

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

**Audited Financial Statements
And
Supplementary Financial Information**

June 30, 2018

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
JUNE 30, 2018

	<u>Page</u>
Independent Auditors' Report	1-4
Management's Discussion and Analysis	5-14
Basic Financial Statements	
Government-Wide Financial Statements:	
Statements of Net Position	15
Statements of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund	22
Notes to the Financial Statements	23-59

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
JUNE 30, 2018

	<u>Page</u>
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund	60
Schedule of Changes in Net Position Liability and Related Ratios – Illinois Municipal Retirement Fund	61
Schedule of Contributions – Illinois Municipal Retirement Fund	62
Schedule of District’s Proportionate Share of the Net Pension Liability – Teachers’ Retirement System of the State of Illinois	63
Schedule of Contributions – Teachers’ Retirement System of the State of Illinois	64
Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Health Plan	65
Schedule of the District’s Proportionate Share of the Net Other Post Employment Benefit (OPEB) Liability and District Contributions – Teachers’ Health Insurance Security Fund	66
Notes to Required Supplementary Information	67-69
Combining and Individual Fund Schedules	
General Fund:	
Combining Balance Sheet by Account	70
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Account	71
Educational Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	72-81
Operations and Maintenance Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	82-83
Working Cash Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	84

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
JUNE 30, 2018

	<u>Page</u>
Major Governmental Funds:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Governmental Funds:	
Debt Service Fund	85
Capital Projects Fund	86
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	87-88
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	89-90
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Governmental Funds:	
Transportation Fund	91
Municipal Retirement/Social Security Fund	92
Tort Immunity Fund	93
Fire Prevention and Safety Fund	94
Fiduciary Funds - Agency Funds:	
Schedule of Changes in Assets and Liabilities - Agency Funds - Activity Funds	95-98
Other Financial Information	
Schedule of Assessed Valuations, Tax Extensions, and Collections	99
Schedule of Bonded Debt Maturities and Interest	100-101
Schedule of Per Capita Tuition Charge and Average Daily Attendance	102

MATHIESON MOYSKI·AUSTIN & Co., LLP

(630) 653-1616
FAX (630) 653-1735

MMAadvisors.com

Certified Public Accountants and Advisors

211 South Wheaton Avenue • Suite 300
Wheaton, Illinois 60187

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, 2018, 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, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 5 through 14, and budgetary comparison schedule, required pension schedules, required other postemployment benefits schedules and related notes on pages 60 through 69 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, 2017, 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, 2017, 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 2017 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 2017 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 January 10, 2019 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, Morski, Austin & Co. LLP

Wheaton, Illinois
January 10, 2019

Proviso Township High School District 209

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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, 2018. 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

- Total government-wide revenue of \$112.9 million exceeded expenses of \$109.9 million by \$3.0 million.
- Total governmental funds had revenues of \$112.9 million that exceeded expenditures of \$105.1 million by \$7.8 million.
- The District issued \$8.8 million in general obligation bonds during the year to fund planned construction projects.
- As of June 30, 2018, the total fund balance for all governmental funds equaled \$71.3 million which is a \$8.0 million increase from the prior year.
- The estimated 2018 financial profile designation for the District is "Recognition," which will be the eighth year in a row. The final score will be calculated by the Illinois State Board of Education.
- During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, pertaining to the District's participation in the Teachers' Health Insurance Security (THIS) Fund and in providing Other Postemployment Benefits, collectively referred to as OPEB, as required.

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, 2018

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), the Debt Service Fund and the Capital Projects Fund. The District's non-major governmental funds consist of the Transportation Fund, Municipal Retirement/Social Security Fund, Tort Immunity 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, 2018

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 \$66.9 million, representing approximately 39.2% of total assets for the year ended June 30, 2018. Long-term liabilities outstanding totaled \$95.6 million, or 98.4% of total liabilities. This represents an increase in long-term liabilities of 31.9% from fiscal year 2017 caused the implementation of GASB 75. Other liabilities totaled \$1.6 million, which is a decrease of \$1.8 million from fiscal year 2017. As a result, overall total liabilities increased by \$21.3 million or 28.1% from 2017.

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 \$1.7 million that resulted from the difference in the outstanding balance of refunded debt and its reacquisition price. Additionally, the District has deferred outflows of \$5.5 million related to pensions and deferred outflows of \$1.9 million related to other postemployment benefits.

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 \$31.1 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 \$7.5 million related to the pensions and deferred inflows of \$3.5 million related to other postemployment benefits.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

As a result of the change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources noted, net position increased 8.0%, or \$3.0 million. Total net position, as of June 30, 2018, was \$40.5 million. Of this total, \$12.5 million, or 30.9%, 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			
<i>(in millions of dollars)</i>			
	<u>2018*</u>	<u>2017</u>	<u>Percentage</u> <u>Change</u>
Assets:			
Current and other assets	\$103.9	\$95.9	8.3%
Capital assets	<u>66.9</u>	<u>68.2</u>	-1.9%
Total assets	<u>170.8</u>	<u>164.1</u>	4.1%
Deferred outflows of resources:			
Deferred charge on refunding	1.7	3.1	-45.2%
Other Postemployment benefits	1.9	0.0	100.0%
Pension	<u>5.5</u>	<u>7.0</u>	-21.4%
Total deferred outflows of resources	<u>9.1</u>	<u>10.1</u>	-9.9%
Liabilities:			
Long-term liabilities	95.6	72.5	31.9%
Other liabilities	<u>1.6</u>	<u>3.4</u>	-52.9%
Total liabilities	<u>97.2</u>	<u>75.9</u>	28.1%
Deferred inflows of resources:			
Property taxes levied for subsequent year	31.1	29.4	5.8%
Other Postemployment benefits	3.5	0.0	100.0%
Pension	<u>7.5</u>	<u>0.9</u>	733.3%
Total deferred inflows of resources	<u>42.1</u>	<u>30.3</u>	38.9%
Net position:			
Net investment in capital assets	26.3	18.0	46.1%
Restricted	11.2	12.5	-10.4%
Unrestricted	<u>3.0</u>	<u>37.5</u>	-92.0%
Total net position	<u>\$40.5</u>	<u>\$68.0</u>	-40.4%

* The District implemented GASB 75 during 2018 and 2017 has not been restated

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Statement of Activities:

Table 2 illustrates revenues and expenses from fiscal year 2018 and the ending net position of \$40.5 million. Comparative data for fiscal year 2017 is also illustrated.

The District's total revenues were \$112.9 million. Property taxes were 55.5% of the total, or \$62.7 million. Operating grants for specific programs brought in \$27.9 million in revenues.

The total cost of all programs and services was \$109.9 million. The District's expenses related to instruction accounted for 57.3% of the total, or \$63.0 million. The District's expenses in support services were 37.9% of total costs or \$41.7 million. Total revenues exceeded total expenses, increasing net position by \$3.0 million for the year.

Table 2			
Statement of Activities			
<i>(in millions of dollars)</i>			
	<u>2018</u>	<u>2017</u>	<u>Percentage</u>
			<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$0.5	\$0.7	-28.6%
Operating grants & contributions	27.9	24.6	13.4%
Capital grants & contributions	0.0	0.3	100.0%
General revenues:			
Property taxes	62.3	62.3	0.0%
Unrestricted grants	15.4	13.7	12.4%
Other	6.8	5.5	23.6%
Total revenues	<u>112.9</u>	<u>107.1</u>	<u>5.4%</u>
Expenses:			
Instruction	63.0	61.3	2.8%
Support Services	41.7	40.4	3.2%
Interest	<u>5.2</u>	<u>2.9</u>	79.3%
Total Expenses	<u>109.9</u>	<u>104.6</u>	<u>5.1%</u>
Change in net position	3.0	2.5	<u>20.0%</u>
Net position - beginning of year, as restated*	<u>37.5</u>	<u>65.5</u>	
Net position - end of year	\$40.5	\$68.0	

* The District implemented GASB 75 during 2018 and 2017 has not been restated

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.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$71.3 million. Of this amount, \$37.3 million constitutes *unassigned fund balance*. The Debt Service Fund, Capital Projects Fund and total non-major funds have a combined *restricted fund balance* of \$28.6 million. The District has assigned \$4.6 million of fund balance to be used for the District's self-funded health and dental insurance program. The nonspendable portion of \$0.7 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.

At the end of the current fiscal year, the Educational Account had an unassigned fund balance of \$30.6 million. The unassigned fund balance at June 30, 2017 was \$30.9 million. This represents a decrease of approximately \$0.3 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 \$3.6 million. The unassigned fund balance at June 30, 2017 was \$4.1 million. This represents a decrease of \$0.5 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 \$3.1 million. The ending fund balance at the end of fiscal year 2017 was \$3.2 million. This represents a decrease of \$0.1 million from the previous fiscal year.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 2017 was also \$5.4 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 \$17.3 million. The fund balance at the end of fiscal year 2017 was \$8.1 million. The fund balance increased by \$9.2 million from the previous fiscal year.

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.

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 \$3.2 million. The fund balance at the close of fiscal year 2017 was \$3.9 million, a decrease of \$0.7 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 \$1.6 million. The ending fund balance at the end of fiscal year 2017 was \$1.9 million, a decrease of \$0.3 million.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 2017 was also \$0.2 million.

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 \$1.0 million. The fund balance at the end of fiscal year 2017 was \$1.2 million, a decrease of \$0.2 million.

The District's total revenues were \$112.9 million. Approximately 61.6% of total governmental fund revenues come from local sources, 34.8% from state sources, and 3.6% from federal sources.

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 \$4.0 million before other financing sources and uses.
- The General Fund ended the year with an operating surplus of \$10.2 million before other financing sources and uses which resulted in a favorable surplus for the year of \$6.2 million more than budgeted.

Proviso Township High School District 209
Management’s Discussion and Analysis
For the Year Ended June 30, 2018

Capital Asset and Debt Administration

Capital assets

Table 3 below illustrates capital assets, net of depreciation, which reflect a decrease of \$1.3 million related to depreciation. Additional information is available in Note 3 – Capital Assets.

Table 3			
Capital Assets (net of depreciation)			
<i>(in millions of dollars)</i>			
	<u>2018</u>	<u>2017</u>	<i>Percentage Change</i>
Land	\$0.7	\$0.7	0.0%
Construction in progress	0.0	1.4	-100.0%
Buildings	62.3	63.4	-1.7%
Equipment and furniture	<u>3.9</u>	<u>2.7</u>	44.4%
Total	<u>\$66.9</u>	<u>\$68.2</u>	-1.9%

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, 2018, the District had \$56.2 million in general obligation debt, \$1.0 million in debt certificates, \$4.9 million related to IMRF and TRS net pension liabilities, \$31.2 million related to Other Postemployment Benefits liabilities, and approximately \$2.3 million in other long-term debt outstanding.

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, 2018, the statutory debt limit for the District was \$170.7 million, providing a debt margin of \$114.5 million.

Proviso Township High School District 209
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Table 4			
Outstanding Long-Term Debt			
<i>(in millions of dollars)</i>			
	<u>2018*</u>	<u>2017*</u>	<i>Percentage</i> <u>Change</u>
General obligation bonds	\$56.2	\$58.8	-4.4%
Debt certificates	1.0	1.2	-16.7%
OPEB liability	31.2	30.6	2.0%
Net pension liability	4.9	11.0	-55.5%
Other	<u>2.3</u>	<u>1.4</u>	64.3%
Total long-term debt	<u>\$95.6</u>	<u>\$103.0</u>	-7.2%

* Both years presented in table 4 reflect the implementation of GASB 75.

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.

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.

