

**PROVISO TOWNSHIP HIGH SCHOOL
DISTRICT NO. 209
[Forest Park, Illinois]**

**Audited Financial Statements
And
Supplementary Financial Information**

June 30, 2017

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ANNUAL FINANCIAL REPORT
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Independent Auditors' Report

Board of Education
Proviso Township High School District No. 209
Forest Park, 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 Proviso Township High School District No. 209 (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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District 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 on pages 4 through 12, and the budgetary comparison schedule, schedule of funding progress, required pension schedules, and related notes on pages 51 through 59 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 schedules and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report of Comparative Other Information

We also have previously 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 individual fund financial schedules, for the year ended June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The 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 individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Matheson, Morpki, Austin & Co. LLP

Wheaton, Illinois
October 9, 2017

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

The discussion and analysis of Proviso Township High School District 209's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The District improved its overall financial position for fiscal year 2017 from fiscal year 2016.
- Total government-wide revenue of \$107.1 million exceeded expenses of \$104.6 million by \$2.5 million.
- Total governmental funds had expenditures of \$109.1 million that exceeded revenues of \$107.1 million by \$2.0 million.
- The District issued \$16.4 million in general obligation bonds during the year to refund the 2004 bonds with a lower interest rate.
- As of June 30, 2017, the total fund balance for all governmental funds equaled \$63.3 million which is a \$1.7 million decrease from the prior year.
- The estimated 2017 financial profile designation for the District is "Recognition," which will be the seventh year in a row. The final score will be calculated by the Illinois State Board of Education.

Overview of the Financial Statements

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

Government-wide financial statements

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

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

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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

The government-wide financial statements present the District's operating structure in a functional manner. The District's governmental activities include instructional services (regular, special, and other education), support services, community services, non-programmed services, and other services. The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Fund financial statements

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

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

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

The District's major funds include the General Fund (Educational Account, Operations and Maintenance Account, and Working Cash Account) and the Debt Service Fund. The District's non-major governmental funds consist of the Transportation Fund, Municipal Retirement/Social Security Fund, Tort Immunity Fund, Capital Projects Fund, and Fire Prevention and Safety Fund. Users who want to obtain information on non-major funds can find it in the "Combining and Individual Fund Schedules" section of this report.

The District's individual funds are established based upon legal requirements and the Illinois Administrative Code. The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget. Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to the financial statements

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

Required supplementary information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its pension obligation through the Illinois Municipal Retirement Fund and Teacher's Retirement System as well as its progress in funding the other postemployment benefit plan obligation.

District-Wide Financial Analysis

Statement of Net Position:

As indicated in Table 1, net capital assets totaled \$68.2 million, representing approximately 41.5% of total assets for the year ended June 30, 2017. Long-term liabilities outstanding totaled \$72.5 million, or 95.5% of total liabilities. This represents an increase in long-term liabilities of only 0.4% from fiscal year 2016 caused by the issuance of debt during the year. Other liabilities totaled \$3.4 million, which is an increase of \$0.7 million from fiscal year 2016. As a result, overall total liabilities increased by \$1.1 million or 1.4% from 2016.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expense) until then. The District has a deferred charge on refunding of bonds of \$3.1 million that resulted from the difference in the outstanding balance of refunded debt and its reacquisition price. Additionally, the District has deferred outflows of \$7.0 million related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This represents an increase of net position or fund balance that applies to future periods and so will not be recognized as revenue until that time. A deferred inflow of resources of \$29.4 million resulted from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund operations. Additionally, the District had deferred inflows of \$0.9 million related to the Teachers' Retirement System pension.

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

As a result of the change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources noted, net position increased 3.9%, or \$2.5 million. Total net position, as of June 30, 2017, was \$68.0 million. Of this total, \$12.5 million, or 18.4%, was restricted. Additional information is available in the Statement of Net Position of the financial statements.

Table 1 Condensed Statement of Net Position District-Wide (in millions of dollars)			
	<u>2017</u>	<u>2016</u>	<u>Percentage</u> <u>Change</u>
Assets:			
Current and other assets	\$95.9	\$96.2	-0.3%
Capital assets	<u>68.2</u>	<u>64.4</u>	5.9%
Total assets	<u>164.1</u>	<u>160.6</u>	2.2%
Deferred outflows of resources:			
Deferred charge on refunding	3.1	3.4	-8.8%
Pension	<u>7.0</u>	<u>6.2</u>	12.9%
Total deferred outflows of resources	<u>10.1</u>	<u>9.6</u>	5.2%
Liabilities:			
Long-term liabilities	72.5	72.1	0.6%
Other liabilities	<u>3.4</u>	<u>2.7</u>	25.9%
Total liabilities	<u>75.9</u>	<u>74.8</u>	1.5%
Deferred inflows of resources:			
Property taxes levied for subsequent year	29.4	28.7	2.4%
Pension	<u>0.9</u>	<u>1.2</u>	-25.0%
Total deferred inflows of resources	<u>30.3</u>	<u>29.9</u>	1.3%
Net position:			
Net investment in capital assets	18.0	13.8	30.4%
Restricted	12.5	12.5	0.0%
Unrestricted	<u>37.5</u>	<u>39.2</u>	-4.3%
Total net position	<u>\$68.0</u>	<u>\$65.5</u>	3.8%

Statement of Activities:

Table 2 illustrates revenues and expenses from fiscal year 2017 and the ending net position of \$68.0 million. Comparative data for fiscal year 2016 is also illustrated.

The District's total revenues were \$107.1 million. Property taxes were 58.1% of the total, or \$62.3 million. Operating grants for specific programs brought in \$24.6 million in revenues.

The total cost of all programs and services was \$104.6 million. The District's expenses related to instruction accounted for 58.6% of the total, or \$61.3 million. The District's expenses in support services were 38.6% of total costs or \$40.4 million. Total revenues exceeded total expenses, increasing net position by \$2.5 million for the year.

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

Table 2 Statement of Activities (in millions of dollars)			
	<u>2017</u>	<u>2016</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$0.7	\$0.7	0.0%
Operating grants & contributions	24.6	12.0	105.0%
Capital grants & contributions	0.3	0	100.0%
General revenues:			
Property taxes	62.3	61.9	0.6%
General state aid	13.7	12.3	11.4%
Other	<u>5.5</u>	<u>3.5</u>	<u>57.1%</u>
Total revenues	<u>107.1</u>	<u>90.40</u>	<u>18.5%</u>
Expenses:			
Instruction	61.3	47.4	29.3%
Support Services	40.4	36.7	10.1%
Interest	<u>2.9</u>	<u>3.0</u>	<u>-3.3%</u>
Total Expenses	<u>104.6</u>	<u>87.1</u>	<u>20.1%</u>
Change in net position	2.5	3.3	-24.2%
Net position - beginning of year, as restated	<u>65.5</u>	<u>62.2</u>	
Net position - end of year	\$68.0	\$65.5	

Financial Analysis of the District's Funds

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

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$63.3 million. Of this amount, \$38.2 million constitutes *unassigned fund balance*. The Debt Service Fund, and total non-major funds have a combined *restricted fund balance* of \$20.7 million. The District has assigned \$3.3 million of fund balance to be used for the District's self-funded health and dental insurance program. The nonspendable portion of \$1.0 million represents prepaid amounts for collective liability insurance.

Educational Account of the General Fund

The greatest variety and the largest volume of transactions are recorded in the Educational Account because the Educational Account covers all transactions that are not specifically covered in another account or fund.

Certain expenditures that must be charged to this Account include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this Account include educational tax levies, tuition, and student fee revenue.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2017

At the end of the current fiscal year, the Educational Account had an unassigned fund balance of \$30.9 million. The unassigned fund balance at June 30, 2016 was \$33.6 million. This represents a decrease of approximately \$2.7 million in the Educational Account.

Operations and Maintenance Account of the General Fund

All costs of maintaining, improving, or repairing school buildings and property, renting buildings, and property for school purposes or paying premiums for insurance on school buildings are reported in the Operations and Maintenance Account. All salaries and insurance benefit costs of custodial and maintenance employees, including all costs of fuel, lights, natural gas, water, telephone service, custodial supplies, and equipment are included in the Operations and Maintenance Account.

The Operations and Maintenance Account unassigned fund balance for the current year is \$4.1 million. The unassigned fund balance at June 30, 2016 was \$2.8 million. This represents an increase of \$1.3 million from the previous fiscal year.

Working Cash Account of the General Fund

The Working Cash Account is created either by a separate tax levy or by the sale of bonds. Interfund loans from the Working Cash Account may be made to any fund for which taxes are levied.

At the end of the current fiscal year, the Working Cash Account had a fund balance of \$3.2 million. The ending fund balance at the end of fiscal year 2016 was also \$3.2 million.

Debt Service Fund

Bonds are generally issued to finance the construction on buildings and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund.

At the end of the current fiscal year, the Debt Service Fund had a fund balance of \$5.4 million. This fund balance can only be used to pay the District's outstanding debt. The ending fund balance at the end of fiscal year 2016 was \$5.3 million, which reflects an increase of \$0.1 million.

Transportation Fund

This fund is created if a separate tax is levied for providing resources for transporting pupils for any purpose whether the District provides the transportation itself or hires an outside company to provide the transportation services.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Costs of transportation may include the purchase of vehicles, insurance of buses, salaries, insurance benefit costs, and the costs of hiring an outside service. Monies received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g. utility costs from the General Fund's Operations and Maintenance Account).

At the end of the current fiscal year, the Transportation Fund had a fund balance of \$3.9 million. The fund balance at the close of fiscal year 2016 was \$3.6 million, an increase of \$0.3 million.

Illinois Municipal Retirement/Social Security Fund

This Fund is created if a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the District's share of Social Security and Medicare payments for covered employees. If these two taxes are not levied, the payments shall be charged to the fund where the salaries are charged.

At the end of the current fiscal year, the Municipal Retirement/Social Security Fund had a fund balance of \$1.9 million. The ending fund balance at the end of fiscal year 2016 was \$2.4 million, a decrease of \$0.5 million.

Tort Immunity Fund

This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes. At the end of the current fiscal year, the Tort Immunity Fund had a fund balance of \$0.2 million. The ending fund balance at the end of the fiscal year 2016 was also \$0.2 million.

Capital Projects Fund

If bonds are issued for construction purposes, the funds are deposited to the Capital Projects Fund. Monies may also be transferred into the fund from other funds for the use of capital projects. Funds can be used for the acquisition or construction and renovation of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund had a fund balance of \$8.1 million. The fund balance at the end of fiscal year 2016 was \$10.1 million. The fund balance decreased by \$2.0 million from the previous fiscal year.

Fire Prevention and Safety Fund

This fund accounts for the state-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes. At the end of the current fiscal year, the Fire Prevention and Safety Fund had a fund balance of \$1.2 million. The fund balance at the end of fiscal year 2016 was \$1.1 million, an increase of \$0.1 million.

The District's total revenues were \$107.1 million. Approximately 64.0% of total governmental fund revenues come from local sources, 32.8% from state sources, and 3.2% from federal sources.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2017

General Fund Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. All annual unencumbered appropriations lapse at fiscal year-end. The budget is prepared by fund, function, object, and program.

- For this fiscal year, the Board adopted a General Fund budget that reflected an operating surplus of \$1.2 million before other financing sources and uses.
- The General Fund ended the year with an operating surplus of \$6.4 million. This resulted in a favorable surplus for the year of \$5.2 million more than budgeted.

Capital Asset and Debt Administration

Capital assets

Table 3 below illustrates capital assets, net of depreciation, which reflect an increase of \$3.7 million related to completed construction projects. Additional information is available in Note 3 – Capital Assets.

Table 3 Capital Assets (net of depreciation) <i>(in millions of dollars)</i>			
	<u>2017</u>	<u>2016</u>	<i>Percentage Change</i>
Land	\$0.7	\$0.7	0.0%
Construction in progress	1.4	0.3	300.0%
Buildings	63.4	61.3	3.4%
Equipment and furniture	<u>2.7</u>	<u>2.1</u>	28.6%
Total	<u>\$68.2</u>	<u>\$64.4</u>	5.9%

Long-term debt

Table 4 illustrates the repayment of the District's outstanding long-term debt, according to the existing debt payment schedule. As of June 30, 2017, the District had \$58.9 million in general obligation debt, \$1.2 million in debt certificates, \$11.0 million related to IMRF and TRS net pension liabilities and approximately \$1.4 million in other long-term debt outstanding. As of the end of the prior fiscal year, the District had \$62.1 million in general obligation debt, \$1.2 million in debt certificates, \$8.1 million related to IMRF and TRS net pension liabilities, and approximately \$0.6 million in other long-term debt outstanding. Additional information is available in Note 4 – Changes in Long-Term Liabilities.

