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Statement of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2017

	Student Activity, Convenience Accounts, and Other Agency Funds
	<hr/>
ASSETS	
Cash and Investments	<hr/> \$ 107,965 <hr/>
LIABILITIES	
Due to Activity Fund Organizations	<hr/> 107,965 <hr/>

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lemont-Bromberek School District 113A (the “District”) operates as a public-school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, interest income, etc.).

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

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

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

General fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. 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 government aid. The General Fund is a major fund and is comprised of two subfunds, the Educational Fund and the Operations and Maintenance Fund.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds. The District maintains two nonmajor special revenue funds, the Transportation Fund and the Illinois Municipal Retirement Fund.

Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service. The Debt Service Fund is reported as a major fund.

Capital projects funds are used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Capital Projects Fund is reported as a nonmajor fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency funds include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenue available if they are collected within 60 days after year-end except for state aid. State aid received after 60 days are being considered as available as historically, state aid collected within 60 days have represented all state aid expected to be collected. The state is currently being on payments to local government agencies, which is a highly unusual circumstance, resulting in current year state aid collections after 60 days of year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements. Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Entitlements Receivable

Entitlements receivable consist of grants due from the State of Illinois and the federal government. The District considers its entitlements receivable to be fully collectible; accordingly, an allowance for uncollectible entitlements has not been established.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	25 Years
Buildings and Building Improvements	15 - 50 Years
Equipment	5 - 10 Years

Compensated Absences

It is the District's policy for noncertified personnel to earn vacation pay after completing one year of service. This vacation pay must be used within the next twelve months or it converts to sick leave. Certified employees working less than twelve months do not earn vacation pay. Full-time employees earn fifteen sick days annually. Any unused portion is accumulated and carried forward. Upon retirement, employees receive \$20 a day for each day accumulated of sick time.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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.

Restricted – Consists of net position with constraints placed on the 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 legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The budget appropriations lapse at the end of each fiscal year.

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

1. The administration submits to the Board of Education a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public budget hearings are conducted and the proposed budget is available for public inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through the passage of a resolution. Prior to the last Tuesday in December, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund.
5. Formal budgetary integration is employed as a management control device during the year for the budgeted funds.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Capital Projects	\$ 80,152

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+), the Illinois Funds, and the Illinois Trust.

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments sold are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, with is the price for which the investment could be sold.

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$19,970,350 and the bank balances totaled \$23,841,762.

Investments. The District has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Illinois Fund	\$ 185,928	185,928	-
ISDLAF+	3,850,000	3,850,000	-
	4,035,928	4,035,928	-

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District may invest in short-term obligations of corporations that mature no later than 270 days from the date of purchase.

Concentration Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Custodial Credit Risk. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2017, the bank balance of the District's deposits with financial institutions totaled \$23,841,762; this entire amount was insured through FDIC insurance. All investments are required to be registered and held by a third-party custodian.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not mitigate custodial credit risk for investments. At year-end, the District's investments in the Illinois Fund is noncategorizable.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy allows for investments in bonds, notes, certificates of indebtedness; bonds, notes, debentures, or other similar obligations of the United States of America; Treasury bills or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest; interest-bearing savings accounts, interest-bearing certificates of deposits; short-term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000 and one of the three highest credit ratings by at least two standard rating services; short-term discount obligations of the Federal National Mortgage Association; dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under laws of Illinois or the laws of the United States of America; money market mutual funds; Public Treasurers' Investment Pool; the Illinois Funds; and certain repurchase agreements of government securities.

PROPERTY TAXES

Property taxes are levied as of January 1 on property values assessed on the same date. The lien date for the levy is January 1. The Cook County tax levy is divided into two billings; the first billing is mailed on or about February 1 of the following year and the second billing is mailed on or about August 1 of the following year. The DuPage County tax levy is payable in two installments on June 1 and September 1 of the following year.

The District received significant distributions of property taxes in the month following the due dates. Revenue is recognized on the current year's levy in conjunction with the amount budgeted by the Board for the current year with the unrecognized amount being recorded as a deferred inflow of resources.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,507,280	-	-	1,507,280
Depreciable Capital Assets				
Land Improvements	1,059,084	-	-	1,059,084
Buildings and Building Improvements	32,543,346	622,152	-	33,165,498
Equipment	5,039,175	90,576	-	5,129,751
	38,641,605	712,728	-	39,354,333
Less Accumulated Depreciation				
Land Improvements	758,540	44,757	-	803,297
Buildings and Building Improvements	15,321,384	833,539	-	16,154,923
Equipment	4,110,770	282,495	-	4,393,265
	20,190,694	1,160,791	-	21,351,485
Total Net Depreciable Capital Assets	18,450,911	(448,063)	-	18,002,848
Total Net Capital Assets	19,958,191	(448,063)	-	19,510,128

Depreciation expense was charged to governmental activities as follows:

Instructional	\$ 715,870
Support Services	<u>444,921</u>
	<u>1,160,791</u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 1,300,000
General	Debt Service	<u>8,927</u>
		<u><u>1,308,927</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers are also used to move unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

General Obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Capital Appreciation School Bonds of 2001B - Due in annual installment of \$36,732 to \$77,886 plus semi-annual interest at 3.80% to 5.40% through December 1, 2020.	\$ 199,400	-	41,980	157,420

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Capital Appreciation School Bonds of 2001D - Due in annual installment of \$15,686 to \$1,836,096 plus semi-annual interest at 4.30% to 5.50% through December 1, 2019.	\$ 6,487,322	-	1,814,204	4,673,118
General Obligation Capital Appreciation School Bonds of 2002 - Due in annual installment of \$633,217 to \$1,885,684 plus semi-annual interest at 5.25% to 6.625% through December 1, 2021.	4,329,323	-	-	4,329,323
	11,016,045	-	1,856,184	9,159,861

Notes Payable

The District enters into notes payable for the acquisition of capital assets. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
School Technology Revolving Note Payable - Due in annual installment of \$125,812 plus interest at 2.00% through December 1, 2016.	\$ 62,283	-	62,283	-

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Notes to the Financial Statements
June 30, 2017****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Notes Payable – Continued**

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Equipment Note Payable - Due in annual installments of \$164,401 plus interest at 2.25% through February 1, 2017.	\$ 160,785	-	160,785	-
Equipment Note Payable - Due in annual installments of \$39,748 plus interest at 2.17% through June 25, 2017.	38,904	-	38,904	-
	261,972	-	261,972	-

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 301,168	98,494	49,247	350,415	70,083
Net Pension Liability - IMRF	1,831,703	9,001	-	1,840,704	-
Net Pension Liability - TRS	2,524,709	-	215,855	2,308,854	-
Net Other Post-Employment Benefit Obligation	990,734	8,742	-	999,476	-
Capital Appreciation Bonds	11,016,045	-	1,856,184	9,159,861	1,796,708
Accretion - Capital Appreciation Bonds	13,389,191	1,206,782	2,440,796	12,155,177	2,590,272
Notes Payable	261,972	-	261,972	-	-
	30,315,522	1,323,019	4,824,054	26,814,487	4,457,063