BASIC FINANCIAL STATEMENTS

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
STATEMENTS OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and investments	\$ 69,634,911
Receivables:	
Property taxes	31,242,241
Intergovernmental	2,186,551
Interest	116,840
Prepaid items	714,054
Capital assets:	
Land and construction in progress	723,510
Other capital assets, net of depreciation	66,144,881
Total assets	170,762,988
Deferred outflows of resources:	
Pension	5,429,357
Other postemployment benefits	1,941,757
Deferred charge on refunding	1,721,223
Total deferred outflows of resources	9,092,337
Liabilities:	
Accounts payable	1,309,739
Due to agency funds	146,903
Accrued interest	126,465
Accrued payroll expenditures	37,943
Long-term liabilities	
Due within one year	4,288,983
Due in more than one year	91,293,344
Total liabilities	97,203,377
Deferred inflows of resources:	
Pension	7,537,920
Other postemployment benefits	3,467,258
Property taxes levied for subsequent year	31,113,158
Total deferred inflows of resources	42,118,336
Net Position:	
Net investment in capital assets	26,322,116
Restricted for:	
Tort immunity	209,901
Capital projects	980,622
Debt service	5,290,337
Retirement	1,601,443
Transportation	3,156,838
Unrestricted	2,972,355
Total net position	\$ 40,533,612

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, 2018

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services:				
Regular programs	\$ 23,884,873	\$ 488,326	\$ 649,577	\$ (22,746,970)
Special programs	17,706,349	-	4,583,134	(13,123,215)
Other programs	2,267,006	-	-	(2,267,006)
State on-behalf payments	19,098,221	-	19,098,221	-
Supporting services:				
Students	7,289,945	-	-	(7,289,945)
Instructional staff	3,310,358	-	-	(3,310,358)
District administration	2,479,708	-	-	(2,479,708)
School administration	3,473,015	-	-	(3,473,015)
Business	1,506,410	-	-	(1,506,410)
Operation and maintenance of facilities	10,865,847	-	-	(10,865,847)
Transportation	5,253,582	-	2,081,173	(3,172,409)
Food service	1,297,710	45,670	1,489,770	237,730
Staff	5,912,287	-	-	(5,912,287)
Other	69,561	-	-	(69,561)
Community services	285,638	-	-	(285,638)
Interest on long-term liabilities	3,619,802	-	-	(3,619,802)
Loss on bond defeasance	1,533,370	-	-	(1,533,370)
Total school district	\$ 109,853,682	\$ 533,996	\$ 27,901,875	(81,417,811)
General revenues:				
Property taxes levied for:				
General purposes				52,477,531
Transportation				1,959,447
Retirement				1,882,775
Debt service				5,641,902
Capital outlay				285,061
Federal and state aid not restricted to specific purposes				15,406,942
Corporate personal property replacement tax				3,131,148
Earnings on investments				688,915
Miscellaneous				2,967,767
Total general revenues				84,441,488
Change in net position				3,023,677
Net position - beginning of year, as restated				37,509,935
Net position - ending				\$ 40,533,612

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, 2018

	General	Debt Services	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 41,159,345	\$ 5,287,113	\$ 17,237,112	\$ 5,951,341	\$ 69,634,911
Receivables (net of allowance for uncollectibles):					
Property taxes	26,234,405	2,809,587	-	2,198,249	31,242,241
Intergovernmental	1,566,105	-	-	620,446	2,186,551
Interest	80,805	9,545	15,347	11,143	116,840
Prepaid items	714,054	-	-	-	714,054
TOTAL ASSETS	<u>\$ 69,754,714</u>	<u>8,106,245</u>	<u>\$ 17,252,459</u>	<u>\$ 8,781,179</u>	<u>\$ 103,894,597</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 1,202,057	\$ -	\$ -	\$ 107,682	\$ 1,309,739
Accrued payroll expenditures	37,943	-	-	-	37,943
Due to agency funds	146,903	-	-	-	146,903
Total Liabilities	<u>1,386,903</u>	<u>-</u>	<u>-</u>	<u>107,682</u>	<u>1,494,585</u>
Deferred inflows of resources:					
Property taxes levies for subsequent year	25,699,022	2,689,443	-	2,724,693	31,113,158
Total deferred inflows of resources	<u>25,699,022</u>	<u>2,689,443</u>	<u>-</u>	<u>2,724,693</u>	<u>31,113,158</u>
Fund Balances:					
Nonspendable	714,054	-	-	-	714,054
Restricted	-	5,416,802	17,252,459	5,948,804	28,618,065
Assigned	4,610,085	-	-	-	4,610,085
Unassigned	37,344,650	-	-	-	37,344,650
Total Fund Balances	<u>42,668,789</u>	<u>5,416,802</u>	<u>17,252,459</u>	<u>5,948,804</u>	<u>71,286,854</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 69,754,714</u>	<u>\$ 8,106,245</u>	<u>\$ 17,252,459</u>	<u>\$ 8,781,179</u>	<u>\$ 103,894,597</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, 2018

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

Total fund balance - governmental funds	\$ 71,286,854
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$128,078,818 and the accumulated depreciation is \$61,210,427.	66,868,391
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.	(126,465)
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	(56,196,801)
Debt certificates payable	(1,042,884)
Deferred issuance premium	(2,280,272)
Deferred charge on refunding	1,721,223
Net other post employment benefits liability - retiree health plan	(2,208,053)
Net other post employment benefits liability - teacher health insurance security fund	(28,980,612)
Net pension liability - teachers' retirement system	(9,477,631)
Net pension liability - Illinois Municipal Retirement Fund	4,603,926
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 - pension	5,429,357
Deferred outflow - other postemployment benefits	1,941,757
Deferred inflow - pension	(7,537,920)
Deferred inflow - other postemployment benefits	<u>(3,467,258)</u>
Total net position - governmental activities	<u><u>\$ 40,533,612</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, 2018

	General	Debt Services	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 52,465,148	\$ 5,641,902	\$ -	\$ 4,139,666	\$ 62,246,716
Other local sources	6,438,551	54,885	75,703	752,687	7,321,826
State sources	37,207,183	-	-	2,081,173	39,288,356
Federal sources	4,020,461	-	-	-	4,020,461
Total Revenues	100,131,343	5,696,787	75,703	6,973,526	112,877,359
EXPENDITURES:					
Current operating:					
Instruction	50,706,418	-	-	601,879	51,308,297
Supporting services	31,914,348	-	941,686	7,360,234	40,216,268
Community services	271,655	-	-	13,983	285,638
Payments to other districts and governmental units	6,997,866	-	-	288,162	7,286,028
Debt service:					
Payment of principal on long-term debt	-	4,348,983	-	-	4,348,983
Interest on long-term debt	-	1,448,359	-	-	1,448,359
Service charges and issuance costs	-	184,317	-	-	184,317
Total Expenditures	89,890,287	5,981,659	941,686	8,264,258	105,077,890
Excess (deficiency) of revenues over expenditures	10,241,056	(284,872)	(865,983)	(1,290,732)	7,799,469
OTHER FINANCING SOURCES (USES):					
Transfers in	-	9,955,352	10,000,000	-	19,955,352
Transfers out	(19,955,352)	-	-	-	(19,955,352)
Principal on bonds sold	8,795,000	-	-	-	8,795,000
Premium on bonds sold	1,023,317	180,645	-	-	1,203,962
Deposited into refunding bond escrow agent	-	(9,800,000)	-	-	(9,800,000)
Total other financing sources (uses)	(10,137,035)	335,997	10,000,000	-	198,962
Net change in fund balances	104,021	51,125	9,134,017	(1,290,732)	7,998,431
Fund balances at beginning of year	42,564,768	5,365,677	8,118,442	7,239,536	63,288,423
FUND BALANCES AT END OF YEAR	\$42,668,789	\$5,416,802	\$17,252,459	\$ 5,948,804	\$ 71,286,854

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, 2018

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

Net change in fund balances-total governmental funds **\$ 7,998,431**

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 depreciation exceeded capital outlays in the current period.

Capital outlays	2,042,450	
Depreciation expense	<u>(3,339,173)</u>	(1,296,723)

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:

Increase in accrued interest payable	<u>(18,956)</u>	(18,956)
--------------------------------------	-----------------	----------

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	(8,795,000)	
Bond premium on issuance of general obligations bonds	(1,203,962)	
Payment to refunded bond escrow agent	9,800,000	
Loss on bond defeasance	(1,533,370)	
Amortization of defeasement asset	(1,386,699)	
Amortization of bond premium	335,261	
Repayment of bond principal	4,200,000	
Repayment of debt certificate principal	148,983	
Debt accretion - capital appreciation bonds	(1,101,049)	
Change in net pension liability - Teachers' Retirement System	(768,471)	
Change in net pension liability - Illinois Municipal Retirement Fund	6,906,800	
Change in net other post employment benefit liability - retiree health plan	(100,110)	
Change in net other post employment benefit liability - teacher health insurance security fund	<u>(454,295)</u>	6,048,088

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

Change in deferred outflow - pension	(1,573,969)	
Change in deferred outflow - other postemployment benefits	1,941,757	
Change in deferred inflow - pension	(6,607,693)	
Change in deferred inflow - other postemployment benefits	<u>(3,467,258)</u>	<u>(9,707,163)</u>

Change in net position of governmental activities **\$ 3,023,677**

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, 2018**

	Agency Funds	Private Purpose Trust Funds
Assets:		
Cash and investments	\$ 307,289	\$ 243,140
Due from District	-	146,903
Total Assets	307,289	390,043
Liabilities:		
Due to student organizations	\$ 307,289	-
Net Assets:		
Reserved for scholarships		390,043
Total net assets		\$ 390,043

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, 2018

	Private Purpose Trust Fund
Additions:	
Earnings on investments	\$ 4,676
Total additions	4,676
Deductions:	
Scholarships paid	6,800
Total deductions	6,800
Changes in net position	(2,124)
Net position, beginning of year	392,167
Net position, ending of year	\$ 390,043

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, 2018

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, 2018

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 accumulation of. Resources for, and the payment of general long-term debt principal, interest, and related costs.

The Capital Projects Fund accounts 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.

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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

Government-wide financial statements

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

Fund financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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 2017 tax levy was November 7, 2017. 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 2018/2019 year, and is reported as deferred inflows of resources in the current year, regardless of timing of collection.

Based upon collection histories, the District has provided at June 30, 2018, an allowance for uncollectible real property taxes equivalent to 3% 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	
	2017 Levy	2017 Levy	2016 Levy
Educational	-	1.8541	2.0915
Operations and Maintenance	0.5500	0.3772	0.4366
Limited Bonds	-	0.2390	0.2724
Transportation	-	0.0883	0.0873
I.M.R.F.	-	0.0200	0.0229
Working Cash	0.0500	0.0004	0.0005
Tort Immunity	-	0.0004	0.0005
Life Safety	0.1000	0.0141	0.0115
Social Security	-	0.0642	0.0644
Total		2.6577	2.9876

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

l. 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

m. Pensions

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expenses, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

n. New Accounting Pronouncements

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, pertaining to the District's participation in the Teachers' Health Insurance Security (THIS) Fund and in providing Other Postemployment Benefits, collectively referred to as OPEB, as required.

This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and requires supplementary information (RSI) about their OPEB liabilities.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

The effect of these changes on the fiscal year 2017 financial statements is as follows:

Net Position as previously reported at June 30, 2017	\$ 68,026,487
Prior Period Adjustment:	
Long-term liabilities:	
Net OPEB Liability – Retiree Health Plan	(1,990,235)
Net OPEB Liability – Teacher Health Insurance Security Fund	(28,526,317)
Total prior period adjustment	(30,516,552)
Net Position as restated, July 1, 2017	\$ 37,509,935

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, 2018, the amount of pooled cash and investments held by the Proviso Township School Treasurer and allocated to the District was \$64,123,227.

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.

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, 2018, the District had no funds exposed to custodial credit risk.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

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, 2018, 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	\$1,230,213
ISDLAF Liquid Class	60 days or less	4,678,212
Total		<u>\$5,908,425</u>

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

The District has funds invested in the amount of \$5,908,425 (valued at \$1.00 per share) in the Illinois School District Liquid Asset Funds (state-wide investment pool) as of June 30, 2018. 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.

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, 2018, 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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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 79% and 21% of the total investment, respectively.

NOTE 3. CAPITAL ASSETS:

A summary of changes in capital assets follows:

Governmental Activities:	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 723,510	\$ -	\$ -	\$ 723,510
Construction in progress	1,331,705	-	(1,331,705)	-
Total capital asset not being depreciated	2,055,215	-	(1,331,705)	723,510
Capital assets, being depreciated:				
Buildings and improvements	107,943,992	1,451,948	-	109,395,940
Furniture and equipment	16,037,161	1,922,207	-	17,959,368
Total capital assets being depreciated	123,981,153	3,374,155	-	127,355,308
Accumulated depreciation for:				
Buildings and improvements	44,517,929	2,609,035	-	47,126,964
Furniture and equipment	13,353,325	730,138	-	14,083,463
Total accumulated depreciation	57,871,254	3,339,173	-	61,210,427
Total capital assets being depreciated, net	66,109,899	34,982	-	66,144,881
Total capital assets, net	\$ 68,165,114	\$ 34,982	\$ -	\$ 66,868,391

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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

Instructional services:	
Regular programs	\$1,702,004
Special programs	236,881
Other programs	223,472
Supporting services:	
Students	138,922
Instructional staff	79,512
General administration	78,271
School administration	56,854
Business	52,181
Operations and Maintenance	230,870
Food Service	55,394
Staff	484,812
	\$3,339,173

NOTE 4. CHANGES IN LONG-TERM LIABILITIES:

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

Governmental Activities:	Balance July 1, 2017	Additions/ Accretion	Reductions	Balance June 30, 2018	Amount Due In One Year
General Obligation School Bonds*	\$58,767,382	\$9,896,049	\$12,466,630	\$ 56,196,801	\$4,140,000
Taxable Debt Certificates, 2014A	1,191,867	-	148,983	1,042,884	148,983
Deferred Amounts for Bond Issuance Premium	1,411,571	1,203,962	335,261	2,280,272	-
Net OPEB Liability – Retiree Health Plan	2,107,943	100,110	-	2,208,053	-
Net OPEB Liability – Teacher Health Insurance Security Fund	28,526,317	454,295	-	28,980,612	-
Net Pension Liability – Illinois Municipal Retirement Fund	2,302,874	-	6,906,800	(4,603,926)	-
Net Pension Liability – Teachers’ Retirement System	8,709,160	768,471	-	9,477,631	-
Total Long-Term Liabilities	\$103,017,114	\$12,422,887	\$19,857,674	\$95,582,327	\$4,288,983

*Amounts are shown net of accretion.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Long-term liabilities at June 30, 2018 are comprised of the following:

General Obligation School Bonds:

\$20,745,000 Capital Appreciation Bonds, Series 2008A, due in annual installments varying from \$580,000 to \$4,275,000 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%.