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2017

The District is subject to the Illinois School Code, which limits the amount of certain bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$146.6 million, providing a debt margin of \$82.4 million.

Table 4 Outstanding Long-Term Debt <i>(in millions of dollars)</i>			
	<u>2017</u>	<u>2016</u>	<i>Percentage Change</i>
General obligation bonds	\$58.8	\$62.1	-5.3%
Debt certificates	1.2	1.3	-7.7%
Net pension liability	11.0	8.1	35.8%
Other	<u>1.5</u>	<u>0.6</u>	150.0%
Total long-term debt	<u>\$72.5</u>	<u>\$72.1</u>	0.6%

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may have a significant effect on the District's financial position or results of operations:

- The district is currently developing a master facility plan. This review will develop a long-term plan for the District to update its facilities to the needs of the students and the community.
- Proviso High School District is working with Proviso Township Treasurer's Office and other districts in selecting and upgrading to a new financial system starting July 1, 2018. The new system will allow for more efficient and effective human resources and financial systems.
- Fiscal year 2018 has several new initiatives to improve student learning including personalized learning labs that will allow student additional time to either get ahead or catch up on graduation credits.
- Fiscal Year 2018 also has a significant increase in technology spending for one-time infrastructure upgrades to allow added use of technology throughout the district.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please call the Business Office, Proviso Township High Schools District 209, 8601 West Roosevelt Road, Forest Park, Illinois 60130.

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BASIC FINANCIAL STATEMENTS

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENTS OF NET POSITION
JUNE 30, 2017

	Governmental Activities
Assets:	
Cash and investments	\$ 61,367,714
Receivables:	
Property taxes	29,338,378
Intergovernmental	4,081,098
Interest	111,424
Prepaid items	1,034,855
Capital assets:	
Land and construction in progress	2,055,215
Other capital assets, net of depreciation	66,109,899
Total assets	<u>164,098,583</u>
Deferred outflows of resources:	
Teachers' Retirement System	2,980,595
Illinois Municipal Retirement Fund	4,022,731
Deferred charge on refunding	3,107,922
Total deferred outflows of resources	<u>10,111,248</u>
Liabilities:	
Accounts payable	1,277,905
Accrued interest	107,509
Accrued payroll expenditures	247,259
Unearned revenue	1,781,504
Long-term liabilities	
Due within one year	4,348,983
Due in more than one year	68,151,579
Total liabilities	<u>75,914,739</u>
Deferred inflows of resources:	
Teachers' Retirement System	764,579
Illinois Municipal Retirement Fund	165,648
Property taxes levied for subsequent year	29,338,378
Total deferred inflows of resources	<u>30,268,605</u>
Net Position:	
Net investment in capital assets	18,020,658
Restricted for:	
Tort immunity	195,643
Capital projects	1,211,846
Debt service	5,258,168
Retirement	1,926,560
Transportation	3,905,487
Unrestricted	37,508,125
Total net position	<u><u>\$ 68,026,487</u></u>

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental activities:					
Instructional services:					
Regular programs	\$ 22,674,322	\$ 632,662	\$ 307,427	\$ -	\$ (21,734,233)
Special programs	19,002,564	-	4,355,671	-	(14,646,893)
Other programs	2,052,318	-	-	-	(2,052,318)
State on-behalf payments	17,611,459	-	17,611,459	-	-
Supporting services:					
Students	7,388,658	-	-	-	(7,388,658)
Instructional staff	2,712,508	-	-	-	(2,712,508)
District administration	2,511,277	-	-	-	(2,511,277)
School administration	3,258,423	-	-	-	(3,258,423)
Business	1,547,945	-	-	-	(1,547,945)
Operation and maintenance					
of facilities	12,596,543	-	-	267,386	(12,329,157)
Transportation	4,103,631	350	1,061,639	-	(3,041,642)
Food service	1,204,385	40,841	1,252,759	-	89,215
Staff	4,902,424	-	-	-	(4,902,424)
Other	52,835	-	-	-	(52,835)
Community services	54,921	-	-	-	(54,921)
Interest on long-term liabilities	2,938,652	-	-	-	(2,938,652)
Total school district	\$ 104,612,865	\$ 673,853	\$ 24,588,955	\$ 267,386	(79,082,671)
General revenues:					
Property taxes levied for:					
General purposes					51,210,865
Transportation					1,636,824
Retirement					1,621,234
Debt service					7,274,841
Capital outlay					281,201
Surplus money from TIF districts					330,438
Federal and state aid not restricted to					13,679,973
specific purposes					
Earnings on investments					379,496
Miscellaneous					5,191,867
Total general revenues					81,606,739
Change in net position					2,524,068
Net position - beginning of year					65,502,419
Net position - ending					\$ 68,026,487

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Debt Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 41,248,318	\$ 5,356,393	\$ 14,763,003	\$ 61,367,714
Receivables (net of allowance for uncollectibles):				
Property taxes	24,831,157	2,674,789	1,832,432	29,338,378
Intergovernmental	3,156,580	-	924,518	4,081,098
Interest	76,631	9,284	25,509	111,424
Prepaid items	1,034,855	-	-	1,034,855
TOTAL ASSETS	<u>\$ 70,347,541</u>	<u>8,040,466</u>	<u>\$ 17,545,462</u>	<u>\$ 95,933,469</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,161,229	-	\$ 116,676	\$ 1,277,905
Accrued payroll expenditures	247,259	-	-	247,259
Unearned revenue	1,543,128	-	238,376	1,781,504
Total Liabilities	<u>2,951,616</u>	<u>-</u>	<u>355,052</u>	<u>3,306,668</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	24,831,157	2,674,789	1,832,432	29,338,378
Total deferred inflows of resources	<u>24,831,157</u>	<u>2,674,789</u>	<u>1,832,432</u>	<u>29,338,378</u>
Fund Balances:				
Nonspendable	1,034,855	-	-	1,034,855
Restricted	-	5,365,677	15,357,978	20,723,655
Assigned	3,330,010	-	-	3,330,010
Unassigned	38,199,903	-	-	38,199,903
Total Fund Balances	<u>42,564,768</u>	<u>5,365,677</u>	<u>15,357,978</u>	<u>63,288,423</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 70,347,541</u>	<u>\$ 8,040,466</u>	<u>\$ 17,545,462</u>	<u>\$ 95,933,469</u>

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

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

Total fund balance - governmental funds	\$ 63,288,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$126,036,368 and the accumulated depreciation is \$57,871,254.	68,165,114
Accrued interest payable was recognized for governmental activities, but is not due and payable from funds available in the current period and therefore is not reported as a liability in the governmental funds.	(107,509)
Long-term liabilities, including bonds payable, capital leases, and pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(58,767,382)
Debt certificates payable	(1,191,867)
Deferred issuance premium	(1,411,571)
Deferred charge on refunding	3,107,922
Net other post employment benefits	(117,708)
Net pension liability - Teachers' Retirement System	(8,709,160)
Net pension liability - Illinois Municipal Retirement Fund	(2,302,874)
Deferred outflows and deferred inflows, related to the pensions, represent a consumption of or increase to net pension, that apply to future periods and therefore are not reported in the funds.	
Deferred outflow - Teachers' Retirement System	2,980,595
Deferred outflow - Illinois Municipal Retirement Fund	4,022,731
Deferred inflow - Teachers' Retirement System	(764,579)
Deferred inflow - Illinois Municipal Retirement Fund	<u>(165,648)</u>
Total net position - governmental activities	<u><u>\$ 68,026,487</u></u>

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Debt Services	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	\$ 51,199,050	\$ 5,490,181	\$ 3,551,074	\$ 60,240,305
Other local sources	6,157,485	-	2,135,658	8,293,143
State sources	33,637,271	-	1,561,639	35,198,910
Federal sources	3,404,575	-	-	3,404,575
Total Revenues	<u>94,398,381</u>	<u>5,490,181</u>	<u>7,248,371</u>	<u>107,136,933</u>
EXPENDITURES:				
Current operating:				
Instruction	49,669,899	-	601,834	50,271,733
Supporting services	30,506,221	-	13,902,417	44,408,638
Community services	54,921	-	-	54,921
Payments to other districts and governmental units	7,729,429	-	754,081	8,483,510
Debt service:				
Payment of principal on long-term debt	-	4,053,983	-	4,053,983
Interest on long-term debt	-	1,565,151	-	1,565,151
Service charges	-	278,982	-	278,982
Total Expenditures	<u>87,960,470</u>	<u>5,898,116</u>	<u>15,258,332</u>	<u>109,116,918</u>
Excess (deficiency) of revenues over	<u>6,437,911</u>	<u>(407,935)</u>	<u>(8,009,961)</u>	<u>(1,979,985)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	6,000,000	156,201	6,000,000	12,156,201
Transfers out	(12,156,201)	-	-	(12,156,201)
Principal on bonds sold	-	16,420,000	-	16,420,000
Premium on bonds sold	-	952,422	-	952,422
Deposited into refunding bond escrow agent	-	(17,095,000)	-	(17,095,000)
Total other financing sources (uses)	<u>(6,156,201)</u>	<u>433,623</u>	<u>6,000,000</u>	<u>277,422</u>
Net change in fund balances	281,710	25,688	(2,009,961)	(1,702,563)
Fund balances at beginning of year	<u>42,283,058</u>	<u>5,339,989</u>	<u>17,367,939</u>	<u>64,990,986</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 42,564,768</u></u>	<u><u>\$ 5,365,677</u></u>	<u><u>\$ 15,357,978</u></u>	<u><u>\$ 63,288,423</u></u>

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
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

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

Net change in fund balances-total governmental funds **\$ (1,702,563)**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	6,837,411	
Depreciation expense	<u>(3,059,537)</u>	3,777,874

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 governmental funds. These activities consist of:

Decrease in accrued interest payable	<u>6,047</u>	6,047
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The governmental funds report bond proceeds as an other financing source, while repayment of principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Changes in net other post employment benefit obligations are reported only in the statement of activities. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Principal on general obligation bonds issued	(16,420,000)	
Bond premium on issuance of general obligations bonds	(952,422)	
Payment to refunded bond escrow agent	17,095,000	
Amortization of defeasement asset	(282,538)	
Amortization of bond premium	186,017	
Repayment of bond principal	3,905,000	
Repayment of debt certificate principal	148,983	
Debt accretion - capital appreciation bonds	(1,283,027)	
Change in net pension liability - Teachers' Retirement System	(3,305,445)	
Change in net pension liability - Illinois Municipal Retirement Fund	360,709	
Change in net post employment benefit obligation	<u>(92,473)</u>	(640,196)

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

Change in deferred outflow - Teachers' Retirement System	2,366,949	
Change in deferred outflow - Illinois Municipal Retirement System	(1,569,696)	
Change in deferred inflow - Teachers' Retirement System	451,301	
Change in deferred inflow - Illinois Municipal Retirement System	<u>(165,648)</u>	1,082,906

Change in net position of governmental activities **\$ 2,524,068**

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and investments	\$ 351,868	\$ 392,167
Total Assets	<u>351,868</u>	<u>392,167</u>
Liabilities:		
Due to student organizations	<u>\$ 351,868</u>	-
Net Assets:		
Reserved for scholarships		<u>392,167</u>
Total net assets		<u>\$ 392,167</u>

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

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2017

	Private Purpose Trust Fund
Additions:	
Contributions by external parties	\$ 5,600
Earnings on investments	<u>1,763</u>
Total additions	<u>7,363</u>
Deductions:	
Scholarships paid	<u>8,750</u>
Total deductions	<u>8,750</u>
Changes in net position	(1,387)
Net position, beginning of year	<u>393,554</u>
Net position, ending of year	<u><u>\$ 392,167</u></u>

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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Proviso Township High School District No. 209 (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.

a. The Reporting Entity

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

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

Proviso Area for Exceptional Children (See Note 13)
Des Plaines Valley Region (See Note 14)

b. Basis of Presentation

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

1. Government-wide Financial Statements (GWFS):

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. The effects of interfund activity have been eliminated.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Property taxes and other revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements (FFS):

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account, Operations and Maintenance Account and the Working Cash Account that are legally mandated by the State of Illinois.

The Debt Service Fund accounts for the financial resources to be used for the payment of general long-term debt principal, interest, and related costs.

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

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

The Private Purpose Trust Fund (a fiduciary fund) is accounted for on the flow of economic resources and uses the accrual basis of accounting. The Private Purpose Trust Fund accounts for student scholarships.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements

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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual generally include property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year for which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. The availability period for all other revenues is deemed to be within sixty days of the end of the year. If funding is received before the eligibility requirements have been met, that revenue is recorded as unearned.