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

The compensated absences, the net pension liability for TRS, the net other post-employment benefit obligation, and the notes payable are liquidated by the General Fund. The net pension liability for IMRF is being liquidated by the District's Illinois Municipal Retirement Fund. The capital appreciation bonds are being liquidated by the Debt Service Fund.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Capital Appreciation Bonds	
	Principal	Interest
2018	\$ 1,796,708	1,815,613
2019	1,876,326	1,891,871
2020	1,753,992	2,227,455
2021	1,922,413	2,805,845
2022	1,810,422	3,167,638
Totals	9,159,861	11,908,422

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. At year-end, the legal debt margin is as follows:

Assessed Valuation - 2016	<u>\$ 1,037,072,788</u>
Legal Debt Limit - 6.9% of Assessed Value	71,558,022
Amount of Debt Applicable to Limit	<u>(21,315,038)</u>
Legal Debt Margin	<u>50,242,984</u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Net Position Classifications

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 19,510,128
Less Capital Related Debt:	
Capital Appreciation Bonds	<u>(9,159,861)</u>
Net Investment in Capital Assets	<u>10,350,267</u>

Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 471,203	-	14,744	485,947
Restricted				
Operations and Maintenance	1,643,230	-	-	1,643,230
Debt Service	-	4,093,880	-	4,093,880
Transportation	-	-	1,318,214	1,318,214
Illinois Municipal Retirement	-	-	408,305	408,305
	<u>1,643,230</u>	<u>4,093,880</u>	<u>1,726,519</u>	<u>7,463,629</u>
Assigned				
Capital Projects	-	-	1,423,597	1,423,597
Unassigned	<u>13,242,281</u>	-	-	<u>13,242,281</u>
Total Fund Balances	<u>15,356,714</u>	<u>4,093,880</u>	<u>3,164,860</u>	<u>22,615,454</u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Assigned Fund Balance. The Board of Education may, by resolution, authorize an individual to assigning fund balance. The Board of Education has not adopted such a resolution. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, an additional action is essential to either remove or revise a commitment.

Minimum Fund Balance Policy. The District's fund balance policy states that the fund balance of the operating funds should maintain a minimum fund balance to revenue ratio of greater than or equal to 25%, but not less than 20%.

Net Position Restatement

Net position was restated due to a prior period adjustment for a capital asset appraisal in the Governmental Activities. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 16,107,964	9,382,845	(6,725,119)

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; employee medical coverage; and workers' compensation for which the District carries commercial insurance. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in the current year or the past three years.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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 the terms of the grant. Management believes such disallowance, if any, would be immaterial.

TORT IMMUNITY EXPENDITURES

Tort immunity expenditures for the year ended June 30, 2017 are summarized as follows:

Workers' Compensation	\$ 81,502
Liability Insurance	54,794
Unemployment Insurance	<u>15,710</u>
Total	<u><u>152,006</u></u>

SOCIAL SECURITY

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$163,554, the total required contribution for the fiscal year.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

POST-RETIREMENT HEALTH PLAN

The District administers a single-employer defined benefit plan (“the Retiree’s Health Plan”). The plan provides limited health care and life insurance coverage for its eligible retired employees. Such coverage is provided for retired employees until they reach age 65. The District does not issue a stand-alone report for the postretirement health plan.

The contribution requirements are established by the District, using an actuarial study that is based on projected pay-as-you-go financing. For fiscal year 2017, the District contributed \$82,506 to the plan. Plan members receiving benefits contributed \$0.

The District’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of spending that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the Retiree’s Health Plan, and changes in the District’s net OPEB obligation to the Retiree’s Health Plan:

Annual Required Contribution	\$ 166,482
Interest on the NOPEBO	39,629
Adjustment to the ARC	<u>(57,294)</u>
Annual OPEB Cost	148,817
Actual Contribution	<u>140,075</u>
Change in the NOPEBO	8,742
NOPEBO - Beginning	<u>990,734</u>
NOPEBO - Ending	<u><u>999,476</u></u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

POST-RETIREMENT HEALTH PLAN – Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retiree's Health Plan, and the net OPEB obligation for June 30, 2017 and the two preceding years are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 122,819	\$ 175,938	143.25%	\$ 955,781
2016	133,357	98,404	73.79%	990,734
2017	148,817	140,075	94.13%	999,476

The funded status of the Retiree's Health Plan as of June 30, 2017 as follows:

Actuarial Accrued Liability (AAL)	\$ 1,584,822
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,584,822
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

POST-RETIREMENT HEALTH PLAN – Continued

In the June 30, 2017 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.0 percent investment rate of return and an annual healthcare cost trend rate of 7.50 percent, reduced by decrements to an ultimate rate of 4.50 percent. The actuarial value of the Retiree's Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retiree's Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017 is 30 years.

TEACHER HEALTH INSURANCE SECURITY

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment 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 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. 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 THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$112,453, and the District recognized revenues and expenditures of this amount during the year. State contributions intended to match active member contributions during the years ended June 30, 2016 and 2015 were 1.07% and 1.02% of pay, respectively. State contributions on behalf of active members for the years ended June 30, 2016 and 2015 were \$104,058 and \$97,228, respectively.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

TEACHER HEALTH INSURANCE SECURITY – Continued

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017 and 0.80 percent and 0.76 percent during the years ended June 30, 2016 and 2015, respectively. For the years ended June 30, 2017, 2016 and 2015 the District paid \$84,340, \$77,800 and \$72,444 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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 2017 and 2016 reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers’ Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District’s corporate personal property replacement tax. Each retirement system is discussed below.

Teachers’ Retirement System

Plan Descriptions, Provisions and Funding Policies

The District participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can only be made by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration. TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888.877.0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 at the percentage of average salary to which the member is entitled. Most members require 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.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Benefits Provided – Continued

Tier 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement beginning January 1 following the attainment of age 61 or on January 1 following the members' first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of 3 percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the members' 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.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contributions rates are specified by the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2016 and June 30, 2015.

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 \$7,504,604 in pension contributions from the State. For the year ended June 30, 2016, the employer recognized revenue and expenditures of \$5,050,827.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Contributions – Continued

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 years ended June 30, 2017 and 2016 were \$58,235 and \$56,405, respectively. The June 30, 2017 contributions 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 be the same.

For the fiscal year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the fiscal years ended June 30, 2016 and 2015, the employer pension contribution was 36.60 and 33.33 percent of salaries paid from those funds, respectively. For the fiscal year ended June 30, 2017, salaries totaling \$222,670 were paid from federal and special trust funds that required employer contributions of \$85,817, which was equal to the District's actual contributions. For the fiscal year ended June 30, 2016 required District contributions were \$66,131. The June 30, 2017 contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring early under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contributions under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer did not make any payments to TRS for employer ERO contributions.