\$12,220,000 General Obligation Bonds, Series 2016B, due in annual installments varying from \$3,855,000 to \$4,265,000 through 2021; interest rate at 4%.

\$8,795,000 General Obligation Bonds, Series 2017, due in annual installments varying from \$40,000 to \$2,500,000 through 2028; interest rates varying from 4% to 5%.

The District defeased a portion of the Capital Appreciation Bonds, Series 2008A with existing resources. Proceeds in the amount of \$9,800,000 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the defeased portion of the debt. Neither the securities held by the escrow agent nor the debt defeased are reflected in the District's financial statements since they are not considered assets or liabilities of the District as a result of the defeasance of debt. Capital Appreciation Bonds, Series 2008A in the amount of \$14,555,000, net of accretion, are not shown on the Statement of Net Position.

Debt Certificates:

\$1,042,883 Qualified Zone Academy Bonds, Series 2014A, due in annual installments of \$148,983 through 2025; interest rate at 0.57%

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

At June 30, 2018, the annual cash flow requirements of all long-term debt to retirement, including interest of \$13,406,506 were as follows:

Fiscal Year Ending June 30,	Bonds Payable		Debt Certificates Payable		Total
	Principal	Interest	Principal	Interest	
2019	\$ 4,140,000	\$ 1,510,200	\$ 148,983	\$ 5,520	\$ 5,804,703
2020	4,265,000	1,342,100	148,983	4,671	5,760,754
2021	4,435,000	1,179,700	148,983	3,821	5,767,504
2022	4,315,000	1,102,600	148,983	2,972	5,569,555
2023	4,275,000	1,102,600	148,983	2,123	5,528,706
2024-2028	20,330,000	4,792,600	297,968	1,699	25,422,267
2029-2033	14,655,000	2,152,275	-	-	16,807,275
2034-2036	4,465,000	203,625	-	-	4,668,625
Totals	\$ 60,880,000	\$ 13,385,700	\$ 1,042,883	\$ 20,806	\$ 75,329,389

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, 2018, the statutory debt limit for the District was \$170,665,975, providing a debt margin of \$114,469,174.

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$5,416,802 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 \$11,239,141 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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

As of June 30, 2018, fund balances are composed of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable	\$ 714,054	\$ -	\$ -	\$ -	\$ 714,054
Restricted:					
Debt Service	-	5,416,802	-	-	5,416,802
Transportation	-	-	-	3,156,838	3,156,838
Retirement	-	-	-	1,601,443	1,601,443
Tort immunity	-	-	-	209,901	209,901
Capital Projects	-	-	17,252,459	-	17,252,459
Fire Prevention & Safety	-	-	-	980,622	980,622
Assigned for self- insurance	4,610,085	-	-	-	4,610,085
Unassigned	37,344,650	-	-	-	37,344,650
Total fund balances	\$ 42,668,789	\$ 5,416,802	\$ 17,252,459	\$ 5,948,804	\$ 71,286,854

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

The following is a summary of deferred outflows and deferred inflows of resources for The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System of the State of Illinois (TRS)	\$ 2,892,012	\$ 773,326
Illinois Municipal Retirement Fund (IMRF)	<u>2,537,345</u>	<u>6,764,594</u>
Total	<u>\$ 5,429,357</u>	<u>\$ 7,537,920</u>

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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

Contributions from active members and TRS contributing 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, 2017, was 9.4 percent of creditable earnings. On July 1, 2017, 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, 2018, 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 \$19,098,221 in pension contributions from the state of Illinois.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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, 2018, were \$146,730, and are deferred because they were paid after the June 30, 2017 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 Public Act 100-0340, the federal law and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling \$1,088,298 were paid from federal and special trust funds that required District contributions of \$109,918. These contributions are deferred because they were paid after the June 30, 2017 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, 2017 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District was not required to pay TRS for employer ERO contributions for retirements that occurred before July 1, 2017.

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, 2018, the District paid \$67,070 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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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

At June 30, 2018, 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	\$ 9,477,631
State's proportionate share of the net pension liability associated with the District	191,024,360
Total	\$ 200,501,991

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0124%, which was an increase of 0.0014% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$18,799,702 and revenue of \$18,799,702 for support provided by the state. At June 30, 2018, 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	\$ 102,938	\$ 4,375
Net difference between projected and actual earnings on pension plan investments	6,502	-
Changes of Assumptions	632,564	272,343
Changes in proportion and differences between District contributions and proportionate share of contributions	1,893,360	496,608
District contributions subsequent to the measurement date	256,648	-
Total	\$ 2,892,012	\$ 773,326

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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
2019	\$ 416,027
2020	535,711
2021	705,415
2022	186,524
2023	18,361
Total	<u>\$ 1,862,038</u>

Actuarial assumptions

The total pension liability in the June 30, 2017 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. The same assumptions were used in the June 30, 2016 actuarial valuation.

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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	100.0%	

Discount rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.0 percent, which was changed from the June 30, 2016 rate of 6.83 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, 2017 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, 2016, the discount rate used to measure the total pension liability was 6.83 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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$11,644,507	\$9,477,631	\$7,702,778

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 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 first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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, 2017, the number of District employees covered by IMRF were:

Active members	231
Retirees and beneficiaries	282
Inactive, non-retired members	<u>112</u>
Total	<u>625</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 2017 was 8.56% of annual covered payroll. For the fiscal year ended June 30, 2018, the District contributed \$984,450 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 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, 2018

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	2.50%
Salary Increases	3.39% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2018

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, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Return 12/31/17</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	37.0%	19.60%	8.30%	6.85%
International equities	18.0	27.53	8.45	6.75
Fixed income	28.0	4.67	3.05	3.00
Real estate	9.0	9.10	6.90	5.75
Alternative investments	7.0	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 3.31%; and the resulting single discount rate is 7.50%.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Changes in the District's Net Pension Liability: Changes in the District's Net Pension Liability for the year ended December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability (Asset) <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a) – (b)</u>
Balance, December 31, 2016	\$ 61,620,102	\$ 59,317,228	\$ 2,302,874
Charges for the year:			
Service cost	1,223,365	-	1,223,365
Interest	4,518,068	-	4,518,068
Difference between expected and actual experience	(146,696)	-	(146,696)
Changes in assumptions	(2,179,318)	-	(2,179,318)
Net investment income	-	10,514,475	(10,514,475)
Contributions – employees	-	509,279	(509,279)
Contributions – employers	-	968,760	(968,760)
Benefit payments including refunds of employee contributions	(3,981,744)	(3,981,744)	-
Other changes	-	(1,670,295)	1,670,295
Net changes	<u>(566,325)</u>	<u>6,340,475</u>	<u>(6,906,800)</u>
Balance, December 31, 2017	<u>\$ 61,053,777</u>	<u>\$ 65,657,703</u>	<u>\$ (4,603,926)</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%	\$ 2,334,381
Current discount rate	7.50	(4,603,926)
1% increase	8.50	(10,372,821)

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2018, the District recognized pension expense of \$2,161,983. At June 30, 2018, 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	\$ 56,657	\$ 176,191	\$ (119,534)
Changes of assumptions	8,442	1,610,637	(1,602,195)
Net difference between projected and actual earnings on Plan investments	1,956,389	4,977,766	(3,021,377)
District contributions to plan after measurement date	<u>515,857</u>	<u>-</u>	<u>515,857</u>
Total	<u>\$ 2,537,345</u>	<u>\$ 6,764,594</u>	<u>\$ (4,227,249)</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)
2018	\$ (856,497)
2019	(1,041,803)
2020	(1,600,366)
2021	<u>(1,244,440)</u>
Total	<u>\$ (4,743,106)</u>

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB):

The District has benefit obligations pertaining to retired employees. The following is a summary of deferred outflows and deferred inflows of resources for the Retiree Health Plan and the Teachers' Health Insurance Security Fund (THIS):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Retiree Health Plan	\$ -	\$ -
Teachers Health Insurance Security Fund (THIS)	<u>1,941,757</u>	<u>3,467,258</u>
Total	<u>\$ 1,941,757</u>	<u>\$ 3,467,258</u>

Retiree Health Plan:

Plan Description: The District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). Eligible participants that retire from the District may continue their health care coverage, depending on length of service, by paying the monthly premium. The District subsidizes a portion of the cost for coverage for retired employees and their dependents. The subsidy is an implied age related cost differential based upon the expected higher cost of coverage for retired employees versus the average cost for the entire group. 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. All insurance benefits cease when the retired employee begins receiving Medicare coverage, or attains age 65, whichever comes first.

Eligibility Provisions

Full-Time Employees – Admin

Full-Time District employees age 55 with at least 18 year of service are covered.

Full-Time Employees – Certified

Full-Time District employees who meet the age and service requirements for retirement through the Teachers' Retirement Fund, detailed below, are covered.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Years of Service	Age
5	62
10	60
20	55
35	*55
* If you are eligible to receive a retirement annuity of at least 74.6 percent of the final average salary and will reach age 55 between July 1 and Dec. 31, considered to have attained age 55 on the preceding June 1.	
* If you are a TRS member currently employed by a state of Illinois agency, you may retire under the Rule of 85.	

Full-Time Employees – O&M, Support

Tier I IMRF Full-Time District employees age 55 with at least 8 years of service are covered.

Tier II IMRF Full-Time District employees age 62 with at least 10 years of service are covered.

Employees Covered by Benefit Terms: At June 30, 2018, the number of District employees covered were:

Active	445
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefit payments	<u>15</u>
Total	<u>460</u>

Contributions: Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. Retirees that elect to continue their health care coverage are responsible for paying the full monthly premium.

Net OPEB Liability: The District's Net OPEB Liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Plan Fiduciary Net Position: The District currently pays for postemployment health care benefits on a pay-as-you-go basis. Therefore, no trust has been established for future costs, and no net position is held for postemployment health care obligations.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Actuarial Assumptions: The actuarial results presented here reflect a valuation date of July 1, 2017 and a measurement date of June 30, 2018. The following are the methods and assumptions used to determine the Net OPEB Liability at June 30, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A
Changes Since Last Valuation	Because this is the implementation year of GASB 74/75, the beginning Total OPEB Liability is based on the same assumptions, data and plan provisions as the ending Total OPEB Liability. For the purpose of developing changes in OPEB Liability for GASB 74/75 reporting, there have been no changes in assumptions from the prior year.
Discount Rate	3.87%
Health Care Trend Rate	5% per year
Mortality	Active IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are Improved Generationally using MP-2017 Improvement Rates and Weighted Based on the IMRF December 31, 2017 Actuarial Valuation. Retiree and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2017 Improvement Rates. Disabled IMRF Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2017 Improvement Rates. Active, Retiree, and Spousal TRS Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with White Collar Adjustment. These Rates are Improved Generationally using MP-2014 Improvement Rates and Weighted Based on the TRS June 30, 2017 Actuarial Valuation. Disabled TRS Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants. These rates are Improved Generationally using MP-2014 Improvement Rates.
Salary Increases	2.25% per year
Participation	30% of active employees are assumed to participate upon retirement.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Changes in the District's Net OPEB Liability: Changes in the District's Net OPEB Liability for the year ended June 30, 2018 were as follows:

	Net OPEB Liability
Balance, July 1, 2017	\$ 2,107,943
Charges for the year:	
Service cost	122,746
Interest	79,599
Benefit payments	(102,235)
Net changes	100,110
Balance, June 30, 2018	\$ 2,208,053

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the Net OPEB Liability calculated using the discount rate of 3.87%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	2.87%	\$ 2,417,110
Current discount rate	3.87%	2,208,053
1% increase	4.87%	2,019,120

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the Net OPEB Liability calculated using the health care trend rate of 5%, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is 1% higher and lower: (No increase in benefit level has been assumed)

	Trend Rate	Net OPEB Liability
1% decrease	4%	\$ 1,962,913
Current discount rate	5%	2,208,053
1% increase	6%	2,496,452

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District incurred OPEB expense of \$202,345. At June 30, 2018, the District did not have any Deferred Outflows of Resources and Deferred Inflows of Resources related to the plan.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Teacher Health Insurance Security:

General Information about the Other Post Employment Benefit Plan

Plan Description: The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of 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.