Fiduciary financial statements

Fiduciary fund reporting focuses on net position and changes in net position and is reported using the accrual basis of accounting. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. These funds account for the assets held by the District which are owned by the student activity organizations. The private purpose trust fund is accounted for using the economic resources measurement focuses and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The private purpose trust fund accounts for student scholarships.

d. Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e. Capital Assets

Capital assets, which include land (which is not depreciated), buildings and 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 \$2,500 for furniture and equipment and \$2,500 for buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

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

Assets	Years
Buildings and building improvements	10-50 years
Furniture and equipment	3-15 years

f. Long-term Obligations

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of 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 when bonds are issued.

In the FFS, 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.

g. Fund Equity

In the GWFS, position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to use restricted net position first before unrestricted net position.

h. Property Taxes

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District, its share of collections. Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2016 tax levy was October 11, 2016. The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The due date of the second installment varies and can occur between August and November.

Accordingly, the second installment is budgeted to fund operations of the 2017/2018 year, and is reported as deferred inflows of resources in the current year, regardless of timing of collection.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Based upon collection histories, the District has provided at June 30, 2017, an allowance for uncollectible real property taxes equivalent to 5% of the current levy. All property taxes receivable over one year old have been written off.

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

	Maximum	Actual	
	2016 Levy	2016 Levy	2015 Levy
Educational	3.5000	2.0915	2.1586
Operations and Maintenance	0.5500	0.4366	0.4557
Limited Bonds	-	0.2724	0.2740
Transportation	-	0.0873	0.0767
I.M.R.F.	-	0.0229	0.0192
Working Cash	0.0500	0.0005	0.0005
Tort Immunity	-	0.0005	0.0005
Life Safety	0.1000	0.0115	0.0168
Social Security	-	0.0644	0.0576
Total		2.9876	3.0596

i. 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.

j. Vacation and Sick Leave

Employee vacation and sick leave 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.

k. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

I. Deferred outflows/inflows of resources

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

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

NOTE 2. CASH AND INVESTMENTS:

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

Cash and investments, other than agency funds, self-insurance funds, petty cash funds, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments are distributed based on the Districts percentage participation in the pool. The Treasurer's investment policies are established by the Proviso Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes.

Categorization by risk category is not determinable for all cash and investments pooled by a separate legal governmental agency (Treasurer). Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2017, the amount of pooled cash and investments held by the Proviso Township School Treasurer and allocated to the District was \$57,355,408.

Deposits of the agency funds, self-insurance funds, petty cash funds, and imprest funds, which are held in the District's custody, consist of cash held in financial institutions.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Allowance for Loss on Illinois Metropolitan Investment Trust (IMET)

The IMET was notified on September 29, 2014 that certain repurchase agreements that were believed to be guaranteed by the United States Department of Agriculture (USDA) were in default. These repurchase agreements were part of IMET's Convenience Fund. The District's proportionate share of the Convenience Fund was placed into a restricted account at IMET as of September 30, 2014 and not eligible for withdrawal.

The fair value of the instruments that the IMET Convenience Fund invested in were placed in a Liquidating Trust, with each member having a right to their proportional share of the Trust. The value of the Trust will be the fair value of the underlying assets that will be recovered. As of this date, a fair value has not been determined. Therefore, because the District has a restricted amount from IMET, in the year ending June 30, 2015 the District recognized a write down of total cash and investments of \$378,176 equal to their share of the Liquidating Trust, with an offset to net investment activity. IMET anticipates recovering a portion of the value of those investments through various on-going efforts. As funds are recovered, the District will recognize investment income in the period the funds are received. There were no funds recovered in the year ending June 30, 2017.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2017, the District had no funds exposed to custodial credit risk.

Investments and Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level Two – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level two input must be observable for substantially the full term of the asset or liability.

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Level Three – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Net Asset Value (NAV) – Certain investments measured at NAV would be excluded from the fair value hierarchy.

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

As of June 30, 2017, the District had the following investments measured at fair value:

<u>Investment</u>	<u>Maturities</u>	<u>Net Asset Value</u>
ISDLAF Max Class	60 days or less	\$1,104,172
ISDLAF Liquid Class	60 days or less	3,657,107
Total		<u>\$4,761,279</u>

The District has funds invested in the amount of \$4,761,279 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds (state-wide investment pool) as of June 30, 2017. The fair value of the positions in this investment pool is the same as the value of the pooled shares. All investments are SEC registered. The District's proportionate share of investment in this investment pool is collateralized in the same proportion that the total assets of the pool is collateralized. Although information regarding the level of collateralization of total assets of this Fund was not available, the Illinois School District Liquid Asset Fund represent that all assets are fully collateralized.

Interest Rate Risk: In the District's formal investment policy, there are no specific limitations on investment maturities in order to manage exposure to fair market losses from increasing interest rates.

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

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks and Savings and Loan Associations 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.

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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 which meet instrument transaction requirements of Illinois law.

The District has no investment policy that would further limit its investment choices.

As of June 30, 2017, the District's investments are rated as follows:

	<u>Standard & Poors</u>	<u>Moody's Investor Service</u>	<u>Fitch</u>
ISDLAF Max Class	AAAm	N/A	N/A
ISDLAF Liquid Class	AAAm	N/A	N/A

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in the ISDLAF Max Class and ISDLAF Liquid Class. ISDLAF Liquid Class and ISDLAF Max Class account for 77% and 23% of the total investment, respectively.

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JUNE 30, 2017

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 723,510	\$ -	\$ -	\$ 723,510
Construction in progress	286,843	1,331,705	(286,843)	1,331,705
Total capital asset not being depreciated	1,010,353	1,331,705	(286,843)	2,055,215
Capital assets, being depreciated:				
Buildings and improvements	103,298,328	4,645,664	-	107,943,992
Furniture and equipment	14,890,276	1,146,885	-	16,037,161
Total capital assets being depreciated	118,188,604	5,792,549	-	123,981,153
Accumulated depreciation for:				
Buildings and improvements	42,009,470	2,508,459	-	44,517,929
Furniture and equipment	12,802,247	551,078	-	13,353,325
Total accumulated depreciation	54,811,717	3,059,537	-	57,871,254
Total capital assets being depreciated, net	63,376,887	2,733,012	-	66,109,899
Total capital assets, net	\$ 64,387,240	\$ 4,064,717	\$ (286,843)	\$ 68,165,114

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

Instructional services:	
Regular programs	\$1,636,283
Special programs	232,961
Other programs	216,934
Supporting services:	
Students	137,381
Instructional staff	84,567
General administration	75,254
School administration	50,775
Business	50,169
Operations and Maintenance	188,225
Food Service	53,751
Staff	333,237
	\$3,059,537

NOTE 4. CHANGES IN LONG-TERM LIABILITIES:

Changes in general long-term liabilities are summarized as follows:

Governmental Activities:	Balance July 1, 2016	Additions/ Accretion	Reductions	Balance June 30, 2017	Amount Due In One Year
General Obligation School Bonds*	\$62,064,355	\$17,703,027	\$21,000,000	\$58,767,382	\$4,200,000
Taxable Debt Certificates, 2014A	1,340,850	-	148,983	1,191,867	148,983
Deferred Amounts for Bond Issuance Premium	645,166	952,422	186,017	1,411,571	-
Net Other Postemployment Benefit Obligation	25,235	190,889	98,416	117,708	-
Net Pension Liability – Illinois Municipal Retirement Fund	2,663,583	-	360,709	2,302,874	-
Net Pension Liability – Teachers’ Retirement System	5,403,715	3,305,445	-	8,709,160	-
Total Long-Term Liabilities	\$72,142,904	\$22,151,783	\$21,794,125	\$72,500,562	\$4,348,983

*Amounts are shown net of accretion.

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Long-term liabilities at June 30, 2017 are comprised of the following:

General Obligation School Bonds:

\$35,300,000 Capital Appreciation Bonds, Series 2008A, due in annual installments varying from \$580,000 to \$4,960,000 through 2028.

\$9,480,000 General Obligation Bonds, Series 2015A, due in annual installments varying from \$1,750,000 to \$2,030,000 through 2033; interest rate at 4%.

\$9,640,000 General Obligation Bonds, Series 2016A, due in annual installments varying from \$750,000 to \$1,540,000 through 2036; interest rates varying from 3% to 4%.

\$16,145,000 General Obligation Bonds, Series 2016B, due in annual installments varying from \$3,855,000 to \$4,265,000 through 2021; interest rate at 4%.

\$275,000 General Obligation Bonds, Series 2016C, due in one annual installment of \$275,000 through 2018; interest rate at 1.50%.

Debt Certificates:

\$1,191,867 Qualified Zone Academy Bonds, Series 2014A, due in annual installments of \$148,983 through 2024; interest rate at 0.57%

At June 30, 2017, the annual cash flow requirements of all long-term debt to retirement, including interest of \$11,413,238 were as follows:

Fiscal Year Ending June 30,	Bonds Payable		Debt Certificates Payable		Total
	Principal	Interest	Principal	Interest	
2018	\$ 4,200,000	\$ 1,272,763	\$ 148,983	\$ 6,369	\$ 5,628,115
2019	4,100,000	1,110,200	148,983	5,520	5,364,703
2020	4,265,000	942,900	148,983	4,671	5,361,554
2021	4,435,000	780,500	148,983	3,821	5,368,304
2022	4,960,000	703,400	148,983	2,972	5,815,355
2023-2027	24,800,000	3,517,000	446,952	3,822	28,767,774
2028-2032	16,285,000	2,661,625	-	-	18,946,625
2033-2036	7,795,000	397,675	-	-	8,192,675
Totals	\$ 70,840,000	\$ 11,386,063	\$ 1,191,867	\$ 27,175	\$ 83,445,105

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The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$146,573,308, providing a debt margin of \$82,440,249.

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$5,365,677 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

NOTE 5. RESTRICTED NET POSITION:

The government-wide statement of net position reports \$12,497,704 of restricted net position, all of which is restricted by enabling legislation.

NOTE 6. FUND BALANCES – GOVERNMENTAL FUNDS:

The District's fund balances for Governmental Funds are classified as follows:

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

Restricted Fund Balance – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. 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.

Committed – The committed fund balance classification refers to amounts that can only be used for specific purposes as determined by a formal action of the District's highest level of decision making authority (the School Board). Commitments may be established, modified, or rescinded only through resolutions approved by the School Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. The District currently assigns fund balance for money segregated to fund health insurance claims because the District is self-insured for health insurance purposes.

Unassigned – The unassigned fund balance classification is the residual classification for amounts in the General Fund that have not been restricted, committed, or assigned to specific purposes and any deficit fund balances in other funds.

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NOTES TO FINANCIAL STATEMENTS (CONT'D)
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As of June 30, 2017, fund balances are composed of the following:

	General Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable	\$ 1,034,855	\$ -	\$ -	\$ 1,034,855
Restricted:				
Debt service	-	5,365,677	-	5,365,677
Transportation	-	-	3,905,487	3,905,487
Retirement	-	-	1,926,560	1,926,560
Tort immunity	-	-	195,643	195,643
Capital projects	-	-	8,118,442	8,118,442
Fire Prevention & Safety	-	-	1,211,846	1,211,846
Assigned for self- insurance	3,330,010	-	-	3,330,010
Unassigned	38,199,903	-	-	38,199,903
Total fund balances	\$ 42,564,768	\$ 5,365,677	\$ 15,357,978	\$ 63,288,423

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board or the finance committee has provided otherwise in its commitment or assignment actions.

NOTE 7. RETIREMENT FUND COMMITMENTS:

Retirement Plans

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

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NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Illinois Teachers' Retirement System:

General Information about the Pension Plan

Plan Description: The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active 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.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

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

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

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

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

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 \$17,323,384 in pension contributions from the state of Illinois.

2.2 formula contributions: Districts contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$149,182, 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, District 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 District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$767,678 were paid from federal and special trust funds that required District contributions of \$295,863. 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 a district 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 (ERO). The payments vary depending on the member's age and salary. The maximum District ERO contribution under the current program that ended on June 30, 2106 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District was not required to pay TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$56,601 to TRS for district contributions due on salary increases in excess of 6 percent and the District was not required to pay TRS for sick leave days granted in excess of the normal annual allotment.

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

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

District's proportionate share of the net pension liability	\$ 8,709,160
State's proportionate share of the net pension liability associated with the District	<u>176,398,253</u>
Total	<u>\$ 185,107,413</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.0110%, which was an increase of 0.0008% from its proportion measured as of June 30, 2015.

