

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**COMMUNITY CONSOLIDATED
SCHOOL DISTRICT 89**

GLEN ELLYN, ILLINOIS

As of and for the Year Ended June 30, 2016

Officials Issuing Report

Dr. Emily K. Tammaru, Superintendent
Maureen A. Jones, Assistant Superintendent for Finance and
Operations

Department Issuing Report

Business Services

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u><i>Page(s)</i></u>
<i>Introductory Section</i>	
Transmittal Letter	i - viii
ASBO Certificate	ix
Organizational Chart	x
Principal Officers and Advisors	xi
<i>Financial Section</i>	
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 12
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	13
Statement of Activities	14
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Statement of Fiduciary Assets and Liabilities - Agency Fund	21
Notes to Basic Financial Statements	22 - 47
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	48
Illinois Municipal Retirement Fund - Schedule of District Contributions	49
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	50
Schedule of Funding Progress For Post-Retirement Health Benefit Plan	51

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<i><u>Page(s)</u></i>
Required Supplementary Information - (Continued)	
<u>General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
General Fund - Non-GAAP Budgetary Basis	52 - 58
Operations and Maintenance Fund	59 - 60
Transportation Fund	61
Municipal Retirement/Social Security Fund	62 - 63
Notes to Required Supplementary Information	64
Supplementary Information	
<u>Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Debt Service Fund	65
Capital Projects Fund	66
General Fund - Combining Balance Sheet	67
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	68
<u>General Fund Accounts - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts - Non-GAAP Budgetary Basis	69 - 75
Working Cash Accounts	76
Schedule of Changes in Assets and Liabilities - Agency Fund - Activity Funds	77
Statistical Section	
Net Position by Component - Last Ten Fiscal Years	78 - 79
Changes in Net Position - Last Ten Fiscal Years	80 - 81
Fund Balances, Governmental Funds - Last Ten Fiscal Years	82 - 83
Governmental Funds Revenues - Last Ten Fiscal Years	84 - 85
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years	86 - 87
Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds - Last Ten Fiscal Years	88 - 89
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years	90
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Tax Levy Years	91 - 92
Principal Property Taxpayers in the District - Current Year and Nine Years Ago	93

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u><i>Page(s)</i></u>
<i>Statistical Section - (Continued)</i>	
Property Tax Levies and Collections - Last Ten Tax Levy Years	94
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	95
Ratios of Outstanding Debt by Type (General Bonded Debt) - Last Ten Fiscal Years	96
Direct and Overlapping General Obligation Bonded Debt - As of June 30, 2013	97
Legal Debt Margin Information - Last Ten Fiscal Years	98 - 99
Demographic and Economic Statistics - Last Ten Calendar Years	100
Principal Employers - Current Year and Nine Years Ago	101
Number of Employees by Type - Last Ten Fiscal Years	102 - 103
Operating Statistics - Last Ten Fiscal Years	104
School Building Information - Last Ten Fiscal Years	105 - 106

November 3, 2016

Citizens of School District 89,
President, and Members of the Board of Education
Community Consolidated School District No. 89
22 W. 600 Butterfield Road
Glen Ellyn, Illinois 60137

The Comprehensive Annual Financial Report of Community Consolidated School District 89 (the "District") for the fiscal year ended June 30, 2016 is submitted herewith. This report was prepared by the District's Business Office. The audit was completed on November 3, 2016, and the report was subsequently issued. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation including all disclosures rests with the District. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Generally Accepted Accounting Principals (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and to be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

A component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. Using these criteria, management has determined that the District has no component units, nor is it a component unit of any other organization.

(continued)

Board of Education	Superintendent	Arbor View School	Glen Crest Middle School
Jeff Hume		David Bruno, Ed.D., Principal	Kim Price, Principal
Tim Jedlicka	Emily K. Tammaru, Ed.D.	Briar Glen School	John Batiste, Assistant Principal
Michael Nelson	Assistant Superintendent for Learning	Mitch Dubinsky, Principal	
Haydee Núñez	Robert Langman, Ed.D.	Park View School	
Scott Pope	Assistant Superintendent for Finance & Operations	Barb Peterson, Principal	
Beth Powers		Westfield School	
Giselle Sandi-Tapia, Ph.D.	Maureen A. Jones, CSBO	Stacey Hewick, Principal	

BASIS OF ACCOUNTING AND REPORTING

The Comprehensive Annual Financial Report (CAFR) is presented in three sections:

- 1) **The Introductory Section** includes this transmittal letter, the District's organizational chart and a list of principal officials.
- 2) **The Financial Section** includes the general-purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the independent auditor's report.
- 3) **The Statistical Section** includes a number of tables of non-audited data depicting the financial history of the District for the past ten years, demographics and other miscellaneous information.

The District's accounts are organized as separate accounting entities called funds. District resources are allocated to and accounted for in individual funds as required by the State of Illinois. Each fund has specific functions based upon the purposes for which the District's resources are to be expended. This allows for a more controlled process of spending activities. For all governmental fund types, the District reports are prepared on a modified accrual basis of accounting, which is applied to the District's budget and account records. For more information regarding the modified accrual method of accounting, refer to the Notes section.

Baker Tilly Virchow Krause, LLP. has been the District's auditing firm since 2010-11.

SERVICE AREA AND HISTORY OF THE DISTRICT

The District is a consolidated elementary (K-8) school district, in DuPage County, Illinois. The District includes small portions of Lombard and Wheaton, with the majority of students coming from incorporated and unincorporated areas of southern Glen Ellyn. The District comprises an area of approximately ten square miles, located twenty-five miles west of Chicago's Loop. The District's general boundaries are I-355 on the East, Butterfield Road on the South, President Street on the West and Roosevelt Road on the North. O'Hare Airport is approximately 20 minutes from the District. The District operates three K-5 elementary schools, one preK-5 elementary school and one 6-8 middle school. Graduates of the district attend Glenbard South High School in Glenbard High School District 87, located within the boundaries of District 89.

The governing body consists of a seven member Board of Education elected by the registered voters of the District, on a staggered four-year term basis. Based on the legislative authority codified in The School Code of Illinois, the Board of Education has the following powers:

- a. the corporate power to sue and be sued in all courts;
- b. the power to levy and collect taxes and to issue bonds;
- c. the power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.

The District is over 150 years old; initially, two separate school districts were established. The district numbers and specific boundaries changed until the final consolidation in 1952. In 1843, Milton Township elected its first School Trustees and they set the boundaries for six separate school districts. District 89 was initially Douglas (subsequently Wagner) School District 3 and District 39 (Bonaparte) was initially District 4. In 1920, the two districts were consolidated and given the number 89. In 1925, the year prior to opening Wagner School, Bonaparte District 39 detached from District 89. They remained separate until 1952 when District 39 dissolved and annexed into District 89. There were 95 students in the District in 1952. The student population grew steadily until 1973 when it reached its peak enrollment of 2,894. The enrollment declined until 1983 when it

hit 2,080. The student count then rose steadily until 1995 when it hit 2,661. The enrollment began to decline in 1995 but has recently seen a slight increase. For fiscal year 2016 enrollment was 2,070, which was up nearly 3% from the prior year. A demographic study, updated in January of 2012, indicated that enrollment would decline through 2013-14 at which point increases are expected through 2021-22 to an estimated total of 2,039 students. Because D89 enrollment has taken an larger than expected upswing, an updated enrollment projection project is currently underway.

ECONOMIC CONDITION AND OUTLOOK

The District tax base is (82.71%) residential, (17.23%) commercial and (0.06%) industrial, railroad and farm property. The commercial portion of the District consists largely of retail and office space. A new residential development just north of Glen Crest Middle School began construction in 2014 for twenty-two new four to five bedroom homes and an estimated new property value of \$10-\$12M. The District benefited from \$4M in new property in 2014 and \$5M in new property in 2015 due in part to this subdivision. However, because there is very limited open space within the school district boundaries, future growth will be mainly a function of turnover of existing property.

District 89's major revenue source continues to be local property taxes. Although our school district is impacted by the 1994 Property Tax Extension Limitation Act (i.e. the Tax Cap), the District has been able to maintain positive fund balances within all fund accounts. The legislation limits the extension increase to the lesser of the consumer price index (CPI-U) or five percent on existing property. The use of the CPI-U in property tax calculations is intended to "slow down" the increases in a school district's levy request. The trailing influence of the CPI and the economic downturn are still having an impact. The CPI for calendar year 2013 was 1.5%, which limited the 2014 property tax levy collected in calendar year 2015, the major revenue source for the 2015-16 school year. New construction is exempted from the Tax Cap. New property for the 2014 levy was \$4,022,380 or (.55%). Annual CPI-U increases since 1995 have averaged 2.3%, however the past five years have averaged only 1.7%.

Part of the Tax Cap law allowed for Districts to establish a Debt Service Extension Base (DSEB) the year Tax Caps were implemented. Once established, a school district may issue non-referendum debt for an amount not to exceed the DSEB payments in the base year. The amount was based on a district's tax levy for the Debt Service Fund in 1994. District 89 did not have any debt outstanding in 1994 and therefore, does not benefit from a DSEB. All bonded debt issued by District 89 must be issued through the referendum process.

The economic outlook for the District 89 community is stable in spite of the current economic uncertainty. Although the decline in the student population over the past twenty years assisted the District in being able to maintain financial solvency, recent enrollment spikes cause concern for the long-term financial health of the District. Over the past several years, the Board of Education enacted over \$2.2M in spending cuts which allowed the District to maintain financial solvency. However, the District's most recent financial projections reflect small deficits for the immediate future with possible larger deficits projected dependent upon enrollment. We are investigating enrollment trends in D89 in conjunction with consideration for an operating rate referendum in the next five years. The District has not placed a rate referendum on the ballot since 1986.

BOARD LEADERSHIP

As of June 2016 the Board leadership team consisted of President Michael Nelson (2017), Vice President Beth Powers (2017) and Secretary Pro-Tempore Dr. Giselle Sandi-Tapia (2019). Remaining board members include Jeff Hume (2017), Tim Jedlicka (2019), Scott Pope (2019) and Dr. Giselle Sandi-Tapia (2019). In September 2015, Haydee Núñez was appointed to the Board of Education. Ms. Núñez filled the vacancy created by Frank Zak's resignation and completes her term ending April 2017.

MAJOR INITIATIVES

The District is proud of its dedication to continuous improvement and to anticipating and preparing for the expanding expectations of parents and students. Strong instructional programs are regularly reviewed to ensure their continued rigor and effectiveness.

District 89 serves an increasingly diverse student population. The District serves a total of 207 English Language Learners speaking more than thirty-five different languages at home. A cohesive curriculum, improved instructional materials and a local assessment database help to better serve these students. In addition, the district is providing staff development opportunities targeted at assessment literacy, writing, technology and social emotional learning in order to increase learning for all students.

Technology continues to be an integral component of education. During the 2015-2016 school year, the District increased the number of Chrome books purchased for use at all levels of instruction to increase collaboration between students and staff. The technology committee continued to provide professional development in the use of Google Applications for Education throughout the school year focusing on utilizing Google Drive and Google Classroom in the classroom.

During the 2015-2016 school year science and math were two curricular areas that received a great deal of focus and study. The District science committee continued to work with the Next Generation Science Standards (NGSS) by developing comprehensive units of instruction in physical and earth/space sciences. Additionally, the science committee laid the groundwork for full implementation of the new NGSS with professional development in inquiry-based learning. Full implementation of the NGSS will take place during the 2016-2017 school year. The second curricular area of focus was math. The District reviewed student math performance and growth data. Upon reviewing the data, a district math committee composed of teachers in grades K-8 was formed to address the need for further vertical and horizontal alignment of math standards. The committee then continued to work through the summer developing critical areas of instruction and assessments for the first trimester of the 2016-2017 school year. The remaining critical areas will be developed and implemented during the 2016-2017 school year.

During the 2015-2016 school year, District 89 continued with the tradition of excellence, performing above national averages on the Northwest Evaluation Association's (NWEA) Measure of Academic Progress (MAP) assessment. Students in second through eighth grade take the test twice per year in Reading and Math. The test measures both proficiency and growth. District 89 performs well above the national mean, often close to two grade levels above the national. Students in third through eighth grades took the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment in reading and mathematics. As with the MAP assessment, District 89 performed well above the state of Illinois and national means on the PARCC assessment.

Teachers have fully implemented the new learning standards driven by the Common Core and have created new units of study aligned to those standards. Additionally, teachers have integrated social emotional standards into their daily lesson plans to ensure all students learn in a safe and nurturing learning environment. The district continues to use data to drive all instructional decisions, maximizing the learning potential of all.

To meet the needs of all children, the District continues to offer a broad curriculum including fine and applied arts, foreign language, technology, challenge, physical education and life skills. A community pre-school enriches the early childhood experience for special education students, age three to five, and also provides other parents with a quality tuition-based pre-school experience for their children.

During the 2015-2016 school year, District initiatives centered on technology integration, Science and math

development, the use of pre and post assessments to inform, instruct and differentiate for the needs of all learners.

A commitment to continuous improvement, world-class achievement and the collection, maintenance and analysis of data to demonstrate improved student achievement is evident at all schools. Each staff explores and adopts quality systems at its individual pace. These improvement systems are outlined in each school's School Improvement Plan. In addition to school improvement plans, each grade level within the buildings wrote specific, measurable, attainable, realistic and timely (SMART) goals to support the building school improvement plan.

During the 2015-2016 school year the district aligned all efforts to the Strategic Plan. A comprehensive professional development plan was implemented in order to support continued growth. Additionally, the district reviewed and updated the strategic plan scorecard to communicate progress towards goals with the community in order to increase transparency and monitor progress.

SERVICE EFFORTS AND ACCOMPLISHMENTS

District 89 is a member of the Cooperative Association for Special Education (CASE), a seven member district cooperative providing services for children ages three through twenty-one in need of special education programming. Through CASE, the District is a member of the Low Incidence Cooperative Agreement (LICA), a cooperative program providing services to hearing and visually impaired students.

The District is a pivotal member of the Consortium for Education Change (CEC) and provides leadership in this group of districts seeking excellence by embracing appropriate innovations for improvement. As a keystone of this effort, the District with the teacher organization has created a Compact for Quality, which is a set of beliefs that govern the relationship between the District and the teaching staff. The Compact is sweeping in its scope and rewards innovation, improvement and trust. The Compact has been recognized by the CEC for the cultivation of the relationships that allowed its development and for its innovative substance.

Finally, the District is an active and contributing member of the Illinois Association of School Administrators (IASA), the Illinois Association of School Business Officials (IASBO) and the Legislative Education Network of DuPage (LEND).

BUSINESS OPERATIONS AND FACILITIES

Business Office. The Business Office continually updates its long-term financial plan, presenting financial projections and possible strategies for addressing financial needs. Board members are made aware of emerging issues related to possible legislation and trends. The Business Office also prepares a comprehensive budget document. The budget and its supporting documents reflect the wide-scoped efforts to bring alignment to the District's financial and instructional goals.

Buildings. The District's buildings are in excellent condition. The oldest owned building in the District, Arbor View Elementary School, was built in 1959; the newest school is Briar Glen Elementary School, built in 1971. The District substantially upgraded and improved building structures through a \$24.8M bond referendum in 2007. The bonds were sold in two separate issuances in 2008 and 2009. The work included repairs and upgrades to heating ventilating and air conditioning, as well as technology infrastructure, electrical, plumbing, life safety, security, and other building systems. The District continually updates the long-range facility plan which addresses the replacement of boilers, roofs, HVAC and other infrastructure needs over the next five to ten year period. The District will also re-survey the buildings for life safety issues in 2017. The District has historically depended on debt issuance every ten to twelve years to finance building projects.

The District advance refunded the callable portion of the 2008 bond issue in April of 2015 due to favorable market conditions. The average interest rate of the callable bonds was 4.24%. The refunding resulted in a net present value savings to the District 89 taxpayers of \$664,127 and an average interest rate of 2.004% on the refunded bonds. The 2008 bond issue will be repaid with the 2021 levy, allowing for an additional building referendum to be requested to coordinate with the expiration of those bonds.

During the summer of 2016, the District made several minor improvements to the buildings including continuing upon our goal to equip all buildings with generator gear should we have a lengthy loss of power service. Additionally, we replaced doors and frames in several buildings to increase security. Some improvements to curbs and sidewalks were also made.

Operations. This is the fifth year the District has participated in the National School Lunch Program. This program allows for federal and state reimbursement for lunches served for Districts which opt-in to the program. Although participation in the program has decreased since implementation, the addition of the program has been viewed as widely successful. Small changes will be made to the program offerings in the next school year in an attempt to raise participation by students. The program has allowed the District to decrease its food service operations deficit by nearly \$450,000 since inception.

In the spring of 2015, District 89 implemented online registration for the 2015-2016 school year. The online process allowed parents to verify pre-populated demographic data fields in lieu of filling in paper forms for each child in the district. The process saved parents valuable time and the data was subsequently uploaded to our student administrative software, thereby saving staff members data entry hours. Parents were also able to sign up for extra-curricular activities and pay fees by credit card online for the first time. The addition of credit card payment for fees drastically decreased the amount of unpaid fees this school year.

Contracts. The Board of Education and the CCSD89 Education Association current contract arrangement runs through the 2016-2017 school year. In 2014-2015, the agreement was opened address adding instructional time to the school day. Ultimately, thirty minutes of instructional time were added to the elementary school day in the 2015-2016 school year.

FINANCIAL INFORMATION

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which are appropriate to local governmental units of this type. The presentation allows the reader to obtain an overview of the District's financial operations by viewing the government-wide financial statements in the front section of this report. Detailed presentations of the government-wide financial statements, fund financial statements and individual fund statements are available throughout the remainder of the report.

Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for the capital outlay funds.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported in aggregate to the District's Board on a monthly basis. The management analyzes monthly reports which compare each line item account balance to the annual budget with accumulation to the fund, and total District levels. The District also maintains an encumbrance accounting system as one technique in accomplishing budgetary control. The District's legal level of budgetary control is at the fund level.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basis of accounting and the various funds utilized by the District are described in Note 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

The District prepares its financial statements following GASB 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Position and the Statement of Activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

As part of this model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2016, with comparisons to 2015.

OTHER INFORMATION

Independent Audit. As required by Illinois state law, an annual audit of the financial records, books of account, and the transactions of all budgeted funds of the District have been made by an independent auditor. The auditors' opinion, as prepared by Baker Tilly Virchow Krause, LLP, Certified Public Accountants, is included within the financial section of this report.

Certificate of Excellence. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The Certificate of Excellence is a prestigious national award recognizing conformance with the highest standards for preparation of school district reports.

The Certificate of Excellence is valid for a one-year period. We believe our current report continues to conform to the ASBO Certificate of Excellence program requirements, and we are submitting it again this year.

Closing Comment. The purpose of this Comprehensive Annual Financial Report is to provide the Board of Education, District Administration and other interested parties a meaningful report of the District's financial condition as of June 30, 2016.

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

We would also like to thank members of the Board of Education for their interest and support in conducting the financial affairs of the District for the 2016 fiscal year.

Respectfully submitted,

A handwritten signature in black ink, reading "Emily K. Tammaru", written over a horizontal line.