Benefits Provided: 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 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$298,519, 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 0.88% during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$222,624 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:
<https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp#sectc>. The current reports are listed under "Central Management Services" <https://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB 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 OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District is as follows:

District's proportionate share of the net OPEB liability	\$ 28,980,612
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>38,058,745</u>
Total	<u>\$ 67,039,357</u>

*The State's proportionate share of the net OPEB liability associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate formed by allocating the State's total net OPEB liability for the entire plan (per the actuary) based on the District's proportionate share of the net OPEB liability to all the school districts participating in the Plan. Additionally, the amounts included below related to the sensitivity of the healthcare rate and discount rate are based on a similar allocation methodology.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Net OPEB Liability: The District's net OPEB Liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The actuarial valuation was determined using the following actuarial assumptions.

Changes Since Last Valuation	Actuarial gains and losses are being amortized as required by GASB 75.
Inflation	2.75%
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Discount Rate	The discount rates 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017.
Discount Rate Determination Method	Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates are consistent with the 20-year general obligation bond index.
Health Care Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of .59% is added to non-Medicare costs on and after 2020 to account for Excise Tax.
Mortality	Mortality rates for retirement and beneficiary annuitants were based upon the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table, All tables reflect future mortality improvements using Projection Sale MP-2014.
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

The District's proportion of the net OPEB liability was 0.1117% as of June 30, 2017, an increase of 0.0073% over the District's share of the net OPEB liability as of June 30, 2016. The basis for the proportion was fiscal year 2017 contribution to the plan.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net OPEB Liability
1% decrease	2.56%	\$ 34,776,733
Current discount rate	3.56%	28,980,612
1% increase	4.56%	\$ 24,343,022

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate: The following presents the net OPEB liability calculated using the health care trend rate of 8.00%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% higher and lower:

	Trend Rate	Net OPEB Liability
1% decrease	7.00%	\$ 23,390,424
Current trend rate	8.00%	28,980,612
1% increase	9.00%	\$37,004,688

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2017, the District recognized OPEB expense of \$2,418,230. At June 30, 2017, the District reported the following Deferred Outflows of Resources and Deferred Inflows of Resources.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 16,415	\$ (16,415)
Changes of assumptions	-	3,450,524	(3,450,524)
Net difference between projected and actual earnings on Plan investments	-	319	(319)
Changes in proportion and differences between Employer Contribution and Share of Contributions	1,719,133	-	1,719,133
District contributions to plan after measurement date	<u>222,624</u>	<u>-</u>	<u>222,624</u>
Total	<u>\$ 1,941,757</u>	<u>\$ 3,467,258</u>	<u>\$ (1,525,501)</u>

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

The District reported \$222,624 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred (Inflows) Outflows
2019	(\$232,773)
2020	(232,773)
2021	(232,773)
2022	(232,773)
2023	(232,773)
Thereafter	(584,260)
Total	\$ (1,748,125)

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, 2018

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 2850 W. Golf Road, Rolling Meadows, Illinois, 60008.

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, 2018 were \$125,000 for individual claims and \$2,240,537 for aggregate claims. The stop-loss coverage limits for the PPO for the year ended June 30, 2018 were \$125,000 for individual claims and \$5,292,485 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, 2018, in the amount of \$739,462.

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

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Claims liability as of beginning of year	\$ 685,342	\$ 555,486
Claims and changes in estimates	5,575,173	6,020,557
Claims paid	<u>(5,521,053)</u>	<u>(5,890,701)</u>
Claims liability as of end of year	<u>\$ 739,462</u>	<u>\$ 685,342</u>

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.

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2018

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, 2018, inter-fund transfers consisted of the following:

Transfer to	Transfer from	Amount
Debt Service Fund	General Fund's Educational Account	\$9,000,000
Debt Service Fund	General Fund's Operations & Maintenance Account	955,352
Capital Projects Fund	General Fund's Working Cash Account	\$10,000,000

The purpose of the transfer from the General Fund's Educational Account of \$9,000,000 and the General Fund's Operations & Maintenance Account of \$800,000 to the Debt Service Fund was to partially defease the Capital Appreciation Bonds, Series 2008A. 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. The transfer of \$155,352 from the General Fund's Operations & Maintenance Account to the Debt Service Fund was for the payment of interest on debt certificates to comply with the ISBE Administrative Code.

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, 2018

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
REVENUES:				
Local sources	\$ 58,989,116	\$ 59,168,801	\$ 58,903,699	\$ (265,102)
State sources	44,546,010	44,665,559	37,207,183	(7,458,376)
Federal sources	4,429,155	4,370,227	4,020,461	(349,766)
Total Revenues	<u>107,964,281</u>	<u>108,204,587</u>	<u>100,131,343</u>	<u>(8,073,244)</u>
EXPENDITURES:				
Current operating:				
Instruction	63,521,781	61,440,755	50,706,418	10,734,337
Supporting services	36,062,671	34,742,844	31,914,348	2,828,496
Community services	266,063	478,566	271,655	206,911
Payments to other districts and governmental units	9,805,163	7,545,877	6,997,866	548,011
Total Expenditures	<u>109,655,678</u>	<u>104,208,042</u>	<u>89,890,287</u>	<u>14,317,755</u>
Excess (deficiency) of revenues over expenditures	<u>(1,691,397)</u>	<u>3,996,545</u>	<u>10,241,056</u>	<u>6,244,511</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10,000,000	-	(10,000,000)
Transfers out	(155,000)	(20,155,000)	(19,955,352)	199,648
Principal on bonds sold	-	10,000,000	8,795,000	(1,205,000)
Premium on bonds sold	-	-	1,023,317	1,023,317
Total other financing sources (uses)	<u>(155,000)</u>	<u>(155,000)</u>	<u>(10,137,035)</u>	<u>(9,982,035)</u>
Net change in fund balances	<u>\$ (1,846,397)</u>	<u>\$ 3,841,545</u>	104,021	<u>\$ (3,737,524)</u>
Fund balances at beginning of year			<u>42,564,768</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 42,668,789</u>	

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

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
JUNE 30, 2018

Calendar year ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total pension liability:</u>				
Service cost	\$ 1,223,365	\$ 1,215,519	\$ 1,183,785	\$ 1,220,686
Interest on the total pension liability	4,518,068	4,394,439	4,220,684	3,899,352
Difference between expected and actual experience	(146,696)	(166,848)	436,058	135,524
Changes in assumptions	(2,179,318)	(66,876)	64,971	2,319,318
Benefit payments, including refunds of employee contributions	<u>(3,981,744)</u>	<u>(3,638,227)</u>	<u>(3,414,607)</u>	<u>(3,129,379)</u>
Net change in total pension liability	(566,325)	1,738,007	2,490,891	4,445,501
Total pension liability, beginning	<u>61,620,102</u>	<u>59,882,095</u>	<u>57,391,204</u>	<u>52,945,703</u>
Total pension liability, ending (A)	<u>\$61,053,777</u>	<u>\$ 61,620,102</u>	<u>\$ 59,882,095</u>	<u>\$57,391,204</u>
<u>Plan fiduciary net position:</u>				
Contributions - Employer	\$ 968,760	\$ 951,611	\$ 1,035,568	\$ 1,040,884
Contributions - Employee	509,279	484,418	485,687	471,697
Net investment income	10,514,475	3,923,861	288,463	3,395,322
Benefit payments and refunds	(3,981,744)	(3,638,227)	(3,414,607)	(3,129,379)
Other	<u>(1,670,295)</u>	<u>377,053</u>	<u>184,208</u>	<u>391,261</u>
Net change in plan fiduciary net position	6,340,475	2,098,716	(1,420,681)	2,169,785
Plan fiduciary net position, beginning	<u>59,317,228</u>	<u>57,218,512</u>	<u>58,639,193</u>	<u>56,469,408</u>
Plan fiduciary net position, ending (B)	<u>\$65,657,703</u>	<u>\$ 59,317,228</u>	<u>\$ 57,218,512</u>	<u>\$58,639,193</u>
Net pension liability/(asset), ending (A) - (B)	<u>\$ (4,603,926)</u>	<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	107.54%	96.26%	95.55%	102.17%
Covered valuation payroll	<u>\$11,317,293</u>	<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>-40.68%</u>	<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, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 968,760	\$ 968,760	\$ -	\$ 11,317,293	8.56%
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 2018*

	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
District's proportion of the net pension liability	<u>0.0124%</u>	<u>0.0110%</u>	<u>0.0082%</u>	<u>0.0102%</u>
District's proportionate share of the net pension liability	\$ 9,477,631	\$ 8,709,160	\$ 5,403,715	\$ 6,197,569
State's proportionate share of the net pension liability associated with the District	<u>191,024,360</u>	<u>176,398,253</u>	<u>68,367,205</u>	<u>212,827,875</u>
Total	<u>\$200,501,991</u>	<u>\$ 185,107,413</u>	<u>\$ 73,770,920</u>	<u>\$ 219,025,444</u>
District's covered-employee payroll	\$ 25,720,999	\$ 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>36.85%</u>	<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>39.30%</u>	<u>36.40%</u>	<u>41.50%</u>	<u>43.00%</u>

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

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

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
JUNE 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually-required contribution	\$ 256,648	\$ 445,045	\$ 429,892	\$ 357,875
Contributions in relation to the contractually-required contribution	<u>260,523</u>	<u>520,166</u>	<u>438,531</u>	<u>368,870</u>
Contribution deficiency (excess)	<u>\$ (3,875)</u>	<u>\$ (75,121)</u>	<u>\$ (8,639)</u>	<u>\$ (10,995)</u>
District's covered-employee payroll	\$ 25,298,195	\$ 25,720,999	\$ 24,324,231	\$ 22,775,787
Contribution as a percentage of covered-employee payroll	1.01%	1.73%	1.77%	1.57%

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

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PLAN
(SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2017)
6/30/2018

Fiscal year ending June 30,	<u>2017</u>
<u>Total OPEB liability:</u>	
Service cost	\$ 122,746
Interest on the total pension liability	79,599
Benefit payments and refunds	<u>(102,235)</u>
Net change in total OPEB liability	100,110
Total OPEB liability, beginning	<u>2,107,943</u>
Total OPEB liability, ending	<u><u>2,208,053</u></u>
 <u>Plan fiduciary net position</u>	
Employer contributions	102,235
Benefit payments and refunds	<u>(102,235)</u>
Plan fiduciary net position, ending	<u><u>-</u></u>
 Net OPEB liability, ending	 <u><u>2,208,053</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	 <u><u>0.00%</u></u>
 Covered valuation payroll	 <u><u>\$ 29,252,575</u></u>
 Net OPEB liability as a percentage of covered valuation payroll	 <u><u>7.55%</u></u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT
 BENEFIT (OPEB) LIABILITY AND DISTRICT CONTRIBUTIONS
 TEACHERS' HEALTH INSURANCE SECURITY FUND
 SCHEDULE TO BE BUILT PROSPECTIVELY FROM 2017
 JUNE 30, 2018

Fiscal year ending June 30,	2017
District's Proportionate Share of the OPEB Liability:	
District's proportion of net OPEB Liability	0.1117%
District's proportionate share of the net OPEB Liability	\$ 28,980,612
State's proportionate share of the net OPEB liability associated with the District	38,058,745
Total	\$ 67,039,357
District's covered-employee payroll	\$ 25,720,999
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	112.67%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%
District Contributions:	
Contractually required contribution	\$ 216,056
Contributions in relation to the contractually required contribution	215,810
Contribution deficiency (excess)	\$ 246
Contributions as a percentage of covered-employee payroll	0.84%

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

PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 12, 2017, and was amended on June 12, 2018.
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, 2018

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 2017 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: 26-year closed 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.
Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Other Information	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2015, actuarial valuation; note two year lag between valuation and rate setting.

PROVISO TOWNSHIP HIGH SCHOOL DIST 209
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and 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.

