

**COMMUNITY UNIT  
SCHOOL DISTRICT 303  
St. Charles, Illinois**

**Annual Financial Report**

**Fiscal year ended  
June 30, 2017**

**Prepared by:  
Seth Chapman  
Assistant Superintendent of Business Services**

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### *Independent Auditor's Report*

Board of Education  
Community Unit School District 303  
St. Charles, 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 Unit School District 303 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Unit School District 303 as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and other supplementary information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2016, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2016 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

The other supplementary information has have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7 2017, on our consideration of Community Unit School District 303's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Handwritten signature of Klein Hall CPAs in cursive script.

Klein Hall CPAs  
Aurora, Illinois  
November 7, 2017



## ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303

### Management's Discussion and Analysis

For the Year Ended June 30, 2017

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This section of the St. Charles Community Unit School District 303's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the District's financial statements.

#### MDA

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### Financial Highlights

- Overall, the District's fund balance increased by \$24,487,787 or a 25.6% increase; bringing the fund balance to \$120,092,444 for all governmental funds. This was due to the issuance of \$19,830,000 of working cash bonds during the year. As of June 30, 2017 the District had achieved the highest financial profile designation from the State of Illinois, that of "Financial Recognition".

### Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operation in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

**ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303**

Management's Discussion and Analysis

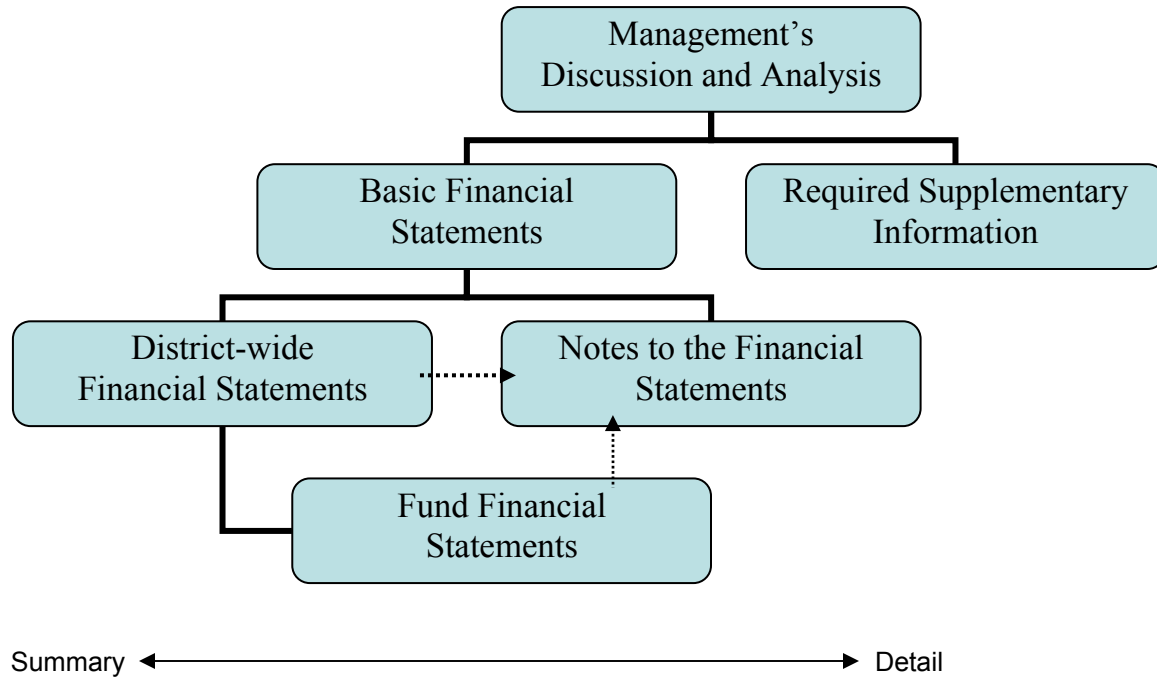
For the Year Ended June 30, 2017

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Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

**Organization of St. Charles Community Unit School District 303's Financial Report**



**ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303**

Management's Discussion and Analysis  
For the Year Ended June 30, 2017

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

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

## ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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### ***District-wide Statements***

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.
- The value of property is recorded at original acquisition cost and does not reflect current market values.

In the District-wide financial statements, the District's activities are all categorized as *Governmental Activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes finance most of these activities.

**ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303**

Management's Discussion and Analysis

For the Year Ended June 30, 2017

**Financial Analysis of the District as a Whole**

The District's combined net position increased from \$104,946,195 to \$129,172,718. This was primarily due and increase in cash and investments from bond proceeds.

**Figure A-3a**  
**Statement of Net Position**  
**(in thousands of dollars)**

	Governmental Activities	
	2017	2016
Current and other assets	\$ 230,307	\$ 197,103
Capital assets (net of depreciation)	99,637	99,084
<b>Total Assets</b>	<b>329,944</b>	<b>296,187</b>
Deferred outflows	9,575	10,548
<b>Total Deferred Outflows</b>	<b>9,575</b>	<b>10,548</b>
Current liabilities	24,204	18,324
Long-term debt outstanding	98,177	98,514
<b>Total Liabilities</b>	<b>122,381</b>	<b>116,838</b>
Deferred inflows	87,965	84,951
<b>Total Deferred Inflows</b>	<b>87,965</b>	<b>84,951</b>
Invested in capital assets	35,794	34,096
Restricted	40,353	20,427
Unrestricted	53,026	50,423
<b>Net Position</b>	<b>\$ 129,173</b>	<b>\$ 104,946</b>

**ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303**

Management's Discussion and Analysis

For the Year Ended June 30, 2017

**Figure A-3b**  
**Change in Net Position**  
**(in thousands of dollars)**

	Governmental Activities	
	2017	2016
Revenues		
Program revenues		
Charges for services	\$ 8,253	\$ 7,868
Operating grants & contributions	47,709	42,517
General revenues		
Property taxes	164,481	163,266
Other	7,523	6,691
Total Revenues	<u>227,966</u>	<u>220,342</u>
Expenses		
Instruction	126,986	132,012
Pupil & instructional	23,247	24,671
Administration & business	18,963	17,555
Transportation	8,067	8,166
Operations & maintenance	21,424	17,977
Other	5,053	5,031
Total Expenses	<u>203,740</u>	<u>205,412</u>
Change in Net Position	24,226	14,930
Net Position - Beginning of Year	<u>104,947</u>	<u>90,017</u>
Net Position - End of Year	<u>\$ 129,173</u>	<u>\$ 104,947</u>

**Fund Financial Statements**

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

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

The District has two categories of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Districts' programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explain the relationships (or differences) between them.

## ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303

Management's Discussion and Analysis  
For the Year Ended June 30, 2017

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operation.

### Financial Analysis of the Governmental Funds:

The total cost of all programs and services was \$221,593,634. The District's expenditures can be broken into general operations and debt retirement. Debt service was \$23,697,738, or 10.7%. The remaining 89.3% (\$197,895,896) provided ongoing programs and services to District students.

The ongoing operations of the District are funded primarily through property taxes (72.9%).

**Figure A-4**  
**Excess of Revenues Over Expenditures for Governmental Funds**  
**(in thousands of dollars)**

	2017		2016	
	On-going Operations	Percent of Total	On-going Operations	Percent of Total
Revenue				
Property Taxes	\$ 164,480	72.9%	\$ 163,266	74.1%
State Aid and Grants	46,530	20.6%	43,149	19.6%
Federal Grants	4,452	2.0%	4,624	2.1%
Other	10,216	4.5%	9,303	4.2%
Total	<u>\$ 225,678</u>	<u>100.0%</u>	<u>\$ 220,342</u>	<u>100.0%</u>
Expenditures				
Instruction	126,756	57.1%	126,839	58.3%
Pupil and Instructional Services	22,843	10.3%	24,261	11.2%
Building Administration	12,932	5.8%	12,722	5.9%
Business Administration	5,627	2.5%	5,306	2.4%
Maintenance and Operations	20,920	9.4%	17,541	8.1%
Transportation	7,714	3.5%	8,018	3.7%
Debt Service	23,698	10.7%	22,533	10.4%
Other	1,104	0.5%	30	0.0%
Total	<u>\$ 221,594</u>	<u>99.8%</u>	<u>\$ 217,250</u>	<u>100.0%</u>
Excess (Deficiency)	<u>\$ 4,084</u>		<u>\$ 3,092</u>	

### Financial Analysis of the District's Funds:

The District's finances are largely determined by revenue from real estate taxes and budgets are put in place by the Board of Education.

- The District's tax revenue is controlled by the Property Tax Extension Limit Law, which limits property tax growth to the Consumer Price Index for Urban consumers plus taxes on new property growth. New property growth within the District has been declining. The District has increased the operating fund balance of the last five years to the point that tax anticipation warrants are no longer needed on an annual basis.

## ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303

### Management's Discussion and Analysis

For the Year Ended June 30, 2017

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- Operating grants and contributions for governmental activities continue to remain consistent with no new significant funding initiatives realized. The outlook for funding from the State of Illinois would indicate flat to slightly decreasing revenue.

Figure A-4 indicates the District expended less for regular operations than revenue taken in.

Education Account: Total revenue in this account increased by 2.4% from the prior year. The largest source of revenue is property taxes at 66.5% of revenue. Total expenditures decreased from the previous year by 0.5%.

The fund balance at year-end was \$55,429,694, an increase of \$6,892,493 over the prior year. The available cash at year-end was sufficient to maintain cash flow, so the District did not need to borrow short-term debt (Tax Anticipation Warrants).

Operations and Maintenance Account: Total revenue increased by 3.7% over the prior year. Expenditures increased by 19.7% over the prior year. This increased the fund balance to \$5,556,848.

Transportation Fund: Total revenue increased 4.6% over the prior year. Expenditures decreased 1.2% over the prior year. Total revenues exceeded total expenditures by \$391,093 bringing the fund balance to \$5,370,064.

IMRF/Social Security Fund: Total expenditures exceeded total revenues by \$35,242 decreasing the fund balance to \$1,987,673.

Debt Service Fund: Total revenue increased to \$22,224,802. Expenditures were \$23,486,180. The General Fund transferred \$90,668 into the Debt Service Fund to provide funding for debt certificate payments during the year. The restricted fund balance decreased to \$11,148,215 and will be utilized to satisfy the bond principal and interest payments scheduled to be paid in fiscal year 2018.

### Capital Assets and Debt Administration

At the close of 2017, the following were the values for Capital Assets (in thousands):

Land	\$	9,409
Construction in progress		4,029
Other assets net of depreciation		86,198
Total	\$	<u>99,636</u>

At year-end, the District had \$98,176,567 in general obligation bonds and other long-term debt outstanding. The District issued \$19,830,000 and retired or defeased \$21,315,000 of general obligation bonds during the fiscal year.

Further information about capital assets and debt administration can be found in the notes to the financial statements.



## **ST. CHARLES COMMUNITY UNIT SCHOOL DISTRICT 303**

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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### **Factors Bearing on the District's Future**

The District's financial outlook is positive, despite the general negative outlook for state-wide funding. The District is becoming more dependent on property taxes and federal revenue as state funding remains stagnant or slightly decreasing.

Enrollment for fiscal year 2017 was 12,532 students and is expected to slightly decline over the next several years.

Labor contracts extend to the close of fiscal year 2019 for all labor associations.

### **Request for Information**

The financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the District at 331-228-4927.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

## Statement of Net Position

June 30, 2017

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 139,072,106
Receivables	
Property taxes	85,521,850
Due from other governments	5,713,113
Capital assets	
Land	9,409,432
Other capital assets, net of depreciation	90,226,991
Total Assets	<u>329,943,492</u>
<b>Deferred Outflows</b>	
Deferred amount on refunding	908,018
Deferred outflows related to pensions - TRS	2,441,181
Deferred outflows related to pensions - IMRF	6,226,039
Total deferred outflows	<u>9,575,238</u>
<b>Liabilities</b>	
Accounts payable	6,663,777
Self insurance claims payable	3,535,889
Accrued interest payable	1,800,147
Accrued salaries and related expenses	11,057,832
Unearned revenue	1,146,472
Noncurrent liabilities	
Due within one year	20,525,000
Due in more than one year	77,651,567
Total Liabilities	<u>122,380,684</u>
<b>Deferred Inflows</b>	
Property taxes levied for subsequent year	85,521,850
Deferred inflows related to pensions - TRS	2,045,502
Deferred inflows related to pensions - IMRF	397,976
Total deferred inflows	<u>87,965,328</u>
<b>Net Position</b>	
Net investment in capital assets	35,794,421
Restricted for	
Debt service	11,148,215
Tort immunity	1,253,711
Transportation service	5,370,064
Employee retirement	1,987,673
Capital projects	20,592,984
Unrestricted	53,025,650
Total Net Position	<u>\$ 129,172,718</u>

*See accompanying notes to basic financial statements*

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Statement of Activities

Year Ended June 30, 2017

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
<b>Governmental Activities</b>				
Instructional services				
Regular programs	\$ 94,519,077	\$ 5,109,611	\$ 35,827,975	\$ (53,581,491)
Special programs	30,121,855	-	7,224,981	(22,896,874)
Tuition, learning disabilities	2,345,684	-	-	(2,345,684)
Support services				
Pupils	11,261,391	-	-	(11,261,391)
Instructional staff	11,985,583	-	-	(11,985,583)
General administration	3,338,041	-	-	(3,338,041)
School administration	9,795,582	-	-	(9,795,582)
Business	5,828,720	2,333,853	597,833	(2,897,034)
Operation and maintenance of facilities	21,424,221	714,730	-	(20,709,491)
Transportation	8,066,779	95,212	4,058,044	(3,913,523)
Central	849,854	-	-	(849,854)
Other	84,272	-	-	(84,272)
Community services	170,568	-	-	(170,568)
Interest on long-term liabilities	3,948,518	-	-	(3,948,518)
Total school district	<u>\$ 203,740,145</u>	<u>\$ 8,253,406</u>	<u>\$ 47,708,833</u>	<u>(147,777,906)</u>

**General revenues:**

Property taxes levied for:	
General purposes	132,293,643
Transportation	4,922,521
Retirement	5,063,493
Debt service	22,200,694
Federal and state aid not restricted to specific purposes	5,554,859
Earnings on investments	464,804
Miscellaneous	1,504,415
Total general revenues	<u>172,004,429</u>
Change in net position	24,226,523
Net position - beginning	<u>104,946,195</u>
Net position - ending	<u>\$ 129,172,718</u>

See accompanying notes to basic financial statements

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Balance Sheet  
 Governmental Funds  
 June 30, 2017

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
<b>Assets</b>				
Cash and investments	\$ 99,237,849	\$ 11,148,215	\$ 28,686,042	\$ 139,072,106
Receivables				
Property taxes	68,911,002	11,407,243	5,203,605	85,521,850
Due from other governments	4,131,364	-	1,581,749	5,713,113
<b>TOTAL ASSETS</b>	<b>\$ 172,280,215</b>	<b>\$ 22,555,458</b>	<b>\$ 35,471,396</b>	<b>\$ 230,307,069</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 5,835,432	\$ -	\$ 828,345	\$ 6,663,777
Self insurance claims payable	3,535,889	-	-	3,535,889
Accrued salaries and related expenditures	10,358,014	-	699,818	11,057,832
Unearned revenue	1,146,472	-	-	1,146,472
<b>Total Liabilities</b>	<b>20,875,807</b>	<b>-</b>	<b>1,528,163</b>	<b>22,403,970</b>
<b>Deferred inflows</b>				
Other deferred revenue	1,499,898	-	788,907	2,288,805
Property taxes levied for subsequent year	68,911,002	11,407,243	5,203,605	85,521,850
<b>Total Deferred Inflows</b>	<b>70,410,900</b>	<b>11,407,243</b>	<b>5,992,512</b>	<b>87,810,655</b>
<b>Fund Balances</b>				
Restricted				
Debt service	-	11,148,215	-	11,148,215
Tort immunity	1,253,711	-	-	1,253,711
Transportation	-	-	5,370,064	5,370,064
Employee retirement	-	-	1,987,673	1,987,673
Capital projects	-	-	20,592,984	20,592,984
Committed	7,767,516	-	-	7,767,516
Assigned	3,651,296	-	-	3,651,296
Unassigned	68,320,985	-	-	68,320,985
<b>Total Fund Balances</b>	<b>80,993,508</b>	<b>11,148,215</b>	<b>27,950,721</b>	<b>120,092,444</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 172,280,215</b>	<b>\$ 22,555,458</b>	<b>\$ 35,471,396</b>	<b>\$ 230,307,069</b>

See accompanying notes to basic financial statements

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 June 30, 2017

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**Total fund balances - governmental funds** \$ 120,092,444

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$227,324,497 and the accumulated depreciation is \$127,688,074. 99,636,423

Some of the School District's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds. 2,288,805

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (1,800,147)

Deferred inflows and outflows of resources related to pensions are not reported in the governmental funds.