Dr. Emily K. Tammaru
Superintendent of Schools

A handwritten signature in blue ink, reading "Maureen A. Jones", written over a horizontal line.

Maureen A. Jones
Assistant Superintendent for Finance &
Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

«COMPANY»

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

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



Brenda Burkett

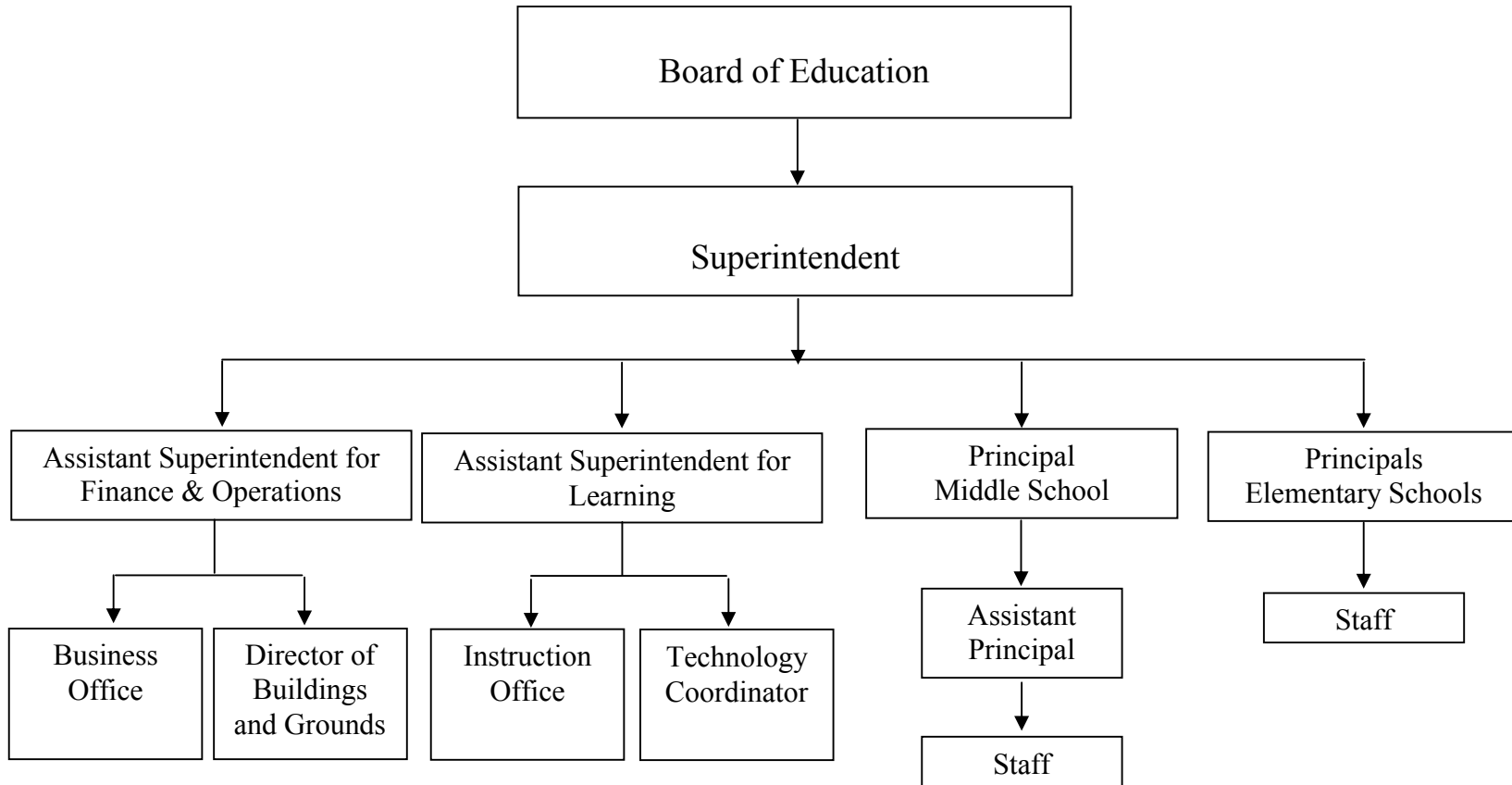
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
Comprehensive Annual Financial Report
June 30, 2016

ORGANIZATIONAL CHART



COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

Officers and Officials

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016

Board of Education

Mike Nelson, President

Beth Powers, Vice President

Jeff Hume

Tim Jedlicka

Scott Pope

Haydee Nunez

Giselle Sandi-Tapia, PhD

District Administrators

Dr. Emily K. Tammaru, Superintendent

Robert Langman, Assistant Superintendent, Instruction

Maureen A. Jones, Assistant Superintendent for Finance and Operations, CSBO

Official Issuing Report

Maureen A. Jones, Assistant Superintendent for Finance and Operations, CSBO

Department Issuing Report

Business Office

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Community Consolidated School District 89
Glen Ellyn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Community Consolidated School District 89, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Community Consolidated School District 89'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Community Consolidated School District 89'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 Community Consolidated School District 89'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.

To the Board of Education
Community Consolidated School District 89

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 Community Consolidated School District 89 as of June 30, 2016, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Also, as discussed in Note 3, Community Consolidated School District 89 adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District 89's basic financial statements. The supplementary information for the year ended June 30, 2016 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

To the Board of Education
Community Consolidated School District 89

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Community Consolidated School District 89 as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated November 17, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Consolidated School District 89's basic financial statements. The introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

Prior-Year Comparative Information

We have previously audited Community Consolidated School District 89's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016 on our consideration of Community Consolidated School District 89's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Consolidated School District 89's internal control over financial reporting and compliance.

Peter Tilly, Victor Kimmel, LLP

Oak Brook, Illinois
November 3, 2016

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

The discussion and analysis of Community Consolidated School District 89's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. 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

- > The District's total assets were \$55.5 million.
- > The Districts total deferred outflows of resources were \$0.4 million.
- > The District's total liabilities were \$23.8 million.
- > The District's total deferred inflows of resources were \$13.3 million.
- > Long term liabilities increased by \$1.3 million.
- > In total, net position increased by \$0.8. This represents a 4.6% increase from 2014 was due in large part to the reduction of staff made in conjunction with enrollment trends.
- > General revenues accounted for \$26.0 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and fees and operating grants accounted for \$10.6 or 29% of total revenues of \$36.6.
- > The District had \$35.8 in expenses related to government activities. However, only \$10.6 of these expenses were offset by program specific charges and grants.
- > State aid formula grants were down 6% or \$50K from the prior year; \$820K in 2014 and \$770K for 2015. This is in part a result of the proration of all state payments mid-year in 2015 to address the state budget crisis.
- > Expenses for total governmental activities increased by \$1.5 or 4.4% over the prior year. This is mainly attributed to the increase in state retirement contributions line item.
- > Program revenues increased by \$2.1 million, or 25% over FY 2014, due in large part to state retirement contributions, which increased \$2 million over 2014.
- > Total capital assets net of depreciation decreased by \$1 million or 3.6% and were \$26.6 million at June 30, 2015.
- > Accumulated depreciation was \$25.9 and \$24.2 at June 30, 2015 and June 30, 2014 respectively. The District's total capital assets were \$52.5 million as of June 30, 2015.

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

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

The District maintains six 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, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

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

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

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2015, than it was the year before, increasing 5 % from \$18.0 to \$18.9. This can be attributed in part to a decrease in the value of net capital assets due to depreciation expense of \$1 as well as an increase in the total liabilities of \$1.6.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<u>2015</u>	<u>2016</u>
Assets:		
Current and other assets	\$ 28.9	\$ 29.3
Capital Assets	<u>26.6</u>	<u>25.3</u>
Total assets	<u>55.5</u>	<u>54.6</u>
 Total deferred outflows of resources	 <u>1.1</u>	 <u>1.8</u>
Liabilities:		
Current liabilities	0.6	0.7
Long-term debt outstanding	<u>24.1</u>	<u>22.9</u>
Total liabilities	<u>24.7</u>	<u>23.6</u>
 Total deferred inflows of resources	 <u>13.5</u>	 <u>13.6</u>
Net position:		
Net investment in capital assets	6.9	7.6
Restricted	2.6	2.6
Unassigned	<u>8.9</u>	<u>8.9</u>
Total net position	<u>\$ 18.4</u>	<u>\$ 19.1</u>

Revenues in the governmental activities of the District of \$37.2 exceeded expenditures by \$0.7. This was attributable primarily to the reduction of eighteen total staff members in 2015 over the prior year. The reductions were made due to declining enrollment, as well as a decline in the number and needs of special education students.

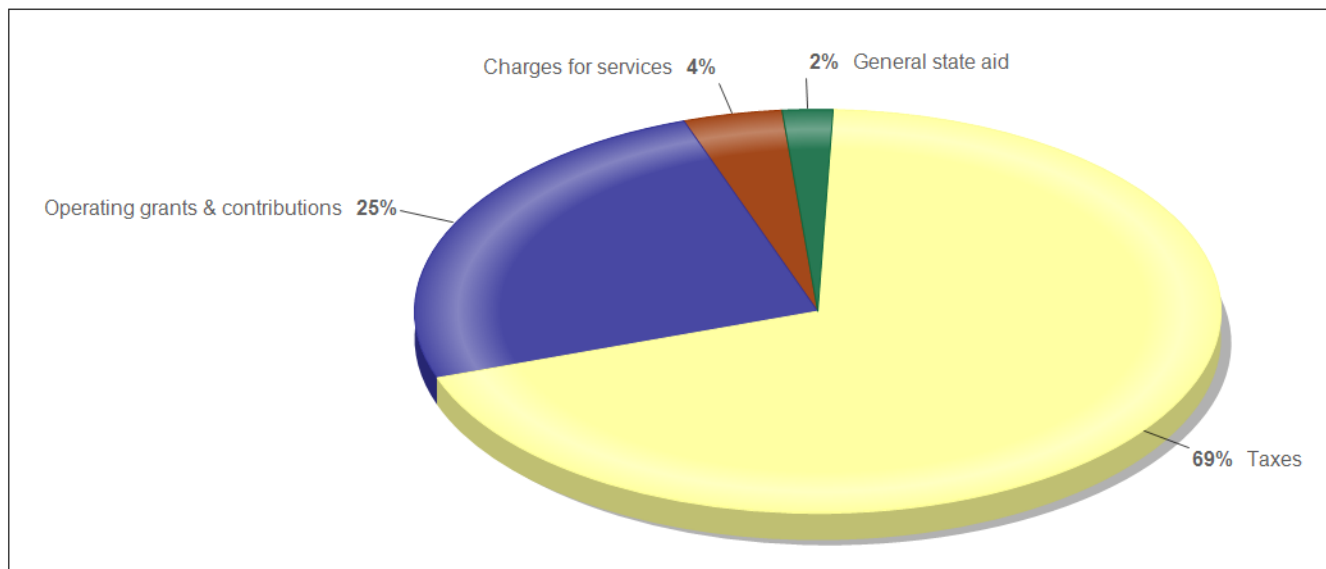
Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.7	\$ 1.5
Operating grants & contributions	8.8	9.3
<i>General revenues:</i>		
Taxes	25.1	25.6
General state aid	0.8	0.7
Other	<u>0.2</u>	<u>0.1</u>
Total revenues	<u>36.6</u>	<u>37.2</u>
Expenses:		
Instruction	18.1	17.9
Pupil & instructional staff services	3.5	3.5
Administration & business	3.1	3.2
Transportation	0.9	0.9
Operations & maintenance	2.4	2.5
Other	<u>8.2</u>	<u>8.5</u>
Total expenses	<u>36.2</u>	<u>36.5</u>
Excess (deficiency) of revenues over expenses before special items	<u>0.4</u>	<u>0.7</u>
Increase (decrease) in net position	<u><u>\$ 0.4</u></u>	<u><u>\$ 0.7</u></u>

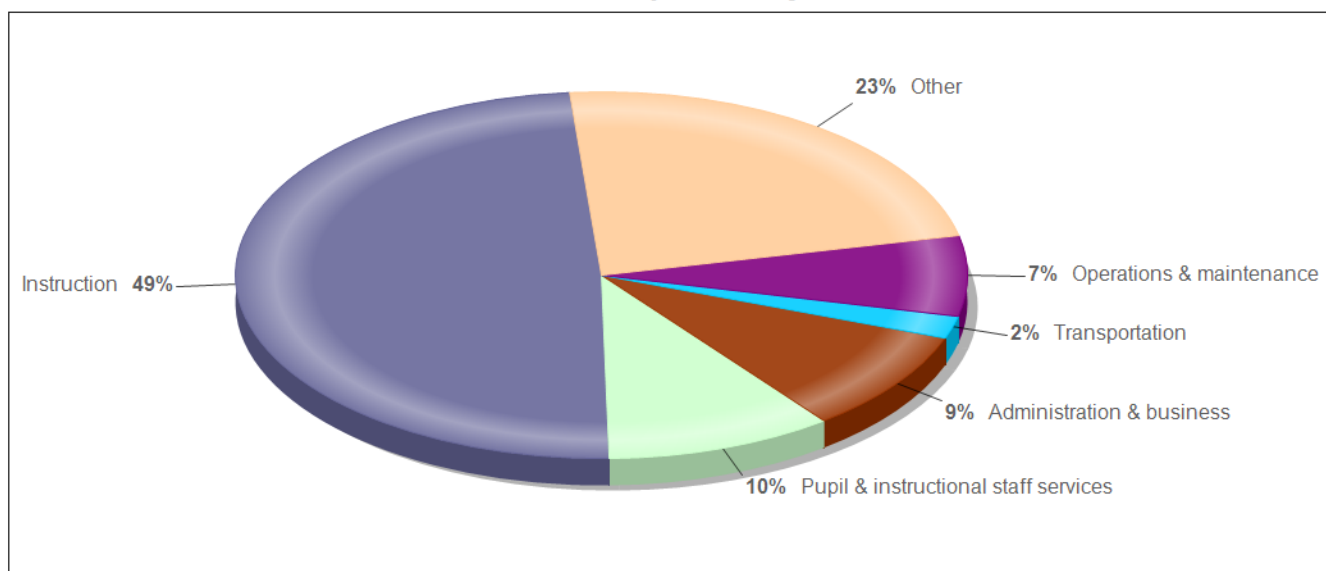
Property taxes accounted for the largest portion of the District's revenues, contributing 69%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$36.5, mainly related to instructing and caring for the students and student transportation at 61%.

Community Consolidated School District 89
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance was stable from \$15.9 to \$15.7.

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

The General Fund (Educational and Working Cash) reflects a fund balance increase of \$83K for the year ended June 30, 2015. The District received approximately \$38K in additional revenues than budgeted. Student fees and textbook fees were under budget by about \$55K; we anticipate the online registration program and the use of credit cards will assist with collections in 2015. Total revenues for the General Fund increased by \$194K or .8% over the prior year. Total expenditures for the General Fund decreased by \$306K or 1.32% over the prior year. The District overspent projected expenditures by \$91K for the 2014-2015 fiscal year. The majority of this variance can be attributed to three areas: over expenditure of special education private tuition, over expenditure of technology equipment and over expenditure for payments to other districts for special education programs. When other financing sources and uses are accounted for, the net change in fund balance amounts to \$83K. The fund carried a fund balance of \$12.6 at year end.

The Operations and Maintenance Fund reflects a decrease in fund balance of \$125K after transfers out for debt service repayment. Revenues were \$133K higher than the prior year. Revenues were over budget by \$117K; the majority of this is attributable to the receipt of impact fees for a subdivision which neared completion in 2015; the district does not budget for Impact Fees. Total expenditures for the Operations and Maintenance Fund increased by \$29K or 1.15% from the prior year. The fund carried a fund balance of \$410K at year end.

The Transportation fund reflects an increase in fund balance of \$121K at June 30, 2015. Revenues were \$6K under budget and \$113K lower than the prior year. Taxes were \$79K lower than in the prior year due to a tax levy adjustment to address the fund balance reserves in this fund specifically. Expenditures were \$102K under budget and \$50K lower than the prior year. This was due in part to lower than anticipated special education transportation costs and the lower cost of fuel this year versus the prior year. The fund carried a fund balance of \$1.1 at year end.

The Municipal Retirement/Social Security Fund increased by \$92K during the year. Expenditures were under budget by \$74K and \$24K lower than the prior year due to the reductions in staffing made this school year. The fund carried a fund balance of \$426K at year end.

General Fund Budgetary Highlights

The District overspent projected expenditures by \$.1 for the 2014-2015 fiscal year. The majority of this variance can be attributed to three areas: over expenditure of special education private tuition, over expenditure of technology equipment and over expenditure for payments to other districts for special education programs. Special education placements vary throughout the year and are a very difficult area to budget.

The District's general fund revenues exceeded budget by \$38K for the 2014-2015 fiscal year. The majority of this variance is due to the receipt of Medicaid fund for the fee-for-service program. We were initially informed that a very large claim would not be processed due to ineligibility, but was subsequently accepted by Medicaid.