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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 disclosures 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:

Employer's Proportionate Share of the Net Pension Liability	\$ 2,308,854
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>76,416,888</u>
Total	<u><u>78,725,742</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 0.0029%, which was a decrease of 0.001% from its proportion measured of 0.0039% as of June 30, 2015.

The net pension liability as of the beginning this period was measured as of June 30, 2015, and the total pension liability was based on the June 30, 2014, actuarial valuation rolled forward to June 30, 2015. The employer's proportion of the net pension liability as of June 30, 2015, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was 0.0039%.

For the year ended June 30, 2017, the employer recognized pension expense is summarized as follows:

Employer's Expense Relating to its Share of the Net Pension Liability	\$ 99,753
On Behalf Pension Contributions Made by the State of Illinois	<u>7,504,604</u>
Total Pension Expense	<u><u>7,604,357</u></u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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

At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 17,072	(1,566)	15,506
Net Difference Between Projected and Actual			
Net Difference Between Projected and Actual Earnings on Pension Investments	65,229	-	65,229
Changes of Assumptions	198,296	-	198,296
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	183,361	(834,462)	(651,101)
Total Pension Expense to be Recognized in Future Periods	463,958	(836,028)	(372,070)
Employer Contributions Subsequent to the Measurement Date	144,052	-	144,052
Totals	608,010	(836,028)	(228,018)

\$144,052 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:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2018	\$ (155,356)
2019	(155,356)
2020	3,819
2021	(50,329)
2022	(14,848)
	(372,070)

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Actuarial Assumptions

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

Inflation: 2.50 Percent

Salary Increases: Varies by Amount of Service Credit

Investment Rate of Return: 7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.00 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:

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Actuarial Assumptions – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	14.40%	6.94%
U.S. Small/Mid Cap	3.60%	8.09%
International Equities Developed	14.40%	7.46%
Emerging Market Equities	3.60%	10.15%
U.S. Bonds Core	10.70%	2.44%
Internatioanl Debt Developed	5.30%	1.70%
Real Estate	15.00%	5.44%
Commodities (Real Return)	11.00%	4.28%
Hedge Funds (Absolute Return)	8.00%	4.16%
Private Equity	14.00%	10.63%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.83 percent and the discount rate used in the prior valuation was 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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 one percentage-point lower or one percentage-point higher 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	\$ 2,823,822	2,308,854	1,888,262

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Description

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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).

LEMONT-BROMBERG COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

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

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

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	227
Inactive Plan Members Entitled to but not yet Receiving Benefits	150
Active Plan Members	<u>88</u>
Total	<u><u>465</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 11.43%.

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	27.00%	3.00%
Domestic Equities	38.00%	7.60%
International Equities	17.00%	7.80%
Real Estate	8.00%	6.15%
Blended	9.00%	5.25%
Cash and Cash Equivalents	1.00%	2.25%

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

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and the discount rate used in the prior valuation was 7.45%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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 one percentage point lower or one percentage point higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 3,497,985	1,840,704	476,835

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Notes to the Financial Statements
June 30, 2017****NOTE 4 – OTHER INFORMATION – Continued****RETIREMENT SYSTEMS – Continued****Illinois Municipal Retirement Fund (IMRF) – Continued****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	\$ 12,112,391	10,280,688	1,831,703
Changes for the Year:			
Service Cost	286,911	-	286,911
Interest on the Total Pension Liability	895,638	-	895,638
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(7,583)	-	(7,583)
Changes of Assumptions	(77,045)	-	(77,045)
Contributions - Employer	-	275,909	(275,909)
Contributions - Employees	-	109,039	(109,039)
Net Investment Income	-	709,922	(709,922)
Benefit Payments, including Refunds of			
Employee Contributions	(467,719)	(467,719)	-
Other (Net Transfer)	-	(5,950)	5,950
Net Changes	630,202	621,201	9,001
Balances at December 31, 2016	12,742,593	10,901,889	1,840,704

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Notes to the Financial Statements June 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended June 30, 2017, the District recognized pension expense of \$496,499. At June 30, 2017, the District 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	Totals
Differences Between Expected and Actual Experience	\$ -	(2,465)	(2,465)
Changes of Assumptions	-	(25,044)	(25,044)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	534,842	-	534,842
Total Pension Expense to be Recognized in Future Periods	534,842	(27,509)	507,333
Pension Contributions Made Subsequent to the Measurement Date	144,492	-	144,492
Total Deferred Amounts Related to Pensions	679,334	(27,509)	651,825

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:

Fiscal Year	Net Deferred Outflows of Resources
2018	\$ 156,187
2019	183,696
2020	155,891
2021	11,559
2022	-
Thereafter	-
Total	507,333

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Funding Progress and Employer Contributions
Post-Retirement Health Plan
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgeted amounts are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Teachers' Retirement System****Required Supplementary Information****Schedule of the Employer's Proportionate Share of the Net Pension Liability and****Employer Contributions****June 30, 2017**

	6/30/14*	6/30/15*	6/30/16*
Employer's Proportion of the Net Pension Liability	0.003371%	0.003854%	0.002925%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,051,526	\$ 2,524,709	\$ 2,308,854
State's Proportionate Share of the Net Pension Liability Associated with the Employer	61,385,115	61,649,374	76,416,888
Total	63,436,641	64,174,083	78,725,742
Employer's Covered-Employee Payroll	\$ 9,332,660	\$ 9,725,009	\$ 10,040,482
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	21.98%	25.96%	23.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.00%	41.50%	36.40%

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

Contractually-Required Contribution	\$ 120,241	\$ 125,915	\$ 144,052
Contributions in Relation to the Contractually-Required Contribution	\$ 120,241	\$ 125,915	\$ 144,052
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Employer's Covered-Employee Payroll	\$ 9,332,660	\$ 9,725,009	\$ 10,040,482
Contributions as a % of Covered-Employee Payroll	1.29%	1.29%	1.43%

Notes:

Amounts reported in 2016 reflect an investment rate of return of 7.00%, an inflation rate of 2.50% and real return of 4.50%, and salary increases were assumed to vary by service credit. In 2015, assumptions used were an investment rate of return of 7.50%, an inflation rate of 3.00% and a real return of 4.50%, and salary increases of 5.75%. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Illinois Municipal Retirement Fund**
Required Supplementary Information
Schedule of Employer Contributions
June 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 275,694	\$ 263,717	\$ (11,977)	\$ 2,517,751	10.47%
2016	267,286	267,286	-	2,456,682	10.88%
2017	269,789	275,909	6,120	2,413,139	11.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMFR specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