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For the year ended June 30, 2017, the District recognized pension expense of \$17,323,384 and revenue of \$17,323,384 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
Differences between expected and actual experience	\$ 64,396	\$ 5,907
Net difference between projected and actual earnings on pension plan investments	246,049	-
Changes of Assumptions	747,987	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,477,118	758,672
District contributions subsequent to the measurement date	445,045	-
Total	<u>\$ 2,980,595</u>	<u>\$ 764,579</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

	Year ending June 30,	Deferred (Inflow) Outflow
	2018	\$ 761,224
	2019	316,181
	2020	425,670
	2021	602,546
	2022	110,395
Actuarial assumptions	Total	<u>\$ 2,216,016</u>

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

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

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

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

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
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
Total	<u>100.0%</u>	

Discount rate

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was changed 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, District contributions, and state contributions will be made at the current statutorily-required rates.

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

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

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NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$10,651,656	\$8,709,160	\$7,122,656

TRS fiduciary net position

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

Illinois Municipal Retirement Fund:

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

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the

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JUNE 30, 2017

first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms: At December 31, 2016, the number of District employees covered by IMRF were:

Active members	231
Retirees and beneficiaries	279
Inactive, non-retired members	<u>114</u>
Total	<u>624</u>

Contributions: As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for 2016 was 8.84% of annual covered payroll. For the fiscal year ended June 30, 2017, the District contributed \$987,205 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Actuarial Assumptions: The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Projected 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.
Disabled Retirees	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.
Active Members	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:	There were no benefit changes during the year.

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/16</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	38.0%	7.77%	8.30%	6.85%
International equities	17.0	3.54	8.45	6.75
Fixed income	27.0	4.85	3.05	3.00
Real estate	8.0	8.97	6.90	5.75
Alternative investments	9.0	N/A	4.25-12.45	2.65-7.35
Cash equivalents	1.0	N/A	2.25	2.25

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2016 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) – (b)
Balance, December 31, 2015	<u>\$ 59,882,095</u>	<u>\$ 57,218,512</u>	<u>\$ 2,663,583</u>
Charges for the year:			
Service cost	1,215,519	-	1,215,519
Interest	4,394,439	-	4,394,439
Difference between expected and actual experience	(166,848)	-	(166,848)
Changes in assumptions	(66,876)	-	(66,876)
Net investment income	-	3,923,861	(3,923,861)
Contributions – employees	-	484,418	(484,418)
Contributions – employers	-	951,611	(951,611)
Benefit payments including refunds of employee contributions	(3,638,227)	(3,638,227)	-
Other changes	-	377,053	(377,053)
Net changes	<u>1,738,007</u>	<u>2,098,716</u>	<u>(360,709)</u>
Balance, December 31, 2016	<u>\$ 61,620,102</u>	<u>\$ 59,317,228</u>	<u>\$ 2,302,874</u>

Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate: The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 9,505,405
Current discount rate	7.50	2,302,874
1% increase	8.50	(3,651,801)

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2017, the District recognized pension expense of \$2,339,373. 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 <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Net Deferred Outflows / (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 201,237	\$ 118,251	\$ 82,986
Changes of assumptions	337,260	47,397	289,863
Net difference between projected and actual earnings on Plan investments	2,984,068	-	2,984,863
District contributions to plan after measurement date	<u>500,166</u>	<u>-</u>	<u>500,166</u>
Total	<u>\$ 4,022,731</u>	<u>\$ 165,648</u>	<u>\$ 3,857,115</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows (Inflows)
2017	\$ 1,933,167
2018	1,024,703
2019	839,397
2020	<u>59,816</u>
Total	<u>\$ 3,857,083</u>

NOTE 8. OTHER POST EMPLOYMENT BENEFITS:

Teacher Health Insurance Security:

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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

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

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

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$288,075, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the 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 \$216,056 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" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

Defined Other Postemployment Benefit Plan:

Plan Description: The District's Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit healthcare plan that is administered by the District. The District provides postemployment benefits for eligible participants enrolled in the District sponsored plans. Benefits are provided in the form of an implicit rate subsidy where pre 65 retirees receive health insurance coverage by paying a combined retiree/active rate. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report.

Funding Policy: Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. The retiree is responsible for paying the full monthly premium. The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Annual OPEB Cost and Net OPEB Obligation: For fiscal year 2017, the District's annual OPEB cost for the plan was \$190,889. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017, were as follows:

Annual required contribution	\$ 190,720
Interest on net OPEB obligation	1,009
Adjustment to annual required contribution	<u>(841)</u>
Annual OPEB cost	190,889
Contributions made	<u>(98,416)</u>
Increase in net OPEB obligation	92,473
Net OPEB obligation—July 1, 2016	<u>25,235</u>
Net OPEB obligation—June 30, 2017	<u><u>\$ 117,708</u></u>

Trend Information: The District's annual OPEB cost, the percentage of the annual OPEB cost contribution to the plan, and the net OPEB obligation is as follows:

Trend Information for the Plan

Fiscal Year Ending	Annual OPEB Cost	Actual Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/17	\$190,889	\$98,416	51.6%	\$117,708
6/30/16	142,130	143,929	101.3%	25,235
6/30/15	\$142,130	\$143,929	101.3%	\$27,034

Funding Status and Funding Progress: The funded status of the plan as of June 30, 2017, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,854,608
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 1,854,608</u></u>
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$29,252,636
UAAL as a percentage of covered payroll	6.3%

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

Actuarial Methods and Assumptions: Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Projection 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 each valuation and the historical pattern of sharing 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. In the most recent actuarial valuation for the plan as of June 30, 2017 the entry age actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 1.7% initially, 6.5% in the second year, and reduced by decrements to an ultimate rate of 5.5%. Both rates included a 3.0% inflation assumption. The UAAL is amortized as a level percentage of pay on an open 30-year period.

NOTE 9. RISK MANAGEMENT:

The District participates in various public entity risk pools which operate as common risk management and insurance programs (See Notes 10 and 11). Risks covered include general liability, property damage and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self-insurance program for medical coverage for employees (see Note 12). Insurance settlements have not exceeded insurance coverage during the current fiscal year.

NOTE 10. RISK POOL - COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC):

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

Complete financial statements for CLIC can be obtained from its administrator at 1441 Lake Street, Libertyville, Illinois 60048.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

NOTE 11. SCHOOL EMPLOYEES LOSS FUND (SELF):

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

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

NOTE 12. SELF-INSURANCE PLAN:

The District implemented a health and medical benefit program which is available to District personnel. The District has elected to become self insured for this plan. Stop-loss insurance has been obtained to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the HMO for the year ended June 30, 2017 were \$125,000 for individual claims and \$3,035,395 for aggregate claims. The stop-loss coverage limits for the PPO for the year ended June 30, 2017 were \$125,000 for individual claims and \$4,541,945 for aggregate claims. A liability for estimated unpaid insurance claims, a component of which represents claims incurred but not reported, has been recorded in the financial statements at June 30, 2017, in the amount of \$685,342.

Changes in claims liability amounts during the current and prior fiscal years ended were as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Claims liability as of beginning of year	\$ 555,486	\$ 605,551
Claims and changes in estimates	6,020,557	6,241,488
Claims paid	(5,890,701)	(6,291,553)
Claims liability as of end of year	<u>\$ 685,342</u>	<u>\$ 555,486</u>

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017

NOTE 13. JOINT VENTURE – PROVISO AREA FOR EXCEPTIONAL CHILDREN (PAEC):

The District is a member of the Proviso Area for Exceptional Children, a joint agreement that provides 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 PAEC can be obtained from the Administrative Offices at 100 Van Buren St., Maywood, IL 60153.

NOTE 14. JOINT VENTURE – DES PLAINES VALLEY REGION (DVR):

The District and other Districts within the Des Plaines area have entered into a Joint Agreement to provide vocational education programs and services to students enrolled. Each member District has a financial responsibility for annual tuition costs as established by the Board of Directors.

Complete financial statements for DVR can be obtained from the Administrative Offices at 200 Fifth Avenue, River Grove, Illinois 60171.

NOTE 15. INTERFUND TRANSFERS:

As of June 30, 2017, inter-fund transfers consisted of the following:

Transfer to	Transfer from	Amount
General Fund's Operations & Maintenance Account	General Fund's Educational Account	\$6,000,000
Debt Service Fund	General Fund's Operations & Maintenance Account	156,201
Capital Projects Fund	General Fund's Operations & Maintenance Account	\$6,000,000

The purpose of the transfer to the Capital Projects Fund was to support various construction projects. The Illinois State Board of Education (ISBE) Administrative Code was modified to require that all debt service payments be reported in the Debt Service Fund. However, certain debt service payments are funded by sources other than a debt service levy. Accordingly, interfund transfers are required to transfer the proceeds of these other funding sources from the fund in which they are required to be deposited, to the Debt Service Fund from which the debt service payments will be made.

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REQUIRED SUPPLEMENTARY INFORMATION

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	General Fund			Variance with
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Final Budget - Positive (Negative)
REVENUES:				
Local sources	\$ 59,197,797	\$ 59,197,797	\$ 57,356,535	\$ (1,841,262)
State sources	41,474,822	41,257,021	33,637,271	(7,619,750)
Federal sources	4,510,133	4,452,474	3,404,575	(1,047,899)
Total Revenues	<u>105,182,752</u>	<u>104,907,292</u>	<u>94,398,381</u>	<u>(10,508,911)</u>
EXPENDITURES:				
Current operating:				
Instruction	60,304,612	60,469,535	49,669,899	10,799,636
Supporting services	35,870,983	34,996,089	30,506,221	4,489,868
Community services	232,988	152,592	54,921	97,671
Payments to other districts and governmental units	<u>8,067,310</u>	<u>8,068,522</u>	<u>7,729,429</u>	<u>339,093</u>
Total Expenditures	<u>104,475,893</u>	<u>103,686,738</u>	<u>87,960,470</u>	<u>15,726,268</u>
Excess of revenues over expenditures	<u>706,859</u>	<u>1,220,554</u>	<u>6,437,911</u>	<u>5,217,357</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,000,000	6,000,000	-
Transfers out	<u>(140,000)</u>	<u>(12,000,000)</u>	<u>(12,156,201)</u>	<u>(156,201)</u>
Total other financing sources (uses)	<u>(140,000)</u>	<u>(6,000,000)</u>	<u>(6,156,201)</u>	<u>(156,201)</u>
Net change in fund balances	<u>\$ 566,859</u>	<u>\$ (4,779,446)</u>	281,710	<u>\$ 5,061,156</u>
Fund balances at beginning of year			<u>42,283,058</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 42,564,768</u>	

The notes to the required supplementary information are an integral part of this statement.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN
JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/17	\$-	\$1,854,608	\$1,854,608	\$-	\$29,252,636	6.3%
6/30/15	-	1,584,844	1,584,844	-	26,205,275	6.0%
6/30/13	-	1,181,886	1,181,886	-	N/A	N/A
6/30/11	\$-	\$881,510	\$881,510	\$-	N/A	N/A

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2017

Calendar year ending December 31,	2016	2015	2014
<u>Total pension liability:</u>			
Service cost	\$ 1,215,519	\$ 1,183,785	\$ 1,220,686
Interest on the total pension liability	4,394,439	4,220,684	3,899,352
Difference between expected and actual experience	(166,848)	436,058	135,524
Changes in assumptions	(66,876)	64,971	2,319,318
Benefit payments, including refunds of employee contributions	<u>(3,638,227)</u>	<u>(3,414,607)</u>	<u>(3,129,379)</u>
Net change in total pension liability	1,738,007	2,490,891	4,445,501
Total pension liability, beginning	<u>59,882,095</u>	<u>57,391,204</u>	<u>52,945,703</u>
Total pension liability, ending (A)	<u>\$ 61,620,102</u>	<u>\$ 59,882,095</u>	<u>\$ 57,391,204</u>
<u>Plan fiduciary net position:</u>			
Contributions - Employer	\$ 951,611	\$ 1,035,568	\$ 1,040,884
Contributions - Employee	484,418	485,687	471,697
Net investment income	3,923,861	288,463	3,395,322
Benefit payments and refunds	(3,638,227)	(3,414,607)	(3,129,379)
Other	<u>377,053</u>	<u>184,208</u>	<u>391,261</u>
Net change in plan fiduciary net position	2,098,716	(1,420,681)	2,169,785
Plan fiduciary net position, beginning	<u>57,218,512</u>	<u>58,639,193</u>	<u>56,469,408</u>
Plan fiduciary net position, ending (B)	<u>\$ 59,317,228</u>	<u>\$ 57,218,512</u>	<u>\$ 58,639,193</u>
Net pension liability/(asset), ending (A) - (B)	<u>\$ 2,302,874</u>	<u>\$ 2,663,583</u>	<u>\$ (1,247,989)</u>
Plan fiduciary net position as a percentage of total pension liability	96.26%	95.55%	102.17%
Covered valuation payroll	<u>\$ 10,764,824</u>	<u>\$ 10,779,967</u>	<u>\$ 10,478,898</u>
Net pension liability as a percentage of covered valuation payroll	<u>21.39%</u>	<u>24.71%</u>	<u>-11.91%</u>