Deferred outflows	8,667,220
Deferred inflows	(2,443,478)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of

Deferred amount on refunding	908,018
Compensated absences payable	(698,405)
Net pension liability	(32,162,730)
Net other postemployment benefits obligations	(565,412)
Long term debt	<u>(64,750,020)</u>

**Net position of governmental activities** \$ 129,172,718

**COMMUNITY UNIT SCHOOL DISTRICT 303**

## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Year Ended June 30, 2017

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 142,099,226	\$ 22,224,802	\$ 10,371,813	\$ 174,695,841
State sources	43,261,325	-	3,269,137	46,530,462
Federal sources	4,451,560	-	-	4,451,560
Total Revenues	189,812,111	22,224,802	13,640,950	225,677,863
<b>EXPENDITURES</b>				
Current operating:				
Instruction	122,099,626	-	1,684,985	123,784,611
Supporting services	59,716,204	-	11,253,058	70,969,262
Community services	162,707	-	7,861	170,568
Non-programmed charges	2,971,455	-	-	2,971,455
Debt service				
Principal	-	21,387,000	43,558	21,430,558
Interest and other	-	2,099,180	168,000	2,267,180
Total Expenditures	184,949,992	23,486,180	13,157,462	221,593,634
Excess (deficiency) of revenues over expenditures	4,862,119	(1,261,378)	483,488	4,084,229
<b>OTHER FINANCING SOURCES (USES)</b>				
Principal on bonds sold	19,430,471	399,529	-	19,830,000
Premiums on bonds sold	573,558	-	-	573,558
Transfers in	-	90,668	20,000,000	20,090,668
Transfers out	(20,090,668)	-	-	(20,090,668)
Total other financing sources (uses)	(86,639)	490,197	20,000,000	20,403,558
Net change in fund balances	4,775,480	(771,181)	20,483,488	24,487,787
Fund balances at beginning of year	76,218,028	11,919,396	7,467,233	95,604,657
FUND BALANCES AT END OF YEAR	\$ 80,993,508	\$ 11,148,215	\$ 27,950,721	\$ 120,092,444

See accompanying notes to basic financial statements

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 Year Ended June 30, 2017

**Net change in fund balances - total governmental funds** **\$ 24,487,787**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 5,808,555	
Depreciation expense	(5,046,005)	
Loss on disposal of capital assets	<u>(210,093)</u>	552,457

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. 2,288,805

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in accrued interest on debt	\$ (1,800,147)	
Change in compensated absences	47,561	
Change in retirement benefit payable	43,867	
Change in net pension liability	(1,130,546)	
Change in deferred inflows/outflows related to pensions	<u>(1,409,070)</u>	(4,248,335)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Proceeds from bonds issued	\$ (19,830,000)	
Premium on bonds sold	(573,558)	
Repayment of bond and loan principal	21,550,999	
Amortization of deferred loss on refunding	(231,199)	
Bond premium amortization	225,566	
Debt certificate premium amortization	<u>4,001</u>	1,145,809

**Change in net position of governmental activities** **\$ 24,226,523**

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Statement of Fiduciary Net Position  
June 30, 2017

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	Private Purpose Trusts	Agency Fund
<b>Assets</b>		
Cash and investments	\$ 301,562	\$ 1,107,077
<b>Liabilities</b>		
Due to fiduciary organizations	\$ -	\$ 1,107,077
<b>Net position</b>		
Amounts held in trust	\$ 301,562	

*See accompanying notes to basic financial statements*



**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Statement Of Changes In Fiduciary Net Position  
Year Ended June 30, 2017

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	<u>Private Purpose Trusts</u>
<b>Additions</b>	
Net earnings (loss) on investments	\$ 1,805
Total additions - local sources	<u>1,805</u>
<b>Deductions</b>	
Other	<u>29</u>
Total deductions	<u>29</u>
Changes in net position	1,776
Net position, at beginning of year	<u>299,786</u>
Net position, at end of year	<u><u>\$ 301,562</u></u>

*See accompanying notes to basic financial statements*

## COMMUNITY UNIT SCHOOL DISTRICT 303

Notes to Financial Statements

June 30, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Unit School District 303 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management’s Discussion and Analysis (MD&A) providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full-accrual basis of accounting for all the District’s activities.
- A change in the fund financial statements to focus on major funds.

#### a. The Reporting Entity

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

Joint Venture – the District is also a member of the following organizations:

- Mid-Valley Special Education Joint Agreement (see Note 17)
- Northwestern Illinois Association (see Note 18)
- Northern Kane County Regional Vocational Systems (see Note 19)

#### b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

GASB statement No. 54 refined the definitions of various governmental funds. These updated definitions are incorporated into the following fund descriptions.

**i. Governmental Fund Types**

Governmental funds include the following fund types:

**General Fund** - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

**Educational Account** – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

**Operations and Maintenance Account** – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

**Working Cash Account** – This account accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.

**Tort Immunity Account** – This account accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District’s Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

**Transportation Fund** – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Municipal Retirement/Social Security Fund** – This fund accounts for the District’s portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

**Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

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

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Capital Projects Fund** – Capital Projects Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

**ii. Fiduciary Fund Type**

The District reports the following funds as major governmental funds:

General Fund  
Debt Service Fund

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation**

**i. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities", that is, activities that are 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 expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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.

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

**ii. Net Position**

**Government-Wide Statements**

Net position is classified and displayed in three components:

1. 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 improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**iii. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

In accordance with GASB No. 24, 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.

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

Private Purpose Trust Funds – the funds are used to report trust arrangements which benefit individuals, private organizations, and other governments.

**Edward J. Baker Building and Equipment Trust**

Edward J. Baker, as past president of the Board of Education, established this fund in 1958 upon the gift of \$75,000. Income from the fund's assets may be used for the benefit of

## COMMUNITY UNIT SCHOOL DISTRICT 303

Notes to Financial Statements (Continued)

June 30, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

public schools as directed by the Board of Education. As of June 30, 2017, \$85,939 of the fund's assets were expendable.

#### **Charles H. Haines Trust**

This fund was established in 1915 by Charles H. Haines, a former president of the Board of Education, with a cash contribution and one-third title to a 99-year ground lease of the property located at 1143 West Monroe Street, Chicago, Illinois. The Monroe Street property was sold in June 2004 and the proceeds used as a donation to the District. The remaining value of the trust after the sale is in excess of the nonexpendable principal noted. The original nonexpendable principal in the fund has been set at \$99,672. Income earned on the principal may be used for the benefit of the public schools as directed by the Board of Education. As of June 30, 2017, \$34,280 of the fund's assets were expendable.

#### **Gift Accounts**

The Board of Education established these accounts to account for various memorials and scholarships given by the District.

#### **d. Deposits and Investments**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

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

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments may be separately held by some of the District's funds. Each fund type's portion of the deposits, unrestricted investments, and cash on hand is displayed on the combined balance sheet as "Cash and Investments", as applicable. The following amounts which are included in these captions have been excluded from the amounts shown below:

	<u>Carrying Value</u>
Deposits held by Agency Funds	<u>\$ 1,107,077</u>

**e. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2016 tax levy ordinance was approved during the December 12, 2016 Board meeting.

The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

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 from 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 for Urban (CPI-U) 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 County Assessor is responsible for the assessment of all taxable real property within the County except for certain railroad property which is assessed directly by the State. The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the County Collector who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Substantial collections are received by the District in June and September.

The District considers that the first installment of the 2016 levy is to be used to finance operations in fiscal 2017. This District has determined that the second installment of the 2016 levy is to be used to finance operations in fiscal 2018 and has deferred the corresponding receivable.

**f. Personal Property Replacement Taxes**

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



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**h. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

**i. Compensated Absences**

All employees except teachers earn vacations days throughout the year. Contractual administrators and support staff can carry all and 10 unused vacation days into the next fiscal year respectively. Contractual administrators may carry five unused vacations past December 31, while support staff will lose any unused vacation days as of September 30. At June 30, 2017, all of the liability is held on the government-wide level.

**j. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	50 years
Land improvements	20 years
Furniture, equipment and vehicles	5 - 10 years

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

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

**l. Vacation and Sick Leave**

Employee vacation and sick leave, including salary related payments, is recorded when it is paid. Accumulated unpaid employee vacation and sick leave which was earned prior to the current fiscal year but unused at the end of the current fiscal year is not significant. Vacation and sick leave will be paid with future tax collections and therefore has not been reported as a current liability of the governmental funds.

**m. Fund Equity**

In the fund financial statements, governmental fund report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

**n. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. 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.

**o. Use of Estimates**

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**2. CASH AND INVESTMENTS****a. Deposits and Custodial Credit Risk**

At June 30, 2017 the carrying amount of the District's deposits (excluding student activity and trust funds of \$1,408,639), which include both cash and certificates of deposits totaled \$136,155,373 and the bank balances totaled \$140,120,553. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does have a deposit policy for custodial credit risk. All the District's deposits were entirely insured or collateralized as of June 30, 2017.

**b. Investments**

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

As of June 30, 2017 the District has the following investments and maturities.

Investment Type	Fair Value	Maturities (in years) Less than 1	Percent of Portfolio	Applicable Agency Rating
Other Investments				
Illinois School District Liquid Asset Fund	\$ 2,916,733	\$ 2,916,733	100.0%	AAAm
Total Investments	\$ 2,916,733	\$ 2,916,733	100.0%	

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2017.

*Credit Risk.* The District's investments are rated as shown above by the applicable rating agency.

*Foreign Currency Risk.* The District held no foreign investments during the fiscal year.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are concentrated in specific individual investments. The above table indicates the percentage of each investment to the total investments of the District.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Notes to Financial Statements (Continued)  
June 30, 2017

**3. CAPITAL ASSETS**

A summary of changes in general fixed assets follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 9,409,432	\$ -	\$ -	\$ 9,409,432
Construction in progress	-	4,028,924	-	4,028,924
Total capital assets not being depreciated	9,409,432	4,028,924	-	13,438,356
Capital assets, being depreciated:				
Buildings	183,108,666	-	-	183,108,666
Improvements other than buildings	5,971,443	-	-	5,971,443
Equipment	23,910,983	1,779,631	884,582	24,806,032
Total capital assets being depreciated	212,991,092	1,779,631	884,582	213,886,141
Accumulated depreciation for				
Buildings	99,464,455	3,937,466	-	103,401,921
Improvements other than buildings	4,805,638	187,619	-	4,993,257
Equipment	19,046,465	920,920	674,489	19,292,896
Total accumulated depreciation	123,316,558	5,046,005	674,489	127,688,074
Total capital assets being depreciated	89,674,534	(3,266,374)	210,093	86,198,067
Total capital assets, net	\$ 99,083,966	\$ 762,550	\$ 210,093	\$ 99,636,423

Depreciation expense was charged to functions of the District as follows:

Instructional Services	
Regular programs	\$ 2,623,923
Special programs	756,901
Supporting Services	
Pupils	100,920
Instructional staff	302,760
General administration	50,460
School administration	151,380
Business	201,840
Operations and maintenance of facilities	504,601
Transportation	353,220
	<u>\$ 5,046,005</u>

**4. ST. CHARLES HIGH SCHOOL NORRIS CAMPUS**

The District's east high school campus, called the Norris Campus, includes a high school, the Dellora A. Norris Cultural Art Center, the John Baker Norris Recreation Center, and the Lester J. Norris Sports Complex.

The Dellora A. Norris Cultural Arts Center, Ltd. (Arts Center) is a not-for-profit corporation which is administered by the Cultural Arts Center Board of Directors (Center Board). The Center Board is appointed by the Board of Education. In June 2015, the District signed a two year lease agreement with the Arts Center. The lease calls for the Arts Center to pay \$10,620 annually for office space and other shared space.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**4. ST. CHARLES HIGH SCHOOL NORRIS CAMPUS (Continued)**

On July 1, 2016, the Board of Education of the District entered into an intergovernmental agreement with the St Charles Park District that grants the Park District a license to use and operate the John Baker Norris Recreation Center (Norris Center). Under the agreement the park district shall be responsible for the operation of the Norris Center. The School Districts shall not charge the Park District rent or any other use fee for the operation of the Norris Center. All revenues in excess of expenditures through the operation of the Norris Center shall be placed in a segregated account administered by the District to be used for future capital repairs. As of June 30 2017, the account had a balance of \$346,370.

**5. LONG TERM DEBT**

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2017:

Long-Term Debt at June 30, 2017 is comprised of the following:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amount due in one year
General Obligation Bonds Payable:					
Series dated August 6, 2008	\$ 11,870,000	\$ -	\$ 5,670,000	\$ 6,200,000	\$ 6,200,000
Series dated August 26, 2010	395,000	-	295,000	100,000	100,000
Series dated December 1, 2014	36,265,000	-	13,530,000	22,735,000	12,400,000
Series dated March 22, 2016	14,585,000	-	1,820,000	12,765,000	1,345,000
Series dated March 1, 2017	-	19,830,000	-	19,830,000	235,000
Unamortized Premium	706,022	573,558	221,565	1,058,015	-
Total General Obligation Bonds:	<u>63,821,022</u>	<u>20,403,558</u>	<u>21,536,565</u>	<u>62,688,015</u>	<u>20,280,000</u>
Debt Certificates	2,270,000	-	240,000	2,030,000	245,000
Unamortized Premium	36,006	-	4,001	32,005	-
Compensated Absences	745,966	698,405	745,966	698,405	-
Net Pension Liability - TRS	13,175,245	988,449	-	14,163,694	-
Net Pension Liability - IMRF	17,856,939	142,097	-	17,999,036	-
OPEB	609,279	-	43,867	565,412	-
Total Long-Term Debt	<u>\$ 98,514,457</u>	<u>\$ 22,232,509</u>	<u>\$ 22,570,399</u>	<u>\$ 98,176,567</u>	<u>\$ 20,525,000</u>

**a. General Obligation Bonds Payable**

August 6, 2008 refunding bonds, due in annual installments varying from \$2,915,000 to \$6,200,000 through 2018, interest rates varying from 3.00% to 5.00% per annum.

August 26, 2010 life safety bonds, due in annual installments varying from \$100,000 to \$295,000 through 2018, interest rates varying from 1.00% to 2.75% per annum.

December 1, 2014 refunding bonds, due in annual installments varying from \$2,435,000 to \$12,705,000 through 2022, interest rate of 2.030%.

March 22, 2016 refunding bonds, due in annual installments varying from \$1,345,000 to \$1,820,000 through 2025, interest rate of 3.00%.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**5. LONG TERM DEBT (Continued)**

March 1, 2017 working cash bond, due in annual installments varying from \$100,000 to \$1,865,000 through 2037, interest rates varying from 3.125% to 5.000% per annum.

The District is subject to the Illinois Compiled Statutes which limits the amount of bond indebtedness, including tax anticipation warrants and the installment contracts, to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$387,770,407 providing a debt margin of \$337,288,622 after taking into account amounts available in the Debt Service Fund.

At June 30, 2017, the District's annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 20,280,000	\$ 1,800,147	\$ 22,080,147
2019	4,840,000	1,312,164	6,152,164
2020	4,055,000	1,194,261	5,249,261
2021	4,155,000	1,091,709	5,246,709
2022	4,265,000	986,394	5,251,394
2023-2027	7,995,000	3,820,563	11,815,563
2028-2032	7,330,000	2,328,675	9,658,675
2033-2037	8,710,000	956,206	9,666,206
Total	\$ 61,630,000	\$ 13,490,119	\$ 75,120,119

**b. Debt Certificates Payable**

In 2013, the District issued \$3,165,000 in General Obligation Debt Certificates to refinance \$3,350,000 of the Series 2005 Debt Certificates. The certificates are due in annual installments varying from \$140,000 to \$295,000 through 2025, interest rates varying from 2.00% to 3.25% per annum. The obligations for the agreement will be repaid from the Transportation Fund and Operations and Maintenance Fund.