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Capital Assets and Debt Administration

Capital assets

By the end of 2016, the District had compiled a total investment of \$52.8 (\$25.3 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$1.7. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Land	\$ 0.4	\$ 0.4
Land improvements	0.5	0.4
Buildings	24.3	23.3
Equipment and furniture	<u>1.4</u>	<u>1.2</u>
Total	<u><u>\$ 26.6</u></u>	<u><u>\$ 25.3</u></u>

Long-term debt

The District retired \$1.6 in bonds in 2016. Capital leases and other were reduced by \$0.4. At the end of fiscal 2016, the District had a debt margin of \$32.5. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
General Obligation Bonds	\$ 20.5	\$ 18.4
Capital leases and other	<u>3.6</u>	<u>4.6</u>
Total	<u><u>\$ 24.1</u></u>	<u><u>\$ 23.0</u></u>

Factors Bearing on the District's Future

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

Curriculum review of science to adhere to newly adopted Common Core State Standards in this area

Extension of the school day and full-day Kindergarten beginning in 2015-2016 to increase learning opportunities

Individual class "bubbles" making heavy use of the intra-district transfer policy

Continued proration of state funding of categorical payments and general state aid

Ongoing discussion at State level regarding a shift in state funding for all school districts

Discussion at State level regarding pension costs being shifted over to school districts

Community Consolidated School District 89

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Increased property tax objections being filed by local businesses which have the effect of transferring the tax burden to homeowners, thus making a referendum more difficult to pass

Increased property tax appeals board cases settled years in arrears causing refund of property tax revenues from prior years to be made out of current receipts

Options explored to finance the long term technology replacement plan as more technology is brought into the classroom

Long term facilities plan which may require additional financing sources outside of the District's operational budget (bond referendum)

Requests for Information

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

Maureen A. Jones, Assistant Superintendent for Finance and Operations
Community Consolidated School District 89
22W600 Butterfield Road
Glen Ellyn, Illinois 60137

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

STATEMENT OF NET POSITION

AS OF JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 16,063,681
Receivables (net of allowance for uncollectibles):	
Property taxes	12,660,816
Replacement taxes	35,287
Intergovernmental	491,722
Other assets	16,647
Net post-retirement benefit asset	113,140
Capital assets:	
Land	409,080
Depreciable buildings, property and equipment, net	<u>24,867,177</u>
Total assets	<u>54,657,550</u>
Deferred outflows of resources	
Deferred charge on refunding	430,132
Deferred outflows related to pensions	<u>1,347,952</u>
Total deferred outflows of resources	<u>1,778,084</u>
Liabilities	
Accounts payable	97,824
Payroll deductions payable	40,747
Interest payable	252,713
Unearned student fees	330,990
Long-term liabilities:	
Other long-term liabilities - due within one year	2,163,089
Other long-term liabilities - due after one year	<u>20,788,167</u>
Total liabilities	<u>23,673,530</u>
Deferred inflows of resources	
Property taxes levied for a future period	12,806,083
Deferred inflows related to pension	<u>801,120</u>
Total deferred inflows of resources	<u>13,607,203</u>
Net position	
Net investment in capital assets	7,621,495
Restricted for:	
Operations and maintenance	304,631
Student transportation	1,209,686
Debt service	1,079,985
Unrestricted	<u>8,939,104</u>
Total net position	<u>\$ 19,154,901</u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET POSITION
				GOVERNMENTAL ACTIVITIES
Governmental activities				
Instruction:				
Regular programs	\$ 11,682,951	\$ 517,839	\$ 23,225	\$ (11,141,887)
Special programs	4,930,431	656,661	1,060,827	(3,212,943)
Other instructional programs	1,314,789	-	96,756	(1,218,033)
State retirement contributions	7,707,350	-	7,707,350	-
Support Services:				
Pupils	1,402,034	-	-	(1,402,034)
Instructional staff	2,076,018	-	66,700	(2,009,318)
General administration	800,618	-	-	(800,618)
School administration	1,158,876	-	-	(1,158,876)
Business	1,238,475	255,739	148,460	(834,276)
Transportation	905,028	2,558	191,520	(710,950)
Operations and maintenance	2,495,756	44,736	-	(2,451,020)
Central	254,596	-	-	(254,596)
Interest and fees	560,460	-	-	(560,460)
Total governmental activities	\$ 36,527,382	\$ 1,477,533	\$ 9,294,838	(25,755,011)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	19,115,866
Real estate taxes, levied for specific purposes	3,863,349
Real estate taxes, levied for debt service	2,405,359
Personal property replacement taxes	195,987
State aid-formula grants	742,821
Investment income	31,659
Miscellaneous	<u>102,977</u>

Total general revenues 26,458,018

Change in net position 703,007

Net position, beginning of year 18,451,894

Net position, end of year \$ 19,154,901

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2016

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 12,649,481	\$ 320,468	\$ 1,257,664	\$ 489,594
Receivables (net allowance for uncollectibles):				
Property taxes	9,505,194	1,231,003	388,395	335,598
Replacement taxes	35,287	-	-	-
Intergovernmental	443,671	-	48,051	-
Other assets	15,400	1,024	-	223
Total assets	<u>\$ 22,649,033</u>	<u>\$ 1,552,495</u>	<u>\$ 1,694,110</u>	<u>\$ 825,415</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 44,261	\$ 982	\$ 52,581	\$ -
Payroll deductions payable	-	1,755	38,992	-
Unearned student fees	330,990	-	-	-
Total liabilities	<u>375,251</u>	<u>2,737</u>	<u>91,573</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for a future period	9,614,255	1,245,127	392,851	339,448
Unavailable state and federal aid receivable	231,238	-	48,051	-
Total deferred inflows of resources	<u>9,845,493</u>	<u>1,245,127</u>	<u>440,902</u>	<u>339,448</u>
Fund balance				
Restricted	-	304,631	1,161,635	485,967
Unassigned	12,428,289	-	-	-
Total fund balance	<u>12,428,289</u>	<u>304,631</u>	<u>1,161,635</u>	<u>485,967</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 22,649,033</u>	<u>\$ 1,552,495</u>	<u>\$ 1,694,110</u>	<u>\$ 825,415</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2016	2015
\$ 1,346,474	\$ -	\$ 16,063,681	\$ 15,592,876
1,200,626	-	12,660,816	12,843,642
-	-	35,287	35,143
-	-	491,722	361,319
-	-	16,647	1,247
<u>\$ 2,547,100</u>	<u>\$ -</u>	<u>\$ 29,268,153</u>	<u>\$ 28,834,227</u>

\$ -	\$ -	\$ 97,824	\$ 59,856
-	-	40,747	54,639
<u>-</u>	<u>-</u>	<u>330,990</u>	<u>233,148</u>
<u>-</u>	<u>-</u>	<u>469,561</u>	<u>347,643</u>

1,214,402	-	12,806,083	12,604,947
<u>-</u>	<u>-</u>	<u>279,289</u>	<u>-</u>
<u>1,214,402</u>	<u>-</u>	<u>13,085,372</u>	<u>12,604,947</u>

1,332,698	-	3,284,931	3,269,450
<u>-</u>	<u>-</u>	<u>12,428,289</u>	<u>12,612,187</u>
<u>1,332,698</u>	<u>-</u>	<u>15,713,220</u>	<u>15,881,637</u>

<u>\$ 2,547,100</u>	<u>\$ -</u>	<u>\$ 29,268,153</u>	<u>\$ 28,834,227</u>
---------------------	-------------	----------------------	----------------------

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2016

Total fund balances - governmental funds	\$ 15,713,220
--	---------------

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

Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	25,276,257
--	------------

Net post-retirement benefit asset recognized in the Statement of Net Position does not provide current financial resources and is not included as an asset in the Governmental Funds Balance Sheet.	113,140
---	---------

Certain state and federal aid revenue receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.	279,289
--	---------

Deferred outflows of resources related to pensions do not provide current financial resources and are not included in the Governmental Funds Balance Sheet.	1,347,952
---	-----------

Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet.	430,132
---	---------

Deferred inflows of resources related to pensions do not consume current financial resources and are not included in the Governmental Funds Balance Sheet.	(801,120)
--	-----------

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at June 30, 2016 are:

Bonds payable	\$ (17,315,000)	
Debt certificates	(555,000)	
Unamortized bond premium	(526,898)	
Interest payable	(252,713)	
Net pension liability	(4,303,068)	
Capital leases	(242,996)	
Compensated absences	<u>(8,294)</u>	
		<u>(23,203,969)</u>

Net position of governmental activities	<u>\$ 19,154,901</u>
---	----------------------

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 19,115,866	\$ 2,440,380	\$ 765,026	\$ 657,943
Corporate personal property replacement taxes	186,987	-	-	9,000
State aid	9,066,649	-	143,469	-
Federal aid	548,252	-	-	-
Investment income	25,169	2,523	784	669
Other	<u>1,484,578</u>	<u>93,374</u>	<u>2,558</u>	<u>-</u>
Total revenues	<u>30,427,501</u>	<u>2,536,277</u>	<u>911,837</u>	<u>667,612</u>
Expenditures				
Current:				
Instruction:				
Regular programs	10,622,284	-	-	129,244
Special programs	3,311,279	-	-	144,443
Other instructional programs	1,290,025	-	-	17,286
State retirement contributions	7,707,350	-	-	-
Support Services:				
Pupils	1,329,589	-	-	42,823
Instructional staff	1,871,894	-	-	81,010
General administration	787,023	-	-	19,355
School administration	1,105,034	-	-	56,240
Business	969,671	9,541	-	42,297
Transportation	-	-	886,722	3,455
Operations and maintenance	409	2,248,485	-	56,825
Central	176,894	-	-	14,468
Community services	-	-	-	-
Payments to other districts and gov't units	1,138,221	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>175,022</u>	<u>196,289</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>30,484,695</u>	<u>2,454,315</u>	<u>886,722</u>	<u>607,446</u>
Excess (deficiency) of revenues over expenditures	<u>(57,194)</u>	<u>81,962</u>	<u>25,115</u>	<u>60,166</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(126,704)	(187,393)	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Payment to escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(126,704)</u>	<u>(187,393)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(183,898)	(105,431)	25,115	60,166
Fund balance, beginning of year	<u>12,612,187</u>	<u>410,062</u>	<u>1,136,520</u>	<u>425,801</u>
Fund balance, end of year	<u>\$ 12,428,289</u>	<u>\$ 304,631</u>	<u>\$ 1,161,635</u>	<u>\$ 485,967</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL	
		2016	2015
\$ 2,405,359	\$ -	\$ 25,384,574	\$ 24,864,392
-	-	195,987	214,081
-	-	9,210,118	8,990,168
-	-	548,252	589,739
2,514	-	31,659	17,843
-	-	1,580,510	1,928,616
<u>2,407,873</u>	<u>-</u>	<u>36,951,100</u>	<u>36,604,839</u>
-	-	10,751,528	10,692,046
-	-	3,455,722	3,549,805
-	-	1,307,311	1,227,429
-	-	7,707,350	7,157,151
-	-	1,372,412	1,290,402
-	-	1,952,904	2,022,892
-	-	806,378	749,696
-	-	1,161,274	1,158,018
-	-	1,021,509	934,005
-	-	890,177	844,051
-	-	2,305,719	2,213,799
-	-	191,362	114,137
-	-	-	960
-	-	1,138,221	1,409,452
2,111,483	-	2,111,483	1,723,263
574,856	-	574,856	1,014,538
-	-	371,311	662,507
<u>2,686,339</u>	<u>-</u>	<u>37,119,517</u>	<u>36,764,151</u>
<u>(278,466)</u>	<u>-</u>	<u>(168,417)</u>	<u>(159,312)</u>
314,097	-	314,097	551,322
-	-	(314,097)	(551,322)
-	-	-	9,670,000
-	-	-	293,182
-	-	-	(9,805,905)
<u>314,097</u>	<u>-</u>	<u>-</u>	<u>157,277</u>
35,631	-	(168,417)	(2,035)
<u>1,297,067</u>	<u>-</u>	<u>15,881,637</u>	<u>15,883,672</u>
<u>\$ 1,332,698</u>	<u>\$ -</u>	<u>\$ 15,713,220</u>	<u>\$ 15,881,637</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds		\$ (168,417)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds current year net capital outlay.		(1,324,574)
Certain state and federal aid revenue included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements.		279,289
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal repayments exceeded current year long-term financing arrangements on general obligation bonds, debt certificates, and capital leases.		2,111,483
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		112,387
In the Statement of Activities, certain items are considered deferred inflows or outflows of resources whereas they are not reported in the governmental funds as they do not require the current use of resources:		
Deferred outflow of resources due to deferred refunding charges	\$ (61,448)	
Deferred outflow of resources due to pensions	755,996	
Deferred inflow of resources due to pensions	<u>53,683</u>	
		748,231
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Interest payable	\$ (36,543)	
Compensated absences	6,390	
Other post employment benefits	29,152	
Net pension liability	<u>(1,054,391)</u>	
		<u>(1,055,392)</u>
Change in net position of governmental activities		<u>\$ 703,007</u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

AGENCY FUND

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ <u>162,860</u>
Total assets	\$ <u>162,860</u>
Liabilities	
Due to student groups	\$ <u>162,860</u>

See Notes to Basic Financial Statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Consolidated School District 89 (the "District") is governed by an elected Board of Education. The Board of Education maintains final responsibility for all budgetary, taxing, and debt matters. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

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

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

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after 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.

Major Governmental Funds

General Fund - 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.

Special Revenue Funds - 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.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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

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

Debt Service Fund - accounts 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 Project Fund - accounts 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.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through prior bond issues.

Other Fund Types

Fiduciary Funds - 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.

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 deferred revenues until earned.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2015 levy resolution was approved during the December 16, 2015 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2015 and 2014 tax levies were 0.8% and 1.5%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2015 property tax levy is recognized as a receivable in fiscal 2016, net of estimated uncollectible amounts approximating 0.3% and less amounts already received. The District considers that the first installment of the 2015 levy is to be used to finance operations in fiscal 2016. The District has determined that the second installment of the 2015 levy is to be used to finance operations in fiscal 2017 and has included the corresponding receivable and 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.

Capital Assets

Capital assets, which include buildings, improvements other than buildings, other equipment and food service equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	20-40 years
Land Improvements	20 years
Furniture, equipment, and vehicles	5-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2016 are determined on the basis of current salary rates and include salary related payments.

Under current policy, only 12-month employees are entitled to vacation time.

Administrative personnel are required to use their vacation days accrued within 2 months after the end of the fiscal year in which they were earned. All other staff are required to use vacation days accrued within 14 months after the end of the fiscal year in which they were earned.

All certified employees receive 12 sick days per year, in accordance with the agreement between the Board of Education and the District 89 Education Association. Upon retirement, a certified employee may apply up to 340 days of unused and uncompensated sick leave toward service credit for TRS. Days in excess of the number reported to TRS are compensated at one-half of the then existing substitute rate of pay. When a certified employee resigns from the District, for other than retirement, all unused sick days are reported to TRS.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Education support personnel receive up to 13 sick days per year, which accumulate indefinitely. Upon retirement, employees may apply up to 240 unused sick days toward an additional year of IMRF service. The District does not reimburse employees for any day in excess of the 240 IMRF credit days.

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 applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

Deferred Inflows of Resources

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

Equity Classifications

Equity is classified as net position in the government-wide financial statements 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 less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Superintendent or the Superintendent's designee may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

The District has a formal minimum fund balance policy for its "Operating" funds, which are defined as the General Fund and all of the Special Revenue Funds. The policy states the following:

1. The District should have the ability to maintain a positive cash position throughout the fiscal year and to avoid external borrowing for operational expenditures.
2. A minimum reserve level of 50% of the next year's projected annual expenditures of the Operating Funds as of June 30th should be maintained (using the cash basis of accounting).
3. A minimum reserve level in the Operating Funds of 10% should be maintained after deferring the first installment of annual property tax collections received prior to June 30th to the following fiscal year.

If the fund balance of the Operating Funds is such that 1) the District cannot maintain a positive cash position without external borrowing, or 2) one of both of the minimum reserve levels cannot be maintained, then the administration shall recommend a course of action to the Board of Education to address the situation.

The District was in compliance with all components of this policy as of June 30, 2016.

The restricted fund balances at June 30, 2016 are for the purpose of the respective funds, as described above in the Major Governmental Funds section.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2015, from which such summarized information was derived.

Eliminations and Reclassifications

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2016, expenditures exceeded budget in the Operations & Maintenance Fund, the Debt Service Fund, and the Transportation Fund by \$116,493, \$283, and \$15,967, respectively. These excesses were funded by available fund balance.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. The objective of this statement is to provide guidance for determining a fair value measurement for financial reporting purposes as well as to provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard was implemented effective July 1, 2015.

NOTE 4 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	<i>Government- wide</i>	<i>Fiduciary</i>	<i>Total</i>
Cash and investments	\$ 16,063,681	\$ 162,860	\$ 16,226,541
Total	<u>\$ 16,063,681</u>	<u>\$ 162,860</u>	<u>\$ 16,226,541</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

For disclosure purposes, this amount is segregated into the following components:

	<i>Cash and investments</i>
Deposits with financial institutions	\$ 9,406,363
ISDLAF + money market fund	1,440,892
Illinois funds	3,254
IIIT funds	36,183
Other investments	<u>5,339,849</u>
Total	<u>\$ 16,226,541</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and Level 2 valuation inputs.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair market value losses from increasing interest rate.

At year end, the District had the following investments subject to interest rate risk:

	<i>Fair Value</i>	<i>Investment Maturity (In Years)</i>			
		<i>Less than one</i>	<i>1-5</i>	<i>6-10</i>	<i>More than 10</i>
ISDLAF+ Term Series	\$ 3,100,000	\$ 3,100,000	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	<u>2,239,849</u>	<u>1,991,369</u>	<u>248,480</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,339,849</u>	<u>\$ 5,091,369</u>	<u>\$ 248,480</u>	<u>\$ -</u>	<u>\$ -</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy limits the investment in commercial paper to no more than 10% of a corporation's outstanding obligation and in total no more than one-third of the District's investments (including certificates of deposit) may be in commercial paper. The District policy has no other limit on its investment choices. As of June 30, 2016, the ISDLAF+ Term Series and the Negotiable Certificates of Deposit were unrated.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the Illinois Institutional Investors Fund (IIIT) are not-for-profit investment trusts formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are each rated AAAM and 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 rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not specifically limit the amount the District may invest in any one issuer.

Custodial Credit Risk - Deposits. 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, 2016, the bank balance of the District's deposit with financial institutions totaled \$12,697,145; of this amount, \$187,977 was uncollateralized and uninsured.

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

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

NOTE 5 - INTERFUND TRANSFERS

During the year, the Board of Education transferred \$187,393 from the Operations and Maintenance Fund to the Debt Service Fund for the payment of the principal and interest due on the District's debt certificates.

Additionally, during the year the Board of Education transferred \$126,704 from the General Fund to the Debt Service Fund for capital lease payments.

State law allows for the above transfers.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2016 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 409,080	\$ -	\$ -	\$ 409,080
Total capital assets not being depreciated	<u>409,080</u>	<u>-</u>	<u>-</u>	<u>409,080</u>
<u>Capital assets being depreciated:</u>				
Land improvements	2,032,462	8,315	-	2,040,777
Buildings	45,183,642	187,974	-	45,371,616
Equipment	<u>4,828,554</u>	<u>185,102</u>	<u>36,893</u>	<u>4,976,763</u>
Total capital assets being depreciated	<u>52,044,658</u>	<u>381,391</u>	<u>36,893</u>	<u>52,389,156</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	1,540,789	87,407	-	1,628,196
Buildings	20,872,114	1,259,196	-	22,131,310
Equipment	<u>3,440,004</u>	<u>359,362</u>	<u>36,893</u>	<u>3,762,473</u>
Total accumulated depreciation	<u>25,852,907</u>	<u>1,705,965</u>	<u>36,893</u>	<u>27,521,979</u>
Net capital assets being depreciated	<u>26,191,751</u>	<u>(1,324,574)</u>	<u>-</u>	<u>24,867,177</u>
Net governmental activities capital assets	<u>\$ 26,600,831</u>	<u>\$ (1,324,574)</u>	<u>\$ -</u>	<u>\$ 25,276,257</u>

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 999,293
Special programs	230,811
Instructional staff	91,128
Business	184,792
Transportation	14,694
Operations and maintenance	144,746
Central	<u>40,501</u>
Total depreciation expense - governmental activities	<u>\$ 1,705,965</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2016:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 19,135,000	\$ -	\$ 1,820,000	\$ 17,315,000	\$ 1,855,000
Debt certificates	730,000	-	175,000	555,000	180,000
Unamortized premium	<u>639,285</u>	<u>-</u>	<u>112,387</u>	<u>526,898</u>	<u>-</u>
Total bonds payable	<u>20,504,285</u>	<u>-</u>	<u>2,107,387</u>	<u>18,396,898</u>	<u>2,035,000</u>
Capital leases	359,479	-	116,483	242,996	119,795
Net pension liability	3,248,677	1,254,570	200,179	4,303,068	-
Compensated absences	<u>14,684</u>	<u>55,478</u>	<u>61,868</u>	<u>8,294</u>	<u>8,294</u>
Total long-term liabilities - governmental activities	<u>\$ 24,127,125</u>	<u>\$ 1,310,048</u>	<u>\$ 2,485,917</u>	<u>\$ 22,951,256</u>	<u>\$ 2,163,089</u>

The obligations for the compensated absences and net pension liability will be repaid from the General Fund and Municipal Retirement/Social Security Fund.