The notes to the required supplementary information are an integral part of this statement

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2017

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 951,610	\$ 951,611	\$ (1)	\$ 10,764,824	8.84%
2015	1,001,459	1,035,568	(34,109)	10,779,967	9.61%
2014	\$ 1,040,554	\$ 1,040,884	\$ (330)	\$ 10,478,898	9.93%

The notes to the required supplementary information are an integral part of this statement

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2017*

	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
District's proportion of the net pension liability	<u>0.0110%</u>	<u>0.0082%</u>	<u>0.0102%</u>
District's proportionate share of the net pension liability	\$ 8,709,160	\$ 5,403,715	\$ 6,197,569
State's proportionate share of the net pension liability associated with the District	<u>176,398,253</u>	<u>68,367,205</u>	<u>212,827,875</u>
Total	<u>\$ 185,107,413</u>	<u>\$ 73,770,920</u>	<u>\$ 219,025,444</u>
District's covered-employee payroll	\$ 24,324,231	\$ 22,775,787	\$ 23,255,026
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>35.80%</u>	<u>23.73%</u>	<u>26.65%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>36.40%</u>	<u>41.50%</u>	<u>43.00%</u>

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

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 445,045	\$ 429,892	\$ 357,875
Contributions in relation to the contractually- required contribution	<u>520,166</u>	<u>438,531</u>	<u>368,870</u>
Contribution deficiency (excess)	<u><u>\$ (75,121)</u></u>	<u><u>\$ (8,639)</u></u>	<u><u>\$ (10,995)</u></u>
 District's covered-employee payroll	 \$ 25,720,999	 \$ 24,324,231	 \$ 22,775,787
 Contribution as a percentage of covered- employee payroll	 1.73%	 1.77%	 1.57%

The notes to the required supplementary information are an integral part of this statement

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1. BUDGETARY DATA:

Budgeted amounts for all Governmental Funds are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the 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. The budget was adopted on September 13, 2016, and was amended on February 15, 2017.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. 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 lapses at the end of each fiscal year. (All appropriations lapse at year end.)

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 2. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2016 contribution rate:

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

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

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

NOTE 3. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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 real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

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GENERAL FUND

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

Educational Account – To account for most of the instructional and administrative aspects of the District's operations.

Operations and Maintenance Account – To account for repair and maintenance of the District's property.

Working Cash Account – To account for financial resources held by the District to be used for loans for working capital requirements to any other fund for which taxes are levied.

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
COMBINING BALANCE SHEET BY ACCOUNT
GENERAL FUND
JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<u>ASSETS</u>				
Cash and investments	\$ 33,125,979	\$ 4,884,184	\$ 3,238,155	\$ 41,248,318
Receivables (net of allowance for uncollectibles):				
Property taxes	20,538,782	4,287,465	4,910	24,831,157
Intergovernmental	3,156,580	-	-	3,156,580
Interest	60,479	10,755	5,397	76,631
Prepaid items	1,034,855	-	-	1,034,855
TOTAL ASSETS	\$ 57,916,675	\$ 9,182,404	\$ 3,248,462	\$ 70,347,541
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 935,497	\$ 225,732	\$ -	\$ 1,161,229
Payroll deductions and withholdings	96,991	150,268	-	247,259
Unearned revenue	1,543,128	-	-	1,543,128
Total Liabilities	2,575,616	376,000	-	2,951,616
Deferred inflows of resources:				
Property taxes levies for subsequent year	20,538,782	4,287,465	4,910	24,831,157
Total deferred inflows of resources	20,538,782	4,287,465	4,910	24,831,157
Fund Balances:				
Nonspendable	1,034,855	-	-	1,034,855
Assigned	2,869,410	460,600	-	3,330,010
Unassigned	30,898,012	4,058,339	3,243,552	38,199,903
Total Fund Balances	34,802,277	4,518,939	3,243,552	42,564,768
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 57,916,675	\$ 9,182,404	\$ 3,248,462	\$ 70,347,541

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY ACCOUNT
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES:				
Property taxes	\$ 42,298,500	\$ 8,888,517	\$ 12,033	\$ 51,199,050
Other local sources	4,443,062	1,696,618	17,805	6,157,485
State sources	33,369,885	267,386	-	33,637,271
Federal sources	3,404,575	-	-	3,404,575
Total Revenues	<u>83,516,022</u>	<u>10,852,521</u>	<u>29,838</u>	<u>94,398,381</u>
EXPENDITURES:				
Current operating:				
Instruction	49,669,899	-	-	49,669,899
Supporting services	21,701,711	8,804,510	-	30,506,221
Community services	54,921	-	-	54,921
Payments to other districts and governmental units	<u>7,347,915</u>	<u>381,514</u>	<u>-</u>	<u>7,729,429</u>
Total Expenditures	<u>78,774,446</u>	<u>9,186,024</u>	<u>-</u>	<u>87,960,470</u>
Excess of revenues over expenditures	<u>4,741,576</u>	<u>1,666,497</u>	<u>29,838</u>	<u>6,437,911</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,000,000	-	6,000,000
Transfers out	<u>(6,000,000)</u>	<u>(6,156,201)</u>	<u>-</u>	<u>(12,156,201)</u>
Total other financing sources (uses)	<u>(6,000,000)</u>	<u>(156,201)</u>	<u>-</u>	<u>(6,156,201)</u>
Net change in fund balances	(1,258,424)	1,510,296	29,838	281,710
Fund balances at beginning of year	<u>36,060,701</u>	<u>3,008,643</u>	<u>3,213,714</u>	<u>42,283,058</u>
FUND BALANCES AT END OF YEAR	<u>\$ 34,802,277</u>	<u>\$ 4,518,939</u>	<u>\$ 3,243,552</u>	<u>\$ 42,564,768</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes -general tax levy	\$ 44,920,335	\$ 44,920,335	\$ 42,298,500	\$ 42,733,274
Corporate replacement taxes	1,800,000	1,800,000	1,768,181	1,349,410
Tuition	133,000	133,000	71,640	85,705
Earnings (loss) on investments	210,000	210,000	214,707	193,096
Food service - sales to pupils and adults	100,000	100,000	40,841	89,010
Pupil activities	527,100	527,100	500,730	484,590
Textbooks	6,050	6,050	16,199	9,102
Refund of prior years' expenditures	875,000	875,000	823,581	228,357
Payments of surplus moneys from tif districts	-	-	307,574	-
Drivers' education fees	-	-	44,093	45,596
Local fees	43,000	43,000	140	210
Other	2,500	2,500	655,376	386,010
Total Local Sources	48,616,985	48,616,985	46,741,562	45,604,360
State Sources:				
General state aid	12,744,000	12,744,000	12,994,963	11,997,290
Special education	2,442,000	2,442,000	2,400,676	1,663,291
Career and technical education	384,194	111,261	92,239	99,586
Bilingual education	275,628	330,760	97,541	43,643
State free lunch and brakfast	10,000	10,000	6,029	9,559
Drivers' education	110,000	110,000	90,171	105,214
On-behalf payments - State of Illinois	25,000,000	25,000,000	17,611,459	5,861,487
Other	9,000	9,000	76,807	96,138
Total State Sources	40,974,822	40,757,021	33,369,885	19,876,208
Federal Sources:				
Food service	1,400,000	1,400,000	1,246,730	1,230,388
Title I - low income	2,193,433	2,010,101	1,460,734	1,945,718
IDEA - room and board	-	-	31,851	-
Perkins Title IIC - Tech Prep	159,228	307,263	234,821	236,037
Emergency immigrant assistance	4,122	4,122	7,088	-
Title III - english language acquisition	142,276	128,851	30,721	29,125
Title II - teacher quality	211,074	202,137	140,449	112,731
Medicaid fee for service	250,000	250,000	185,010	250,586
Other	150,000	150,000	67,171	67,876
Total Federal Sources	4,510,133	4,452,474	3,404,575	3,872,461
Total Revenues	\$ 94,101,940	\$ 93,826,480	\$ 83,516,022	\$ 69,353,029

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES:				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 15,768,623	\$ 16,353,233	\$ 15,682,177	\$ 14,444,791
Employee benefits	4,027,188	3,892,134	3,803,863	3,584,462
On-behalf payments - State of Illinois	25,000,000	25,000,000	17,611,459	5,861,487
Purchased services	331,850	303,770	125,913	213,609
Supplies and materials	370,806	363,822	241,916	340,708
Capital outlay	43,600	33,290	7,190	20,264
Other	38,630	41,430	7,500	5,000
Non-capitalized equipment	30,791	41,030	51,079	45,376
Termination benefits	30,000	30,000	-	-
Total	45,641,488	46,058,709	37,531,097	24,515,697
Special programs:				
Salaries	4,235,665	4,163,952	3,639,598	3,466,233
Employee benefits	947,295	909,597	837,297	875,501
Purchased services	51,205	51,205	59,434	37,245
Supplies and materials	38,057	35,365	25,737	34,075
Other	3,000	3,000	-	1,700
Non-capitalized equipment	-	1,346	1,346	2,087
Tuition	-	-	2,507,386	2,259,978
Total	5,275,222	5,164,465	7,070,798	6,676,819
Educationally deprived:				
Salaries	665,822	635,433	580,248	833,505
Employee benefits	331,993	298,274	269,445	267,186
Purchased services	229,685	260,395	202,472	240,598
Supplies and materials	39,278	14,028	3,798	966
Non-capitalized equipment	-	-	-	124,865
Total	\$ 1,266,778	\$ 1,208,130	\$ 1,055,963	\$ 1,467,120

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Vocational programs:				
Salaries	\$ 794,418	\$ 743,454	\$ 714,484	\$ 706,001
Employee benefits	82,568	111,374	82,476	76,775
Purchased services	120,149	96,389	80,405	66,758
Supplies and materials	173,224	176,436	181,383	177,207
Capital outlay	15,500	25,774	40,744	15,500
Other	3,050	3,050	1,500	2,267
Non-capitalized equipment	19,086	34,844	23,535	25,054
Total	1,207,995	1,191,321	1,124,527	1,069,562
Interscholastic programs:				
Salaries	1,273,803	1,197,316	1,130,446	1,075,962
Employee benefits	106,875	106,779	89,019	74,617
Purchased services	354,562	337,809	304,556	303,903
Supplies and materials	103,934	123,190	120,026	120,302
Capital outlay	63,323	56,023	47,305	9,934
Other	73,545	60,250	33,523	37,739
Non-capitalized equipment	42,333	61,249	44,390	84,588
Total	2,018,375	1,942,616	1,769,265	1,707,045
Summer school:				
Salaries	351,660	311,559	279,569	250,602
Employee benefits	1,045	3,542	4,360	4,180
Supplies and materials	100	100	-	84
Total	352,805	315,201	283,929	254,866
Gifted:				
Purchased services	59,000	49,295	46,516	35,505
Supplies and materials	4,500	4,500	-	-
Other	-	150	150	-
Total	63,500	53,945	46,666	35,505
Driver's education programs:				
Salaries	89,000	89,000	87,349	58,402
Employee benefits	784	784	507	339
Purchased services	39,360	39,360	22,249	26,652
Supplies and materials	25,839	29,839	16,140	4,444
Other	700	-	-	-
Non-capitalized equipment	1,500	1,500	750	1,500
Total	\$ 157,183	\$ 160,483	\$ 126,995	\$ 91,337

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Bilingual:				
Salaries	\$ 260,002	\$ 208,223	\$ 158,961	\$ 21,471
Employee benefits	-	-	26,784	857
Purchased services	16,760	16,760	14,545	5,330
Supplies and materials	13,491	103,986	14,705	109,728
Non-capitalized equipment	25,413	40,096	12,332	82,017
Total	315,666	369,065	227,327	219,403
Truant alternative and optional:				
Salaries	23,600	23,600	6,238	-
Employee benefits	-	-	36	-
Purchased services	430,000	430,000	425,894	353,294
Supplies and materials	16,000	16,000	1,164	7,281
Other	3,500,000	3,500,000	-	-
Non-capitalized equipment	36,000	36,000	-	19,269
Total	4,005,600	4,005,600	433,332	379,844
Total Instruction	60,304,612	60,469,535	49,669,899	36,417,198
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	1,781,015	1,550,999	1,423,566	1,425,326
Employee benefits	332,357	285,409	266,617	303,751
Purchased services	-	400	883	-
Supplies and materials	40,500	40,500	27,196	8,114
Other	14,000	13,600	374	-
Total	2,167,872	1,890,908	1,718,636	1,737,191
Guidance services				
Salaries	1,384,905	1,640,616	1,586,773	1,436,353
Employee benefits	309,684	300,977	287,360	300,978
Purchased services	47,942	40,518	26,554	27,456
Supplies and materials	14,261	16,459	9,444	10,300
Total	\$ 1,756,792	\$ 1,998,570	\$ 1,910,131	\$ 1,775,087