Annual debt service requirements to maturity for certificates of participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 245,000	\$ 57,425	\$ 302,425
2019	250,000	51,300	301,300
2020	260,000	45,050	305,050
2021	270,000	37,900	307,900
2022	280,000	29,800	309,800
2023-2025	725,000	40,050	765,050
Total	\$ 2,030,000	\$ 261,525	\$ 2,291,525

## COMMUNITY UNIT SCHOOL DISTRICT 303

Notes to Financial Statements (Continued)

June 30, 2017

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### 6. EMPLOYEE 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.

#### a. Teachers' Retirement System of the State of Illinois (TRS)

##### i. Plan Description

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can 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.

##### ii. Benefits Provided

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

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

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

## COMMUNITY UNIT SCHOOL DISTRICT 303

Notes to Financial Statements (Continued)

June 30, 2017

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### 6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

#### iii. Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$31,325,949 in pension contributions from the State of Illinois.

**2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2017 were \$475,117, and are deferred because they were paid after the June 30, 2016 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the 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, 2017, the employer pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$635,022 were paid from the federal and special trust funds that required employer contributions of \$244,737. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer did not make any payments to TRS for employer ERO contributions.



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$2,800 to TRS for employer contributions due on salary increases in excess of 6% and did not make any payments for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 14,163,694
State's proportionate share of the net pension liability associated with the District	645,661,780
Total	<u>\$ 659,825,474</u>

The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.01794%, which was a decrease of 0.00217 from its proportion measured as of June 30, 2015

For the year ended June 30, 2017, the District recognized pension expense of \$31,325,949 and revenue of \$31,325,949 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 104,728	\$ 9,606
Changes in assumptions	1,216,450	-
Net difference between projected and actual earnings on pension plan investments	400,149	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,035,896
District contributions subsequent to the measurement date	722,654	-
Total	<u>\$ 2,443,981</u>	<u>\$ 2,045,502</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

\$722,654 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ (318,362)
2018	(318,362)
2019	174,148
2020	136,073
2021	2,328
Total	<u>\$ (324,175)</u>

**v. Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

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

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

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
	<u>100.0%</u>	

**vi. Discount rate**

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

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

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was 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.

**vii. Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$ 17,322,773	\$ 14,163,694	\$ 11,583,564

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

**b. Illinois Municipal Retirement Fund (IMRF)****i. Plan Description and Benefits**

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. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**ii. Plan Membership**

As of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	402
Inactive employees entitled to but not yet receiving benefits	692
Active employees	608
Total	<u>1,702</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****iii. Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rate for calendar year 2016 was 12.52% of covered payroll. The District 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.

**iv. Net Pension Liability**

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

**v. Actuarial Assumptions**

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Price inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
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.

**Other Information:**

Notes

There were no benefit changes during the year

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	38.0%	6.85%
International equities	17.0%	6.75%
Fixed income	27.0%	3.00%
Real estate	8.0%	5.75%
Alternatives	9.0%	2.65-7.35%
Cash	1.0%	2.25%
	<u>100.0%</u>	

**vi. Single Discount Rate**

The Single Discount Rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee 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. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
  2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).
- For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****vii. Changes in Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 86,426,343	\$ 68,569,404	\$ 17,856,939
Changes for the year:			
Service Cost	2,378,411	-	2,378,411
Interest on the Total Pension Liability	6,402,720	-	6,402,720
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	541,017	-	541,017
Changes of Assumptions	(571,507)	-	(571,507)
Contributions - Employer	-	2,605,944	(2,605,944)
Contributions - Employees	-	968,869	(968,869)
Net Investment Income	-	4,696,809	(4,696,809)
Benefit Payments, including Refunds of Employee Contributions	(3,346,004)	(3,346,004)	-
Other (Net Transfer)	-	336,922	(336,922)
Net Changes	5,404,637	5,262,540	142,097
Balances at December 31, 2016	\$ 91,830,980	\$ 73,831,944	\$ 17,999,036

**viii. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 30,341,496	\$ 17,999,036	\$ 7,865,080

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****ix. 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 \$5,197,689. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 913,517	\$ -
Changes in assumptions	383,675	397,976
Net difference between projected and actual earnings on pension plan investments	<u>3,577,736</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	4,874,928	397,976
Contributions subsequent to the measurement date	<u>1,351,111</u>	<u>-</u>
Total	<u>\$ 6,226,039</u>	<u>\$ 397,976</u>

\$1,351,111 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 2,003,443
2018	1,338,407
2019	1,041,679
2020	93,423
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 4,476,952</u>



## 7. OTHER POST-EMPLOYMENT BENEFITS

### a. Teacher Health Insurance Security (THIS)

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$917,467, and the district recognized revenue and expenditures of this amount during the year.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$688,100 to the THIS Fund, which was 100 percent of the required contribution.

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

### b. Other Post-Employment Benefits

The District provides a \$2,450 annual stipend to certain certified employees retiring between the ages of 55 and 65 to be used toward a health insurance program. The stipend is payable through age 65. The District finances the plan on a pay as you go basis. For the year ended June 30, 2017, the District incurred \$95,550 of expenditures for 39 retirees receiving stipends under this program. This program is being phased out as participants reach age 65 and is being replaced by the program described below. The last stipend will be paid in fiscal year 2021.

Starting in fiscal year 2010 certain retiring employees are entitled to a one-time retirement incentive of up to \$25,000, based on the total years of service in the District, as well as other factors. For fiscal year 2017 the District expended \$567,500 under the program.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**8. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****a. Excess of Expenditures over Budget**

For the year ended June 30, 2017 expenditures exceeded the budgeted amount in the following Funds and Accounts:

	Budget	Actual	Excess
General Fund	\$ 176,738,972	\$ 184,949,992	\$ 8,211,020
Debt Service Fund	23,084,573	23,486,180	401,607
	<u>\$ 199,823,545</u>	<u>\$ 208,436,172</u>	<u>\$ 8,612,627</u>

These expenditures are funded by available fund balances. The General Fund's excess was due to under-budgeting for payments made by the State of Illinois to TRS on-behalf of the District.

**9. POSTEMPLOYMENT HEALTHCARE PLAN****a. Plan Description**

The OPEB medical and dental benefit plans for the District are single-employer defined benefit healthcare plans. There are three medical plan options, each of which provides medical, prescription drug and vision benefits to eligible retirees and their spouses. Dental coverage is provided through a separate, stand-alone plan. The District has the authority to establish and amend benefit provisions of all the OPEB medical and dental plans.

In addition to OPEB medical and dental benefit plans, the District also provides a stipend (up to age 65) to all but one retiree. The stipend is an annual payment of \$2,450. Future retirees are not eligible for this stipend.

The medical and dental benefit plans for the District are funded on a pay-as-you-go basis.

**b. Annual OPEB Cost and Net OPEB Obligation**

The Annual OPEB Cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 Annual OPEB Cost:

	June 30, 2017	June 30, 2016
Annual Required Contribution	\$ 185,065	\$ 197,651
Interest on net OPEB obligations	15,232	18,884
Adjustment to annual required contribution	(20,309)	(35,209)
Total Annual OPEB Cost	179,988	181,326
Contributions made by the District	(223,855)	(327,405)
Increase in net OPEB obligation	(43,867)	(146,079)
Net OPEB obligation - Beginning of Year	609,279	755,358
Net OPEB obligation - End of Year	<u>\$ 565,412</u>	<u>\$ 609,279</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**9. POSTEMPLOYMENT HEALTHCARE PLAN (Continued)****c. Schedule of Employers Contributions**

Actuarial Valuation Date	July 1, 2015	July 1, 2014	July 1, 2013
Annual OPEB cost (expense)	\$ 179,988	\$ 181,326	\$ 177,640
Estimated Contribution made by the District	\$ 223,855	\$ 327,405	\$ 300,829
Percentage of Annual OPEB Cost Contributed	124%	181%	169%

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

**d. Actuarial Methods and Assumptions**

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

**e. Valuation Method**

The method used for the medical and dental benefit plans is called the projected Unit Credit Method. According to this method an equal amount of an employee's projected benefit is allocated to each year from the date the employee first enters the plan until the date the employee is first eligible to receive benefits.

**f. Valuation of Assets**

There are no assets that have been set aside to fund the liabilities for this plan. These plans are funded on a pay-as-you-go basis.

**g. Eligible Plan Participants**

All active and retired employees who are participants in the medical and dental benefit plans as of the date this valuation was performed and are eligible for District OPEB plans are included in the calculations in this report.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**9. POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

**h. Actuarial Assumptions**

These are the actuarial assumptions used for this valuation.

Valuation Date	June 30, 2017
Health Care Cost Trend Rate	7.75%
Discount Rate	2.5%
Salary Increase Rate	2.5%
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Amortization Period for Actuarial Accrued Liability	30 Years

**10. FUND BALANCE REPORTING**

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

**A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

**B. Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are, by definition, restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

**1. Special Education**

Revenues received and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

**2. Tort Immunity Account**

Expenditures disbursed and the related revenues received are accounted for in the Tort Immunity Account. Revenues received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance of \$1,253,711.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**10. FUND BALANCE REPORTING (Continued)**

3. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2017, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

4. Capital Projects Funds

Expenditures and the related revenues received are accounted for in the Capital Projects and Fire Prevention and Safety Funds. All equity within these funds are restricted for the associated capital expenditures within these funds.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District has committed \$7,767,516 of the Operations and Maintenance fund balance for future capital improvements, tax abatement and/or debt retirement purposes.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

As of June 30, 2017, \$3,651,296 was assigned in the General Fund's Educational Account representing the equity in the self-insurance health plan.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

**11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers compensation, professional liability, auto and general liability. To protect from such risks, the District participates in the following public entity risk pools: Illinois Counties Risk Management Trust. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pool provide 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 continues to carry commercial insurance for other risks of loss, including property and boiler coverage. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District also operates a self-insurance program for medical coverage for employees (see Note 12).

**12. SELF-INSURANCE PLAN/RESERVED FUND BALANCE**

The District operates a self-insurance plan to provide medical insurance to its employees. The plan is funded through District contributions, and expenditures are incurred when claims are paid. Total claims paid during the year ended June 30, 2017 were \$16,077,170. The District liability will not exceed \$200,000 per employee or 125% of the average claim limit in the aggregate as provided by stop loss provisions incorporated in the plan. At June 30, 2017, a liability of \$3,535,889 has been recorded in the General Fund's Educational Account, which represents estimated claims incurred but not yet reported. Claims incurred but not yet reported include known loss events that are expected to later be presented as claims, unknown loss events that are expected to become claims, and expected future development on claims already reported.

A summary of the changes in the District's claim liability is as follows:

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Claims liability at July 1	\$ 3,804,316	\$ 3,800,852
Current year claims and changes in estimate	15,808,743	15,143,146
Claim payments	(16,077,170)	(15,139,682)
Claims liability at June 30	<u>\$ 3,535,889</u>	<u>\$ 3,804,316</u>

**13. SPECIAL TAX LEVIES**

Proceeds from the Special Education levy and related expenditures disbursed have been included in the operations of the General Fund's Educational Account. At June 30, 2017, the cumulative expenditures disbursed had exceeded related cumulative revenues.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Notes to Financial Statements (Continued)

June 30, 2017

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**14. INTERFUND TRANSFERS**

The following transfers were made during the year ended June 30, 2017:

Transfer From	Transfer To	Amount
General Fund - Working Cash Account	General Fund - Operations and Maintenance Account	24,500,000
General Fund - Operations and Maintenance Account	Debt Service Fund	90,668
General Fund - Operations and Maintenance Account	Capital Projects Fund	20,000,000
		<u>\$ 44,590,668</u>

**15. CONTINGENT LIABILITIES/SUBSEQUENT EVENT**

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District the resolutions of these matters may not have a material adverse effect on the financial condition of the District.

**16. MID-VALLEY SPECIAL EDUCATIONAL JOINT AGREEMENT**

The District and other local districts have entered into a joint agreement 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 the Agreement can be obtained from the Administrative Offices at 1304 Ronzheimer Avenue, St. Charles, Illinois 60174.

**17. NORTHWESTERN ILLINOIS ASSOCIATION**

The District and other local districts have entered into a joint agreement 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 the Association can be obtained from the Administrative Offices at 245 West Exchange, Sycamore, Illinois 60178.

**18. NORTHERN KANE COUNTY REGIONAL VOCATIONAL SYSTEM**

The District and other local districts have entered into a joint agreement to provide vocational 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 the Association can be obtained from the Administrative Offices at 355 East Chicago Street, Elgin, Illinois 60120.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Schedule of Changes in the Employer's Net Pension Liability  
and Related Ratios  
Illinois Municipal Retirement Fund  
Last Three Calendar Years

	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 2,378,411	\$ 2,374,462	\$ 2,452,825
Interest	6,402,720	5,927,449	5,271,763
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	541,017	1,233,794	615,238
Changes of Assumptions	(571,507)	220,066	3,436,000
Benefit Payments, Including Refunds of Member Member Contributions	<u>(3,346,004)</u>	<u>(2,984,492)</u>	<u>(2,556,738)</u>
Net Change in Total Pension Liability	5,404,637	6,771,279	9,219,088
Total Pension Liability - Beginning	<u>86,426,343</u>	<u>79,655,064</u>	<u>70,435,976</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><b>\$ 91,830,980</b></u>	<u><b>\$ 86,426,343</b></u>	<u><b>\$ 79,655,064</b></u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 2,605,944	\$ 2,475,326	\$ 2,419,163
Contributions - Member	968,869	924,453	913,479
Net Investment Income	4,696,809	339,080	3,886,365
Benefit Payments, Including Refunds of Member Contributions	<u>(3,346,004)</u>	<u>(2,984,492)</u>	<u>(2,556,738)</u>
Administrative Expense	<u>336,922</u>	<u>206,729</u>	<u>(376,904)</u>
Net Change in Plan Fiduciary Net Position	5,262,540	961,096	4,285,365
Plan Net Position - Beginning	<u>68,569,404</u>	<u>67,608,308</u>	<u>63,322,943</u>
<b>PLAN NET POSITION - ENDING</b>	<u><b>\$ 73,831,944</b></u>	<u><b>\$ 68,569,404</b></u>	<u><b>\$ 67,608,308</b></u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u><b>\$ 17,999,036</b></u>	<u><b>\$ 17,856,939</b></u>	<u><b>\$ 12,046,756</b></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.40%	79.34%	84.88%
Covered-Employee Payroll	\$ 20,759,459	\$ 20,377,712	\$ 19,915,030
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	86.70%	87.63%	60.49%

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



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Three Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 2,608,894	\$ 2,608,894	\$ -	\$ 20,915,945	12.47%
2016	2,539,455	2,539,455	-	20,639,904	12.30%
2015	2,481,894	2,481,894	-	20,317,325	12.22%

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	27 Years
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Price inflation	2.75% - approximate
Salary increases	3.75% - 14.50%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of the District's Proportionate Share of the  
 Net Pension Liability  
 Teachers' Retirement System  
 Last Three Fiscal Years

	2017*	2016*	2015*
District's proportion of the net pension liability	0.01794%	0.02011%	0.02017%
District's proportionate share of the net pension liability	\$ 14,163,694	\$ 13,175,245	\$ 12,274,007
State's proportionate share of the net pension liability associated with the District	645,661,780	535,090,663	498,772,472
Total	<u>\$659,825,474</u>	<u>\$548,265,908</u>	<u>\$511,046,479</u>
District's covered-employee payroll	\$ 81,332,223	\$ 82,726,520	\$ 81,503,961
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	17.41%	15.93%	15.06%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

**Notes to Schedule***Changes of assumptions*

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

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

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

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

\* The amounts presented have a measurement date of the previous fiscal year end.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Employer Contributions

Teachers' Retirement System

Last Three Fiscal Years

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 722,654	\$ 722,654	\$ -	\$ 81,916,676	0.88%
2016	692,882	692,882	-	81,332,223	0.85%
2015	729,877	729,877	-	81,503,961	0.90%