June 30, 2017

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	\$ 294,524	\$ 294,903	\$ 286,911
Interest	737,481	835,166	895,638
Differences Between Expected and Actual Experience	198,324	128,694	(7,583)
Change of Assumptions	479,124	58,598	(77,045)
Benefit Payments, Including Refunds of Member Contributions	(368,734)	(415,870)	(467,719)
Net Change in Total Pension Liability	1,340,719	901,491	630,202
Total Pension Liability - Beginning	9,870,181	11,210,900	12,112,391
Total Pension Liability - Ending	11,210,900	12,112,391	12,742,593
Plan Fiduciary Net Position			
Contributions - Employer	\$ 263,717	\$ 267,286	\$ 275,909
Contributions - Members	109,287	110,855	109,039
Net Investment Income	593,447	51,903	709,922
Benefit Payments, Including Refunds of Member Contributions	(368,734)	(415,870)	(467,719)
Other (Net Transfer)	75,174	(132,887)	(5,950)
Net Change in Plan Fiduciary Net Position	672,891	(118,713)	621,201
Plan Net Position - Beginning	9,726,510	10,399,401	10,280,688
Plan Net Position - Ending	10,399,401	10,280,688	10,901,889
Employer's Net Pension Liability	\$ 811,499	\$ 1,831,703	\$ 1,840,704
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.76%	84.88%	85.55%
Covered-Employee Payroll	\$ 2,517,751	\$ 2,456,682	\$ 2,413,139
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	32.23%	74.56%	76.28%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Post-Retirement Health Plan

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

June 30, 2017

Funding Progress

Actuarial Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2012	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	1,457,339	0.00%	1,457,339	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	1,584,822	0.00%	1,584,822	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2012	\$ 279,191	\$ 930,637	30.00%
2013	279,191	943,213	29.60%
2014	248,480	697,978	35.60%
2015	140,560	121,908	115.30%
2016	98,404	150,399	65.43%
2017	140,075	166,482	84.14%

The District is required to have an actuarial valuation performed triennially.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources				
Property Taxes	\$ 17,863,165	17,863,165	18,064,727	201,562
Personal Property Replacement Taxes	352,960	352,960	364,124	11,164
Earnings on Investments	50,000	50,000	50,230	230
Other	1,422,350	1,422,350	1,474,481	52,131
State Sources				
General State Aid	816,919	816,919	816,993	74
Grants-in-Aid	615,033	615,033	789,929	174,896
Federal Sources				
Grants-in-Aid	913,374	913,374	972,296	58,922
Total Direct Revenues	22,033,801	22,033,801	22,532,780	498,979
On Behalf Payments - State of Illinois	-	-	7,617,057	7,617,057
Total Revenues	22,033,801	22,033,801	30,149,837	8,116,036
Expenditures				
Current				
Instruction	12,219,959	12,001,344	11,851,257	150,087
Support Services	6,642,482	6,461,994	6,061,322	400,672
Community Services	33,564	30,659	33,171	(2,512)
Payments to Other Districts and Government Units	764,525	951,000	644,223	306,777
Capital Outlay	1,453,863	410,400	178,145	232,255
Debt Service				
Principal Retirement	57,000	261,972	261,972	-
Interest and Other	4,200	117,227	60,836	56,391
Total Direct Expenditures	21,175,593	20,234,596	19,090,926	1,143,670
On Be-Half Expenditures	-	-	7,617,057	(7,617,057)
Total Expenditures	21,175,593	20,234,596	26,707,983	(6,473,387)
Excess (Deficiency) of Revenues Over (Under) Expenditures	858,208	1,799,205	3,441,854	14,589,423
Other Financing Sources (Uses)				
Transfers In	1,300,000	1,300,000	8,927	(1,291,073)
Transfers Out	(500,000)	(1,300,000)	(1,300,000)	-
	800,000	-	(1,291,073)	(1,291,073)
Net Change in Fund Balances	1,658,208	1,799,205	2,150,781	13,298,350
Fund Balances - Beginning			13,205,933	
Fund Balances - Ending			15,356,714	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements – General Fund – by Accounts
- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Schedule of Changes in Assets and Liabilities – Agency Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund. Revenue to finance the contributions is derived primarily from local property taxes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

AGENCY FUNDS

Student Activity, Convenience Accounts, and Other Agency Funds

The Student Activity Fund is used to account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educations, recreational, or cultural purposes. The Convenience Accounts Fund is used to account for assets that are normally maintained by a local educational agency as a convenience for its faculty, staff, etc.

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**General Fund - by Accounts****Combining Balance Sheet****June 30, 2017**

	Educational	Operations and Maintenance	Totals
ASSETS			
Cash and Investments	\$ 14,814,442	1,740,181	16,554,623
Receivables - Net of Allowances			
Property Taxes	8,103,630	1,097,339	9,200,969
Entitlements	426,896	-	426,896
Other	8,776	-	8,776
Prepays	471,203	-	471,203
Total Assets	23,824,947	2,837,520	26,662,467
LIABILITIES			
Accounts Payable	114,706	78,225	192,931
Accrued Payroll	1,531,767	-	1,531,767
Other Payables	222,273	-	222,273
Total Liabilities	1,868,746	78,225	1,946,971
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	8,242,717	1,116,065	9,358,782
Total Liabilities and Deferred Inflows of Resources	10,111,463	1,194,290	11,305,753
FUND BALANCES			
Nonspendable	471,203	-	471,203
Restricted	-	1,643,230	1,643,230
Unassigned	13,242,281		13,242,281
Total Funds Balances	13,713,484	1,643,230	15,356,714
Total Liabilities, Deferred Inflows of Resources and Fund Balances	23,824,947	2,837,520	26,662,467

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

General Fund - by Accounts

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2017

	Educational	Operations and Maintenance	Eliminations	Totals
Revenues				
Local Sources				
Property Taxes	\$ 15,866,316	2,198,411	-	18,064,727
Personal Property Replacement Taxes	364,124	-	-	364,124
Earnings on Investments	50,230	-	-	50,230
Other	1,201,403	273,078	-	1,474,481
State Sources				
General State Aid	816,993	-	-	816,993
Grants-in-Aid	789,929	-	-	789,929
Federal Sources				
Grants-in-Aid	972,296	-	-	972,296
Total Direct Revenues	20,061,291	2,471,489	-	22,532,780
On Behalf Payments - State of Illinois	7,617,057	-	-	7,617,057
Total Revenues	27,678,348	2,471,489	-	30,149,837
Expenditures				
Current				
Instruction	11,851,257	-	-	11,851,257
Support Services	4,238,175	1,823,147	-	6,061,322
Community Services	33,171	-	-	33,171
Payments to Other Districts and Government Units	644,223	-	-	644,223
Capital Outlay	70,700	107,445	-	178,145
Debt Service				
Principal Retirement	261,972	-	-	261,972
Interest and Other	60,836	-	-	60,836
Total Direct Expenditures	17,160,334	1,930,592	-	19,090,926
On Be-Half Expenditures	7,617,057	-	-	7,617,057
Total Expenditures	24,777,391	1,930,592	-	26,707,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,900,957	540,897	-	3,441,854
Other Financing Sources (Uses)				
Transfers In	8,927	1,050,000	(1,050,000)	8,927
Transfers Out	(1,050,000)	(1,300,000)	1,050,000	(1,300,000)
	(1,041,073)	(250,000)	-	(1,291,073)
Net Change in Fund Balances	1,859,884	290,897	-	2,150,781
Fund Balances - Beginning	11,853,600	1,352,333	-	13,205,933
Fund Balances - Ending	13,713,484	1,643,230	-	15,356,714