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Health services:				
Salaries	\$ 269,601	\$ 269,601	\$ 260,876	\$ 256,070
Employee benefits	125,035	110,324	97,736	98,861
Purchased services	550	583	515	825
Supplies and materials	3,600	3,567	2,752	2,298
Total	398,786	384,075	361,879	358,054
Other support - pupil:				
Salaries	2,080,069	1,895,766	1,856,657	1,592,636
Employee benefits	453,236	433,571	421,160	349,902
Purchased services	415,535	340,935	175,954	255,167
Supplies and materials	98,000	97,424	89,889	79,769
Capital outlay	27,535	3,535	-	41,935
Other	1,650	2,100	1,950	-
Non-capitalized equipment	44,500	3,985	985	-
Total	3,120,525	2,777,316	2,546,595	2,319,409
Total Pupils	7,443,975	7,050,869	6,537,241	6,189,741
Instructional Staff:				
Improvement of instructional services:				
Salaries	782,614	587,190	397,106	527,913
Employee benefits	255,369	262,076	160,069	147,850
Purchased services	886,146	798,165	550,095	785,275
Supplies and materials	525,134	583,665	573,924	1,770,100
Capital outlay	40,000	40,000	-	6,203
Other	1,208	1,208	340	769
Non-capitalized equipment	50,000	50,000	21,261	43,902
Total	2,540,471	2,322,304	1,702,795	3,282,012
Educational media services:				
Salaries	267,340	286,922	223,357	220,977
Employee benefits	73,717	51,558	48,892	45,509
Purchased services	2,230	2,230	-	-
Supplies and materials	44,139	46,788	38,595	31,112
Non-capitalized equipment	900	900	856	1,300
Total	\$ 388,326	\$ 388,398	\$ 311,700	\$ 298,898

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Assessment and testing:				
Salaries	\$ 195,949	\$ 185,404	\$ 168,275	\$ 162,295
Employee benefits	47,052	49,783	47,205	43,034
Purchased services	217,900	215,641	231,139	141,384
Supplies and materials	263,400	266,400	54,281	5,625
Other	500	500	-	-
Total	724,801	717,728	500,900	352,338
Total Instructional Staff	3,653,598	3,428,430	2,515,395	3,933,248
General Administration:				
Board of education:				
Purchased services	2,198,500	2,198,500	1,580,149	1,622,757
Supplies and materials	8,185	7,400	3,110	4,116
Other	86,978	86,978	37,303	29,227
Total	2,293,663	2,292,878	1,620,562	1,656,100
Executive administration:				
Salaries	336,466	334,908	335,877	358,551
Employee benefits	121,815	120,491	61,197	91,822
Purchased services	7,400	7,600	7,770	5,147
Supplies and materials	1,000	800	643	365
Other	3,000	3,000	2,268	2,711
Total	469,681	466,799	407,755	458,596
Special area administration:				
Salaries	-	-	1,000	-
Employee benefits	-	-	-	39
Total	-	-	1,000	39
Tort immunity:				
Employee benefits	500,000	425,000	374,522	233,296
Other	50,000	50,000	-	-
Total	550,000	475,000	374,522	233,296
Total General Administration	\$ 3,313,344	\$ 3,234,677	\$ 2,403,839	\$ 2,348,031

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
School Administration:				
Office of the principal:				
Salaries	\$ 2,058,962	\$ 2,059,010	\$ 2,077,434	\$ 1,936,102
Employee benefits	552,137	576,177	492,831	515,732
Purchased services	65,900	67,729	43,275	11,054
Supplies and materials	34,400	52,032	50,457	14,840
Capital outlay	28,950	11,318	-	-
Other	23,625	24,035	20,727	21,560
Non-capitalized equipment	2,700	2,700	2,887	11,610
Total	2,766,674	2,793,001	2,687,611	2,510,898
Other support - school administration:				
Salaries	203,198	197,364	160,330	194,447
Employee benefits	46,726	32,582	20,752	38,566
Purchased services	700	700	-	229
Total	250,624	230,646	181,082	233,242
Total School Administration	3,017,298	3,023,647	2,868,693	2,744,140
Business:				
Direction of business support services:				
Salaries	143,400	137,897	139,897	137,224
Employee benefits	46,439	41,478	35,626	36,369
Purchased services	3,600	3,600	1,784	1,774
Supplies and materials	500	500	528	638
Other	1,400	1,400	1,390	1,354
Non-capitalized equipment	-	-	-	2,010
Total	195,339	184,875	179,225	179,369
Fiscal services:				
Salaries	628,345	673,887	622,719	597,245
Employee benefits	192,067	189,978	156,506	165,064
Purchased services	68,600	68,600	85,358	74,268
Supplies and materials	37,000	37,000	2,609	1,735
Other	3,500	3,500	1,165	1,435
Non-capitalized equipment	3,500	3,500	-	3,413
Total	\$ 933,012	\$ 976,465	\$ 868,357	\$ 843,160

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original Budget	Final Budget	Actual
EXPENDITURES - Continued:			
Pupil transportation services:			
Purchased services	\$ 62,439	\$ 15,300	\$ 10,417
			\$ 45,331
Total	62,439	15,300	10,417
			45,331
Food services			
Purchased services	1,596,000	1,572,909	1,130,769
Supplies and materials	10,000	15,000	8,960
Capital outlay	-	2,300	14,683
Non-capitalized equipment	20,000	25,000	10,905
			28,176
Total	1,626,000	1,615,209	1,165,317
			1,233,543
Total Business	2,816,790	2,791,849	2,223,316
			2,301,403
Central:			
Planning, research, development and evaluation services:			
Non-capitalized equipment	-	-	-
			23,806
Total	-	-	-
			23,806
Information services:			
Salaries	49,610	49,731	57,296
Employee benefits	32,504	29,576	23,747
Purchased services	161,300	159,300	97,485
Supplies and materials	500	2,500	556
Other	500	500	90
Non-capitalized equipment	-	-	1,215
			-
Total	244,414	241,607	180,389
			154,879
Staff services:			
Salaries	271,464	322,430	327,041
Employee benefits	96,638	75,890	62,008
Purchased services	97,970	147,763	151,065
Supplies and materials	7,577	17,000	11,515
Other	500	940	1,499
Non-capitalized equipment	2,000	199	-
			-
Total	\$ 476,149	\$ 564,222	\$ 553,128
			\$ 376,298

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Data processing services:				
Salaries	\$ 1,090,179	\$ 1,049,726	\$ 1,018,247	\$ 1,015,084
Employee benefits	398,678	351,941	314,500	353,674
Purchased services	1,537,000	1,537,000	964,117	841,742
Supplies and materials	380,000	380,000	284,887	223,352
Capital outlay	500,000	500,000	872,220	183,289
Non-capitalized equipment	600,000	600,000	912,904	822,177
Total	4,505,857	4,418,667	4,366,875	3,439,318
Total Central	5,226,420	5,224,496	5,100,392	3,994,301
Other Support Services:				
Supplies and materials	42,568	97,500	52,835	41,082
Total Other Support Services	42,568	97,500	52,835	41,082
Total Support Services	25,513,993	24,851,468	21,701,711	21,551,946
Community Services:				
Salaries	24,866	24,866	24,866	23,253
Purchased services	148,082	114,104	24,303	54,763
Supplies and materials	60,040	13,622	5,752	42,918
Total Community Services	232,988	152,592	54,921	120,934
Payments to other districts and governmental units:				
Purchased services	336,600	337,812	249,141	80,880
Tuition	7,372,515	7,372,515	7,098,774	7,277,224
Total payments to other districts and governmental units	7,709,115	7,710,327	7,347,915	7,358,104
Total Expenditures	93,760,708	93,183,922	78,774,446	65,448,182
Excess of revenues over expenditures	\$ 341,232	\$ 642,558	\$ 4,741,576	\$ 3,904,847

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EDUCATIONAL ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
OTHER FINANCING USES:				
Transfers out	\$ -	\$ (6,000,000)	\$ (6,000,000)	\$ -
Total other financing uses	-	(6,000,000)	(6,000,000)	-
Net change in fund balances	<u>\$ 341,232</u>	<u>\$ (5,357,442)</u>	(1,258,424)	3,904,847
Fund balances at beginning of year			<u>36,060,701</u>	<u>32,155,854</u>
FUND BALANCES AT END OF YEAR			<u>\$ 34,802,277</u>	<u>\$ 36,060,701</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 8,852,107	\$ 8,852,107	\$ 8,888,517	\$ 8,790,105
Personal property replacement taxes	1,500,000	1,500,000	1,525,989	1,000,000
Earnings (loss) on investments	20,000	20,000	28,817	24,163
Rentals	50,000	50,000	59,115	43,117
Refund of prior years' expenditures	120,000	120,000	3,736	6,527
Payments of surplus moneys from tif districts	-	-	10,547	-
Other	10,000	10,000	68,414	11,582
Total Local Sources	10,552,107	10,552,107	10,585,135	9,875,494
State Sources:				
General state aid	200,000	200,000	-	-
School infrastructure	300,000	300,000	-	-
Energy efficient grant	-	-	267,386	-
Total State Sources	500,000	500,000	267,386	-
Total Revenues	11,052,107	11,052,107	10,852,521	9,875,494
EXPENDITURES:				
Current operating:				
Support services:				
Business:				
Operation and maintenance of plant services:				
Salaries	4,504,322	4,612,115	4,305,329	4,294,736
Benefits	1,428,444	1,175,613	890,166	1,022,006
Purchased services	1,862,521	1,804,702	1,695,358	1,706,745
Supplies and materials	1,776,365	1,792,126	1,732,482	1,638,932
Capital outlay	534,925	516,826	122,281	191,600
Other	2,890	2,890	2,287	2,670
Non-capitalized equipment	247,523	240,349	56,607	129,207
Total business	10,356,990	10,144,621	8,804,510	8,985,896
Total Support Services	\$ 10,356,990	\$ 10,144,621	\$ 8,804,510	\$ 8,985,896

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Payments to other districts and governmental units:				
Other	\$ 358,195	\$ 358,195	\$ 381,514	\$ 337,991
Total payments to other districts and governmental units	358,195	358,195	381,514	337,991
Total Expenditures	10,715,185	10,502,816	9,186,024	9,323,887
Excess of revenues over expenditures	336,922	549,291	1,666,497	551,607
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,000,000	6,000,000	-
Transfers out	(140,000)	(6,000,000)	(6,156,201)	(7,643)
Proceeds from the sale of fixed assets	-	-	-	-
Capital lease proceeds	-	-	-	-
Total other financing sources (uses)	(140,000)	-	(156,201)	(7,643)
Net change in fund balances	\$ 196,922	\$ 549,291	1,510,296	543,964
Fund balances at beginning of year			3,008,643	2,464,679
FUND BALANCES AT END OF YEAR			\$ 4,518,939	\$ 3,008,643

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WORKING CASH ACCOUNT
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original & Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Property taxes	\$ 8,705	\$ 12,033	\$ 21,422
Earnings (loss) on investments	20,000	17,790	15,454
Payments of surplus moneys from tif districts	-	15	-
Total Revenues	28,705	29,838	36,876
Excess of revenues over expenditures	28,705	29,838	36,876
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(9,600,000)
Principal on bonds sold	-	-	9,640,000
Premium on bonds sold	-	-	53,892
Total other financing sources (uses)	-	-	93,892
Net change in fund balances	\$ 28,705	29,838	130,768
Fund balances at beginning of year		3,213,714	3,082,946
FUND BALANCES AT END OF YEAR		\$ 3,243,552	\$ 3,213,714

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

Debt Service Fund – To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 5,533,964	\$ 5,533,964	\$ 5,443,654	\$ 5,305,817
Earnings (loss) on investments	35,000	35,000	39,786	29,832
Payments of surplus moneys from tif districts	-	-	6,741	-
Total Revenues	5,568,964	5,568,964	5,490,181	5,335,649
EXPENDITURES:				
Debt Service:				
Payment of principal on long-term debt	-	-	4,053,983	3,720,000
Interest on long-term debt	1,119,800	-	1,565,151	1,529,842
Service charges	3,980,200	6,043,353	278,982	205,801
Total Expenditures	5,100,000	6,043,353	5,898,116	5,455,643
Excess (deficiency) of revenues over expenditures	468,964	(474,389)	(407,935)	(119,994)
OTHER FINANCING SOURCES (USES):				
Transfers in	140,000	-	156,201	7,643
Principal on bonds sold	-	16,145,000	16,420,000	-
Premium on bonds sold	-	951,713	952,422	202,851
Deposited into refunding bond escrow agent	-	(17,522,375)	(17,095,000)	-
Total other financing sources (uses)	140,000	(425,662)	433,623	210,494
Net change in fund balances	\$ 608,964	\$ (900,051)	25,688	90,500
Fund balances at beginning of year			5,339,989	5,249,489
FUND BALANCES AT END OF YEAR			\$ 5,365,677	\$ 5,339,989

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Nonmajor Special Revenue Funds:

Transportation Fund – To account for activity relating to student transportation to and from school.