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

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 Schedule of Funding Progress (unaudited)  
 Other Post Employment Benefits  
 June 30, 2017

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>
7/1/2016	\$ 0	\$ 2,248,371	\$ 2,248,371	0.0%
7/1/2014	0	2,032,161	2,032,161	0.0%
7/1/2012	0	1,514,151	1,514,151	0.0%

Note: Actuarial valuations are preform bi-annually

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget And Actual - General Fund  
Year Ended June 30, 2017

	Original and Final Budget	Actual	Variance Over/Under
<b>REVENUES</b>			
Local sources	\$ 141,826,386	\$ 142,099,226	\$ 272,840
State sources	31,121,954	43,261,325	12,139,371
Federal sources	4,652,340	4,451,560	(200,780)
	<hr/>		
Total Revenues	177,600,680	189,812,111	12,211,431
<b>EXPENDITURES</b>			
Current operating			
Instruction	116,520,838	122,099,626	(5,578,788)
Support services	57,597,258	59,716,204	(2,118,946)
Community services	76,376	162,707	(86,331)
Non-programmed charges	2,544,500	2,971,455	(426,955)
	<hr/>		
Total Expenditures	176,738,972	184,949,992	(8,211,020)
	<hr/>		
Excess of revenues over expenditures	861,708	4,862,119	4,000,411
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued at par	-	19,430,471	19,430,471
Premium on bonds issued	-	573,558	573,558
Transfers out	(90,668)	(20,090,668)	(20,000,000)
	<hr/>		
Total other financing sources (uses)	(90,668)	(86,639)	4,029
	<hr/>		
Net change in fund balances	<u>\$ 771,040</u>	4,775,480	<u>\$ 4,004,440</u>
	<hr/>		
Fund Balances at beginning of year		<u>76,218,028</u>	
	<hr/>		
FUND BALANCES AT END OF YEAR		<u>\$ 80,993,508</u>	

## **BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

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

1. The Administration submits to the Board of Education a proposed operating budget for the 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. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget which was originally adopted on September 12, 2016.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.
8. The District's actual expenditures in various funds exceeded budgeted expenditures. Additional sources are available to finance these excess expenditures as allowed under the State Budget Act. See Note 8 for these excess expenditure amounts.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Combining Balance Sheet by Account

General Fund

June 30, 2017

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
<b>ASSETS</b>					
Cash and investments	\$ 70,376,335	\$ 8,854,548	\$ 18,753,255	\$ 1,253,711	\$ 99,237,849
Receivables					
Property taxes	58,557,410	9,418,800	-	934,792	68,911,002
Due from other governments	3,911,793	219,571	-	-	4,131,364
<b>TOTAL ASSETS</b>	<b>\$132,845,538</b>	<b>\$ 18,492,919</b>	<b>\$ 18,753,255</b>	<b>\$ 2,188,503</b>	<b>\$ 172,280,215</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,340,588	\$ 3,494,844	\$ -	\$ -	\$ 5,835,432
Self insurance claims payable	3,535,889	-	-	-	3,535,889
Accrued salaries and related expenditures	10,358,014	-	-	-	10,358,014
Unearned revenue	1,124,045	22,427	-	-	1,146,472
<b>Total Liabilities</b>	<b>17,358,536</b>	<b>3,517,271</b>	<b>-</b>	<b>-</b>	<b>20,875,807</b>
<b>Deferred inflows</b>					
Other deferred revenue	1,499,898	-	-	-	1,499,898
Property taxes levied for subsequent year	58,557,410	9,418,800	-	934,792	68,911,002
<b>Total Deferred Inflows</b>	<b>60,057,308</b>	<b>9,418,800</b>	<b>-</b>	<b>934,792</b>	<b>70,410,900</b>
<b>Fund balances</b>					
Restricted					
Tort immunity	-	-	-	1,253,711	1,253,711
Committed	-	7,767,516	-	-	7,767,516
Assigned	3,651,296	-	-	-	3,651,296
Unassigned	51,778,398	(2,210,668)	18,753,255	-	68,320,985
<b>Total Fund Balances</b>	<b>55,429,694</b>	<b>5,556,848</b>	<b>18,753,255</b>	<b>1,253,711</b>	<b>80,993,508</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$132,845,538</b>	<b>\$ 18,492,919</b>	<b>\$ 18,753,255</b>	<b>\$ 2,188,503</b>	<b>\$ 172,280,215</b>

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Combining Schedule of Revenues, Expenditures and Changes  
in Fund Balances by Account  
General Fund  
Year Ended June 30, 2017

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
<b>REVENUES</b>					
Local sources	\$121,386,693	\$ 18,637,222	\$ 111,196	\$ 1,964,115	\$ 142,099,226
State sources	43,261,325	-	-	-	43,261,325
Federal sources	4,451,560	-	-	-	4,451,560
<b>Total Revenues</b>	<b>169,099,578</b>	<b>18,637,222</b>	<b>111,196</b>	<b>1,964,115</b>	<b>189,812,111</b>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	122,099,626	-	-	-	122,099,626
Support services	36,976,522	20,988,537	-	1,751,145	59,716,204
Community services	159,482	3,225	-	-	162,707
Non-programmed charges	2,971,455	-	-	-	2,971,455
<b>Total Expenditures</b>	<b>162,207,085</b>	<b>20,991,762</b>	<b>-</b>	<b>1,751,145</b>	<b>184,949,992</b>
Excess (deficiency) of revenues over expenditures	6,892,493	(2,354,540)	111,196	212,970	4,862,119
<b>OTHER FINANCING USES</b>					
Bonds issued at par	-	-	19,430,471	-	19,430,471
Premium on bonds issued	-	-	573,558	-	573,558
Transfers (in)	-	24,500,000	-	-	24,500,000
Transfers (out)	-	(20,090,668)	(24,500,000)	-	(44,590,668)
<b>Total other financing uses</b>	<b>-</b>	<b>4,409,332</b>	<b>(4,495,971)</b>	<b>-</b>	<b>(86,639)</b>
Net change in fund balance	6,892,493	2,054,792	(4,384,775)	212,970	4,775,480
Fund balances at beginning of year	48,537,201	3,502,056	23,138,030	1,040,741	76,218,028
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 55,429,694</b>	<b>\$ 5,556,848</b>	<b>\$ 18,753,255</b>	<b>\$ 1,253,711</b>	<b>\$ 80,993,508</b>



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Educational Account  
 Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$113,086,934	\$112,517,343	\$ (569,591)	\$111,932,707
Corporate personal property replacement taxes	862,429	1,095,139	232,710	950,188
Tuition	1,659,400	1,851,513	192,113	1,714,862
Earnings on investments	40,800	155,598	114,798	16,570
Food services	1,957,000	2,333,853	376,853	2,148,716
Pupil activities and textbooks	2,561,000	2,501,915	(59,085)	2,568,780
Contributions and donations from private sources	215,362	115,996	(99,366)	90,321
Services provided other LEA's	13,000	73,203	60,203	69,741
Refund of prior years' expenditures	662,591	326,398	(336,193)	285,831
Local fees	238,200	356,582	118,382	335,957
Other	63,161	59,153	(4,008)	56,616
<b>Total local sources</b>	<b>121,359,877</b>	<b>121,386,693</b>	<b>26,816</b>	<b>120,170,289</b>
State sources				
Unrestricted				
General state aid	5,110,000	5,554,859	444,859	5,254,205
Restricted				
Special education	4,556,847	5,029,194	472,347	3,992,061
Bilingual education	261,059	60,385	(200,674)	170,212
Vocational education	133,848	111,162	(22,686)	136,763
Driver education	126,000	149,642	23,642	144,717
Early childhood block grant	116,400	110,221	(6,179)	111,398
School lunch aid	10,000	2,446	(7,554)	4,854
State of Illinois on-behalf payments	20,000,000	32,243,416	12,243,416	29,977,500
Other restricted revenue from state sources	807,800	-	(807,800)	620,816
<b>Total state sources</b>	<b>31,121,954</b>	<b>43,261,325</b>	<b>12,139,371</b>	<b>40,412,526</b>
Federal sources				
Restricted				
Title I - Low income	762,658	887,515	124,857	884,888
School lunch programs	583,000	595,387	12,387	612,487
IDEA - Preschool flow-through	63,377	33,385	(29,992)	68,610
IDEA - Flow-through	2,192,931	1,798,329	(394,602)	2,078,445
IDEA - Room & board	125,000	364,073	239,073	274,266
Title I - Other	-	80,169	80,169	66,972
VE - Perkins - Title III E Tech prep	81,121	80,434	(687)	74,001
Title III - English language acquisition	66,983	68,370	1,387	67,804
Title III - Emergency immigrant assistance	11,794	6,894	(4,900)	5,973
Title II - Teacher quality	161,362	159,456	(1,906)	108,836
Medicaid matching/administrative outreach	604,114	370,413	(233,701)	380,232
Other	-	7,135	7,135	1,820
<b>Total federal sources</b>	<b>4,652,340</b>	<b>4,451,560</b>	<b>(200,780)</b>	<b>4,624,334</b>
<b>Total revenues</b>	<b>\$157,134,171</b>	<b>\$169,099,578</b>	<b>\$ 11,965,407</b>	<b>\$165,207,149</b>

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 47,886,328	\$ 47,061,087	\$ 825,241	\$ 47,515,365
Employee benefits	14,242,812	11,764,387	2,478,425	11,512,172
State of Illinois on-behalf payments	20,000,000	32,243,416	(12,243,416)	29,977,500
Purchased services	305,083	238,701	66,382	267,882
Supplies and materials	3,231,027	2,963,313	267,714	3,711,614
Capital outlay	15,000	11,158	3,842	6,937
Other	1,115	1,458	(343)	394
Non-capitalized equipment	25,975	71,535	(45,560)	64,598
Total	85,707,340	94,355,055	(8,647,715)	93,056,462
Special education programs				
Salaries	12,796,205	9,892,907	2,903,298	9,604,287
Employee benefits	2,649,601	2,662,128	(12,527)	2,507,477
Purchased services	10,148	29,930	(19,782)	1,746
Supplies and materials	145,696	98,035	47,661	99,144
Non-capitalized equipment	-	19,440	(19,440)	6,720
Total	15,601,650	12,702,440	2,899,210	12,219,374
Special education programs pre-k				
Salaries	-	974,318	(974,318)	927,276
Employee benefits	-	152,632	(152,632)	139,126
Purchased services	-	3,185	(3,185)	1,704
Supplies and materials	-	29,991	(29,991)	26,924
Total	-	1,160,126	(1,160,126)	1,095,030
Vocational programs				
Salaries	2,447,320	2,443,416	3,904	2,404,934
Employee benefits	571,249	562,716	8,533	569,798
Purchased services	10,000	5,368	4,632	8,987
Supplies and materials	83,847	57,924	25,923	74,020
Capital outlay	-	20,075	(20,075)	-
Total	3,112,416	3,089,499	22,917	3,057,739
Interscholastic programs				
Salaries	3,862,862	3,860,509	2,353	3,789,421
Employee benefits	433,418	360,399	73,019	369,000
Purchased services	443,250	435,532	7,718	426,081
Supplies and materials	456,563	403,939	52,624	415,770
Other	8,255	7,728	527	5,883
Non-capitalized equipment	-	-	-	6,190
Total	\$ 5,204,348	\$ 5,068,107	\$ 136,241	\$ 5,012,345

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Summer school programs				
Salaries	\$ 509,500	\$ 424,251	\$ 85,249	\$ 501,037
Employee benefits	37,400	29,808	7,592	47,200
Purchased services	5,000	878	4,122	2,720
Supplies and materials	15,500	20,940	(5,440)	11,923
Total	567,400	475,877	91,523	562,880
Gifted programs				
Salaries	262,000	259,636	2,364	250,700
Employee benefits	75,278	39,504	35,774	36,802
Purchased services	31,000	8,053	22,947	11,821
Supplies and materials	28,140	3,622	24,518	3,818
Total	396,418	310,815	85,603	303,141
Driver's education programs				
Salaries	237,200	212,486	24,714	224,346
Employee benefits	47,950	63,818	(15,868)	61,713
Purchased services	43,150	20,972	22,178	32,872
Supplies and materials	9,850	7,502	2,348	7,668
Total	338,150	304,778	33,372	326,599
Bilingual programs				
Salaries	1,838,770	1,746,708	92,062	1,770,371
Employee benefits	356,915	352,713	4,202	352,317
Purchased services	500	8,729	(8,229)	5,090
Supplies and materials	10,500	35,662	(25,162)	5,921
Total	2,206,685	2,143,812	62,873	2,133,699
Truant's alternative and optional programs				
Salaries	90,000	65,392	24,608	71,398
Employee benefits	1,431	932	499	1,064
Purchased services	45,000	77,109	(32,109)	81,797
Total	136,431	143,433	(7,002)	154,259
Pre-K programs				
Private tuition	3,250,000	-	3,250,000	-
Total	3,250,000	-	3,250,000	-
Special education programs K-12				
Private tuition	-	2,345,684	(2,345,684)	2,674,872
Total	-	2,345,684	(2,345,684)	2,674,872
Total instruction	\$116,520,838	\$122,099,626	\$ (5,578,788)	\$120,596,400

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Support services				
Pupils				
Attendance and social work				
Salaries	\$ 1,486,334	\$ 1,439,832	\$ 46,502	\$ 1,437,289
Employee benefits	250,807	299,831	(49,024)	287,347
Purchased services	28,000	33,274	(5,274)	20,255
Supplies and materials	58,794	40,972	17,822	39,959
Non-capitalized equipment	1,000	-	1,000	590
Total	1,824,935	1,813,909	11,026	1,785,440
Guidance services				
Salaries	2,582,130	2,655,078	(72,948)	2,606,171
Employee benefits	493,628	563,469	(69,841)	539,589
Purchased services	124,977	237,253	(112,276)	210,190
Supplies and materials	33,612	26,461	7,151	23,483
Other	7,000	805	6,195	6,863
Total	3,241,347	3,483,066	(241,719)	3,386,296
Health services				
Salaries	1,284,665	1,127,878	156,787	1,163,896
Employee benefits	279,003	235,241	43,762	249,118
Purchased services	72,100	108,129	(36,029)	170,306
Supplies and materials	16,298	18,458	(2,160)	18,628
Total	1,652,066	1,489,706	162,360	1,601,948
Psychological services				
Salaries	1,096,011	966,709	129,302	858,834
Employee benefits	191,973	204,408	(12,435)	175,476
Purchased services	50,000	-	50,000	23,321
Supplies and materials	23,132	8,026	15,106	16,129
Total	1,361,116	1,179,143	181,973	1,073,760
Speech pathology and audiology services				
Salaries	2,245,997	2,181,637	64,360	2,174,007
Employee benefits	568,661	463,083	105,578	434,305
Purchased services	20,000	-	20,000	-
Supplies and materials	13,031	12,140	891	11,445
Total	2,847,689	2,656,860	190,829	2,619,757
Other support services				
Salaries	83,737	71,306	12,431	69,556
Employee benefits	58,724	4,252	54,472	4,895
Purchased services	30,000	10,349	19,651	32,644
Supplies and materials	1,465	1,336	129	1,101
Total	173,926	87,243	86,683	108,196
Total pupils	\$ 11,101,079	\$ 10,709,927	\$ 391,152	\$ 10,575,397