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Educational Accounts - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
Revenues					
Local Sources					
General Levy	\$ 15,347,834	15,347,834	15,621,472	273,638	14,976,448
Special Education Levy	257,589	257,589	244,844	(12,745)	245,617
Personal Property					
Replacement Taxes	352,960	352,960	364,124	11,164	286,073
Tuition	16,200	16,200	9,010	(7,190)	-
Earnings on Investments	50,000	50,000	50,230	230	67,527
Sales to Pupils - Lunch	250,000	250,000	220,178	(29,822)	232,232
Admissions - Athletic	105,000	105,000	154,874	49,874	95,173
Rentals - Regular Textbook	450,000	450,000	421,483	(28,517)	416,668
Band Fees	-	-	4,000	4,000	-
Contributions and Donations					
from Private Sources	25,000	25,000	25,725	725	33,123
Other Local Fees	308,650	308,650	344,944	36,294	330,223
Other Local Revenues	20,000	20,000	21,189	1,189	28,450
Total Local Sources	17,183,233	17,183,233	17,482,073	298,840	16,711,534
State Sources					
General State Aid	816,919	816,919	816,993	74	790,006
Special Education					
Private Facility Tuition	110,000	110,000	129,479	19,479	128,237
Extraordinary	270,000	270,000	258,384	(11,616)	265,590
Personnel	150,000	150,000	328,158	178,158	303,639
Orphanage - Individual	-	-	10,140	10,140	-
Summer School	3,177	3,177	1,852	(1,325)	2,642
Bilingual Ed - Downstate - TPI and TBE	53,162	53,162	34,899	(18,263)	39,166
State Fee Lunch and Breakfast	1,000	1,000	635	(365)	692
ADA Safety Grant	26,382	26,382	26,382	-	-
Library Grants	1,312	1,312	-	(1,312)	1,313
Total State Sources	1,431,952	1,431,952	1,606,922	174,970	1,531,285

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Educational Accounts - General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

		2017				2016
		Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues - Continued						
Federal Sources						
National School Lunch Program	\$	85,000	85,000	87,861	2,861	98,062
Title I - Low Income		172,000	172,000	217,935	45,935	112,725
Federal - Special Education						
Preschool Flow-Through		19,207	19,207	25,875	6,668	19,077
Federal - Special Education						
IDEA Flow-Through		529,442	529,442	512,900	(16,542)	579,492
Federal - Special Education - IDEA						
Room and Board		-	-	36,268	36,268	-
CTE - Perkins						
Title III - Immigrant						
Education Program		1,190	1,190	2,780	1,590	1,190
Title III - Language Inst Program		22,616	22,616	14,060	(8,556)	14,956
Title II - Teacher Quality		38,919	38,919	39,209	290	26,925
Medicaid Matching Funds						
Administrative Outreach		45,000	45,000	35,408	(9,592)	37,348
Total Federal Sources		913,374	913,374	972,296	58,922	889,775
Total Direct Revenue		19,528,559	19,528,559	20,061,291	532,732	19,132,594
On Behalf Payments		-	-	7,617,057	7,617,057	5,154,895
Total Revenues		19,528,559	19,528,559	27,678,348	8,149,789	24,287,489
Expenditures						
Instruction						
Regular Programs						
Salaries		6,823,875	6,619,728	6,680,686	(60,958)	6,464,343
Employee Benefits		2,541,920	2,548,700	2,328,985	219,715	2,278,288
Purchased Services		93,060	96,970	60,825	36,145	50,751
Supplies and Materials		185,775	169,050	135,252	33,798	192,413
Other Objects		30,000	4,300	3,456	844	23,227
Termination Benefits		6,000	2,000	1,590	410	16,400
Total Regular Programs		9,680,630	9,440,748	9,210,794	229,954	9,025,422

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Educational Accounts - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Instruction - Continued					
Special Education Programs					
Salaries	\$ 1,703,421	1,665,071	1,621,042	44,029	1,591,279
Employee Benefits	29,179	29,220	28,380	840	28,721
Purchased Services	16,000	6,250	7,771	(1,521)	13,699
Supplies and Materials	31,000	26,500	24,534	1,966	43,009
Other Objects	19,500	2,500	3,498	(998)	8,064
Total Special Education Programs	1,799,100	1,729,541	1,685,225	44,316	1,684,772
Remedial and Supplemental Programs Pre-K					
Salaries	-	-	84,313	(84,313)	-
Employee Benefits	-	-	1,222	(1,222)	-
Supplies and Materials	3,000	9,000	8,482	518	-
Total Remedial and Supplemental Programs Pre-K	3,000	9,000	94,017	(85,017)	-
Interscholastic Programs					
Salaries	73,500	79,600	81,262	(1,662)	58,501
Employee Benefits	891	904	1,128	(224)	891
Purchased Services	17,000	22,000	3,570	18,430	17,385
Supplies and Materials	12,000	18,300	17,883	417	8,504
Other Objects	12,300	16,000	16,142	(142)	12,618
Total Interscholastic Programs	115,691	136,804	119,985	16,819	97,899
Summer School Programs					
Salaries	-	20,750	47,563	(26,813)	15,500
Employee Benefits	-	7,220	6,893	327	5,803
Total Summer School Programs	-	27,970	54,456	(26,486)	21,303

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Educational Accounts - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Instruction - Continued					
Bilingual Programs					
Salaries	\$ 282,765	279,700	279,510	190	266,846
Employee Benefits	27,023	25,331	25,396	(65)	26,939
Purchased Services	6,750	750	76	674	49
Supplies and Materials	5,000	1,500	918	582	2,266
Total Bilingual Programs	321,538	307,281	305,900	1,381	296,100
Special Education Programs Pre-K					
Other Objects	300,000	350,000	380,880	(30,880)	228,726
Total Instruction	12,219,959	12,001,344	11,851,257	150,087	11,354,222
Support Services					
Pupils					
Attendance and Social Work Services					
Salaries	255,067	246,500	246,500	-	158,660
Employee Benefits	2,250	3,600	3,762	(162)	2,200
Total Attendance and Social Work	257,317	250,100	250,262	(162)	160,860
Guidance Services					
Salaries	-	16,995	16,995	-	101,635
Employee Benefits	1,450	-	-	-	1,411
Total Guidance Services	1,450	16,995	16,995	-	103,046
Health Services					
Salaries	165,579	164,718	164,317	401	174,368
Employee Benefits	-	-	-	-	102
Purchased Services	1,300	1,000	570	430	1,230
Supplies and Materials	9,150	9,150	5,656	3,494	5,337
Total Health Services	176,029	174,868	170,543	4,325	181,037