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:

<i>Purpose</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Carrying Amount</i>
Series 2008 General Obligation Building Bonds dated April 8, 2008 are due in annual installments through February 1, 2020	4.00% - 4.50%	\$ 10,000,000	\$ 890,000
Series 2009 General Obligation Building Bonds dated February 3, 2009 are due in annual installments through February 1, 2020	3.00% - 3.50%	13,460,000	6,990,000
Series 2015 General Obligation Refunding Bonds dated May 13, 2013 are due in annual installments through February 1, 2023	2.00% - 3.00%	<u>9,670,000</u>	<u>9,435,000</u>
Total		<u>\$ 33,130,000</u>	<u>\$ 17,315,000</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2016, \$9,110,000 of bonds outstanding are considered defeased.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 1,855,000	\$ 556,550	\$ 2,411,550
2018	2,050,000	484,350	2,534,350
2019	2,260,000	404,350	2,664,350
2020	2,540,000	294,352	2,834,352
2021	3,180,000	192,000	3,372,000
2022 - 2023	<u>5,430,000</u>	<u>187,800</u>	<u>5,617,800</u>
Total	<u>\$ 17,315,000</u>	<u>\$ 2,119,402</u>	<u>\$ 19,434,402</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$50,630,018, providing a debt margin of \$32,517,022.

Debt Certificates The obligations for the debt certificates will be repaid from the Debt Services Fund after transfer from the Operations & Maintenance Fund. Debt certificates currently outstanding are as follows:

<i>Purpose</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Carrying Amount</i>
Series 2013 Debt Certificates dated November 5, 2013 are due in annual installments through February 1, 2019	1.70%	<u>\$ 920,000</u>	<u>\$ 555,000</u>
Total		<u>\$ 920,000</u>	<u>\$ 555,000</u>

Annual debt service requirements to maturity for the debt certificates are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 180,000	\$ 9,435	\$ 189,435
2018	185,000	6,375	191,375
2019	<u>190,000</u>	<u>3,230</u>	<u>193,230</u>
Total	<u>\$ 555,000</u>	<u>\$ 19,040</u>	<u>\$ 574,040</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of copier and computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2016, \$472,742 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid with annual transfers from the General Fund (Educational Accounts) to the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

	<i>Amount</i>
2017	\$ 126,992
2018	<u>126,704</u>
Total minimum lease payments	253,696
Less: amount representing interest	<u>(10,700)</u>
Present value of minimum lease payments	<u><u>\$ 242,996</u></u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC) a public entity risk pool. The District pays annual premiums to the pool for casualty property and liability coverage. The arrangements with the pool provides that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District is also a member of EBC to protect from risks of loss regarding employee health. EBC was formed in 1984 as a voluntary cooperative agency of Illinois Public School Districts and Joint Agreements. The purpose of EBC is to administer some or all of the employee benefit programs offered by the member districts to their employees and employees' dependents. EBC administers the payment of claims that arise under the benefit programs offered by each member district. Additionally, EBC offers to its members, group life insurance coverage obtained through an outside insurance company. Monthly medical and dental contributions are estimated by the Plan's administrator in advance of each membership year based upon each district's plan of coverage, estimated enrollment, estimated claim costs and service fees.

Complete financial statements for EBC can be obtained from its treasurer at 1105 North Hunt Club Road, Gurnee, IL 60031.

The District purchases insurance coverage from private insurance companies for all risks not covered through CLIC or EBC. There have been no significant reductions in insurance coverage nor has there been any settlements in excess of available insurance coverages in any of the past three fiscal years.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - JOINT AGREEMENTS

The District and six other districts within DuPage County have entered into a joint agreement (the Cooperative Association for Special Education or "C.A.S.E.") to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for C.A.S.E. can be obtained from the Administrative Offices at 22W600 Butterfield Road, Glen Ellyn, Illinois 60137.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

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

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

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

On Behalf Contributions to 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 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$150,183, 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, 2015 and June 30, 2014 were 1.02 and 0.97 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$144,490 and \$136,942, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.80 percent during the year ended June 30, 2016 and 0.76 and 0.72 percent during the years ended June 30, 2015 and 2014, respectively. For the years ended June 30, 2016, 2015 and 2014 the District paid \$112,286, \$107,659 and \$101,648 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

Post-Retirement Health Benefit Plan

The District administers a single-employer defined benefit healthcare plan ("the Post-Retirement Health Benefit Plan"). The plan provides for eligible retirees and their spouses through the District's plan which covers both active and retired members. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The Post-Retirement Health Benefit Plan does not issue a publicly available financial report.

Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. The District makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The District contributes 90 percent of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2016, the District contributed \$135,486 to the plan.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding 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 Post-Retirement Health Benefit Plan, and changes in the District's net OPEB obligation to the Post-Retirement Health Benefit Plan:

Annual required contribution	\$ 103,467
Interest on net OPEB obligation	(2,924)
Adjustment to annual required contribution	<u>5,791</u>
Annual OPEB cost	106,334
Contributions made	<u>(135,486)</u>
Increase in net OPEB obligation (asset)	(29,152)
Net OPEB Obligation (Asset) - Beginning of Year	<u>(83,988)</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ (113,140)</u></u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Post-Retirement Health Benefit Plan, and the net OPEB obligation for June 30, 2016 and the two preceding years are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2016	\$ 106,334	127.42 %	\$ (113,140)
June 30, 2015	125,035	92.90 %	(83,988)
June 30, 2014	125,035	97.86 %	(92,871)

The funded status of the Post-Retirement Health Benefit Plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,061,658
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,061,658</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 14,883,316
UAAL as a percentage of covered payroll	7.13%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is 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.

NOTE 11 - 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.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Teachers' Retirement System

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

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

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

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

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

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$7,557,167 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$81,923, and are deferred because they were paid after the June 30, 2015 measurement date.

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

For the year ended June 30, 2016, the District pension contribution was 36.06 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2016, were \$31,225, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,013,678
State's proportionate share of the collective net pension liability associated with the District	92,241,077
Total	<u>\$ 94,254,755</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015 and 2014, the District's proportion was 0.00307385 percent and 0.00363773 percent, respectively.

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2015 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 3.00%.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

Mortality. 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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.00 %	7.53 %
Global equity excluding U.S.	18.00 %	7.88 %
Aggregate bonds	16.00 %	1.57 %
U.S. TIPS	2.00 %	2.82 %
NCREIF	11.00 %	5.11 %
Opportunistic real estate	4.00 %	9.09 %
ARS	8.00 %	2.57 %
Risk parity	8.00 %	4.87 %
Diversified inflation strategy	1.00 %	3.26 %
Private equity	14.00 %	12.33 %

Discount Rate. At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 2,488,413	\$ 2,013,678	\$ 1,624,383

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$(52,402) and on-behalf revenue of \$7,557,167 for support provided by the state. At June 30, 2016, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 748	\$ 2,207
Net difference between projected and actual earnings on pension plan investments	39,880	70,512
Assumption changes	27,847	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	728,401
District contributions subsequent to the measurement date	113,148	-
Total	<u>\$ 181,623</u>	<u>\$ 801,120</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$732,645)) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2017	\$ (221,262)
2018	(221,262)
2019	(221,262)
2020	<u>(68,859)</u>
Total	<u>\$ (732,645)</u>

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Plan Membership. At December 31, 2015, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	114
Inactive, non-retired members	201
Active members	69
Total	<u>384</u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2015 was 12.49 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included (a) 7.41% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.85 %	7.39 %
International equities	17.00 %	9.55 %	7.59 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	7.20 %	6.00 %
Alternatives	9.00 %		
Private equity		13.15 %	8.15 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.41%. The discount rate calculated using the December 31, 2014 measurement date was 7.47%. 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 actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.41% used to determine the total pension liability. The year ending December 31, 2071 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.41% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.41%) or 1 percentage point higher (8.41%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 15,266,586	\$ 13,732,235	\$ 12,440,542
Plan fiduciary net position	<u>11,442,845</u>	<u>11,442,845</u>	<u>11,442,845</u>
Net pension liability/(asset)	<u>\$ 3,823,741</u>	<u>\$ 2,289,390</u>	<u>\$ 997,697</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2014	\$ 12,462,995	\$ 11,428,175	\$ 1,034,820
Service cost	229,449	-	229,449
Interest on total pension liability	911,656	-	911,656
Differences between expected and actual experience of the total pension liability	790,344	-	790,344
Change of assumptions	84,763	-	84,763
Benefit payments, including refunds of employee contributions	(746,972)	(746,972)	-
Contributions - employer	-	269,095	(269,095)
Contributions - employee	-	109,517	(109,517)
Net investment income	-	56,220	(56,220)
Other (net transfer)	-	326,810	(326,810)
Balances at December 31, 2015	<u>\$ 13,732,235</u>	<u>\$ 11,442,845</u>	<u>\$ 2,289,390</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$677,883. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 277,267	\$ -
Assumption changes	29,736	-
Net difference between projected and actual earnings on pension plan investments	727,753	-
Contributions subsequent to the measurement date	<u>131,573</u>	<u>-</u>
Total	<u>\$ 1,166,329</u>	<u>\$ -</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,034,756) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2016	\$ 496,298
2017	189,295
2018	189,296
2019	<u>159,867</u>
Total	<u>\$ 1,034,756</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

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

NOTE 13 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units* an amendment of *GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues* an amendment of *GASB Statements No. 67, No. 68, and No. 73*. Application of these standards may restate portions of these financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
And The Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 229,449	\$ 261,688
Interest	911,656	871,030
Differences between expected and actual experience	790,344	(433,097)
Changes of assumptions	84,763	624,934
Benefit payments, including refunds of member contributions	<u>(746,972)</u>	<u>(688,891)</u>
Net change in total pension liability	1,269,240	635,664
Total pension liability - beginning	<u>12,462,995</u>	<u>11,827,331</u>
Total pension liability - ending (a)	<u>\$ 13,732,235</u>	<u>\$ 12,462,995</u>
Plan fiduciary net position		
Employer contributions	\$ 269,095	\$ 252,790
Employee contributions	109,517	98,307
Net investment income	56,220	680,668
Benefit payments, including refunds of member contributions	(746,972)	(688,891)
Other (net transfer)	<u>326,810</u>	<u>(242,095)</u>
Net change in plan fiduciary net position	14,670	100,779
Plan fiduciary net position - beginning	<u>11,428,175</u>	<u>11,327,396</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,442,845</u>	<u>\$ 11,428,175</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 2,289,390</u>	<u>\$ 1,034,820</u>
Plan fiduciary net position as a percentage of the total pension liability	83.33%	91.70%
Covered-employee payroll	\$ 2,088,536	\$ 1,995,189
Employer's net pension liability as a percentage of covered-employee payroll	109.62%	51.87%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS And The Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 260,858	\$ 252,791
Contributions in relation to the actuarially determined contribution	(269,095)	(252,790)
Contribution deficiency (excess)	<u>\$ (8,237)</u>	<u>\$ 1</u>
Covered-employee payroll	\$ 2,088,536	\$ 1,995,189
Contributions as a percentage of covered-employee payroll	12.88%	12.67%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-Year Smoothed Market
Inflation	4.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**TEACHERS' RETIREMENT SYSTEM**

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
And The Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00307348%	0.00300638%
District's proportionate share of the net pension liability	\$ 2,013,678	\$ 2,213,857
State's proportionate share of the net pension liability	<u>92,241,077</u>	<u>87,102,318</u>
Total net pension liability	<u>\$ 94,254,755</u>	<u>\$ 89,316,175</u>
Covered-employee payroll	\$ 14,035,790	\$ 14,165,681
District's proportionate share of the net pension liability as a percentage of covered payroll	14.35%	15.63%
Plan fiduciary net position as a percentage of the total pension liability	41.50%	43.00%
Contractually required contribution	\$ 113,148	\$ 112,896
Contributions in relation to the contractually required contribution	<u>(113,148)</u>	<u>(113,360)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (464)</u>
Contributions as a percentage of covered employee payroll	0.8061%	0.8002%

Note: The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Notes to Schedule:

Amounts to be reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
SCHEDULE OF FUNDING PROGRESS FOR POST-RETIREMENT HEALTH BENEFIT PLAN
AS OF JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/14	\$ -	\$ 1,061,658	\$ 1,061,658	N/A	\$ 14,883,316	7.13%
7/1/12	-	1,200,973	1,200,973	N/A	14,749,562	8.14%
7/1/10	-	1,254,749	1,254,749	N/A	13,047,351	9.62%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. The District plan has fewer than 200 members; as such, the 7/1/14 valuation (for fiscal year ended June 30, 2016) is still applicable.

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 19,142,443	\$ 19,074,969	\$ (67,474)	\$ 18,816,743
Special education levy	39,602	40,897	1,295	39,555
Corporate personal property replacement taxes	200,000	186,987	(13,013)	205,081
Regular tuition from pupils or parents (in state)	120,000	127,783	7,783	123,196
Special education - tuition from other LEA's (in state)	1,050,000	656,661	(393,339)	1,043,566
Investment income	14,000	25,169	11,169	17,510
Sales to pupils - lunch	233,000	255,739	22,739	225,876
Fees	114,500	114,058	(442)	68,280
Rentals - regular textbook	138,000	119,010	(18,990)	106,176
Contributions and donations from private sources	26,500	46,445	19,945	57,821
Refund of prior years' expenditures	1,000	15,240	14,240	24,790
Other	5,000	149,642	144,642	117,386
Total local sources	21,084,045	20,812,600	(271,445)	20,845,980
State sources				
General state aid	742,012	742,821	809	770,455
Special education - private facility tuition	190,000	98,158	(91,842)	196,627
Special education - extraordinary	250,000	187,307	(62,693)	239,780
Special education - personnel	410,000	275,067	(134,933)	400,104
Special education - orphanage - individual	-	9,629	9,629	-
Special education - orphanage - summer	-	932	932	-
Special education - summer school	500	853	353	539
CTE - Other	1,500	1,173	(327)	1,412
Bilingual education - downstate - TPI	68,644	42,296	(26,348)	22,672
State free lunch & breakfast	1,850	1,063	(787)	1,148
Other restricted revenue from state sources	100,000	-	(100,000)	-
Total state sources	1,764,506	1,359,299	(405,207)	1,632,737
Federal sources				
National school lunch program	144,000	147,003	3,003	151,863
Title I - Low income	160,079	166,819	6,740	163,681
Federal - special education - IDEA - flow-through/low incident	52,626	52,975	349	-
Mckinney - Vento homeless education	-	50	50	-
Title III - English language acquisition	24,625	33,186	8,561	20,478
Title II - Teacher quality	66,495	66,700	205	72,626
Medicaid matching funds - administrative outreach	42,000	44,317	2,317	22,017
Medicaid matching funds - fee-for-service program	55,000	13,977	(41,023)	132,002

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other restricted revenue from federal sources	\$ -	\$ 23,225	\$ 23,225	\$ 27,072
Total federal sources	544,825	548,252	3,427	589,739
Total revenues	23,393,376	22,720,151	(673,225)	23,068,456
Expenditures				
Instruction				
Regular programs				
Salaries	8,782,048	8,742,970	39,078	8,779,171
Employee benefits	1,568,692	1,448,042	120,650	1,389,834
Purchased services	129,720	169,261	(39,541)	140,248
Supplies and materials	260,316	213,646	46,670	233,538
Capital outlay	7,078	-	7,078	1,978
Non-capitalized equipment	7,560	48,365	(40,805)	23,867
Total	10,755,414	10,622,284	133,130	10,568,636
Pre-K programs				
Salaries	85,767	85,767	-	93,533
Employee benefits	14,580	-	14,580	-
Purchased services	-	250	(250)	-
Supplies and materials	3,141	3,235	(94)	8,471
Total	103,488	89,252	14,236	102,004
Special education programs				
Salaries	1,526,828	1,453,081	73,747	1,457,399
Employee benefits	417,656	349,791	67,865	382,742
Purchased services	21,660	41,100	(19,440)	20,916
Supplies and materials	38,278	33,300	4,978	23,660
Non-capitalized equipment	1,000	-	1,000	4,009
Total	2,005,422	1,877,272	128,150	1,888,726
Special education programs Pre-K				
Salaries	273,300	254,358	18,942	231,066
Employee benefits	61,071	83,953	(22,882)	80,606
Purchased services	55,000	58,330	(3,330)	76,746
Supplies and materials	8,134	4,095	4,039	2,271
Total	397,505	400,736	(3,231)	390,689
Remedial and supplemental programs K-12				
Salaries	501,640	534,218	(32,578)	604,479
Employee benefits	129,937	169,685	(39,748)	133,563
Purchased services	25,500	-	25,500	-
Supplies and materials	950	63,691	(62,741)	19,980
Capital outlay	-	-	-	8,421
Non-capitalized equipment	21,545	4,779	16,766	290
Total	679,572	772,373	(92,801)	766,733