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Instructional staff				
Improvement of instruction services				
Salaries	\$ 1,879,172	\$ 1,709,538	\$ 169,634	\$ 1,697,727
Employee benefits	354,500	387,551	(33,051)	365,503
Purchased services	214,942	229,768	(14,826)	328,502
Supplies and materials	98,760	58,500	40,260	69,874
Other	25,450	11,566	13,884	14,088
Total	2,572,824	2,396,923	175,901	2,475,694
Educational media services				
Salaries	3,924,850	3,754,605	170,245	3,849,767
Employee benefits	863,470	713,678	149,792	765,143
Purchased services	1,293,500	1,233,013	60,487	1,407,888
Supplies and materials	329,496	320,936	8,560	312,857
Capital outlay	1,498,600	1,954,440	(455,840)	2,779,475
Other	1,300	30	1,270	965
Non-capitalized equipment	72,000	88,342	(16,342)	303,915
Total	7,983,216	8,065,044	(81,828)	9,420,010
Assessment and testing				
Salaries	311,131	271,855	39,276	276,874
Employee benefits	62,586	46,259	16,327	57,352
Purchased services	473,000	313,621	159,379	423,862
Supplies and materials	8,000	1,541	6,459	3,100
Other	800	265	535	-
Total	855,517	633,541	221,976	761,188
Total instructional staff	11,411,557	11,095,508	316,049	12,656,892
General administration				
Board of education				
Purchased services	190,400	80,993	109,407	98,696
Supplies and materials	21,365	15,158	6,207	12,892
Other	24,000	36,790	(12,790)	3,025
Total	235,765	132,941	102,824	114,613
Executive administration				
Salaries	369,000	289,416	79,584	291,023
Employee benefits	70,750	170,347	(99,597)	131,790
Purchased services	20,700	21,242	(542)	13,798
Supplies and materials	16,000	3,683	12,317	7,436
Non-capitalized equipment	1,600	-	1,600	-
Total	\$ 478,050	\$ 484,688	\$ (6,638)	\$ 444,047

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Special area administration services				
Salaries	\$ 655,000	\$ 653,958	\$ 1,042	\$ 630,598
Employee benefits	140,500	142,187	(1,687)	134,953
Purchased services	41,000	41,696	(696)	38,177
Supplies and materials	15,000	15,011	(11)	13,265
Non-capitalized equipment	7,000	-	7,000	6,411
Total	858,500	852,852	5,648	823,404
Total general administration	1,572,315	1,470,481	101,834	1,382,064
School administration				
Office of the principal				
Salaries	6,865,668	6,861,127	4,541	6,714,715
Employee benefits	1,882,573	1,789,380	93,193	1,638,460
Purchased services	160,800	170,935	(10,135)	178,578
Supplies and materials	219,065	167,262	51,803	135,816
Capital outlay	5,000	-	5,000	-
Other	4,500	3,530	970	4,388
Non-capitalized equipment	6,800	5,209	1,591	23,315
Total	9,144,406	8,997,443	146,963	8,695,272
Total school administration	9,144,406	8,997,443	146,963	8,695,272
Business				
Direction of business support services				
Salaries	291,076	292,510	(1,434)	284,128
Employee benefits	96,000	88,260	7,740	83,415
Purchased services	3,000	2,469	531	2,448
Total	390,076	383,239	6,837	369,991
Fiscal services				
Salaries	321,419	339,930	(18,511)	312,030
Employee benefits	61,907	49,904	12,003	54,802
Purchased services	93,000	136,029	(43,029)	97,665
Supplies and materials	20,000	11,522	8,478	8,490
Other	94,100	126,325	(32,225)	106,754
Non-capitalized equipment	3,000	-	3,000	950
Total	593,426	663,710	(70,284)	580,691
Operation and maintenance of plant services				
Purchased services	6,000	6,625	(625)	4,587
Total	\$ 6,000	\$ 6,625	\$ (625)	\$ 4,587

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Pupil transportation services				
Salaries	\$ -	\$ 3,622	\$ (3,622)	\$ 9,155
Employee benefits	-	3,138	(3,138)	2,350
Purchased services	2,000	20,202	(18,202)	-
Supplies and materials	-	1,270	(1,270)	1,090
Total	2,000	28,232	(26,232)	12,595
Food services				
Purchased services	2,405,000	2,764,483	(359,483)	2,552,457
Supplies and materials	20,000	613	19,387	4,200
Capital outlay	65,000	42,244	22,756	25,788
Other	20,000	35,261	(15,261)	34,819
Non-capitalized equipment	15,000	-	15,000	54,854
Total	2,525,000	2,842,601	(317,601)	2,672,118
Total business	3,516,502	3,924,407	(407,905)	3,639,982
Central				
Information services				
Salaries	98,422	97,932	490	95,079
Employee benefits	24,044	24,743	(699)	23,578
Purchased services	52,800	31,620	21,180	12,462
Supplies and materials	11,900	690	11,210	1,276
Other	1,500	-	1,500	-
Total	188,666	154,985	33,681	132,395
Staff services				
Salaries	442,303	444,474	(2,171)	470,324
Employee benefits	136,439	103,058	33,381	108,913
Purchased services	71,400	46,038	25,362	58,894
Supplies and materials	7,500	10,829	(3,329)	9,001
Other	20,000	16,449	3,551	18,609
Total	677,642	620,848	56,794	665,741
Data processing services				
Purchased services	-	14	(14)	111
Supplies and materials	5,000	-	5,000	-
Total	5,000	14	4,986	111
Total central	871,308	775,847	95,461	798,247
Other support services				
Purchased services	-	34	(34)	-
Supplies and materials	-	2,875	(2,875)	257
Total	-	2,909	(2,909)	257
Total support services	\$ 37,617,167	\$ 36,976,522	\$ 640,645	\$ 37,748,111

(Continued)

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
Community services				
Salaries	\$ 51,794	\$ 70,572	\$ (18,778)	\$ 62,366
Employee benefits	-	1,850	(1,850)	827
Purchased services	-	5,942	(5,942)	5,168
Supplies and materials	7,582	17,506	(9,924)	20,162
Other	-	63,612	(63,612)	100,000
Total community services	59,376	159,482	(100,106)	188,523
Payment for regular programs				
Other	1,000	275	725	-
Total	1,000	275	725	-
Payment for special education programs				
Other	1,420,000	2,624,627	(1,204,627)	3,270,868
Total	1,420,000	2,624,627	(1,204,627)	3,270,868
Payments for vocational education programs				
Other	285,000	346,553	(61,553)	277,035
Total	285,000	346,553	(61,553)	277,035
Payments for community college programs				
Other	9,500	-	9,500	-
Total	9,500	-	9,500	-
Other payments to in-state governmental units:				
Other	829,000	-	829,000	1,013,745
Total	829,000	-	829,000	1,013,745
Total nonprogrammed charges	2,544,500	2,971,455	(426,955)	4,561,648
Total expenditures	156,741,881	162,207,085	(5,465,204)	163,094,682
Net change in fund balance	<u>\$ 392,290</u>	6,892,493	<u>\$ 6,500,203</u>	2,112,467
Fund balance at beginning of year		<u>48,537,201</u>		<u>46,424,734</u>
FUND BALANCE AT END OF YEAR		<u>\$ 55,429,694</u>		<u>\$ 48,537,201</u>



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Operations and Maintenance Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 17,664,457	\$ 17,835,199	\$ 170,742	\$ 17,231,848
Earnings on investments	8,000	87,453	79,453	45,196
Fees	171,000	199,880	28,880	160,417
Rentals	478,000	511,733	33,733	488,366
Refund of prior years' expenditures	4,000	2,957	(1,043)	1,722
Other local revenues	35,061	-	-	-
Total local sources	18,360,518	18,637,222	276,704	17,927,549
State sources				
Unrestricted				
Other state revenues	-	-	-	36,675
Total state sources	-	-	-	36,675
Total revenues	18,360,518	18,637,222	276,704	17,964,224
<b>EXPENDITURES</b>				
Current operating				
Support services				
Business				
Facilities acquisition and construction services				
Salaries	-	24,538	(24,538)	-
Employee benefits	-	4,620	(4,620)	-
Purchased services	180,000	2,146,306	(1,966,306)	94,562
Capital outlay	2,555,000	4,045,560	(1,490,560)	2,615,424
Total	2,735,000	6,221,024	(3,486,024)	2,709,986
Operations and maintenance of plant services				
Salaries	4,375,000	4,100,006	274,994	3,954,332
Employee benefits	987,300	852,894	134,406	811,890
Purchased services	4,928,720	4,861,168	67,552	5,216,407
Supplies and materials	5,044,571	4,851,727	192,844	4,658,271
Capital outlay	100,000	32,581	67,419	112,418
Other	1,500	220	1,280	396
Total	15,437,091	14,698,596	738,495	14,753,714
Total business	18,172,091	20,919,620	(2,747,529)	17,463,700
Other supporting services				
Salaries	68,000	62,506	5,494	61,539
Employee benefits	10,000	6,411	3,589	5,311
Total	78,000	68,917	9,083	66,850
Total support services	\$ 18,250,091	\$ 20,988,537	\$ (2,738,446)	\$ 17,530,550

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Operations and Maintenance Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
Community services				
Salaries	\$ 8,000	\$ -	\$ 8,000	\$ -
Supplies and materials	9,000	3,225	5,775	10,489
Total community services	17,000	3,225	13,775	10,489
Total expenditures	18,267,091	20,991,762	(2,724,671)	17,541,039
Excess (deficiency) of revenues over expenditures	93,427	(2,354,540)	(2,447,967)	423,185
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (in)	-	24,500,000	24,500,000	-
Transfers (out)	(90,668)	(20,090,668)	(20,000,000)	(90,578)
Total other financing sources (uses)	(90,668)	4,409,332	4,500,000	(90,578)
Net change in fund balance	<u>\$ 2,759</u>	2,054,792	<u>\$ 2,052,033</u>	332,607
Fund balance at beginning of year		<u>3,502,056</u>		<u>3,169,449</u>
FUND BALANCE AT END OF YEAR		<u>\$ 5,556,848</u>		<u>\$ 3,502,056</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Working Cash Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Earnings on investments	\$ 8,000	\$ 111,196	\$ 103,196	\$ 17,756
Total local sources	8,000	111,196	103,196	17,756
Total revenues	8,000	111,196	103,196	17,756
Excess of revenues over expenditures	8,000	111,196	103,196	17,756
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued at par	-	19,430,471	19,430,471	-
Premium on bonds issued	-	573,558	573,558	-
Transfers (out)	-	(24,500,000)	(24,500,000)	-
Total other financing sources (uses)	-	(4,495,971)	(4,495,971)	-
Net change in fund balance	<u>\$ 8,000</u>	<u>(4,384,775)</u>	<u>\$ (4,392,775)</u>	17,756
Fund balance at beginning of year		<u>23,138,030</u>		<u>23,120,274</u>
FUND BALANCE AT END OF YEAR		<u><u>\$ 18,753,255</u></u>		<u><u>\$ 23,138,030</u></u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Tort Immunity Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 2,096,391	\$ 1,941,101	\$ (155,290)	\$ 2,073,846
Earnings on investments	1,600	23,014	21,414	10,887
Total local sources	2,097,991	1,964,115	(133,876)	2,084,733
Total revenues	2,097,991	1,964,115	(133,876)	2,084,733
<b>EXPENDITURES</b>				
Claims paid from self insurance fund				
Purchased services	1,720,000	-	1,720,000	-
Other	10,000	-	10,000	-
Total worker's compensation	1,730,000	-	1,730,000	-
Worker's compensation:				
Purchased services	-	905,924	(905,924)	520,864
Total worker's compensation	-	905,924	(905,924)	520,864
Unemployment insurance payments:				
Purchased services	-	47,267	(47,267)	35,732
Total unemployment insurance payments	-	47,267	(47,267)	35,732
Insurance payments (regular and self-insurance):				
Purchased services	-	737,139	(737,139)	460,155
Total insurance payments	-	737,139	(737,139)	460,155
Legal services				
Purchased services	-	60,815	(60,815)	66,067
Total legal services	-	60,815	(60,815)	66,067
Total expenditures	1,730,000	1,751,145	(21,145)	1,082,818
Net change in fund balance	<u>\$ 367,991</u>	212,970	<u>\$ (155,021)</u>	1,001,915
Fund balance at beginning of year		<u>1,040,741</u>		<u>38,826</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,253,711</u>		<u>\$ 1,040,741</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Debt Service Fund

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 22,989,905	\$ 22,200,694	\$ (789,211)	\$ 21,854,806
Earnings on investments	4,000	24,108	20,108	7,311
Total local sources	22,993,905	22,224,802	(769,103)	21,862,117
Total revenues	22,993,905	22,224,802	(769,103)	21,862,117
<b>EXPENDITURES</b>				
Debt services				
Principal	21,387,000	21,387,000	-	19,560,500
Interest	1,697,573	1,696,793	780	2,681,577
Fees and other payments	-	402,387	(402,387)	126,151
Total expenditures	23,084,573	23,486,180	(401,607)	22,368,228
Excess (deficiency) of revenues over expenditures	(90,668)	(1,261,378)	(1,170,710)	(506,111)
<b>OTHER FINANCING SOURCES</b>				
Principal on bonds sold	-	399,529	399,529	14,585,000
Premiums on bonds sold	-	-	-	457,489
Deposit to escrow agent	-	-	-	(14,919,548)
Transfers in	90,668	90,668	-	90,578
Total other financing sources	90,668	490,197	399,529	213,519
Net change in fund balance	\$ -	(771,181)	\$ (771,181)	(292,592)
Fund balance at beginning of year		11,919,396		12,211,988
FUND BALANCE AT END OF YEAR		\$ 11,148,215		\$ 11,919,396

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	Transportation	Municipal Retirement/ Social Security	Capital Project	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
<b>Assets</b>				
Cash and investments	\$ 5,803,494	\$ 2,289,564	\$20,592,984	\$28,686,042
Receivables				
Property Taxes	2,564,855	2,638,750	-	5,203,605
Due From Other Governments	1,581,749	-	-	1,581,749
<b>TOTAL ASSETS</b>	<b>\$ 9,950,098</b>	<b>\$ 4,928,314</b>	<b>\$20,592,984</b>	<b>\$35,471,396</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 828,345	\$ -	\$ -	\$ 828,345
Accrued salaries and related expenditures	397,927	301,891	-	699,818
<b>Total Liabilities</b>	<b>1,226,272</b>	<b>301,891</b>	<b>-</b>	<b>1,528,163</b>
<b>Deferred Inflows</b>				
Other deferred revenue	788,907	-	-	788,907
Property taxes levied for subsequent year	2,564,855	2,638,750	-	5,203,605
<b>Total Deferred Inflows</b>	<b>3,353,762</b>	<b>2,638,750</b>	<b>-</b>	<b>5,992,512</b>
<b>Fund Balances</b>				
Restricted	5,370,064	1,987,673	20,592,984	27,950,721
<b>Total Fund Balances</b>	<b>5,370,064</b>	<b>1,987,673</b>	<b>20,592,984</b>	<b>27,950,721</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 9,950,098</b>	<b>\$ 4,928,314</b>	<b>\$20,592,984</b>	<b>\$35,471,396</b>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2017

	Transportation	Municipal Retirement/ Social Security	Capital Project	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 5,047,073	\$ 5,197,103	\$ 127,637	\$ 10,371,813
State sources	3,269,137	-	-	3,269,137
<b>Total Revenues</b>	<b>8,316,210</b>	<b>5,197,103</b>	<b>127,637</b>	<b>13,640,950</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	-	1,684,985	-	1,684,985
Support services	7,713,559	3,539,499	-	11,253,058
Community services	-	7,861	-	7,861
Debt service:				
Principal	43,558	-	-	43,558
Interest and other	168,000	-	-	168,000
<b>Total Expenditures</b>	<b>7,925,117</b>	<b>5,232,345</b>	<b>-</b>	<b>13,157,462</b>
Excess of revenues over expenditures	391,093	(35,242)	127,637	483,488
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (in)	-	-	20,000,000	20,000,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>20,000,000</b>	<b>20,000,000</b>
Net change in fund balance	391,093	(35,242)	20,127,637	20,483,488
Fund balances at beginning of year	4,978,971	2,022,915	465,347	7,467,233
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 5,370,064</b>	<b>\$ 1,987,673</b>	<b>\$ 20,592,984</b>	<b>\$ 27,950,721</b>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Transportation Fund