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Educational Accounts - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Support Services - Continued					
Pupils - Continued					
Psychological Services					
Salaries	\$ 173,221	180,736	180,736	-	180,047
Employee Benefits	2,608	2,608	2,553	55	2,608
Total Psychological Services	175,829	183,344	183,289	55	182,655
Speech Pathology and Audiology Services					
Salaries	209,063	215,002	215,001	1	203,447
Employee Benefits	2,900	2,900	3,084	(184)	2,804
Purchased Services	53,940	15,520	13,920	1,600	53,583
Total Speech Pathology Audiology Services	265,903	233,422	232,005	1,417	259,834
Total Pupils	876,528	858,729	853,094	5,635	887,432
Instructional Staff					
Improvement of Instructional Services					
Salaries	427,639	428,700	381,909	46,791	358,916
Employee Benefits	25,280	17,407	16,059	1,348	17,485
Purchased Services	402,147	342,600	499,599	(156,999)	196,677
Supplies and Materials	406,500	275,500	96,367	179,133	92,902
Other Objects	1,000	-	-	-	-
Total Improvement of Instructional Services	1,262,566	1,064,207	993,934	70,273	665,980
Educational Media Services					
Salaries	204,781	214,129	214,119	10	194,383
Employee Benefits	1,900	1,900	1,976	(76)	1,854
Purchased Services	3,500	-	-	-	3,454
Supplies and Materials	6,500	3,000	1,577	1,423	4,042
Total Educational Media Services	216,681	219,029	217,672	1,357	203,733

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Educational Accounts - General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures - Continued					
Support Services - Continued					
Instructional Staff - Continued					
Assessment and Testing					
Purchased Services	\$ 40,500	40,500	10,977	29,523	55,596
Total Instructional Staff	1,519,747	1,323,736	1,222,583	101,153	925,309
General Administration					
Board of Education Services					
Purchased Services	450,030	435,800	380,657	55,143	323,221
Supplies and Materials	4,000	3,000	3,085	(85)	4,935
Other Objects	21,000	14,000	10,915	3,085	15,243
Total Board of Education Services	475,030	452,800	394,657	58,143	343,399
Executive Administration Services					
Salaries	271,248	273,209	280,641	(7,432)	265,440
Employee Benefits	27,631	26,931	27,905	(974)	27,164
Purchased Services	59,000	58,500	31,330	27,170	40,484
Supplies and Materials	10,550	9,500	8,318	1,182	7,025
Other Objects	21,500	19,600	18,403	1,197	27,967
Total Executive Administration Services	389,929	387,740	366,597	21,143	368,080
Total General Administration	864,959	840,540	761,254	79,286	711,479

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Educational Accounts - General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Support Services - Continued					
School Administration					
Office of the Principal Services					
Salaries	\$ 768,804	781,251	781,250	1	762,166
Employee Benefits	65,766	65,301	65,544	(243)	65,554
Purchased Services	9,500	4,000	2,632	1,368	621
Supplies and Materials	10,500	5,900	6,553	(653)	2,459
Other Objects	8,700	7,000	5,511	1,489	11,059
Total School Administration	863,270	863,452	861,490	1,962	841,859
Business					
Direction of Business Support Services					
Salaries	114,444	115,566	115,566	-	112,200
Employee Benefits	13,500	13,500	13,071	429	13,190
Purchased Services	21,000	18,100	12,998	5,102	25,478
Supplies and Materials	4,500	2,000	1,095	905	4,585
Other Objects	2,000	1,500	1,419	81	1,198
Total Direction of Business Support services	155,444	150,666	144,149	6,517	156,651
Fiscal Services					
Salaries	119,599	119,599	136,907	(17,308)	112,829
Food Services					
Salaries	15,952	13,500	11,244	2,256	13,674
Employee Benefits	26	25	23	2	26
Purchased Services	307,500	242,500	242,746	(246)	283,677
Supplies and Materials	5,000	2,500	1,129	1,371	1,105
Other Objects	1,500	1,500	1,556	(56)	1,240
Total Food Services	329,978	260,025	256,698	3,327	299,722
Total Business	605,021	530,290	537,754	(7,464)	569,202

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Educational Accounts - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Expenditures - Continued					
Support Services - Continued					
Central					
Information Services					
Supplies and Materials	\$ 4,700	2,200	2,000	200	-
Total Support Services	4,734,225	4,418,947	4,238,175	180,772	3,935,281
Community Services					
Salaries	4,645	1,967	4,178	(2,211)	2,565
Employee Benefits	1,472	50	577	(527)	751
Purchased Services	24,674	26,742	26,989	(247)	27,315
Supplies and Materials	2,773	1,900	1,427	473	1,778
Total Community Services	33,564	30,659	33,171	(2,512)	32,409
Payments to Other Districts and Governmental Units					
Payments for Special Education Programs					
Purchased Services	-	300,000	269,578	30,422	310,299
Other	763,675	650,000	373,745	276,255	325,417
Total Payments for Special Education Programs	763,675	950,000	643,323	306,677	635,716
Other Payments to In-State Govt. Units					
Purchased Services	850	1,000	900	100	11,050
Total Payments to Other Districts and Governmental Units	764,525	951,000	644,223	306,777	646,766
Capital Outlay	878,863	285,400	70,700	214,700	43,819

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Educational Accounts - General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2017
(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Debt Service					
Principal Retirement	\$ 57,000	261,972	261,972	-	318,046
Interest and Other	4,200	117,227	60,836	56,391	67,669
Total Debt Service	61,200	379,199	322,808	56,391	385,715
 Total Direct Expenditures	18,692,336	18,066,549	17,160,334	906,215	16,398,212
 On Be-Half Payments	-	-	7,617,057	(7,617,057)	5,154,895
 Total Expenditures	18,692,336	18,066,549	24,777,391	(6,710,842)	21,553,107
 Excess (Deficiency) of Revenues Over (Under) Expenditures	836,223	1,462,010	2,900,957	14,860,631	2,734,382
 Other Financing Sources (Uses)					
Transfers In	-	-	8,927	8,927	15,926
Transfers Out	(250,000)	(1,050,000)	(1,050,000)	-	(150,000)
	(250,000)	(1,050,000)	(1,041,073)	8,927	(134,074)
 Net Change in Fund Balance	586,223	412,010	1,859,884	14,869,558	2,600,308
 Fund Balance - Beginning			11,853,600		9,253,292
 Fund Balance - Ending			13,713,484		11,853,600

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Operations and Maintenance Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2017****(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)**