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Interscholastic programs				
Salaries	\$ 83,700	\$ 77,207	\$ 6,493	\$ 82,508
Employee benefits	500	-	500	-
Purchased services	<u>5,000</u>	<u>4,985</u>	<u>15</u>	<u>5,646</u>
Total	<u>89,200</u>	<u>82,192</u>	<u>7,008</u>	<u>88,154</u>
Summer school programs				
Salaries	52,900	31,769	21,131	39,435
Employee benefits	4,144	2,553	1,591	1,805
Supplies and materials	<u>250</u>	<u>-</u>	<u>250</u>	<u>220</u>
Total	<u>57,294</u>	<u>34,322</u>	<u>22,972</u>	<u>41,460</u>
Gifted programs				
Salaries	410,943	418,511	(7,568)	395,616
Employee benefits	55,627	55,562	65	53,257
Purchased services	2,500	100	2,400	-
Supplies and materials	<u>350</u>	<u>922</u>	<u>(572)</u>	<u>813</u>
Total	<u>469,420</u>	<u>475,095</u>	<u>(5,675)</u>	<u>449,686</u>
Bilingual programs				
Salaries	464,534	500,833	(36,299)	441,596
Employee benefits	102,618	92,741	9,877	85,401
Purchased services	1,958	1,215	743	-
Supplies and materials	<u>2,450</u>	<u>14,375</u>	<u>(11,925)</u>	<u>2,865</u>
Total	<u>571,560</u>	<u>609,164</u>	<u>(37,604)</u>	<u>529,862</u>
Truant's alternative and optional programs				
Special education programs K-12 - private tuition				
Other objects	<u>340,000</u>	<u>260,898</u>	<u>79,102</u>	<u>376,286</u>
Total	<u>340,000</u>	<u>260,898</u>	<u>79,102</u>	<u>376,286</u>
Total instruction	<u>15,468,875</u>	<u>15,223,588</u>	<u>245,287</u>	<u>15,202,236</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	470,646	469,705	941	452,145
Employee benefits	43,345	47,012	(3,667)	44,008
Purchased services	600	-	600	-
Supplies and materials	<u>1,250</u>	<u>412</u>	<u>838</u>	<u>842</u>
Total	<u>515,841</u>	<u>517,129</u>	<u>(1,288)</u>	<u>496,995</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 250,233	\$ 255,623	\$ (5,390)	\$ 241,147
Employee benefits	96,790	98,368	(1,578)	79,571
Purchased services	4,000	1,902	2,098	1,269
Supplies and materials	<u>5,200</u>	<u>4,742</u>	<u>458</u>	<u>4,367</u>
Total	<u>356,223</u>	<u>360,635</u>	<u>(4,412)</u>	<u>326,354</u>
Psychological services				
Salaries	168,900	169,515	(615)	164,000
Employee benefits	22,756	24,694	(1,938)	21,593
Purchased services	3,108	2,610	498	3,301
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>371</u>
Total	<u>195,264</u>	<u>196,819</u>	<u>(1,555)</u>	<u>189,265</u>
Speech pathology and audiology services				
Salaries	219,875	225,620	(5,745)	207,818
Employee benefits	28,279	28,867	(588)	27,276
Purchased services	1,500	-	1,500	492
Supplies and materials	<u>850</u>	<u>519</u>	<u>331</u>	<u>1,436</u>
Total	<u>250,504</u>	<u>255,006</u>	<u>(4,502)</u>	<u>237,022</u>
Total pupils	<u>1,317,832</u>	<u>1,329,589</u>	<u>(11,757)</u>	<u>1,249,636</u>
Instructional staff				
Improvement of instructional services				
Salaries	244,512	244,493	19	253,568
Employee benefits	55,583	56,266	(683)	54,218
Purchased services	40,938	37,943	2,995	101,481
Supplies and materials	8,000	12,132	(4,132)	4,976
Other objects	<u>1,000</u>	<u>1,086</u>	<u>(86)</u>	<u>724</u>
Total	<u>350,033</u>	<u>351,920</u>	<u>(1,887)</u>	<u>414,967</u>
Educational media services				
Salaries	816,437	824,765	(8,328)	841,859
Employee benefits	173,557	161,018	12,539	159,661
Purchased services	163,838	139,793	24,045	111,871
Supplies and materials	204,315	224,088	(19,773)	255,807
Capital outlay	215,000	169,034	45,966	234,629
Non-capitalized equipment	<u>88,000</u>	<u>170,310</u>	<u>(82,310)</u>	<u>156,285</u>
Total	<u>1,661,147</u>	<u>1,689,008</u>	<u>(27,861)</u>	<u>1,760,112</u>
Total instructional staff	<u>2,011,180</u>	<u>2,040,928</u>	<u>(29,748)</u>	<u>2,175,079</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services				
Purchased services	\$ 321,549	\$ 316,107	\$ 5,442	\$ 275,995
Supplies and materials	7,100	12,298	(5,198)	7,534
Other objects	14,000	14,332	(332)	13,732
Termination benefits	12,150	12,338	(188)	24,827
Total	354,799	355,075	(276)	322,088
Executive administration services				
Salaries	314,533	328,687	(14,154)	305,640
Employee benefits	74,897	74,652	245	71,580
Purchased services	13,844	13,449	395	15,047
Supplies and materials	11,600	13,570	(1,970)	12,996
Other objects	4,000	1,590	2,410	3,900
Total	418,874	431,948	(13,074)	409,163
Total general administration	773,673	787,023	(13,350)	731,251
School administration				
Office of the principal services				
Salaries	844,466	852,716	(8,250)	842,298
Employee benefits	243,153	222,429	20,724	224,500
Purchased services	14,095	9,560	4,535	11,309
Supplies and materials	30,498	20,329	10,169	22,281
Total	1,132,212	1,105,034	27,178	1,100,388
Total school administration	1,132,212	1,105,034	27,178	1,100,388
Business				
Direction of business support services				
Salaries	139,867	139,867	-	135,794
Employee benefits	33,722	31,935	1,787	30,471
Purchased services	47,060	52,468	(5,408)	37,354
Supplies and materials	800	1,103	(303)	500
Capital outlay	-	5,988	(5,988)	-
Other objects	1,500	735	765	49
Total	222,949	232,096	(9,147)	204,168

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Fiscal services				
Salaries	\$ 137,952	\$ 139,729	\$ (1,777)	\$ 129,431
Employee benefits	37,458	36,666	792	31,982
Purchased services	17,000	11,248	5,752	18,497
Supplies and materials	12,000	20,768	(8,768)	14,547
Capital outlay	3,000	-	3,000	-
Non-capitalized equipment	<u>2,000</u>	<u>1,274</u>	<u>726</u>	<u>-</u>
Total	<u>209,410</u>	<u>209,685</u>	<u>(275)</u>	<u>194,457</u>
Operation and maintenance of plant services				
Employee benefits	-	217	(217)	200
Supplies and materials	<u>-</u>	<u>192</u>	<u>(192)</u>	<u>155</u>
Total	<u>-</u>	<u>409</u>	<u>(409)</u>	<u>355</u>
Food services				
Salaries	126,678	105,941	20,737	105,731
Employee benefits	30,250	12,325	17,925	21,816
Supplies and materials	<u>324,000</u>	<u>386,189</u>	<u>(62,189)</u>	<u>354,354</u>
Total	<u>480,928</u>	<u>504,455</u>	<u>(23,527)</u>	<u>481,901</u>
Internal services				
Supplies and materials	<u>5,000</u>	<u>29,423</u>	<u>(24,423)</u>	<u>4,839</u>
Total	<u>5,000</u>	<u>29,423</u>	<u>(24,423)</u>	<u>4,839</u>
Total business	<u>918,287</u>	<u>976,068</u>	<u>(57,781)</u>	<u>885,720</u>
Central				
Information services				
Salaries	<u>23,175</u>	<u>24,764</u>	<u>(1,589)</u>	<u>13,670</u>
Total	<u>23,175</u>	<u>24,764</u>	<u>(1,589)</u>	<u>13,670</u>
Staff services				
Salaries	53,625	48,625	5,000	47,009
Employee benefits	16,753	16,554	199	15,635
Purchased services	<u>3,000</u>	<u>3,131</u>	<u>(131)</u>	<u>6,582</u>
Total	<u>73,378</u>	<u>68,310</u>	<u>5,068</u>	<u>69,226</u>
Data processing services				
Purchased services	23,500	10,579	12,921	20,902
Supplies and materials	85,000	73,241	11,759	-
Capital outlay	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Total	<u>115,500</u>	<u>83,820</u>	<u>31,680</u>	<u>20,902</u>
Total central	<u>212,053</u>	<u>176,894</u>	<u>35,159</u>	<u>103,798</u>
Total support services	<u>6,365,237</u>	<u>6,415,536</u>	<u>(50,299)</u>	<u>6,245,872</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Community services				
Purchased services	\$ 1,307	\$ -	\$ 1,307	\$ 960
Total community services	<u>1,307</u>	<u>-</u>	<u>1,307</u>	<u>960</u>
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total payments to other districts and governmental units	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total expenditures	<u>23,005,419</u>	<u>22,777,345</u>	<u>228,074</u>	<u>22,858,520</u>
Excess (deficiency) of revenues over expenditures	<u>387,957</u>	<u>(57,194)</u>	<u>(445,151)</u>	<u>209,936</u>
Other financing sources (uses)				
Transfer to debt service to pay principal on capital leases	-	-	-	(13,441)
Transfer to debt service to pay interest on capital leases	-	-	-	13,441
Transfer to debt service fund to pay principal on capital leases	(126,704)	(115,915)	10,789	(113,250)
Transfer to debt service fund to pay interest on capital leases	<u>-</u>	<u>(10,789)</u>	<u>(10,789)</u>	<u>(13,441)</u>
Total other financing sources (uses)	<u>(126,704)</u>	<u>(126,704)</u>	<u>-</u>	<u>(126,691)</u>
Net change in fund balance	<u>\$ 261,253</u>	<u>(183,898)</u>	<u>\$ (445,151)</u>	<u>83,245</u>
Fund balance, beginning of year		<u>12,612,187</u>		<u>12,528,942</u>
Fund balance, end of year		<u>\$ 12,428,289</u>		<u>\$ 12,612,187</u>

See Auditors' Report and Notes to Required Supplementary Information

(Concluded)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015				
	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,443,846	\$ 2,440,380	\$ (3,466)	\$ 2,268,239
Investment income	600	2,523	1,923	777
Rentals	56,250	44,736	(11,514)	43,188
Contributions and donations from private sources	-	-	-	1,100
Impact fees from municipal or county governments	-	41,292	41,292	105,768
Other	<u>1,000</u>	<u>7,346</u>	<u>6,346</u>	<u>-</u>
Total local sources	<u>2,501,696</u>	<u>2,536,277</u>	<u>34,581</u>	<u>2,419,072</u>
Total revenues	<u>2,501,696</u>	<u>2,536,277</u>	<u>34,581</u>	<u>2,419,072</u>
Expenditures				
Support services				
Business				
Direction of business support services				
Salaries	7,770	7,770	-	7,544
Employee benefits	<u>1,810</u>	<u>1,771</u>	<u>39</u>	<u>1,670</u>
Total	<u>9,580</u>	<u>9,541</u>	<u>39</u>	<u>9,214</u>
Operation and maintenance of plant services				
Salaries	280,864	279,010	1,854	275,645
Employee benefits	25,681	26,397	(716)	24,924
Purchased services	1,247,147	1,277,696	(30,549)	1,162,834
Supplies and materials	562,500	632,730	(70,230)	672,127
Capital outlay	182,050	196,289	(14,239)	417,479
Other objects	20,000	24,420	(4,420)	-
Non-capitalized equipment	<u>10,000</u>	<u>8,232</u>	<u>1,768</u>	<u>16,358</u>
Total	<u>2,328,242</u>	<u>2,444,774</u>	<u>(116,532)</u>	<u>2,569,367</u>
Total business	<u>2,337,822</u>	<u>2,454,315</u>	<u>(116,493)</u>	<u>2,578,581</u>
Total support services	<u>2,337,822</u>	<u>2,454,315</u>	<u>(116,493)</u>	<u>2,578,581</u>
Total expenditures	<u>2,337,822</u>	<u>2,454,315</u>	<u>(116,493)</u>	<u>2,578,581</u>
Excess (deficiency) of revenues over expenditures	<u>163,874</u>	<u>81,962</u>	<u>(81,912)</u>	<u>(159,509)</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other financing sources (uses)				
Permanent transfer from capital projects fund	\$ -	\$ -	\$ -	\$ 229,161
Transfer to debt service fund to pay principal on debt certificates	(175,000)	(175,000)	-	(180,000)
Transfer to debt service fund to pay interest on debt certificates	<u>(12,410)</u>	<u>(12,393)</u>	<u>17</u>	<u>(15,470)</u>
Total other financing sources (uses)	<u>(187,410)</u>	<u>(187,393)</u>	<u>17</u>	<u>33,691</u>
Net change in fund balance	<u>\$ (23,536)</u>	(105,431)	<u>\$ (81,895)</u>	(125,818)
Fund balance, beginning of year		<u>410,062</u>		<u>535,880</u>
Fund balance, end of year		<u>\$ 304,631</u>		<u>\$ 410,062</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 746,965	\$ 765,026	\$ 18,061	\$ 748,441
Regular transportation fees from pupils or parents (in state)	8,000	-	(8,000)	-
Regular transportation fees from other LEAs (in state)	-	2,558	2,558	11,469
Investment income	<u>2,000</u>	<u>784</u>	<u>(1,216)</u>	<u>428</u>
Total local sources	<u>756,965</u>	<u>768,368</u>	<u>11,403</u>	<u>760,338</u>
State sources				
Transportation - regular/vocational	20,000	10,714	(9,286)	14,117
Transportation - special education	<u>170,000</u>	<u>132,755</u>	<u>(37,245)</u>	<u>186,163</u>
Total state sources	<u>190,000</u>	<u>143,469</u>	<u>(46,531)</u>	<u>200,280</u>
Total revenues	<u>946,965</u>	<u>911,837</u>	<u>(35,128)</u>	<u>960,618</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	52,870	59,490	(6,620)	48,219
Employee benefits	4,585	12,022	(7,437)	16,245
Purchased services	803,300	815,210	(11,910)	774,890
Supplies and materials	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total	<u>870,755</u>	<u>886,722</u>	<u>(15,967)</u>	<u>839,354</u>
Total business	<u>870,755</u>	<u>886,722</u>	<u>(15,967)</u>	<u>839,354</u>
Total support services	<u>870,755</u>	<u>886,722</u>	<u>(15,967)</u>	<u>839,354</u>
Total expenditures	<u>870,755</u>	<u>886,722</u>	<u>(15,967)</u>	<u>839,354</u>
Net change in fund balance	<u>\$ 76,210</u>	25,115	<u>\$ (51,095)</u>	121,264
Fund balance, beginning of year		<u>1,136,520</u>		<u>1,015,256</u>
Fund balance, end of year		<u>\$ 1,161,635</u>		<u>\$ 1,136,520</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

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

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 321,554	\$ 331,854	\$ 10,300	\$ 337,733
Social security/medicare only levy	321,554	326,089	4,535	337,663
Corporate personal property replacement taxes	9,000	9,000	-	9,000
Investment income	<u>500</u>	<u>669</u>	<u>169</u>	<u>291</u>
Total local sources	<u>652,608</u>	<u>667,612</u>	<u>15,004</u>	<u>684,687</u>
Total revenues	<u>652,608</u>	<u>667,612</u>	<u>15,004</u>	<u>684,687</u>
Expenditures				
Instruction				
Regular programs	152,503	129,244	23,259	125,388
Employee benefits	1,250	2,147	(897)	1,937
Special education programs	109,435	93,441	15,994	96,711
Employee benefits	17,714	20,099	(2,385)	19,704
Educationally deprived/remedial programs	17,415	30,903	(13,488)	19,377
Summer school programs	1,100	-	1,100	325
Gifted programs	4,200	4,225	(25)	4,000
Bilingual programs	<u>9,656</u>	<u>10,914</u>	<u>(1,258)</u>	<u>10,001</u>
Total instruction	<u>313,273</u>	<u>290,973</u>	<u>22,300</u>	<u>277,443</u>
Support services				
Pupils				
Attendance and social work services	6,925	4,815	2,110	4,510
Health services	31,800	32,270	(470)	30,985
Psychological services	2,500	2,554	(54)	2,349
Speech pathology and audiology services	<u>3,200</u>	<u>3,184</u>	<u>16</u>	<u>2,922</u>
Total pupils	<u>44,425</u>	<u>42,823</u>	<u>1,602</u>	<u>40,766</u>
Instructional staff				
Improvement of instructional staff	7,275	8,637	(1,362)	11,764
Educational media services	<u>76,045</u>	<u>72,373</u>	<u>3,672</u>	<u>70,678</u>
Total instructional staff	<u>83,320</u>	<u>81,010</u>	<u>2,310</u>	<u>82,442</u>
General administration				
Executive administration services	<u>18,850</u>	<u>19,355</u>	<u>(505)</u>	<u>18,445</u>
Total general administration	<u>18,850</u>	<u>19,355</u>	<u>(505)</u>	<u>18,445</u>
School administration				
Office of the principal services	<u>56,245</u>	<u>56,240</u>	<u>5</u>	<u>57,630</u>
Total school administration	<u>56,245</u>	<u>56,240</u>	<u>5</u>	<u>57,630</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services	\$ 2,275	\$ 2,263	\$ 12	\$ 2,211
Fiscal services	29,500	28,411	1,089	25,950
Operations and maintenance of plant services	61,100	56,825	4,275	61,556
Pupil transportation services	7,025	3,455	3,570	4,697
Food services	<u>19,700</u>	<u>11,623</u>	<u>8,077</u>	<u>11,265</u>
Total business	<u>119,600</u>	<u>102,577</u>	<u>17,023</u>	<u>105,679</u>
Central				
Information services	4,750	5,031	(281)	1,046
Staff services	<u>9,675</u>	<u>9,437</u>	<u>238</u>	<u>9,293</u>
Total central	<u>14,425</u>	<u>14,468</u>	<u>(43)</u>	<u>10,339</u>
Total support services	<u>336,865</u>	<u>316,473</u>	<u>20,392</u>	<u>315,301</u>
Total expenditures	<u>650,138</u>	<u>607,446</u>	<u>42,692</u>	<u>592,744</u>
Net change in fund balance	<u>\$ 2,470</u>	60,166	<u>\$ 57,696</u>	91,943
Fund balance, beginning of year		<u>425,801</u>		<u>333,858</u>
Fund balance, end of year		<u>\$ 485,967</u>		<u>\$ 425,801</u>

See Auditors' Report and Notes to Required Supplementary Information

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 22,720,151	\$ 22,777,345
To adjust for on-behalf payments received	7,707,350	-
To adjust for on-behalf payments made	-	7,707,350
General Fund GAAP Basis	<u>\$ 30,427,501</u>	<u>\$ 30,484,695</u>

Excess of Expenditures over Budget

For the year ended June 30, 2016, expenditures exceeded budget in the Operations & Maintenance Fund and the Transportation Fund by \$116,493 and \$15,967 respectively. These excesses were funded by available fund balances.