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING AND INDIVIDUAL
FUND SCHEDULES

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2018

<u>ASSETS</u>	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
Cash and investments	\$ 33,798,717	\$ 4,238,976	\$ 3,121,652	\$ 41,159,345
Receivables (net of allowance for uncollectibles):				
Property taxes	21,795,587	4,434,116	4,702	26,234,405
Intergovernmental	1,566,105	-	-	1,566,105
Interest	58,244	10,354	12,207	80,805
Prepaid items	714,054	-	-	714,054
TOTAL ASSETS	\$ 57,932,707	\$ 8,683,446	\$ 3,138,561	\$ 69,754,714
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 942,757	\$ 259,300	\$ -	\$ 1,202,057
Payroll deductions and withholdings	37,943	-	-	37,943
Due to activity fund organizations	146,903	-	-	146,903
Total Liabilities	1,127,603	259,300	-	1,386,903
Deferred inflows of resources:				
Property taxes levies for subsequent year	21,450,017	4,244,504	4,501	25,699,022
Total deferred inflows of resources	21,450,017	4,244,504	4,501	25,699,022
Fund Balances:				
Nonspendable	714,054	-	-	714,054
Assigned	3,998,917	611,168	-	4,610,085
Unassigned	30,642,116	3,568,474	3,134,060	37,344,650
Total Fund Balances	35,355,087	4,179,642	3,134,060	42,668,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 57,932,707	\$ 8,683,446	\$ 3,138,561	\$ 69,754,714

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES BY ACCOUNT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
REVENUES:				
Property taxes	\$ 43,488,147	\$ 8,964,824	\$ 12,177	\$ 52,465,148
Other local sources	5,731,539	646,998	60,014	6,438,551
State sources	37,207,183	-	-	37,207,183
Federal sources	4,020,461	-	-	4,020,461
Total Revenues	<u>90,447,330</u>	<u>9,611,822</u>	<u>72,191</u>	<u>100,131,343</u>
EXPENDITURES:				
Current operating:				
Instruction	50,706,418	-	-	50,706,418
Supporting services	23,288,630	8,625,718	-	31,914,348
Community services	271,655	-	-	271,655
Payments to other districts and governmental units	6,627,817	370,049	-	6,997,866
Total Expenditures	<u>80,894,520</u>	<u>8,995,767</u>	<u>-</u>	<u>89,890,287</u>
Excess of revenues over expenditures	<u>9,552,810</u>	<u>616,055</u>	<u>72,191</u>	<u>10,241,056</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(9,000,000)	(955,352)	(10,000,000)	(19,955,352)
Principal on bonds sold	-	-	8,795,000	8,795,000
Premium on bonds sold	-	-	1,023,317	1,023,317
Total other financing sources (uses)	<u>(9,000,000)</u>	<u>(955,352)</u>	<u>(181,683)</u>	<u>(10,137,035)</u>
Net change in fund balances	552,810	(339,297)	(109,492)	104,021
Fund balances at beginning of year	<u>34,802,277</u>	<u>4,518,939</u>	<u>3,243,552</u>	<u>42,564,768</u>
FUND BALANCES AT END OF YEAR	<u>\$ 35,355,087</u>	<u>\$ 4,179,642</u>	<u>\$ 3,134,060</u>	<u>\$ 42,668,789</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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes -general tax levy	\$ 44,426,503	\$ 44,426,503	\$ 43,488,147	\$ 42,298,500
Corporate replacement taxes	2,700,000	2,700,000	2,665,868	1,768,181
Tuition	20,000	20,000	30,152	71,640
Earnings on investments	225,000	335,986	369,858	214,707
Food service - sales to pupils and adults	46,500	46,500	45,670	40,841
Pupil activities	486,700	486,700	391,948	500,730
Textbooks	15,500	15,500	20,013	16,199
Refund of prior years' expenditures	550,000	550,000	1,594,087	823,581
Payments of surplus moneys from tif districts	-	-	-	307,574
Drivers' education fees	38,800	38,800	46,213	44,093
Local fees	-	-	-	140
Other	411,800	411,800	567,730	655,376
Total Local Sources	48,920,803	49,031,789	49,219,686	46,741,562
State Sources:				
Evidence based funding/general state aid	14,767,769	14,767,769	15,201,290	12,994,963
Special education	1,071,142	1,071,142	2,070,619	2,400,676
Career and technical education	103,000	115,942	164,847	92,239
Bilingual education	213,099	238,696	196,361	97,541
State free lunch and brakfast	7,000	7,000	22,814	6,029
Drivers' education	80,000	80,000	107,085	90,171
On-behalf payments - State of Illinois	28,000,000	28,000,000	19,098,221	17,611,459
Other	4,000	85,010	345,946	76,807
Total State Sources	44,246,010	44,365,559	37,207,183	33,369,885
Federal Sources:				
Food service	1,375,000	1,375,000	1,466,956	1,246,730
Title I - low income	2,100,000	2,041,072	1,733,077	1,460,734
IDEA - room and board	35,000	35,000	1,076	31,851
Perkins Title IIC - Tech Prep	277,127	277,127	320,136	234,821
Emergency immigrant assistance	4,122	4,122	372	7,088
Title III - english language acquisition	118,600	118,600	96,646	30,721
Title II - teacher quality	143,306	143,306	196,546	140,449
Medicaid fee for service	200,000	200,000	205,652	185,010
Other	176,000	176,000	-	67,171
Total Federal Sources	4,429,155	4,370,227	4,020,461	3,404,575
Total Revenues	\$ 97,595,968	\$ 97,767,575	\$ 90,447,330	\$ 83,516,022

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES:				
Current operating:				
Instruction:				
Regular programs:				
Salaries	\$ 16,641,703	\$ 15,654,252	\$ 15,714,410	\$ 15,682,177
Employee benefits	4,779,149	4,099,141	3,453,496	3,803,863
On-behalf payments - State of Illinois	28,000,000	28,000,000	19,098,221	17,611,459
Purchased services	178,922	130,333	123,120	125,913
Supplies and materials	648,463	612,936	639,931	241,916
Capital outlay	24,000	14,030	13,480	7,190
Other	18,420	8,500	7,101	7,500
Non-capitalized equipment	50,944	31,914	26,485	51,079
Total	50,371,601	48,551,106	39,076,244	37,531,097
Special programs:				
Salaries	3,902,307	3,732,282	3,611,119	3,639,598
Employee benefits	991,631	899,916	740,099	837,297
Purchased services	89,817	60,717	50,308	59,434
Supplies and materials	57,550	53,312	45,076	25,737
Other	3,000	8,000	2,354	-
Non-capitalized equipment	1,000	1,000	-	1,346
Tuition	2,500,000	2,440,000	2,295,881	2,507,386
Total	7,545,305	7,195,227	6,744,837	7,070,798
Educationally deprived:				
Salaries	671,306	347,894	292,604	580,248
Employee benefits	60,296	91,125	16,146	269,445
Purchased services	392,050	296,553	134,290	202,472
Supplies and materials	7,084	7,554	5,053	3,798
Non-capitalized equipment	235,000	714,641	407,494	-
Total	\$ 1,365,736	\$ 1,457,767	\$ 855,587	\$ 1,055,963

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Vocational programs:				
Salaries	\$ 893,591	\$ 769,485	\$ 752,202	\$ 714,484
Employee benefits	110,593	110,183	90,567	82,476
Purchased services	109,204	102,513	86,424	80,405
Supplies and materials	260,297	217,261	205,057	181,383
Capital outlay	40,784	7,968	7,968	40,744
Other	1,600	215,946	215,061	1,500
Non-capitalized equipment	24,035	114,254	113,627	23,535
Total	1,440,104	1,537,610	1,470,906	1,124,527
Interscholastic programs:				
Salaries	1,095,050	1,190,824	1,200,679	1,130,446
Employee benefits	141,630	139,224	115,709	89,019
Purchased services	381,402	371,383	349,731	304,556
Supplies and materials	113,010	122,296	104,524	120,026
Capital outlay	15,000	17,081	15,585	47,305
Other	35,950	24,668	26,124	33,523
Non-capitalized equipment	64,200	61,928	55,477	44,390
Total	1,846,242	1,927,404	1,867,829	1,769,265
Summer school:				
Salaries	203,000	203,000	258,314	279,569
Employee benefits	3,542	3,542	1,332	4,360
Total	206,542	206,542	259,646	283,929
Gifted:				
Purchased services	43,000	35,987	23,891	46,516
Supplies and materials	25,000	19,447	18,493	-
Other	150	995	995	150
Total	68,150	56,429	43,379	46,666
Driver's education programs:				
Salaries	88,000	88,000	59,312	87,349
Employee benefits	900	900	344	507
Purchased services	32,000	28,940	23,450	22,249
Supplies and materials	27,200	18,000	4,430	16,140
Other	1,000	-	-	-
Non-capitalized equipment	1,500	-	-	750
Total	\$ 150,600	\$ 135,840	\$ 87,536	\$ 126,995

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Bilingual:				
Salaries	\$ 201,438	\$ 208,048	\$ 171,171	\$ 158,961
Employee benefits	-	42,451	35,434	26,784
Purchased services	16,760	13,000	13,000	14,545
Supplies and materials	1,008	52,033	40,374	14,705
Non-capitalized equipment	25,413	14,552	14,550	12,332
Total	244,619	330,084	274,529	227,327
Truant alternative and optional:				
Salaries	112,000	5,425	6,904	6,238
Employee benefits	41,882	400	40	36
Purchased services	88,000	34,780	16,841	425,894
Supplies and materials	41,000	2,141	2,140	1,164
Total	282,882	42,746	25,925	433,332
Total Instruction	63,521,781	61,440,755	50,706,418	49,669,899
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	1,611,461	1,616,766	1,556,252	1,423,566
Employee benefits	334,532	296,318	252,629	266,617
Purchased services	2,500	3,422	903	883
Supplies and materials	40,800	19,592	19,190	27,196
Other	11,200	8,090	8,936	374
Total	2,000,493	1,944,188	1,837,910	1,718,636
Guidance services				
Salaries	1,294,542	1,411,138	1,396,999	1,586,773
Employee benefits	342,632	296,858	247,838	287,360
Purchased services	24,114	54,591	45,948	26,554
Supplies and materials	13,500	6,620	4,724	9,444
Non-capitalized equipment	-	900	900	-
Total	\$ 1,674,788	\$ 1,770,107	\$ 1,696,409	\$ 1,910,131

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Health services:				
Salaries	\$ 216,869	\$ 244,340	\$ 246,741	\$ 260,876
Employee benefits	122,478	97,483	79,142	97,736
Purchased services	2,700	1,252	468	515
Supplies and materials	5,900	5,602	5,321	2,752
Non-capitalized equipment	-	900	900	-
Total	347,947	349,577	332,572	361,879
Other support - pupil:				
Salaries	2,040,578	1,934,977	1,939,155	1,856,657
Employee benefits	579,661	579,222	473,185	421,160
Purchased services	274,325	267,565	226,853	175,954
Supplies and materials	83,350	89,220	84,101	89,889
Other	450	800	762	1,950
Non-capitalized equipment	4,000	5,574	5,424	985
Total	2,982,364	2,877,358	2,729,480	2,546,595
Total Pupils	7,005,592	6,941,230	6,596,371	6,537,241
Instructional Staff:				
Improvement of instructional services:				
Salaries	606,408	996,464	624,596	397,106
Employee benefits	144,434	242,513	193,000	160,069
Purchased services	810,177	476,950	411,507	550,095
Supplies and materials	672,231	416,395	386,883	573,924
Other	639	-	-	340
Non-capitalized equipment	50,000	799	799	21,261
Termination benefits	-	-	-	-
Total	2,283,889	2,133,121	1,616,785	1,702,795
Educational media services:				
Salaries	287,003	264,895	257,973	223,357
Employee benefits	78,279	60,999	51,080	48,892
Purchased services	2,298	250	250	-
Supplies and materials	46,419	45,332	44,400	38,595
Other	500	110	109	-
Non-capitalized equipment	800	-	-	856
Total	\$ 415,299	\$ 371,586	\$ 353,812	\$ 311,700

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Assessment and testing:				
Salaries	\$ 216,739	\$ 179,026	\$ 157,366	\$ 168,275
Employee benefits	43,229	43,229	33,495	47,205
Purchased services	218,900	255,106	279,406	231,139
Supplies and materials	97,280	43,003	42,509	54,281
Total	<u>576,348</u>	<u>520,564</u>	<u>512,776</u>	<u>500,900</u>
Total Instructional Staff	<u>3,275,536</u>	<u>3,025,271</u>	<u>2,483,373</u>	<u>2,515,395</u>
General Administration:				
Board of education:				
Purchased services	1,954,500	1,992,554	1,711,240	1,580,149
Supplies and materials	7,400	6,200	3,306	3,110
Other	88,850	57,850	37,995	37,303
Total	<u>2,050,750</u>	<u>2,056,604</u>	<u>1,752,541</u>	<u>1,620,562</u>
Executive administration:				
Salaries	348,366	348,880	312,642	335,877
Employee benefits	112,200	91,500	70,834	61,197
Purchased services	12,600	17,100	10,794	7,770
Supplies and materials	1,000	1,000	785	643
Other	3,000	3,500	3,375	2,268
Total	<u>477,166</u>	<u>461,980</u>	<u>398,430</u>	<u>407,755</u>
Special area administration:				
Salaries	-	-	547	1,000
Total	<u>-</u>	<u>-</u>	<u>547</u>	<u>1,000</u>
Tort immunity:				
Employee benefits	500,000	220,383	220,383	374,522
Total	<u>500,000</u>	<u>220,383</u>	<u>220,383</u>	<u>374,522</u>
Total General Administration	<u>\$ 3,027,916</u>	<u>\$ 2,738,967</u>	<u>\$ 2,371,901</u>	<u>\$ 2,403,839</u>