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 4,941,761	\$ 4,922,521	\$ (19,240)	\$ 5,141,807
Transportation fees	140,000	95,212	(44,788)	91,312
Earnings on investments	5,000	29,340	24,340	13,036
Refund of prior years' expenditures	134	-	(134)	1,480
Total local sources	5,086,895	5,047,073	(39,822)	5,247,635
State sources				
Restricted				
Transportation aid	3,240,000	3,269,137	29,137	2,699,482
Total state sources	3,240,000	3,269,137	29,137	2,699,482
Total revenues	8,326,895	8,316,210	(10,685)	7,947,117
<b>EXPENDITURES</b>				
Current operating				
Support services				
Business				
Pupil transportation services				
Salaries	4,525,321	4,201,255	324,066	4,244,886
Employee benefits	610,600	568,732	41,868	562,579
Purchased services	1,150,400	656,802	493,598	1,023,340
Supplies and materials	1,095,000	838,471	256,529	822,583
Capital outlay	650,000	1,337,460	(687,460)	1,072,091
Non-capitalized equipment	25,000	28,777	(3,777)	-
Total business	8,056,321	7,631,497	424,824	7,725,479
Other supporting services				
Purchased services	4,000	38,582	(34,582)	39,332
Supplies and materials	10,000	43,480	(33,480)	42,251
Total other	14,000	82,062	(68,062)	81,583
Total support services	8,070,321	7,713,559	356,762	7,807,062
Debt services				
Interest	43,558	43,558	-	46,848
Principal	168,600	168,000	600	164,500
Total debt services	212,158	211,558	600	211,348
Total expenditures	8,282,479	7,925,117	357,362	8,018,410
Net change in fund balance	\$ 44,416	391,093	\$ 357,362	(71,293)
Fund balance at beginning of year		4,978,971		5,050,264
FUND BALANCE AT END OF YEAR		\$ 5,370,064		\$ 4,978,971

(Continued)



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 5,226,371	\$ 5,063,493	\$ (162,878)	\$ 5,031,013
Corporate personal property replacement taxes	120,000	120,000	-	150,000
Earnings on investments	1,500	13,610	12,110	4,486
Total local sources	5,347,871	5,197,103	(150,768)	5,185,499
Total revenues	5,347,871	5,197,103	(150,768)	5,185,499
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs	728,880	690,098	38,782	706,638
Special education programs	671,450	598,446	73,004	580,565
Special education programs pre-K	-	73,961	(73,961)	70,839
Vocational programs	34,700	34,262	438	33,610
Interscholastic programs	152,050	155,190	(3,140)	147,442
Summer school programs	22,875	19,868	3,007	21,769
Gifted programs	3,750	3,734	16	3,604
Driver's education programs	3,250	3,036	214	3,131
Bilingual programs	109,700	101,962	7,738	106,296
Truant's alternative and optional programs	6,925	4,428	2,497	6,613
Total instruction	1,733,580	1,684,985	48,595	1,680,507
Support services				
Pupils				
Attendance and social work services	22,125	21,860	265	21,180
Guidance services	137,100	137,272	(172)	132,926
Health services	124,450	134,573	(10,123)	120,538
Psychological services	13,200	15,449	(2,249)	12,762
Speech pathology and audiology services	130,200	134,182	(3,982)	124,927
Other support services - pupils	7,500	7,208	292	7,155
Total pupils	434,575	450,544	(15,969)	419,488
Instructional staff				
Improvement of instruction services	78,800	72,386	6,414	76,328
Educational media services	516,975	487,430	29,545	500,492
Assessment and testing	33,450	27,499	5,951	31,905
Total instructional staff	629,225	587,315	41,910	608,725
General administration				
Executive administration services	16,100	15,987	113	15,522
Special area administration services	48,200	49,968	(1,768)	47,858
Total general administration	\$ 64,300	\$ 65,955	\$ (1,655)	\$ 63,380

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Municipal Retirement/Social Security Fund

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
School administration				
Office of the principal services	\$ 634,250	\$ 646,755	\$ (12,505)	\$ 615,262
Other support services	198	4	194	174
Total school administration	<u>634,448</u>	<u>646,759</u>	<u>(12,311)</u>	<u>615,436</u>
Business				
Direction of business support services	28,250	28,335	(85)	27,248
Fiscal services	63,000	66,233	(3,233)	61,105
Facility acquisition and construction services	-	4,927	(4,927)	-
Operation and maintenance of plant services	758,700	768,897	(10,197)	735,117
Pupil transportation services	868,400	834,081	34,319	842,448
Total business	<u>1,718,350</u>	<u>1,702,473</u>	<u>15,877</u>	<u>1,665,918</u>
Central				
Information services	19,800	19,834	(34)	19,088
Staff services	54,700	54,173	527	52,800
Total central	<u>74,500</u>	<u>74,007</u>	<u>493</u>	<u>71,888</u>
Other				
Other support services	12,600	12,446	154	12,154
Total other	<u>12,600</u>	<u>12,446</u>	<u>154</u>	<u>12,154</u>
Total support services	<u>3,567,998</u>	<u>3,539,499</u>	<u>28,499</u>	<u>3,456,989</u>
Community services	7,450	7,861	(411)	7,110
Total expenditures	<u>5,309,028</u>	<u>5,232,345</u>	<u>76,683</u>	<u>5,144,606</u>
Net change in fund balance	<u>\$ 38,843</u>	<u>(35,242)</u>	<u>\$ (74,085)</u>	<u>40,893</u>
Fund balance at beginning of year		<u>2,022,915</u>		<u>1,982,022</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,987,673</u>		<u>\$ 2,022,915</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Capital Projects Fund  
 Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017		2016	
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Earnings on investments	\$ -	\$ 20,485	\$ 20,485	\$ -
Other	-	107,152	107,152	72,974
Total local sources	-	127,637	127,637	72,974
Total revenues	-	127,637	127,637	72,974
Excess (deficiency) of revenues over expenditures	-	127,637	127,637	72,974
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	20,000,000	20,000,000	-
Total other financing sources	-	20,000,000	20,000,000	-
Net change in fund balance	<u>\$ -</u>	<u>20,127,637</u>	<u>\$ 20,127,637</u>	72,974
Fund balance at beginning of year		<u>465,347</u>		<u>392,373</u>
FUND BALANCE AT END OF YEAR		<u>\$ 20,592,984</u>		<u>\$ 465,347</u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 Statement of Changes in Assets and Liabilities  
 Fiduciary Funds - Agency Funds - Student Activity and Workshop Funds  
 Year Ended June 30, 2017

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	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>Assets</b>				
Cash	\$ 1,216,274	\$ 2,792,596	\$ 2,901,793	\$ 1,107,077
<b>Liabilities</b>				
Due to organizations	\$ 1,216,274	\$ 2,792,596	\$ 2,901,793	\$ 1,107,077

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Schedule of General Long-Term Debt Used In Governmental Activities

June 30, 2017

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**Assets**

Amount available in Debt Service Fund	\$ 11,148,215
Amount to be provided for the retirement of general long-term debt and notes payable	<u>53,775,602</u>
Total assets	<u><u>\$ 64,923,817</u></u>

**Liabilities**

Bonds Payable	Issue Date	Current Maturities	Future Maturities
School bonds, Series 2008	8/6/08	\$ 6,200,000	\$ -
School bonds, Series 2010	8/26/10	100,000	-
School bonds, Series 2014	12/1/14	12,400,000	10,335,000
School bonds, Series 2016	3/22/16	1,345,000	11,420,000
School bonds, Series 2017	3/1/17	235,000	19,595,000
Total bonds payable		<u>\$ 20,280,000</u>	<u>\$ 41,350,000</u>
Obligations under debt certificates			2,030,000
Compensated absences-long-term			698,405
Other post employment benefits-long-term			<u>565,412</u>
Total liabilities			<u><u>\$ 64,923,817</u></u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

June 30, 2017

MATURING DURING YEAR ENDING JUNE 30	TOTAL DEBT SERVICE	INTEREST	TOTAL PRINCIPAL	ISSUE OF AUGUST 6, 2008
2018	\$ 22,080,148	\$ 1,800,148	\$ 20,280,000	\$ 6,200,000
2019	6,152,164	1,312,164	4,840,000	-
2020	5,249,261	1,194,261	4,055,000	-
2021	5,246,709	1,091,709	4,155,000	-
2022	5,251,394	986,394	4,265,000	-
2023	2,653,063	878,063	1,775,000	-
2024	2,652,813	822,813	1,830,000	-
2025	2,645,913	765,913	1,880,000	-
2026	1,932,513	707,513	1,225,000	-
2027	1,931,263	646,263	1,285,000	-
2028	1,932,013	582,013	1,350,000	-
2029	1,929,513	514,513	1,415,000	-
2030	1,932,913	457,913	1,475,000	-
2031	1,931,819	411,819	1,520,000	-
2032	1,932,419	362,419	1,570,000	-
2033	1,934,431	309,431	1,625,000	-
2034	1,932,556	252,556	1,680,000	-
2035	1,933,756	193,756	1,740,000	-
2036	1,932,856	132,856	1,800,000	-
2037	1,932,606	67,606	1,865,000	-
<b>Total</b>	<b>\$ 75,120,122</b>	<b>\$ 13,490,122</b>	<b>\$ 61,630,000</b>	<b>\$ 6,200,000</b>
Balance payable at July 1, 2016			\$ 63,115,000	\$ 11,870,000
Bonds issued during the year ended June 30, 2017			19,830,000	-
Bonds defeased during the year ended June 30, 2017			-	-
Bonds retired during the year ended June 30, 2017			(21,315,000)	(5,670,000)
Balance payable at June 30, 2017			\$ 61,630,000	\$ 6,200,000
Interest paid during the year ended June 30, 2017			\$ 1,678,906	\$ 593,500
Debt Service Fund balance at June 30, 2017			\$ 11,148,215	
Interest Rates				3.00%-5.00%
Principal Due				January 1
Interest Due				Jan. 1 & July 1
Purpose of Issue				School Refunding
Original amount of issue				\$ 41,120,000

ISSUE OF AUGUST 26, 2010	ISSUE OF DECEMBER 1, 2014	ISSUE OF MARCH 22, 2016	ISSUE OF MARCH 1, 2017
\$ 100,000	\$ 12,400,000	\$ 1,345,000	\$ 235,000
-	3,175,000	1,490,000	175,000
-	2,340,000	1,535,000	180,000
-	2,385,000	1,580,000	190,000
-	2,435,000	1,630,000	200,000
-	-	1,675,000	100,000
-	-	1,730,000	100,000
-	-	1,780,000	100,000
-	-	-	1,225,000
-	-	-	1,285,000
-	-	-	1,350,000
-	-	-	1,415,000
-	-	-	1,475,000
-	-	-	1,520,000
-	-	-	1,570,000
-	-	-	1,625,000
-	-	-	1,680,000
-	-	-	1,740,000
-	-	-	1,800,000
-	-	-	1,865,000
<u>\$ 100,000</u>	<u>\$ 22,735,000</u>	<u>\$ 12,765,000</u>	<u>\$ 19,830,000</u>

\$ 395,000	\$ 36,265,000	\$ 14,585,000	\$ -
-	-	-	19,830,000
-	-	-	-
(295,000)	(13,530,000)	(1,820,000)	-
<u>\$ 100,000</u>	<u>\$ 22,735,000</u>	<u>\$ 12,765,000</u>	<u>\$ 19,830,000</u>
<u>\$ 10,125</u>	<u>\$ 736,180</u>	<u>\$ 339,101</u>	<u>\$ -</u>

1.00%-2.75% January 1 Jan. 1 & July 1 Fire Prevention & Safety	2.030% January 1 Jan. 1 & July 1 School Refunding	3.000% January 1 Jan. 1 & July 1 School Refunding	3.125%-5.00% January 1 Jan. 1 & July 1 Working Cash
\$ 1,525,000	\$ 50,105,000	\$ 14,585,000	\$ 19,830,000

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

Issue Dated August 6, 2008

June 30, 2017

YEAR ENDED JUNE 30,	SCHOOL REFUNDING				TOTAL DEBT SERVICE
	BONDS ISSUED	BONDS PAID	BONDS OUTSTANDING	INTEREST PAYABLE	
2009	\$ 2,915,000	\$ 2,915,000	\$ -	\$ -	\$ -
2010	3,245,000	3,245,000	-	-	-
2011	2,550,000	2,550,000	-	-	-
2012	2,945,000	2,945,000	-	-	-
2013	3,505,000	3,505,000	-	-	-
2014	4,195,000	4,195,000	-	-	-
2015	4,715,000	4,715,000	-	-	-
2016	5,180,000	5,180,000	-	-	-
2017	5,670,000	5,670,000	-	-	-
2018	6,200,000	-	6,200,000	310,000	6,510,000
Total	\$ 41,120,000	\$ 34,920,000	\$ 6,200,000	\$ 310,000	\$ 6,510,000

Paying Agent	Bank of New York
Principal payment date	January
Interest payment dates	January 1 and July 1
Interest rates	3.00%-5.00%
Original Amount of Issue	\$41,120,000

Source of information: District records



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

Issue Dated August 26, 2010

June 30, 2017

YEAR ENDED JUNE 30,	<u>SCHOOL REFUNDING</u>				TOTAL DEBT SERVICE
	BONDS ISSUED	BONDS PAID	BONDS OUTSTANDING	INTEREST PAYABLE	
2012	\$ 210,000	\$ 210,000	\$ -	\$ -	\$ -
2013	195,000	195,000	-	-	-
2014	230,000	230,000	-	-	-
2015	240,000	240,000	-	-	-
2016	255,000	255,000	-	-	-
2017	295,000	295,000	-	-	-
2018	100,000	-	100,000	2,750	102,750
Total	\$ 1,525,000	\$ 1,425,000	\$ 100,000	\$ 2,750	\$ 102,750

Paying Agent	Harris N.A
Principal payment date	January
Interest payment dates	January 1 and July 1
Interest rates	1.00%-2.75%
Original Amount of Issue	\$1,525,000

Source of information: District records

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

Issue Dated December 1, 2014

June 30, 2017

YEAR ENDED JUNE 30,	SCHOOL REFUNDING				TOTAL DEBT SERVICE
	BONDS ISSUED	BONDS PAID	BONDS OUTSTANDING	INTEREST PAYABLE	
2016	\$ 12,705,000	\$ 12,705,000	\$ -	\$ -	\$ -
2017	13,530,000	13,530,000	-	-	-
2018	12,400,000	-	12,400,000	461,521	12,861,521
2019	3,175,000	-	3,175,000	209,801	3,384,801
2020	2,340,000	-	2,340,000	145,348	2,485,348
2021	2,385,000	-	2,385,000	97,846	2,482,846
2022	2,435,000	-	2,435,000	49,431	2,484,431
Total	\$ 48,970,000	\$ 26,235,000	\$ 22,735,000	\$ 963,946	\$ 23,698,946

Paying Agent	Bank of New York
Principal payment date	January
Interest payment dates	January 1 and July 1
Interest rates	2.03%
Original Amount of Issue	\$50,105,000

Source of information: District records

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

Issue Dated March 22, 2016

June 30, 2017

YEAR ENDED JUNE 30,	SCHOOL REFUNDING				TOTAL DEBT SERVICE
	BONDS ISSUED	BONDS PAID	BONDS OUTSTANDING	INTEREST PAYABLE	
2017	1,820,000	1,820,000	-	-	-
2018	1,345,000	-	1,345,000	382,950	1,727,950
2019	1,490,000	-	1,490,000	342,600	1,832,600
2020	1,535,000	-	1,535,000	297,900	1,832,900
2021	1,580,000	-	1,580,000	251,850	1,831,850
2022	1,630,000	-	1,630,000	204,450	1,834,450
2023	1,675,000	-	1,675,000	155,550	1,830,550
2024	1,730,000	-	1,730,000	105,300	1,835,300
2025	1,780,000	-	1,780,000	53,400	1,833,400
Total	\$ 14,585,000	\$ 1,820,000	\$ 12,765,000	\$ 1,794,000	\$ 14,559,000

Paying Agent	Bank of New York
Principal payment date	January
Interest payment dates	January 1 and July 1
Interest rates	3.00%
Original Amount of Issue	\$14,585,000