See Auditors' Report

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,407,369	\$ 2,405,359	\$ (2,010)	\$ 2,316,018
Investment income	<u>1,500</u>	<u>2,514</u>	<u>1,014</u>	<u>827</u>
Total local sources	<u>2,408,869</u>	<u>2,407,873</u>	<u>(996)</u>	<u>2,316,845</u>
Total revenues	<u>2,408,869</u>	<u>2,407,873</u>	<u>(996)</u>	<u>2,316,845</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	573,573	574,256	(683)	856,661
Principal payments on long term debt	<u>2,111,483</u>	<u>2,111,483</u>	<u>-</u>	<u>1,723,263</u>
Total	<u>2,685,056</u>	<u>2,685,739</u>	<u>(683)</u>	<u>2,579,924</u>
Other debt service				
Purchased services	1,000	600	400	600
Other objects	-	-	-	157,277
Total	<u>1,000</u>	<u>600</u>	<u>400</u>	<u>157,877</u>
Total debt services	<u>2,686,056</u>	<u>2,686,339</u>	<u>(283)</u>	<u>2,737,801</u>
Total expenditures	<u>2,686,056</u>	<u>2,686,339</u>	<u>(283)</u>	<u>2,737,801</u>
Excess (deficiency) of revenues over expenditures	<u>(277,187)</u>	<u>(278,466)</u>	<u>(1,279)</u>	<u>(420,956)</u>
Other financing sources (uses)				
Principal on debt certificates issued	-	-	-	9,670,000
Premium on bonds sold	-	-	-	293,182
Transfer to debt service to pay principal and interest on capital leases	126,704	126,704	-	126,691
Transfer to debt service to pay principal on debt certificates	175,000	175,000	-	180,000
Transfer to debt service to pay interest on debt certificates	12,410	12,393	(17)	15,470
Payment to escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,805,905)</u>
Total other financing sources (uses)	<u>314,114</u>	<u>314,097</u>	<u>(17)</u>	<u>479,438</u>
Net change in fund balance	<u>\$ 36,927</u>	35,631	<u>\$ (1,296)</u>	58,482
Fund balance, beginning of year		<u>1,297,067</u>		<u>1,238,585</u>
Fund balance, end of year		<u>\$ 1,332,698</u>		<u>\$ 1,297,067</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**CAPITAL PROJECTS FUND**

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

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Investment income	\$ -	\$ -	\$ -	\$ (1,990)
Total local sources	-	-	-	(1,990)
Total revenues	-	-	-	(1,990)
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	(1,990)
Other financing sources (uses)				
Permanent transfer from capital projects fund	-	-	-	(229,161)
Total other financing sources (uses)	-	-	-	(229,161)
Net change in fund balance	\$ -	-	\$ -	(231,151)
Fund balance, beginning of year		-		231,151
Fund balance, end of year		\$ -		\$ -

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**GENERAL FUND****COMBINING BALANCE SHEET**

AS OF JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash and investments	\$ 10,479,359	\$ 2,170,122	\$ 12,649,481
Receivables (net allowance for uncollectibles):			
Property taxes	9,505,194	-	9,505,194
Replacement taxes	35,287	-	35,287
Intergovernmental	443,671	-	443,671
Other assets	<u>15,400</u>	<u>-</u>	<u>15,400</u>
Total assets	<u>\$ 20,478,911</u>	<u>\$ 2,170,122</u>	<u>\$ 22,649,033</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 44,261	\$ -	\$ 44,261
Unearned student fees	<u>330,990</u>	<u>-</u>	<u>330,990</u>
Total liabilities	<u>375,251</u>	<u>-</u>	<u>375,251</u>
Deferred inflows of resources			
Property taxes levied for a future period	9,614,255	-	9,614,255
Unavailable state and federal aid receivable	<u>231,238</u>	<u>-</u>	<u>231,238</u>
Total deferred inflows of resources	<u>9,845,493</u>	<u>-</u>	<u>9,845,493</u>
Fund balance			
Unassigned	<u>10,258,167</u>	<u>2,170,122</u>	<u>12,428,289</u>
Total fund balance	<u>10,258,167</u>	<u>2,170,122</u>	<u>12,428,289</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,478,911</u>	<u>\$ 2,170,122</u>	<u>\$ 22,649,033</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 19,115,866	\$ -	\$ 19,115,866
Corporate personal property replacement taxes	186,987	-	186,987
State aid	9,066,649	-	9,066,649
Federal aid	548,252	-	548,252
Investment income	25,169	-	25,169
Other	<u>1,484,578</u>	<u>-</u>	<u>1,484,578</u>
Total revenues	<u>30,427,501</u>	<u>-</u>	<u>30,427,501</u>
Expenditures			
Current:			
Instruction:			
Regular programs	10,622,284	-	10,622,284
Special programs	3,311,279	-	3,311,279
Other instructional programs	1,290,025	-	1,290,025
State retirement contributions	7,707,350	-	7,707,350
Support Services:			
Pupils	1,329,589	-	1,329,589
Instructional staff	1,871,894	-	1,871,894
General administration	787,023	-	787,023
School administration	1,105,034	-	1,105,034
Business	969,671	-	969,671
Operations and maintenance	409	-	409
Central	176,894	-	176,894
Payments to other districts and gov't units	1,138,221	-	1,138,221
Capital outlay	<u>175,022</u>	<u>-</u>	<u>175,022</u>
Total expenditures	<u>30,484,695</u>	<u>-</u>	<u>30,484,695</u>
Excess (deficiency) of revenues over expenditures	<u>(57,194)</u>	<u>-</u>	<u>(57,194)</u>
Other financing sources (uses)			
Transfers (out)	<u>(126,704)</u>	<u>-</u>	<u>(126,704)</u>
Total other financing sources (uses)	<u>(126,704)</u>	<u>-</u>	<u>(126,704)</u>
Net change in fund balance	(183,898)	-	(183,898)
Fund balance, beginning of year	<u>10,442,065</u>	<u>2,170,122</u>	<u>12,612,187</u>
Fund balance, end of year	<u>\$ 10,258,167</u>	<u>\$ 2,170,122</u>	<u>\$ 12,428,289</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2015 ACTUAL
Revenues				
Local sources				
General levy	\$ 19,142,443	\$ 19,074,969	\$ (67,474)	\$ 18,816,743
Special education levy	39,602	40,897	1,295	39,555
Corporate personal property replacement taxes	200,000	186,987	(13,013)	205,081
Regular tuition from pupils or parents (in state)	120,000	127,783	7,783	123,196
Special education - tuition from other LEA's (in state)	1,050,000	656,661	(393,339)	1,043,566
Investment income	14,000	25,169	11,169	21,472
Sales to pupils - lunch	233,000	255,739	22,739	225,876
Fees	114,500	114,058	(442)	68,280
Rentals - regular textbook	138,000	119,010	(18,990)	106,176
Contributions and donations from private sources	26,500	46,445	19,945	57,821
Refund of prior years' expenditures	1,000	15,240	14,240	24,790
Other	5,000	149,642	144,642	117,386
Total local sources	21,084,045	20,812,600	(271,445)	20,849,942
State sources				
General state aid	742,012	742,821	809	770,455
Special education - private facility tuition	190,000	98,158	(91,842)	196,627
Special education - extraordinary	250,000	187,307	(62,693)	239,780
Special education - personnel	410,000	275,067	(134,933)	400,104
Special education - orphanage - individual	-	9,629	9,629	-
Special education - orphanage - summer	-	932	932	-
Special education - summer school	500	853	353	539
CTE - Other	1,500	1,173	(327)	1,412
Bilingual education - downstate - TPI	68,644	42,296	(26,348)	22,672
State free lunch & breakfast	1,850	1,063	(787)	1,148
Other restricted revenue from state sources	100,000	-	(100,000)	-
Total state sources	1,764,506	1,359,299	(405,207)	1,632,737
Federal sources				
National school lunch program	144,000	147,003	3,003	151,863
Title I - Low income	160,079	166,819	6,740	163,681
Federal - special education - IDEA - flow-through/low incident	52,626	52,975	349	-
Mckinney - Vento homeless education	-	50	50	-
Title III - English language acquisition	24,625	33,186	8,561	20,478
Title II - Teacher quality	66,495	66,700	205	72,626
Medicaid matching funds - administrative outreach	42,000	44,317	2,317	22,017
Medicaid matching funds - fee-for-service program	55,000	13,977	(41,023)	132,002

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other restricted revenue from federal sources	\$ -	\$ 23,225	\$ 23,225	\$ 27,072
Total federal sources	544,825	548,252	3,427	589,739
Total revenues	23,393,376	22,720,151	(673,225)	23,072,418
Expenditures				
Instruction				
Regular programs				
Salaries	8,782,048	8,742,970	39,078	8,779,171
Employee benefits	1,568,692	1,448,042	120,650	1,389,834
Purchased services	129,720	169,261	(39,541)	140,248
Supplies and materials	260,316	213,646	46,670	233,538
Capital outlay	7,078	-	7,078	1,978
Non-capitalized equipment	7,560	48,365	(40,805)	23,867
Total	10,755,414	10,622,284	133,130	10,568,636
Pre-K programs				
Salaries	85,767	85,767	-	93,533
Employee benefits	14,580	-	14,580	-
Purchased services	-	250	(250)	-
Supplies and materials	3,141	3,235	(94)	8,471
Total	103,488	89,252	14,236	102,004
Special education programs				
Salaries	1,526,828	1,453,081	73,747	1,457,399
Employee benefits	417,656	349,791	67,865	382,742
Purchased services	21,660	41,100	(19,440)	20,916
Supplies and materials	38,278	33,300	4,978	23,660
Non-capitalized equipment	1,000	-	1,000	4,009
Total	2,005,422	1,877,272	128,150	1,888,726
Special education programs Pre-K				
Salaries	273,300	254,358	18,942	231,066
Employee benefits	61,071	83,953	(22,882)	80,606
Purchased services	55,000	58,330	(3,330)	76,746
Supplies and materials	8,134	4,095	4,039	2,271
Total	397,505	400,736	(3,231)	390,689

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 501,640	\$ 534,218	\$ (32,578)	\$ 604,479
Employee benefits	129,937	169,685	(39,748)	133,563
Purchased services	25,500	-	25,500	-
Supplies and materials	950	63,691	(62,741)	19,980
Capital outlay	-	-	-	8,421
Non-capitalized equipment	21,545	4,779	16,766	290
Total	679,572	772,373	(92,801)	766,733
Interscholastic programs				
Salaries	83,700	77,207	6,493	82,508
Employee benefits	500	-	500	-
Purchased services	5,000	4,985	15	5,646
Total	89,200	82,192	7,008	88,154
Summer school programs				
Salaries	52,900	31,769	21,131	39,435
Employee benefits	4,144	2,553	1,591	1,805
Supplies and materials	250	-	250	220
Total	57,294	34,322	22,972	41,460
Gifted programs				
Salaries	410,943	418,511	(7,568)	395,616
Employee benefits	55,627	55,562	65	53,257
Purchased services	2,500	100	2,400	-
Supplies and materials	350	922	(572)	813
Total	469,420	475,095	(5,675)	449,686
Bilingual programs				
Salaries	464,534	500,833	(36,299)	441,596
Employee benefits	102,618	92,741	9,877	85,401
Purchased services	1,958	1,215	743	-
Supplies and materials	2,450	14,375	(11,925)	2,865
Total	571,560	609,164	(37,604)	529,862
Truant's alternative and optional programs				
Special education programs K -12 - private tuition				
Other objects	340,000	260,898	79,102	376,286
Total	340,000	260,898	79,102	376,286
Total instruction	15,468,875	15,223,588	245,287	15,202,236

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 470,646	\$ 469,705	\$ 941	\$ 452,145
Employee benefits	43,345	47,012	(3,667)	44,008
Purchased services	600	-	600	-
Supplies and materials	<u>1,250</u>	<u>412</u>	<u>838</u>	<u>842</u>
Total	<u>515,841</u>	<u>517,129</u>	<u>(1,288)</u>	<u>496,995</u>
Health services				
Salaries	250,233	255,623	(5,390)	241,147
Employee benefits	96,790	98,368	(1,578)	79,571
Purchased services	4,000	1,902	2,098	1,269
Supplies and materials	<u>5,200</u>	<u>4,742</u>	<u>458</u>	<u>4,367</u>
Total	<u>356,223</u>	<u>360,635</u>	<u>(4,412)</u>	<u>326,354</u>
Psychological services				
Salaries	168,900	169,515	(615)	164,000
Employee benefits	22,756	24,694	(1,938)	21,593
Purchased services	3,108	2,610	498	3,301
Supplies and materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>371</u>
Total	<u>195,264</u>	<u>196,819</u>	<u>(1,555)</u>	<u>189,265</u>
Speech pathology and audiology services				
Salaries	219,875	225,620	(5,745)	207,818
Employee benefits	28,279	28,867	(588)	27,276
Purchased services	1,500	-	1,500	492
Supplies and materials	<u>850</u>	<u>519</u>	<u>331</u>	<u>1,436</u>
Total	<u>250,504</u>	<u>255,006</u>	<u>(4,502)</u>	<u>237,022</u>
Total pupils	<u>1,317,832</u>	<u>1,329,589</u>	<u>(11,757)</u>	<u>1,249,636</u>
Instructional staff				
Improvement of instructional services				
Salaries	244,512	244,493	19	253,568
Employee benefits	55,583	56,266	(683)	54,218
Purchased services	40,938	37,943	2,995	101,481
Supplies and materials	8,000	12,132	(4,132)	4,976
Other objects	<u>1,000</u>	<u>1,086</u>	<u>(86)</u>	<u>724</u>
Total	<u>350,033</u>	<u>351,920</u>	<u>(1,887)</u>	<u>414,967</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Educational media services				
Salaries	\$ 816,437	\$ 824,765	\$ (8,328)	\$ 841,859
Employee benefits	173,557	161,018	12,539	159,661
Purchased services	163,838	139,793	24,045	111,871
Supplies and materials	204,315	224,088	(19,773)	255,807
Capital outlay	215,000	169,034	45,966	234,629
Non-capitalized equipment	<u>88,000</u>	<u>170,310</u>	<u>(82,310)</u>	<u>156,285</u>
Total	<u>1,661,147</u>	<u>1,689,008</u>	<u>(27,861)</u>	<u>1,760,112</u>
Total instructional staff	<u>2,011,180</u>	<u>2,040,928</u>	<u>(29,748)</u>	<u>2,175,079</u>
General administration				
Board of education services				
Purchased services	321,549	316,107	5,442	275,995
Supplies and materials	7,100	12,298	(5,198)	7,534
Other objects	14,000	14,332	(332)	13,732
Termination benefits	<u>12,150</u>	<u>12,338</u>	<u>(188)</u>	<u>24,827</u>
Total	<u>354,799</u>	<u>355,075</u>	<u>(276)</u>	<u>322,088</u>
Executive administration services				
Salaries	314,533	328,687	(14,154)	305,640
Employee benefits	74,897	74,652	245	71,580
Purchased services	13,844	13,449	395	15,047
Supplies and materials	11,600	13,570	(1,970)	12,996
Other objects	<u>4,000</u>	<u>1,590</u>	<u>2,410</u>	<u>3,900</u>
Total	<u>418,874</u>	<u>431,948</u>	<u>(13,074)</u>	<u>409,163</u>
Total general administration	<u>773,673</u>	<u>787,023</u>	<u>(13,350)</u>	<u>731,251</u>
School administration				
Office of the principal services				
Salaries	844,466	852,716	(8,250)	842,298
Employee benefits	243,153	222,429	20,724	224,500
Purchased services	14,095	9,560	4,535	11,309
Supplies and materials	<u>30,498</u>	<u>20,329</u>	<u>10,169</u>	<u>22,281</u>
Total	<u>1,132,212</u>	<u>1,105,034</u>	<u>27,178</u>	<u>1,100,388</u>
Total school administration	<u>1,132,212</u>	<u>1,105,034</u>	<u>27,178</u>	<u>1,100,388</u>

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services				
Salaries	\$ 139,867	\$ 139,867	\$ -	\$ 135,794
Employee benefits	33,722	31,935	1,787	30,471
Purchased services	47,060	52,468	(5,408)	37,354
Supplies and materials	800	1,103	(303)	500
Capital outlay	-	5,988	(5,988)	-
Other objects	1,500	735	765	49
Total	222,949	232,096	(9,147)	204,168
Fiscal services				
Salaries	137,952	139,729	(1,777)	129,431
Employee benefits	37,458	36,666	792	31,982
Purchased services	17,000	11,248	5,752	18,497
Supplies and materials	12,000	20,768	(8,768)	14,547
Capital outlay	3,000	-	3,000	-
Non-capitalized equipment	2,000	1,274	726	-
Total	209,410	209,685	(275)	194,457
Operation and maintenance of plant services				
Employee benefits	-	217	(217)	200
Supplies and materials	-	192	(192)	155
Total	-	409	(409)	355
Food services				
Salaries	126,678	105,941	20,737	105,731
Employee benefits	30,250	12,325	17,925	21,816
Supplies and materials	324,000	386,189	(62,189)	354,354
Total	480,928	504,455	(23,527)	481,901
Internal services				
Supplies and materials	5,000	29,423	(24,423)	4,839
Total	5,000	29,423	(24,423)	4,839
Total business	918,287	976,068	(57,781)	885,720
Central				
Information services				
Salaries	23,175	24,764	(1,589)	13,670
Total	23,175	24,764	(1,589)	13,670

(Continued)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Staff services				
Salaries	\$ 53,625	\$ 48,625	\$ 5,000	\$ 47,009
Employee benefits	16,753	16,554	199	15,635
Purchased services	<u>3,000</u>	<u>3,131</u>	<u>(131)</u>	<u>6,582</u>
Total	<u>73,378</u>	<u>68,310</u>	<u>5,068</u>	<u>69,226</u>
Data processing services				
Purchased services	23,500	10,579	12,921	20,902
Supplies and materials	85,000	73,241	11,759	-
Capital outlay	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Total	<u>115,500</u>	<u>83,820</u>	<u>31,680</u>	<u>20,902</u>
Total central	<u>212,053</u>	<u>176,894</u>	<u>35,159</u>	<u>103,798</u>
Total support services	<u>6,365,237</u>	<u>6,415,536</u>	<u>(50,299)</u>	<u>6,245,872</u>
Community services				
Purchased services	<u>1,307</u>	<u>-</u>	<u>1,307</u>	<u>960</u>
Total community services	<u>1,307</u>	<u>-</u>	<u>1,307</u>	<u>960</u>
Payments to other districts and governmental units				
Payments for special education programs - tuition				
Other objects	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total payments to other districts and governmental units	<u>1,170,000</u>	<u>1,138,221</u>	<u>31,779</u>	<u>1,409,452</u>
Total expenditures	<u>23,005,419</u>	<u>22,777,345</u>	<u>228,074</u>	<u>22,858,520</u>
Excess (deficiency) of revenues over expenditures	<u>387,957</u>	<u>(57,194)</u>	<u>(445,151)</u>	<u>213,898</u>
Other financing sources (uses)				
Transfer to debt service fund to pay principal on capital leases	(126,704)	(115,915)	10,789	(113,250)
Transfer to debt service fund to pay interest on capital leases	<u>-</u>	<u>(10,789)</u>	<u>(10,789)</u>	<u>(13,441)</u>
Total other financing sources (uses)	<u>(126,704)</u>	<u>(126,704)</u>	<u>-</u>	<u>(126,691)</u>
Net change in fund balance	<u>\$ 261,253</u>	<u>(183,898)</u>	<u>\$ (445,151)</u>	<u>87,207</u>
Fund balance, beginning of year		<u>10,442,065</u>		<u>10,354,858</u>
Fund balance, end of year		<u>\$ 10,258,167</u>		<u>\$ 10,442,065</u>

(Concluded)

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**WORKING CASH ACCOUNTS**

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

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ -	\$ -	\$ -	\$ (3,962)
Total local sources	-	-	-	(3,962)
Total revenues	-	-	-	(3,962)
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	(3,962)
Net change in fund balance	\$ -	-	\$ -	(3,962)
Fund balance, beginning of year		2,170,122		2,174,084
Fund balance, end of year		\$ 2,170,122		\$ 2,170,122

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**AGENCY FUND - ACTIVITY FUNDS****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	BALANCE JUNE 30, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Assets				
Cash	<u>\$ 167,003</u>	<u>\$ 176,967</u>	<u>\$ 181,110</u>	<u>\$ 162,860</u>
Liabilities				
Due to Student Groups				
Arbor View	\$ 26,520	\$ 58,548	\$ 67,343	\$ 17,725
Brian Glen	28,672	11,705	13,912	26,465
Park View	18,242	6,871	18,075	7,038
Westfield	34,539	12,263	5,850	40,952
Elementary Schools	7,737	12,520	325	19,932
Glen Crest	<u>51,293</u>	<u>75,060</u>	<u>75,605</u>	<u>50,748</u>
Total Liabilities	<u>\$ 167,003</u>	<u>\$ 176,967</u>	<u>\$ 181,110</u>	<u>\$ 162,860</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	78
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	90
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	95
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	100
Operating Information These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	104

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Governmental activities				
Net investment				
in capital assets	\$ 7,621,495	\$ 6,958,647	\$ 6,561,877	\$ 6,514,479
Restricted	2,594,302	2,627,479	2,673,796	3,102,165
Unrestricted	<u>8,939,104</u>	<u>8,865,768</u>	<u>8,805,223</u>	<u>11,753,302</u>
Total governmental activities				
net position	<u>\$ 19,154,901</u>	<u>\$ 18,451,894</u>	<u>\$ 18,040,896</u>	<u>\$ 21,369,946</u>

NOTE: In 2015, the District implemented GASB Statements 68 & 71 on pensions. The implementation of this accounting principle required restatement of 2014 net position amounts.