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Local Sources					
General Levy	\$ 2,257,742	2,257,742	2,198,411	(59,331)	2,184,160
Rentals	142,500	142,500	185,270	42,770	166,222
Contributions and Donations from Private Sources	-	-	148	148	120
Impact Fees from Municipal or County Governments	75,000	75,000	80,287	5,287	131,162
Other	30,000	30,000	7,373	(22,627)	1,135
Total Revenues	2,505,242	2,505,242	2,471,489	(33,753)	2,482,799
Expenditures					
Support Services					
Pupils					
Other Support Services					
Purchased Services	25,935	25,935	25,935	-	27,721
Business					
Operation and Maintenance of Plant Services					
Salaries	676,678	699,654	625,276	74,378	653,125
Employee Benefits	196,800	204,800	192,974	11,826	193,192
Purchased Services	623,634	629,748	599,310	30,438	461,971
Supplies and Materials	384,200	481,900	379,283	102,617	393,263
Other Objects	1,010	1,010	369	641	586
Total Operation and Maintenance of Plant Services	1,882,322	2,017,112	1,797,212	219,900	1,702,137
Total Support Services	1,908,257	2,043,047	1,823,147	219,900	1,729,858
Capital Outlay	575,000	125,000	107,445	17,555	260,968
Total Expenditures	2,483,257	2,168,047	1,930,592	237,455	1,990,826

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Operations and Maintenance Accounts - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2017****(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)**

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 21,985	337,195	540,897	(271,208)	491,973
Other Financing Sources (Uses)					
Transfers In	1,300,000	1,300,000	1,050,000	(250,000)	150,000
Transfers Out	(250,000)	(250,000)	(1,300,000)	(1,050,000)	(350,000)
	1,050,000	1,050,000	(250,000)	(1,300,000)	(200,000)
Net Change in Fund Balance	<u>1,071,985</u>	<u>1,387,195</u>	290,897	<u>(1,571,208)</u>	291,973
Fund Balance - Beginning			<u>1,352,333</u>		<u>1,060,360</u>
Fund Balance - Ending			<u>1,643,230</u>		<u>1,352,333</u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local Sources					
General Levy	\$ 4,660,537	4,660,537	4,562,034	(98,503)	4,919,086
Earnings on Investments	10,000	10,000	8,928	(1,072)	5,633
Total Revenues	<u>4,670,537</u>	<u>4,670,537</u>	<u>4,570,962</u>	<u>(99,575)</u>	<u>4,924,719</u>
Expenditures					
Debt Service					
Principal Retirement	4,351,965	4,351,965	4,296,980	54,985	5,105,287
Interest and Other	1,500	1,500	55,935	(54,435)	50,663
Total Expenditures	<u>4,353,465</u>	<u>4,353,465</u>	<u>4,352,915</u>	<u>550</u>	<u>5,155,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	317,072	317,072	218,047	(99,025)	(231,231)
Other Financing (Uses)					
Transfers Out	-	-	(8,927)	(8,927)	(15,926)
Net Change in Fund Balance	<u>317,072</u>	<u>317,072</u>	209,120	<u>(107,952)</u>	(247,157)
Fund Balance - Beginning			<u>3,884,760</u>		<u>4,131,917</u>
Fund Balance - Ending			<u><u>4,093,880</u></u>		<u><u>3,884,760</u></u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Nonmajor Governmental Funds****Combining Balance Sheet
June 30, 2017**

	Special Revenue			
		Illinois		
	Transportation	Municipal Retirement	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 1,183,742	532,891	1,601,814	3,318,447
Receivables - Net of Allowances				
Property Taxes	514,464	303,989	-	818,453
Entitlements	160,372	-	-	160,372
Prepays	-	14,744	-	14,744
Total Assets	1,858,578	851,624	1,601,814	4,312,016
LIABILITIES				
Accounts Payable	17,120	119,398	57,800	194,318
Other Payables	-	-	120,417	120,417
Total Liabilities	17,120	119,398	178,217	314,735
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	523,244	309,177	-	832,421
Total Liabilities and Deferred Inflows of Resources	540,364	428,575	178,217	1,147,156
FUND BALANCES				
Nonspendable	-	14,744	-	14,744
Restricted	1,318,214	408,305	-	1,726,519
Assigned	-	-	1,423,597	1,423,597
Total Fund Balances	1,318,214	423,049	1,423,597	3,164,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,858,578	851,624	1,601,814	4,312,016

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017**

	Special Revenue			
		Illinois	Capital	
	Transportation	Municipal Retirement	Projects	Totals
Revenues				
Local Sources				
Property Taxes	\$ 1,052,535	626,939	-	1,679,474
Earnings on Investments	-	-	2,278	2,278
Other	4,185	667	305,885	310,737
State Sources				
Grants-in-Aid	316,998	-	-	316,998
Total Revenues	1,373,718	627,606	308,163	2,309,487
Expenditures				
Current				
Instruction	-	248,324	-	248,324
Support Services	1,159,227	385,555	-	1,544,782
Community	-	31	-	31
Capital Outlay	750	-	622,152	622,902
Total Expenditures	1,159,977	633,910	622,152	2,416,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	213,741	(6,304)	(313,989)	(106,552)
Other Financing Sources				
Transfers In	-	-	1,300,000	1,300,000
Net Change in Fund Balances	213,741	(6,304)	986,011	1,193,448
Fund Balances - Beginning	1,104,473	429,353	437,586	1,971,412
Fund Balances - Ending	1,318,214	423,049	1,423,597	3,164,860

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Transportation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2017

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
Revenues					
Local Sources					
General Levy	\$ 1,180,907	1,180,907	1,052,535	(128,372)	1,104,123
Transportation Fees					
Regular Transportation Fees from Pupils or Parents	7,000	7,000	4,075	(2,925)	5,145
Regular Transportation Fees from Other Districts	-	-	100	100	340
Regular Transportation Fees from Other Sources	-	-	-	-	2,098
Other					
Contributions and Donations from Private Sources	-	-	-	-	386
Refund of Prior Years' Expenditures	-	-	-	-	72,000
Other Local Revenues	8,000	8,000	10	(7,990)	11,142
Total Local Sources	1,195,907	1,195,907	1,056,720	(139,187)	1,195,234
State Sources					
Transportation - Regular/Vocational	30,000	30,000	21,245	(8,755)	101,271
Transportation - Special Education	200,000	200,000	295,753	95,753	248,597
Total State Sources	230,000	230,000	316,998	86,998	349,868
Total Revenues	1,425,907	1,425,907	1,373,718	(52,189)	1,545,102
Expenditures					
Current					
Support Services					
Pupils					
Other Support Services					
Purchased Services	27,241	27,241	26,058	1,183	31,349

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Transportation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures - Continued					
Current - Continued					
Support Services - Continued					
Business					
Pupil Transportation Services					
Salaries	\$ 467,523	438,500	427,058	11,442	428,222
Employee Benefits	16,100	30,550	29,259	1,291	15,163
Purchased Services	584,893	576,882	581,246	(4,364)	605,188
Supplies and Materials	136,000	116,500	95,606	20,894	87,804
	<u>1,204,516</u>	<u>1,162,432</u>	<u>1,133,169</u>	<u>29,263</u>	<u>1,136,377</u>
Total Support Services	<u>1,231,757</u>	<u>1,189,673</u>	<u>1,159,227</u>	<u>30,446</u>	<u>1,167,726</u>
Capital Outlay	<u>2,000</u>	<u>1,000</u>	<u>750</u>	<u>250</u>	<u>638</u>
Debt Service					
Principal Retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,808</u>
Total Expenditures	<u>1,233,757</u>	<u>1,190,673</u>	<u>1,159,977</u>	<u>30,696</u>	<u>1,247,172</u>
Net Change in Fund Balance	<u>192,150</u>	<u>235,234</u>	<u>213,741</u>	<u>(21,493)</u>	<u>297,930</u>
Fund Balance - Beginning			<u>1,104,473</u>		<u>806,543</u>
Fund Balance - Ending			<u>1,318,214</u>		<u>1,104,473</u>