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
School Administration:				
Office of the principal:				
Salaries	\$ 2,144,300	\$ 2,186,176	\$ 2,191,965	\$ 2,077,434
Employee benefits	667,664	642,817	518,718	492,831
Purchased services	102,630	72,190	51,437	43,275
Supplies and materials	58,825	64,870	58,525	50,457
Capital outlay	29,000	23,092	23,092	-
Other	24,650	37,633	27,412	20,727
Non-capitalized equipment	48,000	14,641	9,038	2,887
Total	3,075,069	3,041,419	2,880,187	2,687,611
Other support - school administration:				
Salaries	98,500	98,500	98,500	160,330
Employee benefits	29,362	7,462	22,880	20,752
Total	127,862	105,962	121,380	181,082
Total School Administration	3,202,931	3,147,381	3,001,567	2,868,693
Business:				
Direction of business support services:				
Salaries	142,695	142,695	146,057	139,897
Employee benefits	42,892	42,992	39,006	35,626
Purchased services	3,600	1,927	1,926	1,784
Supplies and materials	550	1,050	935	528
Other	1,400	1,400	1,395	1,390
Total	191,137	190,064	189,319	179,225
Fiscal services:				
Salaries	634,791	635,991	625,620	622,719
Employee benefits	208,315	208,315	176,927	156,506
Purchased services	62,500	68,650	80,874	85,358
Supplies and materials	40,000	10,930	10,453	2,609
Other	14,300	1,800	1,245	1,165
Non-capitalized equipment	-	12,820	12,820	-
Total	\$ 959,906	\$ 938,506	\$ 907,939	\$ 868,357

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Pupil transportation services:				
Purchased services	\$ 52,213	\$ 45,330	\$ 47,237	\$ 10,417
Total	52,213	45,330	47,237	10,417
Food services				
Purchased services	1,222,000	1,225,871	1,224,183	1,130,769
Supplies and materials	35,000	11,500	10,843	8,960
Capital outlay	4,000	1,078	1,078	14,683
Non-capitalized equipment	7,000	7,300	7,290	10,905
Total	1,268,000	1,245,749	1,243,394	1,165,317
Total Business	2,471,256	2,419,649	2,387,889	2,223,316
Information services:				
Salaries	119,360	73,360	60,737	57,296
Employee benefits	153	11,150	8,995	23,747
Purchased services	193,500	121,000	96,471	97,485
Supplies and materials	1,200	1,200	606	556
Other	8,000	247	47	90
Non-capitalized equipment	-	-	-	1,215
Total	322,213	206,957	166,856	180,389
Staff services:				
Salaries	323,294	320,794	327,761	327,041
Employee benefits	124,770	124,770	75,339	62,008
Purchased services	133,927	198,318	148,861	151,065
Supplies and materials	27,000	23,303	15,319	11,515
Other	42,500	8,740	9,100	1,499
Total	\$ 653,491	\$ 675,925	\$ 576,380	\$ 553,128

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Data processing services:				
Salaries	\$ 1,066,954	\$ 1,023,947	\$ 980,776	\$ 1,018,247
Employee benefits	393,747	371,030	291,633	314,500
Purchased services	1,547,000	1,378,770	1,214,659	964,117
Supplies and materials	430,000	407,000	458,603	284,887
Capital outlay	1,650,000	1,339,035	1,337,452	872,220
Other	-	750	750	-
Non-capitalized equipment	1,120,000	1,424,775	1,350,859	912,904
Total	6,207,701	5,945,307	5,634,732	4,366,875
Total Central	7,183,405	6,828,189	6,377,968	5,100,392
Other Support Services:				
Supplies and materials	97,500	-	69,561	52,835
Total Other Support Services	97,500	-	69,561	52,835
Total Support Services	26,264,136	25,100,687	23,288,630	21,701,711
Community Services:				
Salaries	44,866	146,140	120,891	24,866
Employee benefits	19,151	19,151	13,428	-
Purchased services	97,211	222,638	90,433	24,303
Supplies and materials	54,835	57,574	13,840	5,752
Non-capitalized equipment	50,000	33,063	33,063	-
Total Community Services	266,063	478,566	271,655	54,921
Payments to other districts and governmental units:				
Purchased services	730,000	771,131	543,606	249,141
Tuition	8,593,574	6,293,157	6,084,211	7,098,774
Total payments to other districts and governmental units	9,323,574	7,064,288	6,627,817	7,347,915
Total Expenditures	99,375,554	94,084,296	80,894,520	78,774,446
Excess (deficiency) of revenues over expenditures	\$ (1,779,586)	\$ 3,683,279	\$ 9,552,810	\$ 4,741,576

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,000,000	-	-
Transfers out	\$ -	\$ (9,000,000)	\$ (9,000,000)	\$ (6,000,000)
Total other financing sources (uses)	-	-	(9,000,000)	(6,000,000)
Net change in fund balances	<u>\$ (1,779,586)</u>	<u>\$ 3,683,279</u>	552,810	(1,258,424)
Fund balances at beginning of year			<u>34,802,277</u>	<u>36,060,701</u>
FUND BALANCES AT END OF YEAR			<u>\$ 35,355,087</u>	<u>\$ 34,802,277</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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 9,228,415	\$ 9,228,415	\$ 8,964,824	\$ 8,888,517
Personal property replacement taxes	100,000	100,000	421,630	1,525,989
Earnings on investments	30,000	64,495	64,214	28,817
Rentals	60,000	60,000	101,598	59,115
Refund of prior years' expenditures	3,000	3,000	-	3,736
Payments of surplus moneys from tif districts	-	-	-	10,547
Payments from other districts	15,000	15,000	-	-
Other	602,500	602,500	59,556	68,414
Total Local Sources	10,038,915	10,073,410	9,611,822	10,585,135
State Sources:				
School infrastructure	300,000	300,000	-	-
Energy efficient grant	-	-	-	267,386
Total State Sources	300,000	300,000	-	267,386
Total Revenues	10,338,915	10,373,410	9,611,822	10,852,521
EXPENDITURES:				
Current operating:				
Support services:				
Business:				
Operation and maintenance of plant services:				
Salaries	4,720,384	4,346,843	4,180,229	4,305,329
Benefits	1,059,730	981,730	795,052	890,166
Purchased services	1,809,717	1,684,059	1,466,874	1,695,358
Supplies and materials	1,766,738	1,768,864	1,834,645	1,732,482
Capital outlay	376,450	303,456	277,151	122,281
Other	2,890	484,589	2,098	2,287
Non-capitalized equipment	62,626	72,616	69,669	56,607
Total Support Services	\$ 9,798,535	\$ 9,642,157	\$ 8,625,718	\$ 8,804,510

(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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES - Continued:				
Payments to other districts and governmental units:				
Other	\$ 481,589	\$ 481,589	\$ 370,049	\$ 381,514
Total Expenditures	10,280,124	10,123,746	8,995,767	9,186,024
Excess of revenues over expenditures	58,791	249,664	616,055	1,666,497
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,000,000	-	6,000,000
Transfers out	(155,000)	(1,155,000)	(955,352)	(6,156,201)
Total other financing sources (uses)	(155,000)	(155,000)	(955,352)	(156,201)
Net change in fund balances	<u>\$ (96,209)</u>	<u>\$ 94,664</u>	(339,297)	1,510,296
Fund balances at beginning of year			4,518,939	3,008,643
FUND BALANCES AT END OF YEAR			<u>\$ 4,179,642</u>	<u>\$ 4,518,939</u>

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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 10,398	\$ 10,398	\$ 12,177	\$ 12,033
Earnings on investments	19,000	53,204	60,014	17,790
Payments of surplus moneys from tif districts	-	-	-	15
Total Revenues	<u>29,398</u>	<u>63,602</u>	<u>72,191</u>	<u>29,838</u>
Excess of revenues over expenditures	<u>29,398</u>	<u>63,602</u>	<u>72,191</u>	<u>29,838</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(10,000,000)	(10,000,000)	-
Principal on bonds sold	-	10,000,000	8,795,000	-
Premium on bonds sold	-	-	1,023,317	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(181,683)</u>	<u>-</u>
Net change in fund balances	<u>\$ 29,398</u>	<u>\$ 63,602</u>	(109,492)	29,838
Fund balances at beginning of year			<u>3,243,552</u>	<u>3,213,714</u>
FUND BALANCES AT END OF YEAR			<u>\$ 3,134,060</u>	<u>\$ 3,243,552</u>

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.

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.

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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 5,841,131	\$ 5,841,131	\$ 5,641,902	\$ 5,443,654
Earnings on investments	40,000	54,550	54,885	39,786
Payments of surplus moneys from tif districts	-	-	-	6,741
Total Revenues	5,881,131	5,895,681	5,696,787	5,490,181
EXPENDITURES:				
Debt Service:				
Payment of principal on long-term debt	-	-	4,348,983	4,053,983
Interest on long-term debt	1,279,133	13,200,000	1,448,359	1,565,151
Service charges and issuance costs	4,606,584	2,184,815	184,317	278,982
Total Expenditures	5,885,717	15,384,815	5,981,659	5,898,116
Deficiency of revenues over expenditures	(4,586)	(9,489,134)	(284,872)	(407,935)
OTHER FINANCING SOURCES (USES):				
Transfers in	155,000	10,155,000	9,955,352	156,201
Principal on bonds sold	-	-	-	16,420,000
Premium on bonds sold	-	-	180,645	952,422
Deposited into refunding bond escrow agent	-	-	(9,800,000)	(17,095,000)
Total other financing sources (uses)	155,000	10,155,000	335,997	433,623
Net change in fund balances	\$ 150,414	\$ 665,866	51,125	25,688
Fund balances at beginning of year			5,365,677	5,339,989
FUND BALANCES AT END OF YEAR			\$ 5,416,802	\$ 5,365,677

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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Earnings on investments	\$ 30,000	\$ 75,000	\$ 75,703	\$ 38,362
Total Revenues	<u>30,000</u>	<u>75,000</u>	<u>75,703</u>	<u>38,362</u>
EXPENDITURES:				
Current operating:				
Support Services:				
Business:				
Facilities Acquisition and Construction:				
Purchased services	760,000	812,357	759,696	2,291,422
Capital outlay	1,000,000	297,331	181,990	5,680,426
Non-capitalized equipment	-	-	-	8,491
Total Expenditures	<u>1,760,000</u>	<u>1,109,688</u>	<u>941,686</u>	<u>7,980,339</u>
Deficiency of revenues over expenditures	<u>(1,730,000)</u>	<u>(1,034,688)</u>	<u>(865,983)</u>	<u>(7,941,977)</u>
OTHER FINANCING SOURCES:				
Transfers in	-	10,000,000	10,000,000	6,000,000
Total other financing sources	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>6,000,000</u>
Net change in fund balances	<u>\$ (1,730,000)</u>	<u>\$ 8,965,312</u>	9,134,017	(1,941,977)
Fund balances at beginning of year			<u>8,118,442</u>	<u>10,060,419</u>
FUND BALANCES AT END OF YEAR			<u>\$ 17,252,459</u>	<u>\$ 8,118,442</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

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, 2018**

	Special Revenue			
	Transportation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
<u>ASSETS</u>				
Cash and investments	\$ 3,214,266	\$ 1,555,935	\$ 209,361	\$ 4,979,562
Receivables (net of allowance for uncollectibles):				
Property taxes	1,037,997	989,800	4,702	2,032,499
Intergovernmental	620,446	-	-	620,446
Interest	5,867	3,182	339	9,388
TOTAL ASSETS	<u>\$ 4,878,576</u>	<u>\$ 2,548,917</u>	<u>\$ 214,402</u>	<u>\$ 7,641,895</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 107,682	\$ -	\$ -	\$ 107,682
Total Liabilities	<u>107,682</u>	<u>-</u>	<u>-</u>	<u>107,682</u>
Deferred inflows of resources:				
Property taxes levies for subsequent year	1,614,056	947,474	4,501	2,566,031
Total deferred inflows of resources	<u>1,614,056</u>	<u>947,474</u>	<u>4,501</u>	<u>2,566,031</u>
Fund Balances:				
Restricted	3,156,838	1,601,443	209,901	4,968,182
Total Fund Balances	<u>3,156,838</u>	<u>1,601,443</u>	<u>209,901</u>	<u>4,968,182</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,878,576</u>	<u>\$ 2,548,917</u>	<u>\$ 214,402</u>	<u>\$ 7,641,895</u>