Fiscal years prior to 2014 were not adjusted for the effects of implementing GASB 68 & GASB 71.

2012	2011	2010	2009	2008	2007
\$ 12,772,397	\$ 12,477,851	\$ 12,516,304	\$ 11,939,019	\$ 9,397,384	\$ 9,009,125
3,045,147	2,787,854	2,389,655	2,563,203	2,774,831	2,148,932
<u>11,965,221</u>	<u>11,556,736</u>	<u>10,514,114</u>	<u>10,975,695</u>	<u>11,653,715</u>	<u>11,916,636</u>
<u>\$ 27,782,765</u>	<u>\$ 26,822,441</u>	<u>\$ 25,420,073</u>	<u>\$ 25,477,917</u>	<u>\$ 23,825,930</u>	<u>\$ 23,074,693</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2016	2015	2014
GOVERNMENT-WIDE EXPENSES:			
Instructional services:			
Regular programs (1)	\$ 11,682,951	\$ 11,660,243	\$ 11,956,060
Special programs	4,930,431	5,276,353	5,171,085
Other programs	1,314,789	1,228,251	1,179,102
State Retirement Contributions (1)	7,707,350	7,157,151	5,087,366
Supporting services:			
Students	1,402,034	1,314,930	1,236,240
Instructional staff	2,076,018	2,165,606	1,972,395
District administration	800,618	755,019	731,879
School administration	1,158,876	1,191,929	1,167,717
Business	1,238,475	1,141,276	1,142,849
Operations and maintenance of facilities	2,495,756	2,408,411	2,545,140
Transportation	905,028	862,121	911,514
Food service (2)	-	-	-
Staff (2)	-	-	-
Central (2)	254,596	162,250	126,825
Community services	-	960	1,293
Non-programmed charges	-	-	-
Interest on long-term liabilities	560,460	869,341	1,075,139
Change in estimated useful lives of capital assets	-	-	-
Total Government-Wide Expenses	<u>\$ 36,527,382</u>	<u>\$ 36,193,841</u>	<u>\$ 34,304,604</u>
PROGRAM REVENUES:			
Charges for services	\$ 1,477,533	\$ 1,739,137	\$ 1,650,102
Operating grants and contributions	9,294,838	8,809,452	6,786,948
Capital grants and contributions	-	-	-
Total program revenues	<u>\$ 10,772,371</u>	<u>\$ 10,548,589</u>	<u>\$ 8,437,050</u>
NET EXPENSE	<u>\$ (25,755,011)</u>	<u>\$ (25,645,252)</u>	<u>\$ (25,867,554)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Taxes:			
General purpose (2)	\$ -	\$ -	\$ -
Transportation (2)	-	-	-
Retirement (2)	-	-	-
Real estate taxes, levied for general purposes (2)	19,115,866	18,856,298	18,778,800
Real estate taxes, levied for specific purposes (2)	3,863,349	3,692,076	3,641,490
Real estate taxes, levied for debt service	2,405,359	2,316,018	2,244,851
Personal property replacement taxes (2)	195,987	214,081	199,060
Federal and state aid formula grants	742,821	770,455	820,356
Earnings on investments	31,659	17,843	14,400
Miscellaneous	102,977	189,479	73,236
Total general revenues	<u>\$ 26,458,018</u>	<u>\$ 26,056,250</u>	<u>\$ 25,772,193</u>
Change in net position	<u>\$ 703,007</u>	<u>\$ 410,998</u>	<u>\$ (95,361)</u>

(1) Includes effect of on-behalf payments required by GASB #24, prior to FY 2011.

(2) Prior to FY2011, the District recorded supporting services expenses and general revenues to different categories than those listed here.

NOTE: In 2015 the District implemented GASB Statements 68 & 71 on pensions. The implementation of this accounting principle required restatement of 2014 net position amounts. Fiscal years prior to 2014 were not adjusted for the effects of implementing GASB 68 & GASB 71.

	2013	2012	2011	2010	2009	2008	2007
\$	11,115,060	\$ 11,345,922	\$ 10,013,502	\$ 13,938,876	\$ 12,925,070	\$ 12,125,276	\$ 11,321,890
	5,328,347	4,374,584	4,023,243	4,022,833	3,471,292	4,066,425	3,602,903
	1,099,241	949,116	961,578	677,512	819,811	724,199	646,735
	3,823,298	3,318,961	2,984,905	-	-	-	-
	-	-	-	-	-	-	-
	1,228,564	1,167,773	1,096,650	1,014,150	999,044	737,530	610,644
	1,853,447	1,315,899	1,589,701	1,795,668	1,970,734	1,679,780	1,474,546
	708,271	714,133	615,750	744,185	589,784	613,783	617,862
	1,162,344	1,101,246	1,213,339	1,225,346	1,486,469	1,382,909	1,290,187
	1,098,613	1,210,545	743,417	555,146	703,347	832,353	622,245
	2,086,353	2,154,173	2,026,596	2,392,843	2,125,448	2,179,437	1,818,432
	951,994	876,866	1,164,853	1,158,421	1,089,462	1,108,196	1,091,855
	-	-	-	145,318	238,791	203,662	188,254
	-	-	-	146,801	46,748	-	-
	140,186	150,199	129,218	-	-	-	-
	1,595	1,648	11,765	19,769	1,681	-	-
	-	15,535	-	-	-	-	-
	888,737	918,613	971,056	992,661	801,026	378,344	319,797
	6,502,926	-	-	-	-	-	-
\$	<u>37,988,976</u>	<u>\$ 29,615,213</u>	<u>\$ 27,545,573</u>	<u>\$ 28,829,529</u>	<u>\$ 27,268,707</u>	<u>\$ 26,031,894</u>	<u>\$ 23,605,350</u>
\$	1,665,004	\$ 1,447,685	\$ 757,682	\$ 577,435	\$ 947,325	\$ 701,556	\$ 636,349
	5,507,587	4,910,328	4,912,526	4,933,571	4,645,851	3,467,753	2,986,804
	-	13,152	-	-	4,503	31,559	51,866
\$	<u>7,172,591</u>	<u>\$ 6,371,165</u>	<u>\$ 5,670,208</u>	<u>\$ 5,511,006</u>	<u>\$ 5,597,679</u>	<u>\$ 4,200,868</u>	<u>\$ 3,675,019</u>
\$	<u>(30,816,385)</u>	<u>\$ (23,244,048)</u>	<u>\$ (21,875,365)</u>	<u>\$ (23,318,523)</u>	<u>\$ (21,671,028)</u>	<u>\$ (21,831,026)</u>	<u>\$ (19,930,331)</u>
\$	-	\$ -	\$ -	\$ 19,135,968	\$ 18,668,252	\$ 17,870,493	\$ 17,143,116
	-	-	-	553,287	560,807	554,975	537,085
	-	-	-	582,831	502,206	468,255	407,337
	17,911,157	17,617,818	16,837,061	-	-	-	-
	3,409,649	3,420,178	3,405,043	-	-	-	-
	2,086,400	2,010,459	1,887,790	1,852,110	1,793,271	1,626,866	1,448,768
	192,528	196,829	206,175	-	-	-	-
	711,952	888,964	853,821	731,682	685,062	881,776	869,192
	26,004	15,024	57,462	90,036	621,237	743,952	742,085
	65,876	55,100	30,381	314,765	492,180	435,946	318,547
\$	<u>24,403,566</u>	<u>\$ 24,204,372</u>	<u>\$ 23,277,733</u>	<u>\$ 23,260,679</u>	<u>\$ 23,323,015</u>	<u>\$ 22,582,263</u>	<u>\$ 21,466,130</u>
\$	<u>(6,412,819)</u>	<u>\$ 960,324</u>	<u>\$ 1,402,368</u>	<u>\$ (57,844)</u>	<u>\$ 1,651,987</u>	<u>\$ 751,237</u>	<u>\$ 1,535,799</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Unassigned	<u>12,428,289</u>	<u>12,612,187</u>	<u>12,528,942</u>	<u>12,477,001</u>	<u>12,524,335</u>
Total general fund	<u>\$ 12,428,289</u>	<u>\$ 12,612,187</u>	<u>\$ 12,528,942</u>	<u>\$ 12,477,001</u>	<u>\$ 12,524,335</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Restricted	<u>3,284,931</u>	<u>3,269,450</u>	<u>3,354,730</u>	<u>3,476,162</u>	<u>3,436,275</u>
Total all other governmental funds	<u>\$ 3,284,931</u>	<u>\$ 3,269,450</u>	<u>\$ 3,354,730</u>	<u>\$ 3,476,162</u>	<u>\$ 3,436,275</u>

NOTE: In 2011 the District implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation of this accounting principle required the Educational Fund and Working Cash Fund to be consolidated into the General Fund. Additional fund balance classifications were also implemented to remain in compliance with the reporting requirements of GASB 54.

Fiscal years prior to 2011 were not adjusted for the effects of implementing GASB 54.

2011	2010	2009	2008	2007
\$ -	\$ -	\$ -	\$ 13,751	\$ 29,595
-	10,826,485	11,503,658	10,906,839	10,712,926
<u>12,309,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 12,309,227</u>	<u>\$ 10,826,485</u>	<u>\$ 11,503,658</u>	<u>\$ 10,920,590</u>	<u>\$ 10,742,521</u>
\$ -	\$ -	\$ -	\$ -	\$ 405
-	2,688,331	2,806,099	2,701,765	2,638,028
-	1,013,951	965,434	1,264,970	772,534
-	788,942	12,564,321	7,352,533	-
<u>3,193,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,193,354</u>	<u>\$ 4,491,224</u>	<u>\$ 16,335,854</u>	<u>\$ 11,319,268</u>	<u>\$ 3,410,967</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89**GOVERNMENTAL FUNDS REVENUES****LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
Revenues:				
Local Sources:				
Taxes	\$ 25,580,561	\$ 25,078,473	\$ 24,864,201	\$ 23,599,734
Earnings on investments	31,659	17,843	14,400	26,004
Other local sources	<u>1,580,510</u>	<u>1,928,616</u>	<u>1,723,338</u>	<u>1,730,880</u>
 Total local sources	 27,192,730	 27,024,932	 26,601,939	 25,356,618
 State sources	 9,210,118	 8,990,168	 7,145,088	 5,881,641
Federal sources	<u>548,252</u>	<u>589,739</u>	<u>490,433</u>	<u>628,105</u>
 Total revenues	 <u>\$ 36,951,100</u>	 <u>\$ 36,604,839</u>	 <u>\$ 34,237,460</u>	 <u>\$ 31,866,364</u>

2012	2011	2010	2009	2008	2007
\$ 23,245,284	\$ 22,336,069	\$ 22,124,196	\$ 21,524,536	\$ 20,520,589	\$ 19,536,306
15,024	57,462	90,036	621,237	743,952	742,085
<u>1,515,937</u>	<u>788,063</u>	<u>892,200</u>	<u>1,444,008</u>	<u>1,169,061</u>	<u>1,006,762</u>
24,776,245	23,181,594	23,106,432	23,589,781	22,433,602	21,285,153
5,390,437	5,057,397	4,899,253	4,816,108	4,091,686	3,547,757
<u>370,090</u>	<u>429,291</u>	<u>766,000</u>	<u>514,805</u>	<u>257,843</u>	<u>308,239</u>
<u>\$ 30,536,772</u>	<u>\$ 28,668,282</u>	<u>\$ 28,771,685</u>	<u>\$ 28,920,694</u>	<u>\$ 26,783,131</u>	<u>\$ 25,141,149</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
 LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Current:				
Instruction				
Regular programs (1)	\$ 10,751,528	\$ 10,692,046	\$ 10,989,269	\$ 10,195,856
Special programs	3,455,722	3,549,805	3,529,623	3,714,538
Other instructional programs	1,307,311	1,227,429	1,179,102	1,099,241
State retirement contributions (1)	<u>7,707,350</u>	<u>7,157,151</u>	<u>5,087,366</u>	<u>3,823,298</u>
Total instruction	<u>23,221,911</u>	<u>22,626,431</u>	<u>20,785,360</u>	<u>18,832,933</u>
Supporting Services (2)				
Pupils	1,372,412	1,290,402	1,236,240	1,228,564
Instructional staff	1,952,904	2,024,492	1,885,287	1,755,054
General administration	806,378	749,696	731,879	708,271
School administration	1,161,274	1,158,018	1,166,388	1,163,833
Business	1,021,509	934,005	964,562	928,555
Central	191,362	114,137	87,749	102,914
Community services	-	960	1,293	1,595
Payments to other districts and gov't units	1,138,221	1,409,452	1,379,832	1,401,401
Instruction	-	-	-	-
Operations and maintenance	2,305,719	2,213,799	2,399,154	1,952,171
Transportation	890,177	844,051	897,337	938,471
IMRF/Social security benefits	-	-	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>10,839,956</u>	<u>10,739,012</u>	<u>10,749,721</u>	<u>10,180,829</u>
Other:				
Debt service				
Principal	2,111,483	1,723,263	2,455,356	1,421,025
Interest, fees and bond issuance costs	574,856	1,014,538	937,619	958,589
Capital outlay	<u>371,311</u>	<u>660,907</u>	<u>771,637</u>	<u>480,435</u>
Total other	<u>3,057,650</u>	<u>3,398,708</u>	<u>4,164,612</u>	<u>2,860,049</u>
Total expenditures	<u>\$ 37,119,517</u>	<u>\$ 36,764,151</u>	<u>\$ 35,699,693</u>	<u>\$ 31,873,811</u>
Debt service as a percentage of noncapital expenditures	7.31%	7.58%	9.71%	7.58%

(1) Includes effect of on-behalf payments required by GASB #24, prior to FY 2011.

(2) Prior to FY2011, the District recorded supporting services expenditures to different categories than those listed here.

	2012	2011	2010	2009	2008	2007
\$	10,185,570	\$ 9,657,266	\$ 13,074,490	\$ 12,293,695	\$ 11,616,899	\$ 10,839,736
	3,335,845	3,072,827	3,123,529	2,777,234	2,904,808	3,042,936
	949,116	961,578	676,931	817,527	722,401	645,276
	<u>3,318,961</u>	<u>2,984,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,789,492</u>	<u>16,676,576</u>	<u>16,874,950</u>	<u>15,888,456</u>	<u>15,244,108</u>	<u>14,527,948</u>
	1,167,773	1,096,650	-	-	-	-
	1,686,312	1,554,059	-	-	-	-
	714,133	615,750	-	-	-	-
	1,102,735	1,219,053	-	-	-	-
	1,057,175	666,869	-	-	-	-
	116,980	111,504	-	-	-	-
	1,648	11,765	-	-	-	-
	864,964	850,551	-	-	-	-
	-	-	6,097,527	6,121,019	6,101,332	4,888,880
	2,035,193	1,977,020	2,185,714	1,961,332	2,143,111	1,793,502
	864,814	1,159,056	1,150,785	1,080,537	1,099,887	1,082,371
	-	-	513,261	498,261	486,256	414,211
	-	-	-	600	-	-
	<u>9,611,727</u>	<u>9,262,277</u>	<u>9,947,287</u>	<u>9,661,749</u>	<u>9,830,586</u>	<u>8,178,964</u>
	1,465,587	1,218,541	1,127,022	1,933,820	1,605,589	1,333,197
	985,706	1,030,953	1,083,937	738,955	428,569	331,694
	<u>601,358</u>	<u>295,063</u>	<u>12,260,292</u>	<u>10,283,969</u>	<u>2,732,270</u>	<u>370,879</u>
	<u>3,052,651</u>	<u>2,544,557</u>	<u>14,471,251</u>	<u>12,956,744</u>	<u>4,766,428</u>	<u>2,035,770</u>
\$	<u>30,453,870</u>	<u>\$ 28,483,410</u>	<u>\$ 41,293,488</u>	<u>\$ 38,506,949</u>	<u>\$ 29,841,122</u>	<u>\$ 24,742,682</u>
	8.21%	7.62%	9.47%	7.50%	6.83%	7.03%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Excess of revenues over (under) expenditures	\$ (168,417)	\$ (159,312)	\$ (1,462,233)	\$ (7,447)
Other financing sources (uses)				
Proceeds from borrowing	-	-	-	-
Proceeds from refunding	-	9,670,000	920,000	-
Premium on bonds sold	-	293,182	-	-
Payments to escrow agent	-	(9,805,905)	-	-
Transfers in	314,097	551,322	545,964	327,791
Transfers out	(314,097)	(551,322)	(545,964)	(327,791)
Capital lease value	-	-	472,742	-
Total	<u>-</u>	<u>157,277</u>	<u>1,392,742</u>	<u>-</u>
Net change in fund balances	<u>\$ (168,417)</u>	<u>\$ (2,035)</u>	<u>\$ (69,491)</u>	<u>\$ (7,447)</u>

2012	2011	2010	2009	2008	2007
\$ 82,902	\$ 184,872	\$ (12,521,803)	\$ (9,586,255)	\$ (3,057,991)	\$ 398,467
-	-	-	15,185,909	12,542,481	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,398,120)	-
669,382	396,261	428,190	445,134	179,632	145,058
(669,382)	(396,261)	(428,190)	(445,134)	(179,632)	(145,058)
375,127	-	-	-	-	-
375,127	-	-	15,185,909	11,144,361	-
<u>\$ 458,029</u>	<u>\$ 184,872</u>	<u>\$ (12,521,803)</u>	<u>\$ 5,599,654</u>	<u>\$ 8,086,370</u>	<u>\$ 398,467</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN TAX LEVY YEARS

LEVY YEAR	ASSESSED VALUATION			TOTAL ASSESSED VALUE	TOTAL DIRECT RATE	ESTIMATED ACTUAL VALUE
	RESIDENTIAL	FARMS	COMMERCIAL AND INDUSTRIAL			
2015	\$ 606,935,803	\$ -	\$ 126,832,568	\$ 733,768,371	3.5010	\$ 2,201,305,113
2014	598,006,765	-	121,366,151	719,372,916	3.5149	2,158,118,748
2013	607,202,080	-	128,508,650	735,710,730	3.3612	2,207,132,190
2012	636,992,670	2,687	133,103,905	770,099,262	3.1426	2,310,297,786
2011	687,965,863	3,317	132,278,087	820,247,267	2.8555	2,460,741,801
2010	743,936,335	3,016	136,863,365	880,802,716	2.6035	2,642,408,148
2009	772,047,843	2,742	143,351,702	915,402,287	2.4238	2,746,206,861
2008	773,170,758	2,494	138,907,550	912,080,802	2.4132	2,736,242,406
2007	738,219,003	2,267	127,296,356	865,517,626	2.4271	2,596,552,878
2006	677,152,879	2,519	114,689,960	791,845,358	2.5370	2,375,536,074

Source: DuPage County Clerk

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value. This Total Direct Rate includes Bond & Interest Fund.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN TAX LEVY YEARS

DISTRICT DIRECT RATES	2015	2014	2013	2012	2011
Educational	2.6226	2.6496	2.5496	2.3912	2.1914
Special Education	0.0058	0.0055	0.0054	0.0052	0.0013
Operations and Maintenance	0.3404	0.3340	0.2990	0.2688	0.2403
Tort immunity	-	-	-	-	-
Transportation	0.1074	0.1040	0.1022	0.1152	0.1065
Illinois Municipal Retirement	0.0464	0.0445	0.0475	0.0384	0.0272
Social Security	0.0464	0.0445	0.0475	0.0416	0.0362
Debt services	0.3320	0.3328	0.3100	0.2822	0.2526
Total direct	3.5010	3.5149	3.3612	3.1426	2.8555

OVERLAPPING RATES

TAXING DISTRICTS

DuPage County	0.1971	0.2057	0.2040	0.1929	0.1773
DuPage County Forest Preserve	0.1622	0.1691	0.1657	0.1542	0.1414
DuPage Airport Authority	0.0188	0.0196	0.0178	0.0168	0.0169
Milton Township	0.0475	0.4840	0.0468	0.0439	0.0406
Milton Township Road District	0.0778	0.0793	0.0767	0.0720	0.0651

MUNICIPALITIES

Village of Glen Ellyn & Library	0.8943	0.9315	0.9182	0.8489	0.769
---------------------------------	--------	--------	--------	--------	-------

MISCELLANEOUS DISTRICTS

Glen Ellyn Mosquito Abatement	0.0111	0.0115	0.0111	0.0103	0.009
-------------------------------	--------	--------	--------	--------	-------

PARK DISTRICTS

Glen Ellyn Park District	0.4435	0.4534	0.4377	0.4114	0.371
--------------------------	--------	--------	--------	--------	-------

SCHOOL DISTRICTS

Township High School District No. 87	2.5173	2.5824	2.4877	2.2868	2.020
Community College District 502	0.2786	0.2975	0.2956	0.2681	0.250

Source: DuPage County Clerk

Note: Tax rates are per \$100 of assessed value.