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Illinois Municipal Retirement - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2017

(with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017			2016
	Original Budget	Final Budget	Actual Variance with Final Budget	Actual
Revenues				
Local Sources				
Social Security/Medicare Only Levy	\$ 667,060	667,060	626,939	(40,121) 643,091
Other	-	-	667	667 -
Total Revenues	667,060	667,060	627,606	(39,454) 643,091
Expenditures				
Current				
Instruction				
Regular Programs	655,000	655,000	118,657	536,343 113,088
Special Education Programs	-	-	118,931	(118,931) 106,514
Other Programs	-	-	10,736	(10,736) 7,947
Total Instruction	655,000	655,000	248,324	406,676 227,549
Support Services				
Pupils	-	-	40,785	(40,785) 41,872
Instructional Staff	-	-	57,030	(57,030) 50,436
General Administration	-	-	13,194	(13,194) 12,459
School Administration	-	-	47,673	(47,673) 46,271
Business	-	-	226,873	(226,873) 224,625
Total Support Services	-	-	385,555	(385,555) 375,663
Community Services	-	-	31	(31) 37
Total Expenditures	655,000	655,000	633,910	21,090 603,249
Net Change in Fund Balance	12,060	12,060	(6,304)	(18,364) 39,842
Fund Balance - Beginning			429,353	389,511
Fund Balance - Ending			423,049	429,353

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2017 (with Comparative Actual Amounts for the Fiscal Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Local Sources					
Earnings on Investments	\$ 550	550	2,278	1,728	576
Other					
Green Lighting	420,000	420,000	305,885	(114,115)	-
Total Revenues	420,550	420,550	308,163	(112,387)	576
Expenditures					
Support Services					
Business					
Facilities Acquisition and Construction					
Capital Outlay	250,000	542,000	622,152	(80,152)	299,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	170,550	(121,450)	(313,989)	(32,235)	(299,374)
Other Financing Sources					
Transfers In	1,550,000	1,550,000	1,300,000	(250,000)	350,000
Net Change in Fund Balance	1,720,550	1,428,550	986,011	(282,235)	50,626
Fund Balance - Beginning			437,586		386,960
Fund Balance - Ending			1,423,597		437,586

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Student Activity, Convenience Accounts, and Other Agency Funds - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2017**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 88,738	107,965	88,738	107,965
LIABILITIES				
Due to Activity Fund Organizations	88,738	107,965	88,738	107,965

SUPPLEMENTAL SCHEDULES

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A**Tax Rates and Extensions - Five Year Summary of Assessed Valuations****June 30, 2017**

	2012	2013	2014	2015	2016
Assessed Valuation	\$ 1,034,976,673	982,051,765	971,298,635	976,319,256	1,037,072,788
Tax Rates					
Educational	1.3788	1.4539	1.5138	1.5648	1.5291
Special Education	0.0235	0.0255	0.0257	0.0256	0.0241
Bond and Interest	0.0214	0.0227	0.5573	0.4680	0.4503
Transportation	0.1111	0.1120	0.1184	0.1127	0.1012
Municipal Retirement	0.0290	0.0318	0.0335	0.0338	0.0265
Social Security	0.0290	0.0318	0.0335	0.0338	0.0333
Building	0.6010	0.7073	0.2265	0.2305	0.2160
Total Tax Rates	2.1938	2.3850	2.5087	2.4692	2.3805
Tax Extensions					
Educational	\$ 14,270,643	14,278,450	14,703,543	15,277,600	15,857,869
Special Education	243,539	250,000	250,000	250,000	250,000
Bond and Interest	221,968	222,587	5,412,750	4,569,563	4,669,636
Transportation	1,150,000	1,100,000	1,150,000	1,100,000	1,050,000
Municipal Retirement	300,000	312,000	325,000	330,000	275,000
Social Security	300,000	312,000	325,000	330,000	345,000
Building	6,220,250	6,946,000	2,200,000	2,250,000	2,240,000
Total Tax Extensions	22,706,400	23,421,037	24,366,293	24,107,163	24,687,505

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Schedule of Long-Term Debt Requirements

General Obligation Limited Tax Capital Appreciation Bonds of 2001B

June 30, 2017

Date of Issue	February 15, 2001
Date of Maturity	December 1, 2020
Authorized Issue	\$1,068,071
Denomination of Bonds	\$5,000
Interest Rates	3.80% - 5.40%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2018	\$ 41,980	102,272	144,252
2019	40,230	103,375	143,605
2020	38,481	63,811	102,292
2021	36,729	68,268	104,997
	157,420	337,726	495,146

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Long-Term Debt Requirements

General Obligation Capital Appreciation Bonds of 2001D

June 30, 2017

Date of Issue	February 15, 2001
Date of Maturity	December 1, 2019
Authorized Issue	\$6,914,760
Denomination of Bonds	\$5,000
Interest Rates	4.30% - 5.50%
Interest Dates	December 1 and June 1
Principal Maturity Date	June 1
Payable at	Amalgamated Bank of Chicago, Chicago IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Original Principal	Accretion to Date	Currently Payable	Future Accretion	Totals
2018	\$ 1,754,728	2,491,027	4,245,755	99,245	4,345,000
2019	1,836,096	2,607,930	4,444,026	355,974	4,800,000
2020	1,082,294	1,452,124	2,534,418	340,582	2,875,000
	4,673,118	6,551,081	11,224,199	795,801	12,020,000

LEMONT-BROMBEREK COMBINED SCHOOL DISTRICT 113A

Long-Term Debt Requirements

General Obligation Capital Appreciation Bonds of 2002 June 30, 2017

Date of Issue	January 30, 2002
Date of Maturity	December 1, 2021
Authorized Issue	\$4,329,323
Denomination of Bonds	\$5,000
Interest Rates	5.25% - 6.625%
Interest Dates	December 1 and June 1
Principal Maturity Date	June 1
Payable at	Cole Taylor Bank, Chicago IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Original Principal	Accretion to Date	Currently Payable	Future Accretion	Totals
2018	\$ -	(554,811)	(554,811)	554,811	-
2019	-	(586,070)	(586,070)	586,070	-
2020	633,217	839,762	1,472,979	552,021	2,025,000
2021	1,885,684	2,737,577	4,623,261	381,739	5,005,000
2022	1,810,422	3,167,638	4,978,060	131,940	5,110,000
	4,329,323	5,604,096	9,933,419	2,206,581	12,140,000