Source of information: District records

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Bonds Payable Schedule

Issue Dated March 1, 2017

June 30, 2017

YEAR ENDED JUNE 30,	SCHOOL REFUNDING				TOTAL DEBT SERVICE
	BONDS ISSUED	BONDS PAID	BONDS OUTSTANDING	INTEREST PAYABLE	
2018	235,000		235,000	642,927	877,927
2019	175,000		175,000	759,763	934,763
2020	180,000		180,000	751,013	931,013
2021	190,000		190,000	742,013	932,013
2022	200,000		200,000	732,513	932,513
2023	100,000		100,000	722,513	822,513
2024	100,000		100,000	717,513	817,513
2025	100,000		100,000	712,513	812,513
2026	1,225,000		1,225,000	707,513	1,932,513
2027	1,285,000		1,285,000	646,263	1,931,263
2028	1,350,000		1,350,000	582,013	1,932,013
2029	1,415,000		1,415,000	514,513	1,929,513
2030	1,475,000		1,475,000	457,913	1,932,913
2031	1,520,000		1,520,000	411,819	1,931,819
2032	1,570,000		1,570,000	362,419	1,932,419
2033	1,625,000		1,625,000	309,431	1,934,431
2034	1,680,000		1,680,000	252,556	1,932,556
2035	1,740,000		1,740,000	193,756	1,933,756
2036	1,800,000		1,800,000	132,856	1,932,856
2037	1,865,000		1,865,000	67,606	1,932,606
Total	\$ 19,830,000	\$ -	\$ 19,830,000	\$ 10,419,426	\$ 30,249,426

Paying Agent	Zions Bank
Principal payment date	January
Interest payment dates	January 1 and July 1
Interest rates	3.125%-5.00%
Original Amount of Issue	\$19,830,000

Source of information: District records

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Employee Health Benefit Plan Reserve  
Schedule of Assets And Changes in Fund Balance  
June 30, 2017

	2017	2016	2015
<b>Assets</b>			
Cash	\$ 7,522,187	\$ 7,881,299	\$ 8,030,789
Total assets	<u>\$ 7,522,187</u>	<u>\$ 7,881,299</u>	<u>\$ 8,030,789</u>
<b>Liabilities and fund balance</b>			
Accrued claims outstanding	\$ 3,651,296	\$ 3,804,136	\$ 3,800,852
Total liabilities	<u>3,651,296</u>	<u>3,804,136</u>	<u>3,800,852</u>
<b>Fund balances</b>			
<b>Increases during the year</b>			
Contributions	15,602,471	14,990,372	17,713,799
Total increases during the year	<u>15,602,471</u>	<u>14,990,372</u>	<u>17,713,799</u>
<b>Decreases during the year</b>			
Employer benefit claims, premiums and other services	15,808,743	15,143,146	19,785,446
Total decreases during the year	<u>15,808,743</u>	<u>15,143,146</u>	<u>19,785,446</u>
Net increase (decrease) during the year	(206,272)	(152,774)	(2,071,647)
Beginning fund balance	4,077,163	4,229,937	6,301,584
Ending fund balance	<u>3,870,891</u>	<u>4,077,163</u>	<u>4,229,937</u>
Total liabilities and fund balance	<u>\$ 7,522,187</u>	<u>\$ 7,881,299</u>	<u>\$ 8,030,789</u>

Description of reserve

This reserve was established in October 1982 to account for amounts reserved to pay employee health benefit plan claims for medical and dental expense reimbursements. The reserve is funded based upon actuarial assumptions of future claims to be paid. Premiums for minimum insurance coverage (the insurance carrier pays all claims over a maximum limit) are paid from this fund. The Board of Education may elect to reduce the level of contributions into the reserve in order to maintain the fund at a specified limit. If claims exceed the fund balance, the General Fund is obligated to pay the additional claims.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Food Service Program  
Schedules of Revenues, Expenditures and Program Balance  
June 30, 2017

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Revenues	<u>\$ 2,931,686</u>
Expenditures	
Food service contract	2,764,483
Other	<u>78,118</u>
Total expenditures	<u>2,842,601</u>
Excess of revenues over expenditures	89,085
Program balance at beginning of year	<u>26,766</u>
Program balance at end of year	<u><u>\$ 115,851</u></u>

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Food Service Program  
 Schedule of Meals Served  
 Last Ten Fiscal Years

	2017	2016	2015	2014
Type A meals	455,113	468,132	592,618	692,245
Total equivalent meals served (1)(2)	1,792,931	1,380,614	1,058,654	1,064,487
Milk	0.60	0.60	0.60	0.60
Elementary school lunches	2.50	2.30	2.30	2.30
Junior high school lunches	2.50	2.40	2.40	2.40
High school lunches (3)	2.75	2.75	2.75	2.60

1. The equivalent meal rate used in calculating equivalent meals served changed from \$2.79 in 2008-2009, \$2.91 in 2009-2010, \$3.00 in 2010-2011, \$3.0475 in 2011-2012, \$3.0925 in 2012-2013, \$3.14 in 2013-2014, \$3.2125 in 2014-2015, \$3.3025 in 2015-2016, and \$3.2645 in 2016-2017.

2. Total equivalent meals served include student Type A meals and equivalent meals. An equivalent meal is calculated by dividing total a la carte sales by the equivalent meal factor.

3. The high schools were not a part of the National School Lunch Program as of 2015-2016.

**Schools Served**

St. Charles East High School  
 St. Charles North High School  
 Haines Middle School  
 Thompson Middle School  
 Wredling Middle School  
 Anderson Elementary School  
 Davis Elementary School  
 Ferson Creek Elementary School  
 Fox Ridge Elementary School

Corron Elementary School  
 Lincoln Elementary School  
 Munhall Elementary School  
 Richmond Elementary School  
 Wasco Elementary School  
 Wild Rose Elementary School  
 Bell-Graham Elementary School  
 Norton Creek Elementary School

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2013	2012	2011	2010	2009	2008
754,156	846,319	869,412	853,418	788,233	577,217
1,123,797	1,239,274	1,279,147	1,382,710	1,279,678	1,233,676
0.60	0.60	0.60	0.60	0.45	0.45
2.30	2.20	2.20	2.20	2.30	2.20
2.40	2.30	2.30	2.30	2.30	2.30
2.60	2.50	2.50	2.50	2.50	2.50



**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 All Governmental Fund Types - Revenues By Source  
 Last Ten Fiscal Years

	2017	2016	2015	2014
Local sources				
Taxes	\$ 165,695,490	\$ 163,266,027	\$ 160,534,752	\$ 155,267,598
Earnings on investment	464,804	115,242	73,432	62,867
Food services	2,333,853	2,766,057	2,860,635	2,281,419
Other local sources	6,201,694	6,421,226	6,083,233	6,590,632
Total local sources	174,695,841	172,568,552	169,552,052	164,202,516
Flow-through sources	-	-	-	-
State sources	14,287,046	13,171,183	15,233,248	15,729,274
Federal sources	4,451,560	4,624,334	5,241,936	4,294,560
Total	<u>\$ 193,434,447</u>	<u>\$ 190,364,069</u>	<u>\$ 190,027,236</u>	<u>\$ 184,226,350</u>

Source: 2008 - 2017 Annual Financial Statements.

\* All Governmental Funds. Excludes on-behalf payments.

2013	2012	2011	2010	2009	2008
\$ 152,570,117	\$ 147,844,656	\$ 144,046,687	\$ 140,489,597	\$ 136,681,919	\$ 132,783,278
59,893	76,278	105,710	215,826	1,208,723	2,373,977
2,432,301	2,678,347	2,805,543	2,841,396	2,888,767	2,778,238
6,871,289	6,636,231	6,796,717	5,718,003	5,416,384	3,733,434
161,933,600	157,235,512	153,754,657	149,264,822	146,195,793	141,668,927
-	-	-	-	-	16,229
25,379,930	15,955,251	15,262,230	12,418,717	14,015,832	15,065,082
5,159,752	4,439,992	6,188,375	5,982,603	4,812,510	3,658,147
\$ 192,473,282	\$ 177,630,755	\$ 175,205,262	\$ 167,666,142	\$ 165,024,135	\$ 160,408,385

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 General School System Expenditures By Function  
 Last Ten Fiscal Years

	2017	2016	2015	2014
<b>Educational</b>				
Instruction	\$ 89,856,210	\$ 90,618,900	\$ 92,131,092	\$ 88,996,632
Supporting services	34,293,403	35,267,433	34,270,400	33,188,004
Lunch program	2,842,601	2,669,201	3,013,704	3,314,470
Nonprogrammed charges	2,971,455	4,561,648	3,652,819	4,116,566
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total educational	129,963,669	133,117,182	133,068,015	129,615,672
<b>Operations and maintenance</b>				
Supporting services	20,991,762	17,541,039	17,756,079	17,982,202
Debt service	-	-	-	-
Total operations and maintenance	20,991,762	17,541,039	17,756,079	17,982,202
<b>Transportation</b>				
Supporting services	7,713,559	7,807,062	7,542,459	7,825,966
Debt service	211,558	211,348	207,498	207,078
Total transportation	7,925,117	8,018,410	7,749,957	8,033,044
<b>Municipal retirement</b>				
Instruction	1,684,985	1,680,507	1,673,895	1,693,729
Supporting services	3,547,360	3,437,761	3,312,098	3,232,020
Total municipal retirement	5,232,345	5,118,268	4,985,993	4,925,749
<b>Debt service</b>	23,486,180	22,203,018	22,552,543	20,128,201
<b>Capital projects</b>	-	-	-	-
<b>Tort immunity</b>	1,751,145	2,543,175	2,107,610	1,824,340
<b>Private purpose trusts</b>	-	-	63,610	76,723
Total	\$ 189,350,218	\$ 188,541,092	\$ 188,283,807	\$ 182,585,931

Source: 2008 - 2017 Annual Financial Statements

\* All Governmental and Private Purpose Funds. Excludes on-behalf payments.

	2013	2012	2011	2010	2009	2008
\$	82,844,194	\$ 80,492,476	\$ 81,562,965	\$ 78,256,221	\$ 74,821,952	\$ 68,653,727
	30,785,719	34,362,227	32,623,755	30,568,712	30,815,506	30,555,857
	3,264,902	3,689,481	3,791,041	3,819,115	3,556,152	3,378,556
	4,687,552	7,190,461	6,957,754	6,824,900	5,977,793	5,563,720
	-	-	-	-	-	825,385
	-	-	-	-	1,428,149	1,957,952
	121,582,367	125,734,645	124,935,515	119,468,948	116,599,552	110,935,197
	17,723,841	17,511,513	15,297,073	14,609,755	13,688,570	13,030,256
	-	-	-	-	1,836,598	1,722,133
	17,723,841	17,511,513	15,297,073	14,609,755	15,525,168	14,752,389
	8,065,694	7,627,121	7,537,066	7,705,401	6,795,769	6,617,689
	208,457	228,529	234,042	238,459	1,827,385	795,394
	8,274,151	7,855,650	7,771,108	7,943,860	8,623,154	7,413,083
	1,554,656	1,482,698	1,365,720	1,209,240	1,449,901	1,290,445
	3,129,075	2,927,971	2,840,542	2,662,720	2,548,507	2,342,250
	4,683,731	4,410,669	4,206,262	3,871,960	3,998,408	3,632,695
	19,421,766	17,828,835	18,182,873	17,445,521	15,475,629	15,048,861
	-	1,528,418	228,595	-	2,013	1,628
	1,825,215	1,818,042	1,206,696	1,359,734	-	-
	129,114	96,398	88,616	134,758	104,197	139,095
\$	173,640,185	\$ 176,784,170	\$ 171,916,738	\$ 164,834,536	\$ 160,328,121	\$ 151,922,948

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
 General School System Expenditures by Object  
 June 30, 2017

	SALARIES	EMPLOYEE BENEFITS
<b>Educational</b>		
Instruction	\$ 66,940,710	\$ 15,989,037
Supporting services	23,161,407	5,288,789
Community services	70,572	1,850
Nonprogrammed charges	-	-
Total educational	<u>90,172,689</u>	<u>21,279,676</u>
<b>Operations and maintenance</b>		
Supporting services	4,187,050	863,925
Community Services	-	-
Total operations and maintenance	<u>4,187,050</u>	<u>863,925</u>
<b>Transportation</b>		
Supporting services	4,201,255	568,732
Debt service	-	-
Total transportation	<u>4,201,255</u>	<u>568,732</u>
<b>Municipal retirement</b>		
Instruction	-	1,684,985
Supporting services	-	3,539,499
Community services	-	7,861
Total municipal retirement	<u>-</u>	<u>5,232,345</u>
<b>Debt service</b>	-	-
<b>Tort immunity</b>	-	-
Total	<u>\$ 98,560,994</u>	<u>\$ 27,944,678</u>
Budget	<u>\$ 102,895,215</u>	<u>\$ 30,868,547</u>

Source: 2017 Annual Financial Statements

\*All Governmental Funds. Excludes on-behalf payments.

PURCHASED SERVICES	SUPPLIES AND MATERIALS	CAPITAL OUTLAY	OTHER OBJECTS	NON-CAPITALIZED EQUIPMENT	TOTAL
\$ 828,457	\$ 3,620,928	\$ 31,233	\$ 2,354,870	\$ 90,975	\$ 89,856,210
5,487,787	717,283	1,996,684	231,021	93,551	36,976,522
5,942	17,506	-	63,612	-	159,482
-	-	-	2,971,455	-	2,971,455
6,322,186	4,355,717	2,027,917	5,620,958	184,526	129,963,669
7,007,474	4,851,727	4,078,141	220	-	20,988,537
-	3,225	-	-	-	3,225
7,007,474	4,854,952	4,078,141	220	-	20,991,762
695,384	881,951	1,337,460	-	28,777	7,713,559
-	-	-	211,558	-	211,558
695,384	881,951	1,337,460	211,558	28,777	7,925,117
-	-	-	-	-	1,684,985
-	-	-	-	-	3,539,499
-	-	-	-	-	7,861
-	-	-	-	-	5,232,345
-	-	-	23,486,180	-	23,486,180
1,751,145	-	-	-	-	1,751,145
\$ 15,776,189	\$ 10,092,620	\$ 7,443,518	\$ 29,318,916	\$ 213,303	\$ 189,350,218
\$ 14,228,870	\$ 11,065,694	\$ 4,888,600	\$ 29,310,751	\$ 157,375	\$ 193,415,052

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Schedule Of Property Tax Rates, Extensions And Collections  
Last Ten Tax Levy Years

	2016	2015	2014	2013
<b>Rates extended</b>				
Educational	3.5287	3.6225	3.6550	3.6913
Tort immunity	0.0650	0.0775	0.0782	0.0572
Special education	0.5454	0.5588	0.5638	0.3736
Operations and maintenance	0.6553	0.6531	0.6398	0.6164
Transportation	0.1784	0.1827	0.2034	0.2141
Municipal retirement	0.0835	0.0854	0.0862	0.0831
Bond and interest	0.7936	0.8353	0.8042	0.7493
Social Security	0.1001	0.1025	0.1034	0.0997
<b>Total rates extended</b>	<b>5.9500</b>	<b>6.1178</b>	<b>6.1340</b>	<b>5.8847</b>
<b>Levies extended</b>				
Educational	\$ 99,153,202	\$ 98,170,500	\$ 96,942,067	\$ 99,672,695
Tort immunity	1,827,410	2,098,919	2,073,468	1,544,898
Special education	15,326,344	15,143,302	14,954,064	10,087,065
Operations and maintenance	18,413,503	17,699,891	16,969,393	16,645,499
Transportation	5,014,180	4,951,688	5,395,076	5,781,045
Municipal retirement	2,345,252	2,314,312	2,286,292	2,242,727
Bond and interest	22,300,957	22,638,218	21,330,957	20,233,177
Social Security	2,813,302	2,777,972	2,743,556	2,691,223
<b>Total levies extended</b>	<b>\$ 167,194,150</b>	<b>\$ 165,794,802</b>	<b>\$ 162,694,873</b>	<b>\$ 158,898,329</b>
<b>Total collections</b>	<b>\$ 81,672,426</b>	<b>\$ 165,427,565</b>	<b>\$ 161,748,001</b>	<b>\$ 158,188,269</b>
<b>Percentage of extensions collected</b>	<b>48.85%</b>	<b>99.78%</b>	<b>99.42%</b>	<b>99.55%</b>