Capital Projects

<u>Fire Prevention and Safety</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 971,779	\$ 5,951,341
165,750	2,198,249
-	620,446
1,755	11,143
<u>\$ 1,139,284</u>	<u>\$ 8,781,179</u>
<u>\$ -</u>	<u>\$ 107,682</u>
<u>-</u>	<u>107,682</u>
<u>158,662</u>	<u>2,724,693</u>
<u>158,662</u>	<u>2,724,693</u>
<u>980,622</u>	<u>5,948,804</u>
<u>980,622</u>	<u>5,948,804</u>
<u>\$ 1,139,284</u>	<u>\$ 8,781,179</u>

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue			
	Transportation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
REVENUES:				
Property taxes	\$ 1,959,447	\$ 1,882,775	\$ 12,383	\$ 3,854,605
Other local sources	677,662	62,549	1,875	742,086
State sources	2,081,173	-	-	2,081,173
Total Revenues	<u>4,718,282</u>	<u>1,945,324</u>	<u>14,258</u>	<u>6,677,864</u>
EXPENDITURES:				
Current operating:				
Instruction	-	601,879	-	601,879
Support services	5,178,769	1,654,579	-	6,833,348
Community services	-	13,983	-	13,983
Payments to other districts and governmental units	288,162	-	-	288,162
Total Expenditures	<u>5,466,931</u>	<u>2,270,441</u>	<u>-</u>	<u>7,737,372</u>
Net change in fund balances	(748,649)	(325,117)	14,258	(1,059,508)
Fund balances at beginning of year	<u>3,905,487</u>	<u>1,926,560</u>	<u>195,643</u>	<u>6,027,690</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 3,156,838</u></u>	<u><u>\$ 1,601,443</u></u>	<u><u>\$ 209,901</u></u>	<u><u>\$ 4,968,182</u></u>

<u>Capital Projects</u>	Total
<u>Fire Prevention and Safety</u>	<u>Nonmajor Governmental Funds</u>
\$ 285,061	\$ 4,139,666
10,601	752,687
-	2,081,173
295,662	6,973,526
-	601,879
526,886	7,360,234
-	13,983
-	288,162
526,886	8,264,258
(231,224)	(1,290,732)
1,211,846	7,239,536
\$ 980,622	\$ 5,948,804

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 1,984,756	\$ 1,984,756	\$ 1,959,447	\$ 1,636,824
Corporate replacement taxes	-	-	-	305,198
Transportation fees	500	500	-	350
Earnings on investments	18,000	31,703	32,866	19,044
Refund of prior year's expenditures	425,000	900,000	640,142	1,614,795
Payments of surplus moneys from tif districts	-	-	-	2,007
Other	3,000	3,000	4,654	2,708
Total Local Sources	<u>2,431,256</u>	<u>2,919,959</u>	<u>2,637,109</u>	<u>3,580,926</u>
State Sources:				
General state aid	-	-	-	500,000
Transportation aid				
Regular	680,000	680,000	697,791	296,614
Special education	2,000,000	2,000,000	1,383,382	765,025
Total State Sources	<u>2,680,000</u>	<u>2,680,000</u>	<u>2,081,173</u>	<u>1,561,639</u>
Total Revenues	<u>5,111,256</u>	<u>5,599,959</u>	<u>4,718,282</u>	<u>5,142,565</u>
EXPENDITURES:				
Current operating:				
Support Services:				
Business - Pupil Transportation Services:				
Salaries	149,500	149,500	139,151	132,753
Purchased services	4,100,928	4,807,928	4,952,505	3,906,056
Supplies and materials	32,000	32,000	22,702	16,322
Capital outlay	60,000	64,526	64,411	52,562
Total Support Services	<u>4,342,428</u>	<u>5,053,954</u>	<u>5,178,769</u>	<u>4,107,693</u>
Payments to other districts and governmental units:				
Special education transportation services	494,000	494,000	288,162	754,081
Total Expenditures	<u>4,836,428</u>	<u>5,547,954</u>	<u>5,466,931</u>	<u>4,861,774</u>
Net change in fund balances	<u>\$ 274,828</u>	<u>\$ 52,005</u>	(748,649)	280,791
Fund balances at beginning of year			<u>3,905,487</u>	<u>3,624,696</u>
FUND BALANCES AT END OF YEAR			<u>\$ 3,156,838</u>	<u>\$ 3,905,487</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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes				
General tax levy	\$ 515,423	\$ 515,423	\$ 448,177	\$ 405,894
Social security/medicare tax levy	1,455,352	1,455,352	1,434,598	1,215,340
Corporate replacement taxes	85,000	85,000	43,650	128,650
Earnings on investments	14,000	19,327	18,899	12,792
Payments of surplus moneys from tif districts	-	-	-	3,294
Total Revenues	2,069,775	2,075,102	1,945,324	1,765,970
EXPENDITURES:				
Current operating:				
Instruction - employee benefits	694,026	654,458	601,879	601,834
Support Services - employee benefits	1,730,016	1,792,309	1,654,579	1,622,458
Community services	-	13,735	13,983	-
Total Expenditures	2,424,042	2,460,502	2,270,441	2,224,292
Net change in fund balances	\$ (354,267)	\$ (385,400)	(325,117)	(458,322)
Fund balances at beginning of year			1,926,560	2,384,882
FUND BALANCES AT END OF YEAR			\$ 1,601,443	\$ 1,926,560

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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018			2017
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes	\$ 9,898	\$ 9,898	\$ 12,383	\$ 11,815
Earnings on investments	1,100	1,860	1,875	1,049
Payments of surplus moneys from tif districts	-	-	-	245
Total Revenues	<u>10,998</u>	<u>11,758</u>	<u>14,258</u>	<u>13,109</u>
Net change in fund balances	<u>\$ 10,998</u>	<u>\$ 11,758</u>	14,258	13,109
Fund balances at beginning of year			<u>195,643</u>	<u>182,534</u>
FUND BALANCES AT END OF YEAR			<u>\$ 209,901</u>	<u>\$ 195,643</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, 2018 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2017

	2018		2017	
	Original Budget	Final Budget	Actual	Actual
REVENUES:				
Local Sources:				
Property taxes - general levies	\$ 196,634	\$ 278,000	\$ 285,061	\$ 281,201
Earnings on investments	7,000	11,147	10,601	7,149
Payments of surplus moneys from tif districts	-	-	-	15
Total Revenues	<u>203,634</u>	<u>289,147</u>	<u>295,662</u>	<u>288,365</u>
EXPENDITURES:				
Current operating:				
Support Services:				
Business - Facilities Acquisition and Construction:				
Purchased services	115,000	-	399,803	191,927
Capital outlay	800,000	531,000	120,243	-
Non-capitalized equipment	-	-	6,840	-
Total Expenditures	<u>915,000</u>	<u>531,000</u>	<u>526,886</u>	<u>191,927</u>
Net change in fund balances	<u>\$ (711,366)</u>	<u>\$ (241,853)</u>	(231,224)	96,438
Fund balances at beginning of year			<u>1,211,846</u>	<u>1,115,408</u>
FUND BALANCES AT END OF YEAR			<u><u>\$ 980,622</u></u>	<u><u>\$ 1,211,846</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

**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, 2018

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
Assets:				
Cash and due from district	\$ 351,868	\$ 531,464	\$ 576,043	\$ 307,289
Liabilities:				
Due to student activity funds:				
Academic Bowl West	\$ 2	\$ -	\$ -	\$ 2
Academy Council East	-	2,000	-	2,000
Advantage East	494	-	487	7
Afro American Club East	20	-	-	20
Afro American Club West	453	1,322	1,011	764
Alumni Hall of Fame West	2,057	-	-	2,057
Anime Club East	812	-	492	320
Anime Club PMSA	899	76	-	975
Anime Club West	100	-	-	100
Art Fundraiser East	2,454	-	1,032	1,422
Art Scholars West	199	709	440	468
Asian Club West	502	-	502	-
Athletics East	45	-	-	45
Band East	1,961	17,232	15,043	4,150
Band West	1,778	26,975	28,531	222
Bank Redemption Fees	(279)	-	383	(662)
Bowling West/Strikers	826	-	-	826
Boys Baseball East	21	-	-	21
Boys Baseball West	971	4,008	335	4,644
Boys Basketball East	436	963	1,399	-
Boys Soccer West	200	-	198	2
Boys Soccer East	362	-	-	362
Boys Track East	2,120	10,415	9,825	2,710
Boys Track West	445	-	104	341
Boys Cross Country West	11	639	-	650
Boys Volleyball West	200	40	-	240
Cadet East	288	10,397	10,580	105
Cadets Fund West	1,726	12,437	13,756	407
CC Taggart Memorial	1,000	-	1,000	-
Cheerleaders East	296	8,410	8,286	420
Cheerleaders West	1,179	13,214	11,839	2,554
Chess Club East	157	-	-	157
Chess Club West	-	200	50	150
Child Care Career West	985	-	-	985
Choir East	276	20	136	160
Choir West	1,465	3,493	3,902	1,056
Chorus PMSA	201	217	236	182
Class of 2017 East	10,338	170	10,508	-
Class of 2017 PMSA	5,814	-	5,922	(108)
Class of 2017 West	19,448	-	19,448	-
Class of 2018 East	4,543	34,986	38,373	1,156
Class of 2018 PMSA	5,923	22,014	13,993	13,944
Class of 2018 West	\$ 3,868	\$ 57,574	\$ 52,477	\$ 8,965

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
Liabilities:				
Due to student activity funds (Continued):				
Class of 2019 East	\$ 2,145	\$ 2,925	\$ 2,057	\$ 3,013
Class of 2019 PMSA	6,617	3,858	300	10,175
Class of 2019 West	-	309	-	309
Class of 2020 East	1,318	150	712	756
Class of 2020 PMSA	6,636	10,020	4,595	12,061
Class of 2020 West	-	456	-	456
Class of 2021 East	-	152	-	152
Class of 2021 PMSA	-	238	-	238
Class of 2021 West	-	100	-	100
Club Mix	174	-	-	174
Commencement PMSA	17,190	14,876	22,417	9,649
Cosmetology West	1,350	-	1,350	-
County Needy Student Fund West	35	-	-	35
CWT CC West	482	-	-	482
DECA (Marketing) East	79	2,580	2,650	9
Dev of Western Thought	19	-	-	19
Dividend Reinvestment	2,260	4,152	-	6,412
Dr. Baker Scholarship East	600	-	600	-
Drama I East	108	-	-	108
Drama Plays PMSA	4,162	3,812	4,017	3,957
Drama West	-	655	183	472
East/West Magnet Program	865	-	-	865
Ecology Club East	271	-	-	271
F & S Recognition East	11,321	17,293	14,900	13,714
F & S Recognition PMSA	1,187	2,651	2,386	1,452
F & S Recognition Superintendent	4,674	5,196	4,386	5,484
F & S Recognition West	12,778	33,327	37,499	8,606
Fashion Merchandising West	353	-	-	353
Field Trip PMSA	1,063	3,608	3,813	858
Fine Arts Festival West	202	-	-	202
Flag & Rifle Corp. West	465	100	432	133
G.R.A.C.E. East	354	-	286	68
Gay Straight Alliance	355	-	-	355
Girl Talk East	221	-	-	221
Girls Basketball Club East	1,017	6,485	6,019	1,483
Girls League West	903	747	638	1,012
Girls Cross Country West	102	-	-	102
Girls Soccer Club East	79	-	-	79
Girls Soccer Club West	1,655	1,722	2,686	691
Girls Track East	12,540	4,238	2,688	14,090
Girls Track West	112	2,184	756	1,540
Girls Volleyball Club East	17	-	-	17
Girls Volleyball Club West	2,741	825	2,800	766
Golf Club West	250	200	-	450
Golf East	49	-	-	49
Government NJROTC West	\$ 35	\$ -	\$ -	\$ 35