Municipal Retirement/Social Security Fund – To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for non-certified employees.

Tort Immunity Fund - To account for taxes levied or bonds sold by the District for tort immunity or tort judgment purposes.

CAPITAL PROJECTS FUND

Capital Projects Fund – To account for financial resources to be used for the acquisition, construction and/or additions related to major capital projects, other than those required to be accounted for in the Fire Prevention and Safety Fund.

Fire Prevention and Safety Fund – To account for financial resources to be used for the acquisition, construction, and/or additions related to qualifying fire prevention and safety projects.

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue			
	Transport- ation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
<u>ASSETS</u>				
Cash and investments	\$ 3,219,626	\$ 1,922,928	\$ 195,318	\$ 5,337,872
Receivables (net of allowance for uncollectibles):				
Property taxes	857,296	857,295	4,910	1,719,501
Intergovernmental	924,518	-	-	924,518
Interest	4,706	3,632	325	8,663
TOTAL ASSETS	<u>\$ 5,006,146</u>	<u>\$ 2,783,855</u>	<u>\$ 200,553</u>	<u>\$ 7,990,554</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 4,987	\$ -	\$ -	\$ 4,987
Unearned revenue	238,376	-	-	238,376
Total Liabilities	<u>243,363</u>	<u>-</u>	<u>-</u>	<u>243,363</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	<u>857,296</u>	<u>857,295</u>	<u>4,910</u>	<u>1,719,501</u>
Total deferred inflows of resources	<u>857,296</u>	<u>857,295</u>	<u>4,910</u>	<u>1,719,501</u>
Fund Balances:				
Restricted	<u>3,905,487</u>	<u>1,926,560</u>	<u>195,643</u>	<u>6,027,690</u>
Total Fund Balances	<u>3,905,487</u>	<u>1,926,560</u>	<u>195,643</u>	<u>6,027,690</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,006,146</u>	<u>\$ 2,783,855</u>	<u>\$ 200,553</u>	<u>\$ 7,990,554</u>

Capital Projects			
Capital Projects	Fire Prevention and Safety	Subtotal	Total Nonmajor Governmental Funds
\$ 8,211,542	\$ 1,213,589	\$ 9,425,131	\$ 14,763,003
-	112,931	112,931	1,832,432
-	-	-	924,518
14,541	2,305	16,846	25,509
<u>\$ 8,226,083</u>	<u>\$ 1,328,825</u>	<u>\$ 9,554,908</u>	<u>\$ 17,545,462</u>
\$ 107,641	\$ 4,048	\$ 111,689	\$ 116,676
-	-	-	238,376
107,641	4,048	111,689	355,052
-	112,931	112,931	1,832,432
-	112,931	112,931	1,832,432
8,118,442	1,211,846	9,330,288	15,357,978
8,118,442	1,211,846	9,330,288	15,357,978
<u>\$ 8,226,083</u>	<u>\$ 1,328,825</u>	<u>\$ 9,554,908</u>	<u>\$ 17,545,462</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue			
	Transportation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
REVENUES:				
Property taxes	\$ 1,636,824	\$ 1,621,234	\$ 11,815	\$ 3,269,873
Other local sources	1,944,102	144,736	1,294	2,090,132
State sources	1,561,639	-	-	1,561,639
Total Revenues	5,142,565	1,765,970	13,109	6,921,644
EXPENDITURES:				
Current operating:				
Instruction	-	601,834	-	601,834
Support services	4,107,693	1,622,458	-	5,730,151
Payments to other districts and governmental units	754,081	-	-	754,081
Debt service:				
Total Expenditures	4,861,774	2,224,292	-	7,086,066
Excess (deficiency) of revenues over expenditures	280,791	(458,322)	13,109	(164,422)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	280,791	(458,322)	13,109	(164,422)
Fund balances at beginning of year	3,624,696	2,384,882	182,534	6,192,112
FUND BALANCES AT END OF YEAR	\$ 3,905,487	\$ 1,926,560	\$ 195,643	\$ 6,027,690

Capital Projects			Total Nonmajor Governmental Funds
Capital Projects	Fire Prevention and Safety	Subtotal	
\$ -	\$ 281,201	\$ 281,201	\$ 3,551,074
38,362	7,164	45,526	2,135,658
-	-	-	1,561,639
38,362	288,365	326,727	7,248,371
-	-	-	601,834
7,980,339	191,927	8,172,266	13,902,417
-	-	-	754,081
7,980,339	191,927	8,172,266	15,258,332
(7,941,977)	96,438	(7,845,539)	(8,009,961)
6,000,000	-	6,000,000	6,000,000
6,000,000	-	6,000,000	6,000,000
(1,941,977)	96,438	(1,845,539)	(2,009,961)
10,060,419	1,115,408	11,175,827	17,367,939
<u>\$ 8,118,442</u>	<u>\$ 1,211,846</u>	<u>\$ 9,330,288</u>	<u>\$ 15,357,978</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 1,270,073	\$ 1,270,073	\$ 1,636,824	\$ 1,631,500
Corporate replacement taxes	300,000	300,000	305,198	-
Transportation fees	2,000	2,000	350	7,227
Earnings (loss) on investments	30,000	30,000	19,044	23,838
Refund of prior year's expenditures	1,801,000	1,801,000	1,614,795	13,052
Payments of surplus moneys from tif districts	-	-	2,007	-
Other	-	-	2,708	999
Total Local Sources	<u>3,403,073</u>	<u>3,403,073</u>	<u>3,580,926</u>	<u>1,676,616</u>
State Sources:				
General state aid	500,000	500,000	500,000	-
Transportation aid				
Regular	-	-	296,614	-
Special education	800,000	800,000	765,025	575,102
Total State Sources	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,561,639</u>	<u>575,102</u>
Total Revenues	<u>4,703,073</u>	<u>4,703,073</u>	<u>5,142,565</u>	<u>2,251,718</u>
EXPENDITURES:				
Current operating:				
Support Services:				
Business - Pupil Transportation Services:				
Salaries	184,852	146,352	132,753	139,135
Purchased services	4,132,500	4,186,127	3,906,056	2,379,192
Supplies and materials	70,500	70,500	16,322	14,477
Capital outlay	140,000	52,562	52,562	86,395
Total Support Services	<u>4,527,852</u>	<u>4,455,541</u>	<u>4,107,693</u>	<u>2,619,199</u>
Payments to other districts and governmental units:				
Special education transportation services	758,003	758,003	754,081	729,273
Total payments to other districts and governmental units	<u>758,003</u>	<u>758,003</u>	<u>754,081</u>	<u>729,273</u>
Total Expenditures	<u>5,285,855</u>	<u>5,213,544</u>	<u>4,861,774</u>	<u>3,348,472</u>
Net change in fund balances	<u>\$ (582,782)</u>	<u>\$ (510,471)</u>	280,791	(1,096,754)
Fund balances at beginning of year			<u>3,624,696</u>	<u>4,721,450</u>
FUND BALANCES AT END OF YEAR			<u>\$ 3,905,487</u>	<u>\$ 3,624,696</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes				
General tax levy	\$ 416,675	\$ 416,675	\$ 405,894	\$ 822,447
Social security/medicare tax levy	1,320,418	1,320,418	1,215,340	1,204,913
Corporate replacement taxes	85,000	85,000	128,650	55,000
Earnings (loss) on investments	15,000	15,000	12,792	14,224
Payments of surplus moneys from tif districts	-	-	3,294	-
Total Revenues	<u>1,837,093</u>	<u>1,837,093</u>	<u>1,765,970</u>	<u>2,096,584</u>
EXPENDITURES:				
Current operating:				
Instruction - employee benefits	615,307	615,307	601,834	574,245
Support Services - employee benefits	<u>1,690,638</u>	<u>1,690,639</u>	<u>1,622,458</u>	<u>1,598,778</u>
Total Expenditures	<u>2,305,945</u>	<u>2,305,946</u>	<u>2,224,292</u>	<u>2,173,023</u>
Net change in fund balances	<u>\$ (468,852)</u>	<u>\$ (468,853)</u>	(458,322)	(76,439)
Fund balances at beginning of year			<u>2,384,882</u>	<u>2,461,321</u>
FUND BALANCES AT END OF YEAR			<u>\$ 1,926,560</u>	<u>\$ 2,384,882</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TORT IMMUNITY FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original & Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Property taxes	\$ 7,589	\$ 11,815	\$ 12,172
Earnings (loss) on investments	1,000	1,049	885
Payments of surplus moneys from tif districts	-	245	-
Total Revenues	8,589	13,109	13,057
Net change in fund balances	<u>\$ 8,589</u>	13,109	13,057
Fund balances at beginning of year		182,534	169,477
FUND BALANCES AT END OF YEAR		<u>\$ 195,643</u>	<u>\$ 182,534</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017			2016
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Corporate replacement taxes	\$ -	\$ -	\$ -	\$ 1,000,000
Earnings (loss) on investments	25,000	25,000	38,362	16,884
Total Revenues	25,000	25,000	38,362	1,016,884
EXPENDITURES:				
Current operating:				
Support Services:				
Business:				
Facilities Acquisition and Construction:				
Purchased services	60,000	560,000	2,291,422	298,148
Capital outlay	8,000,000	8,687,825	5,680,426	8,326,656
Non-capitalized equipment	-	-	8,491	-
Total Expenditures	8,060,000	9,247,825	7,980,339	8,624,804
Deficiency of revenues over expenditures	(8,035,000)	(9,222,825)	(7,941,977)	(7,607,920)
OTHER FINANCING SOURCES:				
Transfers in	-	6,000,000	6,000,000	9,600,000
Total other financing sources	-	6,000,000	6,000,000	9,600,000
Net change in fund balances	<u>\$ (8,035,000)</u>	<u>\$ (3,222,825)</u>	(1,941,977)	1,992,080
Fund balances at beginning of year			10,060,419	8,068,339
FUND BALANCES AT END OF YEAR			<u>\$ 8,118,442</u>	<u>\$ 10,060,419</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE PREVENTION AND SAFETY FUND
YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016

	2017		2016
	Original & Final Budget	Actual	Actual
REVENUES:			
Local Sources:			
Property taxes - general levies	\$ 292,615	\$ 281,201	\$ 376,029
Earnings (loss) on investments	5,000	7,149	5,569
Payments of surplus moneys from tif districts	-	15	-
Total Revenues	297,615	288,365	381,598
EXPENDITURES:			
Current operating:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Purchased services	175,000	191,927	85,002
Capital outlay	1,000,000	-	80,162
Total Expenditures	1,175,000	191,927	165,164
Net change in fund balances	<u>\$ (877,385)</u>	96,438	216,434
Fund balances at beginning of year		1,115,408	898,974
FUND BALANCES AT END OF YEAR		<u>\$ 1,211,846</u>	<u>\$ 1,115,408</u>

**FIDUCIARY FUNDS -
AGENCY FUNDS**

Activity Funds – To account for assets held by the District in a trustee capacity as an agent for student organizations.