Source: 2007-2016 Tax Extension Reports

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

2012	2011	2010	2009	2008	2007
3.7467	3.3818	3.1860	2.8529	2.8733	2.8607
0.0643	0.0632	0.0728	0.0363	0.0333	0.0337
0.0751	0.0669	0.0500	0.0442	0.0405	0.0367
0.5970	0.5433	0.4888	0.4578	0.4198	0.4193
0.1984	0.1772	0.1395	0.1383	0.1303	0.1063
0.0777	0.0702	0.0505	0.0626	0.0434	0.0476
0.6678	0.6313	0.5621	0.4962	0.4975	0.4973
0.0929	0.0836	0.0543	0.0762	0.0535	0.0500
5.5199	5.0175	4.6040	4.1645	4.0916	4.0516
\$ 104,831,672	\$ 101,186,406	\$ 101,469,948	\$ 97,043,101	\$ 98,612,669	\$ 94,350,340
1,799,994	1,890,634	2,319,597	1,232,895	1,142,970	1,112,760
2,099,998	2,000,593	1,592,002	1,502,973	1,391,397	1,209,602
16,700,014	16,255,929	15,567,890	15,557,680	14,407,193	13,800,000
5,549,999	5,301,812	4,441,600	4,699,231	4,471,640	3,499,983
2,175,009	2,100,678	1,645,487	2,127,375	1,490,621	1,568,552
18,682,049	18,890,992	17,912,917	16,872,950	17,079,215	16,386,832
2,599,998	2,500,958	1,758,403	2,589,050	1,838,462	1,649,164
\$ 154,438,733	\$ 150,128,002	\$ 146,707,844	\$ 141,625,255	\$ 140,434,167	\$ 133,577,233
\$ 153,720,168	\$ 149,662,989	\$ 146,152,800	\$ 141,530,794	\$ 139,889,466	\$ 133,298,275
99.53%	99.69%	99.62%	99.93%	99.61%	99.79%



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Equalized Assessed Valuation and  
Actual Value Of Taxable Property  
Last Ten Tax Levy Years

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Tax Levy Year	Equalized Assessed Valuation	Amount of Increase/(Decrease) Over Previous Year	Percentage Increase/(Decrease) Over Previous Year	Actual Estimated Value *
2016	\$ 2,809,930,483	\$ 99,899,303	3.69%	\$ 8,429,791,449
2015	2,710,031,180	57,689,144	2.18%	8,130,093,540
2014	2,652,342,036	(47,902,616)	-1.77%	7,957,026,108
2013	2,700,244,652	(115,833,044)	-4.11%	8,100,733,956
2012	2,816,077,696	(194,986,065)	-6.48%	8,448,233,088
2011	3,011,063,761	(195,860,253)	-6.11%	9,033,191,283
2010	3,206,924,014	(213,650,859)	-6.25%	9,620,772,042
2009	3,420,574,873	(35,457,027)	-1.03%	10,261,724,619
2008	3,456,031,900	160,612,399	4.87%	10,368,095,700
2007	3,295,419,501	250,705,104	8.23%	9,886,258,503

\* Equalized Assessed Valuation is one-third of the Actual Estimated Value.

Source: Kane County Levy, Rate and Extension Reports for the years 2007 to 2016.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Major Categories of Equalized Assessed Valuation  
Last Ten Tax Levy Years

TAX LEVY YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	RURAL	RAILROAD	TOTAL
Percent of total 2016	79.72%	13.71%	5.93%	0.55%	0.09%	100.00%
2016	\$ 2,240,137,553	\$ 385,305,232	\$ 166,531,981	\$ 15,384,638	\$ 2,571,079	\$ 2,809,930,483
2015	2,151,084,973	381,183,193	159,967,384	15,387,025	2,408,605	2,710,031,180
2014	2,089,101,192	383,041,859	162,712,306	15,436,073	2,050,606	2,652,342,036
2013	2,121,540,001	392,249,831	169,606,392	14,999,412	1,849,016	2,700,244,652
2012	2,206,504,507	412,019,388	181,509,540	14,613,748	1,430,513	2,816,077,696
2011	2,372,720,276	432,957,139	188,887,401	15,217,771	1,281,174	3,011,063,761
2010	2,529,648,032	460,941,821	198,773,386	16,297,206	1,263,569	3,206,924,014
2009	2,706,978,308	490,571,142	205,078,832	16,976,881	969,710	3,420,574,873
2008	2,749,665,400	481,627,875	207,714,477	16,219,922	804,226	3,456,031,900
2007	2,660,618,892	427,803,334	191,511,760	14,785,164	700,351	3,295,419,501

Source of information: Kane County Levy, Rate and Extension Reports for the years 2007 to 2016.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Ratio of Net General Bonded Debt to Assessed Valuation  
and Net General Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levy Year	Net General Bonded Debt	Equalized Assessed Valuation	Percentage of Net General Bonded Debt to Assessed Valuation	Estimated population	Net Bonded Debt Per Capita
2017	2016	\$ 50,481,785	\$ 2,809,930,483	1.80%	58,000	\$ 870
2016	2015	51,195,604	2,710,031,180	1.89%	58,000	883
2015	2014	70,508,012	2,652,342,036	2.66%	58,000	1,216
2014	2013	87,090,781	2,700,244,652	3.23%	58,000	1,502
2013	2012	102,598,804	2,816,077,696	3.64%	58,000	1,769
2012	2011	117,167,881	3,011,063,761	3.89%	58,000	2,020
2011	2010	128,725,942	3,206,924,014	4.01%	55,000	2,340
2010	2009	137,459,463	3,420,574,873	4.02%	55,000	2,499
2009	2008	146,925,554	3,456,031,900	4.25%	55,000	2,671
2008	2007	156,935,770	3,295,419,501	4.76%	55,000	2,853

Source of information: Annual Financial Statements 2008 to 2017.

Note: Population estimates were based on official U.S. Census, Local, City, Village and School data.

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Ratio of Annual Debt Service Expenditures for General Bonded  
Debt to Total General Expenditures  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Principal	Interest and Other Charges	Total Debt Services Expenditures (1)	Total General Expenditures (2)	Percentages of Annual Debt Service Fund Expenditures to General Expenditures
2017	\$ 21,315,000	\$ 1,678,125	\$ 22,993,125	\$ 189,350,218	12.14%
2016	19,490,000	2,664,709	22,154,709	187,272,283	11.83%
2015	18,130,000	3,789,742	21,919,742	188,431,900	11.63%
2014	15,375,000	5,660,149	21,035,149	185,296,898	11.35%
2013	12,445,000	6,260,924	18,705,924	174,319,585	10.73%
2012	10,960,000	6,777,998	17,737,998	176,960,562	10.02%
2011	9,605,000	7,100,793	16,705,793	173,472,682	9.63%
2010	9,560,000	7,459,752	17,019,752	165,690,509	10.27%
2009	8,475,000	7,777,605	16,252,605	163,665,750	9.93%
2008	6,950,000	8,525,629	15,475,629	152,415,250	10.15%

(1) Represents payments of principal, interest and other charges on general bonded debt.

(2) Total general expenditures include expenditures for all Governmental Funds except for the on-behalf payments.

Source of information: 2008 - 2017 Annual Financial Statements.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Operating Cost and Tuition Change

June 30, 2017 and 2016

	2017	2016
<b>Operating cost per pupil</b>		
Average Daily Attendance (ADA):	11,157	11,544
Operating Costs		
Educational	\$ 129,963,669	\$ 133,117,182
Operations and Maintenance	20,991,762	17,541,039
Debt Service	23,486,180	22,368,228
Transportation	7,925,117	8,018,410
Municipal Retirement/Social Security	5,232,345	5,144,606
Tort Immunity	1,751,145	1,082,818
Subtotal	<u>189,350,218</u>	<u>187,272,283</u>
Less Revenues/Expenditures of No regular Programs		
Tuition	5,317,139	7,236,520
Early childhood	1,234,087	1,165,869
Summer school	495,745	584,649
Capital outlay	7,443,518	6,612,133
Non-capitalized equipment	213,303	467,543
Debt principal retired	21,555,000	19,725,000
Community services	170,568	206,122
Subtotal	<u>36,429,360</u>	<u>35,997,836</u>
Operating costs	<u>\$ 152,920,858</u>	<u>\$ 151,274,447</u>
Operating Cost Per Pupil - based on ADA	<u>\$ 13,706</u>	<u>\$ 13,104</u>
<b>Tuition charge</b>		
Operating costs	\$ 152,920,858	\$ 151,274,447
Less offsetting revenues	<u>(19,112,679)</u>	<u>(18,225,233)</u>
Net operating costs	133,808,179	133,049,214
Depreciation allowance	<u>5,067,335</u>	<u>5,175,969</u>
Allowable Tuition Costs	<u>\$ 138,875,514</u>	<u>\$ 138,225,183</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 12,447</u>	<u>\$ 11,974</u>

Source: 2016 and 2017 Annual Financial Report

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Enrollment Data

Last Ten Fiscal Years

	2017	2016	2015	2014
PS/EC/PK	256	222	242	216
Kindergarten	714	708	682	703
1st Grade	735	699	730	770
2nd Grade	699	754	780	819
3rd Grade	768	813	840	900
4th Grade	831	864	920	986
5th Grade	875	928	993	1,086
6th Grade	945	1,010	1,114	1,065
7th Grade	999	1,127	1,076	1,108
8th Grade	1,117	1,079	1,096	1,076
9th Grade	1,071	1,098	1,114	1,107
10th Grade	1,067	1,093	1,100	1,184
11th Grade	1,068	1,093	1,170	1,074
12th Grade	1,038	1,080	1,088	1,095
Special education, private placement, and homebound students	349	207	266	226
<b>Total students</b>	<b>12,532</b>	<b>12,775</b>	<b>13,211</b>	<b>13,415</b>
Elementary (Kindergarten to Grade 5)	4,878	4,988	5,187	5,480
Junior High School (Grades 6-8)	3,061	3,216	3,286	3,249
High School (Grades 9-12)	4,244	4,364	4,472	4,460
Private placement and homebound	349	207	266	226
<b>Total</b>	<b>12,532</b>	<b>12,775</b>	<b>13,211</b>	<b>13,415</b>
Average Daily Attendance	11,543.94	11,740.97	12,074.58	12,130.40
Assessed valuation per student in average daily attendance	\$ 234,758	\$ 222,572	\$ 223,631	\$ 230,646

Source of information: Business Office

2013	2012	2011	2010	2009	2008
231	185	-	-	-	-
702	695	791	897	908	883
784	771	922	1,003	968	996
870	855	1,010	979	1,016	985
963	951	994	1,016	995	1,046
1,069	1,069	1,044	1,002	1,062	1,096
1,043	1,043	1,012	1,054	1,096	1,012
1,106	1,092	1,085	1,141	1,070	1,123
1,060	1,063	1,148	1,077	1,131	1,073
1,109	1,105	1,086	1,131	1,087	1,034
1,187	1,188	1,149	1,095	1,038	1,094
1,089	1,094	1,102	1,029	1,083	1,059
1,106	1,141	1,039	1,070	1,045	1,022
1,061	1,094	1,113	1,028	942	918
182	214	239	299	318	302
13,562	13,560	13,734	13,821	13,759	13,643
5,712	5,619	5,814	6,087	6,222	6,210
3,302	3,284	3,331	3,349	3,288	3,234
4,449	4,595	4,420	4,216	4,108	4,097
99	62	169	169	141	102
13,562	13,560	13,734	13,821	13,759	13,643
12,274.37	12,426.23	12,470.41	12,807.13	12,427.46	12,563.65
\$ 243,766	\$ 256,435	\$ 274,295	\$ 258,556	\$ 278,096	\$ 262,863

**COMMUNITY UNIT SCHOOL DISTRICT 303**

District Attendance Centers

June 30, 2017

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BUILDINGS	GRADES	ADDRESS	PRINCIPAL
Anderson Elementary	K-5	35W071 Villa Marie Road	Ms. Patricia Gonzales
Bell-Graham Elementary	K-5	4N505 Fox Mill Blvd.	Ms. Pariciai Palagi
Corron Elementary	K-5	455 Thornwood Way	Ms. Amanda Clark
Davis Elementary	K-5	1125 S. 7th Street	Ms. Denise Liechtly
Ferson Creek Elementary	K-5	38W160 Bolcum Road	Ms. Kelly Sculles
Fox Ridge Elementary	K-5	1905 Tyler Road	Ms. Amy Stuckey
Lincoln Elementary	K-5	211 South 6th Avenue	Ms. Christine Balaskovits
Munhall Elementary	K-5	1200 South 13th Avenue	Mr. Jarod Buxton
Norton Creek Elementary	K-5	2033 Smith Road	Mr. Anthony White
Richmond Elementary	K-5	300 S. 12th Street	Mr. Rosalind Ascharya
Wasco Elementary	K-5	4N782 School Street	Ms. Barbara Stokke
Wild Rose Elementary	K-5	36W730 Red Haw Lane	Mr. Robert Allison
Haines Middle School	6-8	305 S. 9th Street	Ms. Pamela Jensen
Thompson Middle School	6-8	705 West Main Street	Mr. Tim Loversky
Wredling Middle School	6-8	1200 Dunham Road	Mr. Steve Morrill
St. Charles East High	9-12	1020 Dunham Road	Mr. Charlie Kyle
St. Charles North High	9-12	255 Red Gate Road	Ms. Audra Christensen



**COMMUNITY UNIT SCHOOL DISTRICT 303**

Computation of Legal Debt Margin

June 30, 2017

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Assessed valuation of taxable properties for the tax year 2016	\$ 2,809,930,483
Rate*	<u>13.8%</u>
Debt Limit	<u>387,770,407</u>
Debt outstanding at June 30, 2017	61,630,000
Less: Debt service fund equity as of June 30, 2017	<u>(11,148,215)</u>
Debt applicable to Debt Margin	<u>50,481,785</u>
Legal debt margin at June 30, 2017	<u>\$ 337,288,622</u>

\* This percentage is in accordance with the recommendation of the Illinois State Board of Education as stated in the School Code of Illinois, Article 19, paragraph 19-1. The principal amount of debt outstanding for unit school districts in Kane County, Illinois is limited to 13.8% of the District's assessed valuation.

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Principal Taxpayers in the District

June 30, 2017

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TAXPAYER	EQUALIZED ASSESSED VALUATION	PERCENT OF TOTAL ASSESSED VALUATION
Q-Center LLC	\$ 16,165,049	1.22%
AMLI at St. Charles, LLC	13,327,010	1.01%
St. Charles Country Club	6,010,071	0.45%
Ashford St. Charles	5,759,241	0.43%
Sir Park Shor LLC	5,416,125	0.41%
Meijer Stores Limited Partnership	5,145,543	0.39%
Delnor Community Residential Living Inc.	5,126,514	0.39%
State Main Street Holding LLC	5,041,013	0.38%
RR Donnelly & Sons	4,903,329	0.37%
Axiom St. Charles LLC	4,890,167	0.37%
	<u>\$ 71,784,062</u>	<u>5.42%</u>

SOURCE OF INFORMATION: City of St. Charles Website - 4/30/2016 CAFR

**COMMUNITY UNIT SCHOOL DISTRICT 303**  
Principal Employers in the District  
June 30, 2017

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TAXPAYER	PRODUCT OR SERVICE	NUMBER OF EMPLOYEES
Community Unit School District 303	Education K-12	1,660
R.R. Donnelly & Sons	Print, digital and supply chain solutions	936
Omron Automotive	Automotive relays and controls	800
Armour-Erickson Meats LLC	Manufacturing facility	350
City of St. Charles	Municipality	300
Jewel-Osco Stores	Retail stores	270
Pheasant Run Resort & Spa	Resort hotel and conference center	250
Do Paco Inc	Packaging	191
DuKane Corporation	Intelligent assembly solutions	183
System Sensor	Mfg. commercial smoke detectors & fire equipment	150

SOURCE OF INFORMATION: City of St. Charles Website - 4/30/2016 CAFR

**COMMUNITY UNIT SCHOOL DISTRICT 303**

Demographic and Miscellaneous Statistics

June 30, 2017

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Year of Incorporation	1949
Estimated population served	58,000
Mean home value - St. Charles Township	\$266,000
- Campton Township	\$395,100
Area served (57.4 square miles)	Portion of Townships
Kane	Campton Elgin Plato St. Charles
DuPage	Wayne
Number of schools	Twelve elementary schools Three middle schools Two high schools
Student enrollment	12,532
Certified staff	1,085
Faculty with master's degrees	88%
Enrollment per certified staff member	11.55:1
Student transportation	131 buses