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
Liabilities:				
Due to student activity funds (Continued):				
Gridiron East	\$ 776	\$ 351	\$ -	\$ 1,127
Gridiron/Football Club West	340	569	289	620
HERO East	544	281	313	512
HERO West	334	-	-	334
Holiday Tournament West	55,079	46,662	62,235	39,506
Hoop Club West	180	400	180	400
IHSA G&B St. Playoffs West	6,481	9,653	9,979	6,155
IHSA Sectional/Regional East	5,133	784	4,444	1,473
Interact East	313	-	110	203
Key Club PMSA	873	511	1,045	339
Key Club West	4,040	120	450	3,710
La Societe Honoraire Francaise	395	-	-	395
Ladies of Integrity	575	-	-	575
Lady Panther Club West	140	1,550	-	1,690
Le Cercle Francais West	342	-	-	342
Madrigal West	910	-	910	-
Math Club Freshmen/Sophomore	287	960	987	260
Math Club West	149	100	-	249
Math Department PE	54	-	-	54
Misc Deposit	2,176	1,812	216	3,772
Multi-Cultural Club East	236	-	-	236
Multi-Cultural Club West	2,679	-	660	2,019
Mural Yearbook West	529	11,096	11,029	596
National Honor Society East	312	639	938	13
National Honor Society West	7,905	15,836	14,164	9,577
Needy Student Fund East	22	-	-	22
Needy Student Fund West	1,017	350	-	1,367
Newspaper Club PMSA	720	263	263	720
NJROTC East	1,581	11,107	12,575	113
P.E. Activities East	450	-	199	251
P.E. Activities West	507	-	-	507
P.T.O. West	34	-	-	34
Panther Club West	14,393	26,464	31,801	9,056
Panther Video Club West	5,052	-	5,052	-
Pantherettes	1,265	100	431	934
Parent CORP NJROTC West	324	-	-	324
PAWS/Gospel Choir West	150	886	225	811
Peer Mediation/Peace Team PMSA	95	-	-	95
Photography Club West	441	-	-	441
Physics Club	1,200	-	-	1,200
Pirateers East	1,061	336	-	1,397
PMSA Debate	553	-	-	553
PMSA Donations	-	2	-	2
PMSA Talent Show 2011	131	-	-	131
Profile West	1,601	100	-	1,701
Proviso East Donations	\$ 3,779	\$ 2,964	\$ 2,735	\$ 4,008

(Continued)

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2018
Liabilities:				
Due to student activity funds (Continued):				
Proviso East Yearbook	\$ 550	\$ 4,300	\$ 1,645	\$ 3,205
Proviso Interpretive PIP West	2,634	140	536	2,238
Proviso Township HS	(3,700)	-	-	(3,700)
Proviso West Donations	1,345	-	1,345	-
PTHS General	2	-	-	2
PTSA East	305	-	-	305
Raz Unida East	1,345	465	902	908
Readings Incentives Club West	133	-	-	133
Robotics Team PMSA	298	416	714	-
Runners Club East	148	1,440	1,182	406
S.E.E.D. Club West	160	133	-	293
SADD West	2,110	350	469	1,991
School Store Fund West	3,104	-	3,104	-
SHH - Spanish Honor Society West	346	-	-	346
Social Studies Department	339	-	-	339
Softball Club East	880	512	783	609
Softball Club West	1,442	2,060	1,392	2,110
Spanish Club West	96	-	-	96
Speech Team West	333	-	-	333
Student Council East	2,230	7,206	9,296	140
Student Council PMSA	18,017	7,542	9,075	16,484
Student Council West	5,132	12,450	7,462	10,120
Studio & Art Club	49	-	-	49
Suspense	60	-	-	60
Swim Club West	380	-	-	380
T.S.T. West	3,312	-	-	3,312
Teen Issues West	374	-	-	374
Tennis Club West	343	1,370	1,267	446
Tennis East	36	-	-	36
Time Travelers Club	2,113	786	-	2,899
Torch Club	-	100	-	100
Unidos West	431	100	-	531
Uniform/Books NJROTC West	237	-	-	237
WAC West	627	-	-	627
Wall of Fame East	5,563	-	-	5,563
Wellness Club	-	2,125	2,000	125
Wrestling Club East	1,329	1,800	1,832	1,297
Wrestling Club West	98	518	-	616
Charge Backs	(485)	-	-	(485)
Yearbook Club PMSA	3,302	3,385	3,353	3,334
Young Entrepreneur Society	311	-	-	311
TOTAL ACTIVITY FUNDS	\$ 351,868	\$ 531,464	\$ 576,043	\$ 307,289

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER FINANCIAL INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2018, 2017 AND 2016

	TAX LEVY YEAR		
	2017	2016	2015
ASSESSED VALUATION	\$ 2,473,419,922	\$ 2,124,250,834	\$ 2,044,478,289
TAX EXTENSIONS BY LEVY:			
Educational	\$ 45,859,678	\$ 44,428,706	\$ 44,132,108
Operations and maintenance	9,329,739	9,274,479	9,316,687
Debt services	5,911,598	5,786,000	5,600,910
Transportation	2,184,029	1,854,470	1,568,114
Municipal retirement	494,683	486,453	392,539
Working cash	9,893	10,621	10,222
Tort immunity	9,893	10,621	10,222
Fire prevention and safety	348,752	244,288	343,472
Social security	1,587,935	1,368,017	1,177,619
TOTAL	\$ 65,736,200	\$ 63,463,655	\$ 62,551,893
TAX COLLECTIONS:			
Year Ended June 30:			
2016	\$ -	\$ -	30,597,261
2017	-	30,952,093	30,336,983
2018	32,521,875	30,776,120	(536,005)
TOTAL	\$ 32,521,875	\$ 61,728,213	\$ 60,398,239
Percent of Total Levy Collected To June 30, 2018	49.47%	97.27%	96.56%

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2018

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
2019	\$ -	\$ -	\$ -	\$ 379,200	\$ -	\$ 324,200
2020	-	-	-	379,200	-	324,200
2021	580,000	-	-	379,200	-	324,200
2022	4,315,000	-	-	379,200	-	324,200
2023	4,275,000	-	-	379,200	-	324,200
2024	2,315,000	-	-	379,200	-	324,200
2025	2,315,000	-	-	379,200	-	324,200
2026	2,315,000	-	-	379,200	-	324,200
2027	2,315,000	-	-	379,200	-	324,200
2028	2,315,000	-	-	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	\$ 20,745,000	\$ -	\$ 9,480,000	\$ 4,768,400	\$ 9,640,000	\$ 4,621,500

Series 2016B General Obligation Bonds		Series 2017 General Obligation Bonds		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Total
\$ 4,100,000	\$ 406,800	\$ 40,000	\$ 400,000	\$ 4,140,000	\$ 1,510,200	\$ 5,650,200
4,265,000	239,500	-	399,200	4,265,000	1,342,100	5,607,100
3,855,000	77,100	-	399,200	4,435,000	1,179,700	5,614,700
-	-	-	399,200	4,315,000	1,102,600	5,417,600
-	-	-	399,200	4,275,000	1,102,600	5,377,600
-	-	755,000	384,100	3,070,000	1,087,500	4,157,500
-	-	800,000	353,000	3,115,000	1,056,400	4,171,400
-	-	2,300,000	291,000	4,615,000	994,400	5,609,400
-	-	2,400,000	185,000	4,715,000	888,400	5,603,400
-	-	2,500,000	62,500	4,815,000	765,900	5,580,900
-	-	-	-	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>\$ 12,220,000</u>	<u>\$ 723,400</u>	<u>\$ 8,795,000</u>	<u>\$ 3,272,400</u>	<u>\$ 60,880,000</u>	<u>\$ 13,385,700</u>	<u>\$ 74,265,700</u>

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

	Year Ended June 30,		
	2018	2017	2016
Allowable Expenses	<u>\$ 60,191,322</u>	<u>\$ 60,698,508</u>	<u>\$ 58,886,417</u>
Average Daily Attendance	<u>3,696.74</u>	<u>3,709.70</u>	<u>3,930.37</u>
Per Capita Tuition Charge	<u>\$ 16,282.27</u>	<u>\$ 16,362.11</u>	<u>\$ 14,982.41</u>

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

Communication to Those Charged with
Governance and Management

June 30, 2018

PROVISO TOWNSHIP HIGH SCHOOL DIST 209

TABLE OF CONTENTS

	<u>Page</u>
Required Communication by the Auditor with Those Charged with Governance	1
Communication of Significant Deficiencies	4
Communication of Informational Points to Management That are Not Material Weaknesses or Significant Deficiencies	6
Professional Standards Update	7
Management Representations	8

**REQUIRED COMMUNICATION BY THE AUDITOR WITH
THOSE CHARGED WITH GOVERNANCE**

MATHIESON MOYSKI·AUSTIN & Co., LLP

(630) 653-1616
FAX (630) 653-1735

MMAadvisors.com

Certified Public Accountants and Advisors
211 South Wheaton Avenue • Suite 300
Wheaton, Illinois 60187

To the Board of Education
Proviso Township High School District No. 209
Forest Park, Illinois

We have audited the 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) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 12, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Proviso Township High School District No. 209 are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies related to the presentation of certain items by adopting Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. We noted no transactions entered into by Proviso Township High School District No. 209 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements was:

Management's estimate of the useful lives of capital assets is based on management's experience with those types of assets. We evaluated the key factors and assumptions used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

To the Board of Education
Proviso Township High School District No. 209

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements relate to the actuarial methods and assumptions regarding the Illinois Municipal Retirement Fund (IMRF), the Teacher's Retirement Fund of the State of Illinois (TRS), and other postemployment benefit (OPEB) obligations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each the District's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 10, 2019 (See attached).

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Proviso Township High School District No. 209's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board of Education
Proviso Township High School District No. 209

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Proviso Township High School District No. 209's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedule, schedule of funding progress for postemployment benefits, required pension schedules and related notes to required supplementary information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual fund schedules, which accompany the financial statements but are not required. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified-cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

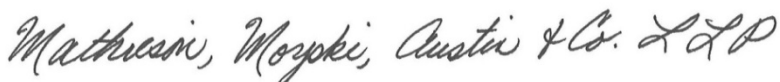
We were not engaged to report on other financial information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

We would like to take this opportunity to thank the Business Office and their personnel for the cooperation and courtesies extended to us during our audit.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of the Proviso Township High School District No. 209 and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Mathieson, Moyski, Austin & Co., LLP

COMMUNICATION OF SIGNIFICANT DEFICIENCIES

MATHIESON MOYSKI·AUSTIN & Co., LLP

(630) 653-1616
FAX (630) 653-1735

MMAadvisors.com

Certified Public Accountants and Advisors
211 South Wheaton Avenue · Suite 300
Wheaton, Illinois 60187

To the Board of Education
Proviso Township High School District No. 209
Forest Park, Illinois 60130

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Proviso Township High School District No. 209 (District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Education
Proviso Township High School District No. 209

We consider the following deficiencies in the District's internal control to be significant deficiencies:

- The Township Treasurer's office is the custodian of the majority of the District's cash and investments, prepares all the bank reconciliations, and makes all investment decisions for the District. The District does not monitor the Township Treasurer's internal control process in order to detect and correct misstatements.

This communication is intended solely for the information and use of management, the Board of Education, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Mathieson, Moyski, Austin & Co. LLP

Mathieson, Moyski, Austin & Co., LLP
January 10, 2019

**COMMUNICATION OF INFORMATIONAL POINTS TO MANAGEMENT
THAT ARE NOT MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

COMMUNICATION OF INFORMATIONAL POINTS TO MANAGEMENT
THAT ARE NOT MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES

LOAN FROM AGENCY FUND

During the year ended June 30, 2018, the District borrowed money from the Private Purpose Trust agency fund.

We recommend that the District maintains all agency funds separately and uses these funds only for the purposes they are intended.

PROFESSIONAL STANDARDS UPDATE

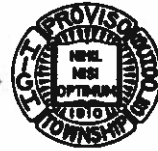
PROFESSIONAL STANDARDS UPDATE

GASB Statement No. 83: Certain Asset Retirement Obligations, in November 2016. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this Statement are effective for periods beginning after June 15, 2018.

GASB Statement No. 84: Fiduciary Activities, in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.

GASB Statement No. 87: Leases, in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019.

MANAGEMENT REPRESENTATIONS



8601 West Roosevelt Road
Forest Park, IL 60130

708.338.5950
708.338.5996 FAX
tneubauer@pths209.org

January 10, 2019

Mathieson, Moyski, Austin & Co., LLP
211 S. Wheaton Ave., Suite 300
Wheaton, IL 60187

This representation letter is provided in connection with your audit of the financial statements of Proviso Township High School District No. 209, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 10, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 12, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, or deferred inflows of resources, and fund balance or net positions.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements properly disclose all joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the Districts' policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) With respect to the combining and individual fund financial statements:
 - a) We acknowledge our responsibility for presenting the combining and individual fund financial statements in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining and individual fund financial statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) With respect to federal award programs:
 - a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

- b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: _____

Title: John Decker CFO