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
Assets:				
Cash and due from district	\$ 396,531	\$ 531,344	\$ 576,007	\$ 351,868
Liabilities:				
Due to student activity funds:				
Academic Bowl West	\$ 2	\$ -	\$ -	\$ 2
Advantage East	494	-	-	494
Afro American Club East	20	-	-	20
Afro American Club West	1,023	150	720	453
Alumni Hall of Fame West	2,057	-	-	2,057
Anime Club East	-	812	-	812
Anime Club PMSA	813	86	-	899
Anime Club West	-	100	-	100
Art Fundraiser East	2,949	-	495	2,454
Art Scholars West	99	100	-	199
Asian Club West	502	-	-	502
Athletics East	584	-	539	45
Band East	3,532	13,483	15,054	1,961
Band West	631	7,390	6,243	1,778
Bank Redemption Fees	(143)	563	699	(279)
Bowling West/Strikers	826	-	-	826
Boys Baseball East	341	330	650	21
Boys Baseball West	102	869	-	971
Boys Basketball East	36	400	-	436
Boys Soccer West	-	200	-	200
Boys Soccer East	342	200	180	362
Boys Track East	2,105	10,139	10,124	2,120
Boys Track West	6,342	-	5,897	445
Boys Cross Country West	5	200	194	11
Boys Volleyball West	-	200	-	200
Cadet East	125	2,451	2,288	288
Cadets Fund West	4,756	16,752	19,782	1,726
CC Taggart Memorial	1,000	-	-	1,000
Cheerleaders East	126	3,726	3,556	296
Cheerleaders West	1,267	4,443	4,531	1,179
Chess Club East	157	-	-	157
Chess Club West	388	105	493	-
Child Care Career West	985	-	-	985
Choir East	399	77	200	276
Choir West	1,551	408	494	1,465
Chorus PMSA	1,114	921	1,834	201
Class of 2011 PMSA	719	-	719	-
Class of 2014 East	1,336	-	1,336	-
Class of 2014 PMSA	6,436	-	6,436	-
Class of 2015 East	2,901	-	2,901	-
Class of 2015 PMSA	6,857	-	6,857	-
Class of 2016 East	\$ 7,945	\$ -	\$ 7,945	\$ -

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
Liabilities:				
Due to student activity funds (Continued):				
Class of 2016 West	\$ 18,114	\$ -	\$ 18,114	\$ -
Class of 2016 PMSA	6,234	-	6,234	-
Class of 2017 East	4,868	52,025	46,555	10,338
Class of 2017 PMSA	996	21,608	16,790	5,814
Class of 2017 West	1,473	58,870	40,895	19,448
Class of 2018 East	1,754	8,929	6,140	4,543
Class of 2018 PMSA	1,375	6,664	2,116	5,923
Class of 2018 West	-	3,868	-	3,868
Class of 2019 East	1,000	1,145	-	2,145
Class of 2019 PMSA	595	6,022	-	6,617
Class of 2020 East	-	1,483	165	1,318
Class of 2020 PMSA	-	6,636	-	6,636
Club Mix	174	-	-	174
Commencement PMSA	18,058	16,721	17,589	17,190
Cosmetology West	1,350	-	-	1,350
County Needy Student Fund West	185	-	150	35
CWT CC West	482	-	-	482
DECA (Marketing) East	6	1,050	977	79
Dev of Western Thought	19	-	-	19
Dividend Reinvestment	337	1,923	-	2,260
Dr. Baker Scholarship East	600	-	-	600
Drama I East	103	140	135	108
Drama Plays PMSA	3,489	2,757	2,084	4,162
East/West Magnet Program	865	-	-	865
Ecology Club East	271	-	-	271
F & S Recognition East	10,309	17,450	16,438	11,321
F & S Recognition PMSA	2,060	2,759	3,632	1,187
F & S Recognition Superintendent	7,508	2,809	5,643	4,674
F & S Recognition West	6,492	39,364	33,078	12,778
Fashion Merchandising West	353	-	-	353
Field Trip PMSA	2,134	3,558	4,629	1,063
Fine Arts Festival West	202	-	-	202
Flag & Rifle Corp. West	315	150	-	465
G.R.A.C.E. East	163	353	162	354
Gay Straight Alliance	355	-	-	355
Girl Talk East	221	-	-	221
Girls Basketball Club East	659	2,521	2,163	1,017
Girls League West	366	537	-	903
Girls Cross Country West	302	200	400	102
Girls Soccer Club East	79	-	-	79
Girls Soccer Club West	633	3,361	2,339	1,655
Girls Track East	9,981	6,166	3,607	12,540
Girls Track West	215	1,516	1,619	112
Girls Volleyball Club East	17	-	-	17
Girls Volleyball Club West	\$ 2,720	\$ 1,500	\$ 1,479	\$ 2,741

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
Liabilities:				
Due to student activity funds (Continued):				
Golf Club West	\$ 50	\$ 200	\$ -	\$ 250
Golf East	49	-	-	49
Government NJROTC West	35	-	-	35
Gridiron East	609	167	-	776
Gridiron/Football Club West	273	900	833	340
HERO East	566	215	237	544
HERO West	334	-	-	334
Holiday Tournament West	91,510	65,505	101,936	55,079
Hoop Club West	129	51	-	180
IHSA G&B St. Playoffs West	261	6,220	-	6,481
IHSA Sectional/Regional East	-	13,231	8,098	5,133
Interact East	313	-	-	313
Key Club PMSA	90	783	-	873
Key Club West	4,384	150	494	4,040
La Societe Honoraire Francaise	395	-	-	395
Ladies of Integrity	575	-	-	575
Lady Panther Club West	78	5,568	5,506	140
Le Cercle Francais West	342	-	-	342
Madrigal West	672	843	605	910
Math Club Freshmen/Sophomore	429	777	919	287
Math Club West	149	-	-	149
Math Department PE	54	-	-	54
Misc Deposit	2,525	(349)	-	2,176
Multi-Cultural Club East	-	405	169	236
Multi-Cultural Club West	3,309	-	630	2,679
Mural Yearbook West	1,600	545	1,616	529
National Honor Society East	246	870	804	312
National Honor Society West	5,462	14,725	12,282	7,905
Needy Student Fund East	22	-	-	22
Needy Student Fund West	561	456	-	1,017
Newspaper Club PMSA	739	337	356	720
NJROTC East	-	16,947	15,366	1,581
P.E. Activities East	610	-	160	450
P.E. Activities West	507	-	-	507
P.T.O. West	34	-	-	34
Panther Club West	27,963	24,449	38,019	14,393
Panther Video Club West	5,052	-	-	5,052
Pantherettes	1,121	200	56	1,265
Parent CORP NJROTC West	324	-	-	324
PAWS/Gospel Choir West	-	150	-	150
Peer Mediation/Peace Team PMSA	95	-	-	95
Photography Club West	441	-	-	441
Physics Club	1,200	-	-	1,200
Pirateers East	458	1,394	791	1,061
PMSA Debate	\$ 623	\$ -	\$ 70	\$ 553

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
Liabilities:				
Due to student activity funds (Continued):				
PMSA Talent Show 2011	\$ 131	\$ -	\$ -	\$ 131
Profile West	4,031	425	2,855	1,601
Proviso East Donations	3,000	779	-	3,779
Proviso East Yearbook	675	550	675	550
Proviso Interpretive PIP West	2,667	370	403	2,634
Proviso Township HS	(3,700)	-	-	(3,700)
Proviso West Donations	3,000	-	1,655	1,345
PTHS General	2	-	-	2
PTSA East	305	-	-	305
Raz Unida East	1,338	1,242	1,235	1,345
Readings Incentives Club West	133	-	-	133
Robotics Team PMSA	229	596	527	298
Runners Club East	78	1,367	1,297	148
S.E.E.D. Club West	470	185	495	160
SADD West	1,041	1,150	81	2,110
School Store Fund West	4,304	-	1,200	3,104
SHH - Spanish Honor Society West	416	-	70	346
Social Studies Department	339	800	800	339
Softball Club East	283	597	-	880
Softball Club West	2,436	1,650	2,644	1,442
Spanish Club West	96	-	-	96
Speech Team West	333	-	-	333
Student Council East	4,694	4,585	7,049	2,230
Student Council PMSA	15,887	7,132	5,002	18,017
Student Council West	9,135	7,098	11,101	5,132
Studio & Art Club	49	-	-	49
Suspense	60	-	-	60
Swim Club West	540	400	560	380
T.S.T. West	3,312	-	-	3,312
Teen Issues West	374	-	-	374
Tennis Club West	718	610	985	343
Tennis East	51	727	742	36
Time Travelers Club	736	1,377	-	2,113
Torch Club	81	150	231	-
Unidos West	231	200	-	431
Uniform/Books NJROTC West	237	-	-	237
WAC West	627	-	-	627
Wall of Fame East	5,563	-	-	5,563
Wellness Club	-	2,000	2,000	-
Wrestling Club East	856	1,200	727	1,329
Wrestling Club West	194	1,611	1,707	98
Charge Backs	(485)	-	-	(485)
Yearbook Club PMSA	9,719	3,302	9,719	3,302
Young Entrepreneur Society	-	311	-	311
TOTAL ACTIVITY FUNDS	\$ 396,531	\$ 531,344	\$ 576,007	\$ 351,868

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OTHER FINANCIAL INFORMATION

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PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2017, 2016 AND 2015

	TAX LEVY YEAR		
	2016	2015	2014
ASSESSED VALUATION	\$ 2,124,250,834	\$ 2,044,478,289	\$ 2,105,670,969
TAX EXTENSIONS BY LEVY:			
Educational	\$ 44,428,706	\$ 44,132,108	\$ 42,810,396
Operations and maintenance	9,274,479	9,316,687	8,561,658
Debt services	5,786,000	5,600,910	5,203,800
Transportation	1,854,470	1,568,114	1,728,755
Municipal retirement	486,453	392,539	1,284,459
Working cash	10,621	10,222	31,585
Tort immunity	10,621	10,222	10,528
Fire prevention and safety	244,288	343,472	414,817
Social security	1,368,017	1,177,619	1,284,459
TOTAL	\$ 63,463,655	\$ 62,551,893	\$ 61,330,457
TAX COLLECTIONS:			
Year Ended June 30:			
2015	\$ -	-	28,997,001
2016	-	30,597,261	30,536,462
2017	30,952,093	30,336,983	255,898
TOTAL	\$ 30,952,093	\$ 60,934,244	\$ 59,789,361
Percent of Total Levy Collected To June 30, 2016	48.77%	97.41%	97.49%

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2017

Due Year Ended June 30,	Series 2008A Capital Appreciation Bonds		Series 2015A General Obligation Bonds		Series 2016A General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ -	\$ -	\$ -	\$ 379,200	\$ -	\$ 324,200
2019	-	-	-	379,200	-	324,200
2020	-	-	-	379,200	-	324,200
2021	580,000	-	-	379,200	-	324,200
2022	4,960,000	-	-	379,200	-	324,200
2023	4,960,000	-	-	379,200	-	324,200
2024	4,960,000	-	-	379,200	-	324,200
2025	4,960,000	-	-	379,200	-	324,200
2026	4,960,000	-	-	379,200	-	324,200
2027	4,960,000	-	-	379,200	-	324,200
2028	4,960,000	-	-	379,200	-	324,200
2029	-	-	1,750,000	344,200	750,000	311,075
2030	-	-	1,825,000	272,700	1,000,000	277,950
2031	-	-	1,900,000	198,200	1,000,000	237,950
2032	-	-	1,975,000	120,700	1,125,000	195,450
2033	-	-	2,030,000	40,600	1,300,000	153,450
2034	-	-	-	-	1,450,000	112,200
2035	-	-	-	-	1,475,000	68,325
2036	-	-	-	-	1,540,000	23,100
TOTAL	<u>\$ 35,300,000</u>	<u>\$ -</u>	<u>\$ 9,480,000</u>	<u>\$ 5,147,600</u>	<u>\$ 9,640,000</u>	<u>\$ 4,945,700</u>

Series 2016B General Obligation Bonds		Series 2016C General Obligation Bonds		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Total
\$ 3,925,000	\$ 567,300	\$ 275,000	\$ 2,063	\$ 4,200,000	\$ 1,272,763	\$ 5,472,763
4,100,000	406,800	-	-	4,100,000	1,110,200	5,210,200
4,265,000	239,500	-	-	4,265,000	942,900	5,207,900
3,855,000	77,100	-	-	4,435,000	780,500	5,215,500
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	4,960,000	703,400	5,663,400
-	-	-	-	2,500,000	655,275	3,155,275
-	-	-	-	2,825,000	550,650	3,375,650
-	-	-	-	2,900,000	436,150	3,336,150
-	-	-	-	3,100,000	316,150	3,416,150
-	-	-	-	3,330,000	194,050	3,524,050
-	-	-	-	1,450,000	112,200	1,562,200
-	-	-	-	1,475,000	68,325	1,543,325
-	-	-	-	1,540,000	23,100	1,563,100
<u>\$ 16,145,000</u>	<u>\$ 1,290,700</u>	<u>\$ 275,000</u>	<u>\$ 2,063</u>	<u>\$ 70,840,000</u>	<u>\$ 11,386,063</u>	<u>\$ 82,226,063</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE

	Year Ended June 30,		
	2017	2016	2015
Allowable Expenses	<u>\$ 60,698,508</u>	<u>\$ 58,886,417</u>	<u>\$ 53,549,554</u>
Average Daily Attendance	<u>3,709.70</u>	<u>3,930.37</u>	<u>3,844.79</u>
Per Capita Tuition Charge	<u>\$ 16,362.11</u>	<u>\$ 14,982.41</u>	<u>\$ 13,927.82</u>