2010	2009	2008	2007	2006
1.9795	1.8430	1.8425	1.8427	1.9432
0.0012	0.0012	0.0012	0.0161	0.0176
0.2339	0.2450	0.2500	0.2429	0.2566
-	-	0.0012	0.0012	0.0042
0.1033	0.0600	0.0610	0.0653	0.0690
0.0264	0.0302	0.0185	0.0173	0.0188
0.0354	0.0393	0.0391	0.0379	0.0393
0.2238	0.2051	0.1997	0.2037	0.1883
2.6035	2.4238	2.4132	2.4271	2.5370

0.166	0.155	0.156	0.165	0.171
0.132	0.122	0.121	0.119	0.130
0.016	0.015	0.016	0.017	0.018
0.037	0.035	0.035	0.034	0.038
0.060	0.056	0.056	0.056	0.058
0.693	0.647	0.600	0.611	0.657
0.008	0.008	0.008	0.008	0.008
0.338	0.318	0.312	0.316	0.332
1.838	1.675	1.651	1.661	1.721
0.235	0.213	0.186	0.189	0.193

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT * CURRENT LEVY YEAR AND NINE YEARS AGO

TAXPAYER	TYPE OF BUSINESS, PROPERTY	2015 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF DISTRICT'S TOTAL 2015 EQUALIZED ASSESSED VALUATION
1. FF Realty	Apartments	\$ 16,165,050	2.25%
2. Market Plaza 450 LLC	Strip Shopping Center	10,145,760	1.41%
3. Bre Piper Mf Clover Creek	Apartments	9,724,500	1.35%
4. Arbors Of Glen Ellyn	Apartments	8,489,130	1.18%
5. Brookdale Living Community	Retirement Community	8,263,310	1.15%
6. Baker Hill Station LLC	Baker Hill shopping center	7,163,270	1.00%
7. Friedkin Realty Group	Apartments	6,515,990	0.91%
8. Butterfield Associates	Hillcrest Apartments	4,612,950	0.64%
9. Wal Mart Property Tax Dep	Commercial Property - Retail-store	4,156,600	0.58%
10. Glen Hill North LLC	Commercial Property	3,576,130	0.50%
		<u>\$ 78,812,690</u>	10.97%

TAXPAYER	TYPE OF BUSINESS, PROPERTY	2006 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF DISTRICT'S TOTAL 2004 EQUALIZED ASSESSED VALUATION
1. F&F Realty (Village II)	Apartment Complex	\$13,088,080	1.65%
2. Glen Ellyn Plaza	Strip Shopping Center	7,871,030	0.99%
3. Red Mortgage Capital	Clover Creek Apartments	7,211,760	0.91%
4. Brookdale Living Community	Retirement Community	7,000,000	0.88%
5. Scott Retzliff & Assoc.	Baker Hill Shopping Center	6,750,670	0.85%
6. Bassman FBT LLC	Roosevelt Hills Office Building	5,872,290	0.74%
7. SrHWLIN Enterprise LP	Office Building	5,629,850	0.71%
8. Berkshire Property Advisors	Apartments	4,950,300	0.63%
9. AVI I LLC	Briarcliff Apartments	3,963,730	0.50%
10. Hillcrest Apartments	Apartments	3,684,940	0.47%
Total		<u>\$ 66,022,650</u>	8.33%

**For tax year 2015, the figures above are totals of numerous parcel valuations with equalized assessed valuations of \$300,000 and over as recorded in the County Assessors' office. It is possible, however, that certain parcels may have been overlooked.

NOTE: 2015 was the most recent year available

Sources: Offices of the DuPage County Clerk

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

LEVY YEAR	TAXES LEVIED FOR THE LEVY YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2015	\$	25,689,232	\$ 12,951,350	50.42%	\$ -	\$ 12,951,350	50.42%
2014		25,285,239	12,365,742	48.90%	12,817,185	25,182,927	99.60%
2013		24,728,709	12,280,349	49.66%	12,304,098	24,584,447	99.42%
2012		24,201,139	11,793,568	48.73%	12,339,502	24,133,070	99.72%
2011		23,422,161	11,654,597	49.76%	11,622,244	23,276,841	99.38%
2010		22,931,699	11,356,779	49.52%	11,372,517	22,729,296	99.12%
2009		22,187,520	10,747,032	48.44%	11,420,151	22,167,183	99.91%
2008		22,010,334	10,291,679	46.76%	11,690,265	21,981,944	99.87%
2007		21,006,979	10,119,870	48.17%	10,845,848	20,965,718	99.80%
2006		20,089,117	9,811,548	48.84%	10,197,064	20,008,612	99.60%

Source: DuPage County Levy, Rate and Extension Reports for 2005-2014

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	DEBT CERTIFICATES	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2016	\$ 17,315,000	\$ 242,996	\$ 555,000	\$ 18,112,996	1.22%	642
2015	19,135,000	359,479	730,000	20,224,479	1.41%	728
2014	20,005,000	472,742	910,000	21,387,742	1.52%	770
2013	21,290,000	125,356	1,035,000	22,450,356	1.62%	812
2012	22,440,000	246,381	1,185,000	23,871,381	1.73%	863
2011	23,460,000	178,541	1,330,000	24,968,541	1.88%	910
2010	24,360,000	350,382	1,470,000	26,180,382	1.95%	948
2009	25,165,000	-	1,605,000	26,770,000	2.49%	992
2008	12,425,000	-	1,735,000	14,160,000	1.32%	524
2007	3,700,000	-	1,865,000	5,565,000	0.52%	206

Note: See Demographic and Economic Statistics table for personal and population data.

Source: DuPage County Clerk and District Financial Records

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
RATIOS OF OUTSTANDING DEBT BY TYPE (GENERAL BONDED DEBT)
 LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2016	\$ 17,315,000	\$ 1,060,863	\$ 16,254,137	2.22%	586
2015	19,135,000	1,095,550	18,039,450	2.51%	650
2014	20,005,000	891,509	19,113,491	2.60%	689
2013	21,290,000	769,350	20,520,650	2.66%	742
2012	22,440,000	1,104,603	21,335,397	2.60%	772
2011	23,460,000	1,042,729	22,417,271	2.55%	817
2010	24,360,000	1,013,951	23,346,049	2.55%	857
2009	25,165,000	965,434	24,199,566	2.65%	896
2008	12,425,000	1,264,970	11,160,030	1.29%	413
2007	3,700,000	772,534	2,927,466	0.37%	108

Source: DuPage County Clerk and District Financial Records

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

(As of June 30, 2016)

	2015 Real Estate Valuation	Assessed Value in District	Outstanding Bonds		Applicable to District Percent	Amount
DuPage County	\$33,861,026,736	\$733,768,371	\$42,020,000	(1)(3)	2.167%	\$910,573
DuPage County Forest Preserve	33,861,026,736	733,768,371	140,577,987	(1)(2)	2.167%	3,046,325
Municipalities:						
Village of Downers Grove	2,162,808,951	105,310	75,185,000	(4)	0.005%	3,661
Village of Glen Ellyn	1,273,327,558	296,196,402	21,955,000		23.262%	5,107,085
City of Wheaton	1,881,780,110	137,243,369	28,015,000		7.293%	2,043,211
Miscellaneous:						
DuPage Special Service Area #19	10,446,970	10,446,970	1,368,990		100.000%	1,368,990
Wheaton Sanitary District	1,862,589,302	10,971,435	0	(3)	0.589%	
Park Districts:						
Butterfield	215,815,333	104,640,900	3,135,370	(1)	48.486%	1,520,225
Downers Grove	2,094,122,831	96,800	9,620,000	(1)	0.005%	445
Glen Ellyn	1,497,881,723	277,648,744	6,245,000		18.536%	1,157,579
Lombard	1,188,511,932	34,047,170	6,657,001		2.865%	190,702
Wheaton	2,079,239,225	148,425,387	32,990,705	(1)	7.138%	2,355,024
School Districts:						
High School District #87	4,830,335,702	733,768,371	57,705,000	(1)(3)	15.191%	8,765,872
Community College District #502	37,963,511,870	733,768,371	193,170,000	(1)	1.933%	<u>3,733,639</u>
Total Overlapping General Obligation Bonded Debt						30,203,330
Glen Ellyn Community Consolidated School District Number 89	733,768,371	733,768,371	17,315,000		100.000%	<u>17,315,000</u>
Total Direct and Overlapping General Obligation Bonded Debt						<u>\$47,518,330</u>

- (1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
(3) Excludes Certificates of Indebtedness
(4) Includes outstanding Tax Increment Finance bonds.

Source: DuPage County Clerk's Office

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Valuation	\$ 733,768,371	
Debt Limit - 6.9% of Assessed Valuation		\$ 50,630,018
Total Debt Outstanding	\$ 18,112,996	
Net Subject to 6.9% Limit		<u>18,112,996</u>
Total Debt Margin		<u>\$ 32,517,022</u>

	2016	2015	2014	2013
Debt Limit	\$ 50,630,018	\$ 49,636,731	\$ 50,764,040	\$ 53,136,849
Total Net Debt Applicable to Limit	<u>18,112,996</u>	<u>20,224,479</u>	<u>21,387,742</u>	<u>22,450,356</u>
Legal Debt Margin	<u>\$ 32,517,022</u>	<u>\$ 29,412,252</u>	<u>\$ 29,376,298</u>	<u>\$ 30,686,493</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36%	41%	42%	42%

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 56,597,061	\$ 60,775,387	\$ 63,162,758	\$ 62,933,575	\$ 59,720,716	\$ 54,637,330
<u>23,625,000</u>	<u>24,790,000</u>	<u>24,816,049</u>	<u>25,804,566</u>	<u>12,895,030</u>	<u>4,792,466</u>
<u>\$ 32,972,061</u>	<u>\$ 35,985,387</u>	<u>\$ 38,346,709</u>	<u>\$ 37,129,009</u>	<u>\$ 46,825,686</u>	<u>\$ 49,844,864</u>
42%	41%	39%	41%	22%	9%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2015	28,201	\$ 1,480,157,686	\$ 52,486	4.6%
2014	27,763	1,434,764,077	51,679	5.3%
2013	27,761	1,404,428,990	50,590	6.5%
2012	27,650	1,381,753,450	49,973	6.4%
2011	27,648	1,378,252,800	49,850	7.2%
2010	27,450	1,336,513,050	48,689	7.0%
2009	27,236	1,327,074,100	48,725	7.3%
2008	26,999	1,074,101,217	39,783	10.3%
2007	26,999	1,074,101,217	39,783	6.8%
2006	26,999	1,074,101,217	39,783	5.1%

SOURCE:

The Village of Glen Ellyn statistics were used in this table as listed below.

Population - U.S. Census Bureau

Per capita personal income - U.S. Census Bureau, American FactFinder, and American Community Survey 5-Year Estimates and QuickFacts from the US Census Bureau

Unemployment rate - Illinois Department of Employment Security

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2016

EMPLOYER	TYPE OF BUSINESS	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
College of DuPage		2,264	36.1%
MarionJoy Rehabilitation Group		950	15.1%
Wheaton College		900	14.3%
Glenbard East, South, and West		617	9.8%
Acosta Sales & Marketing		500	8.0%
First Trust Portfolios L.P.		500	8.0%
School District 41		430	6.9%
M & R Printing Equipment		400	6.4%
City of Wheaton		293	4.7%
Andy Frain Services, Inc.		250	4.0%
School District 44		240	3.8%
School District 89		235	3.7%

*Includes full and part-time.

The 2015 directories listed below list the number of employees in the previous year (2014).

The estimated number of persons employed in the District in 2015 is 6,273.

- Sources: (1) 2015 Illinois Manufacturers' News Directory
 (2) 2015 Illinois Services Directory
 (3) College of DuPage Financial Report
 (4) Phone canvass of employers
 (5) Reference USA
 (6) Illinois Department of Employment

2007

EMPLOYER		EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
College of DuPage	Community College	2,600	18%
SGS North America Mineral Services	Inspection, testing and chemical analysis	800	5%
Acosta Sales & Marketing Co.	Food brokers	500	3%
M & R Printing	Printing equipment	425	3%
Hillcrest Management Co.	Real Estate Management	400	3%
Adjustable Forms, Inc.	Concrete construction forms	350	2%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2015- 2016	2014- 2015	2013- 2014	2012- 2013
General Administration:				
Superintendent	1	1	1	1
Assistant Superintendent	2	2	2	2
District Administrators	3	3	3	3
School Administration:				
Principals and Assistants	6	6	6	6
Total Administration	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Instruction:				
Pre-K	3	3	3	3
K-5, Gifted	58	53	54	53
Jr. High	31	34	35	34
Art, Music, PE, Health	20	19	19	20
Special Program:				
Special Ed	11	11	13	14
Psychologists	3	2	1	1
Other student support	29	29	31	30
Total teachers	<u>155</u>	<u>151</u>	<u>156</u>	<u>155</u>
Support Services:				
Clerical 10/12 Month	18	18	18	18
Aides	49	46	60	68
Nurses (RNs)	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total support staff	72	69	83	91
Total staff	<u>239</u>	<u>233</u>	<u>251</u>	<u>258</u>

Source: District Payroll Records

2011- 2012	2010- 2011	2009- 2010	2008- 2009	2007- 2008	2006 - 2007
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	2	3	3
6	6	6	7	7	7
<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>13</u>	<u>13</u>
3	3	4	3	3	3
54	52	53	59	55	60
34	35	39	34	35	35
20	19	15	17	21	17
14	10	16	17	16	18
1	1	1	1	1	1
30	34	35	28	42	22
<u>156</u>	<u>154</u>	<u>162</u>	<u>157</u>	<u>173</u>	<u>154</u>
18	21	19	19	19	15
61	61	70	59	73	67
5	6	6	6	6	5
84	88	95	84	98	87
<u>252</u>	<u>254</u>	<u>269</u>	<u>253</u>	<u>284</u>	<u>254</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
OPERATING STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT (ADA)	EXPENSES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO
2016	2,006	\$ 24,748,180	\$ 12,340	-4.39%	155	12.9
2015	1,911	24,666,135	12,907	2.57%	151	12.7
2014	1,972	23,963,850	12,583	2.33%	156	12.7
2013	1,937	23,824,617	12,297	0.84%	155	12.5
2012	1,908	23,271,657	12,194	5.06%	156	12.2
2011	1,932	22,429,896	11,607	-5.18%	154	12.5
2010	1,908	23,355,682	12,241	7.69%	162	11.8
2009	1,984	22,552,217	11,367	2.80%	157	12.6
2008	2,030	22,446,710	11,057	7.30%	173	11.7
2007	2,050	21,124,581	10,305	1.68%	154	13.3

Source: DuPage County Clerk and District Financial Records

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 89
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Arbor View Elementary (1959)				
Square Feet, Main Building	42,384	42,384	42,384	42,384
Capacity (Students)	424	424	424	424
Enrollment - Fall Housing	355	301	307	318
Briar Glen Elementary (1971)				
Square Feet, Main Building	53,849	53,849	53,849	53,849
Capacity (Students)	538	538	538	538
Enrollment - Fall Housing	327	312	309	296
Park View Elementary (1965)				
Square Feet, Main Building	47,756	47,756	47,756	47,756
Capacity (Students)	478	478	478	478
Enrollment - Fall Housing	463	470	431	414
Westfield Elementary (1967)				
Square Feet, Main Building	49,990	49,990	49,990	49,990
Capacity (Students)	500	500	500	500
Enrollment - Fall Housing	303	289	303	282
Glen Crest Middle (1962)				
Square Feet, Main Building	123,254	123,254	123,254	123,254
Capacity (Students)	1,027	1,027	1,027	1,027
Enrollment - Fall Housing	653	639	622	658
Administration Center (1999)				
Square Feet	9,000	9,000	9,000	9,000
Maintenance Garage				
Square Feet	2,607	2,607	2,607	2,607

Source: District Building Records

2012	2011	2010	2009	2008	2007
42,384	42,384	42,384	42,384	42,384	42,384
424	424	424	424	424	424
341	343	343	320	317	316
53,849	53,849	53,849	53,849	53,849	53,849
538	538	538	538	538	538
305	306	306	328	342	373
47,756	47,756	47,756	47,756	47,756	47,756
478	478	478	478	478	478
389	372	372	365	352	363
49,990	49,990	49,990	49,990	49,990	49,990
500	500	500	500	500	500
274	302	302	316	317	314
123,254	123,254	123,254	123,254	123,254	123,254
1,027	1,027	1,027	1,027	1,027	1,027
688	737	737	745	810	843
9,000	9,000	9,000	9,000	9,000	9,000
2,607	2,607	2,607	2,607	2,607	2,607