

**Warren Township High School
District 121**

Gurnee, Illinois

Annual Financial Report

Year Ended June 30, 2017

Warren Township High School District 121
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2017

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Warren Township High School District 121
Gurnee, 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 Warren Township High School District 121, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Warren Township High School District 121's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

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 Warren Township High School District 121, as of June 30, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 65 through 68, the other postemployment benefits data on page 69, and the budgetary comparison schedules and notes to the required supplementary information on pages 70 through 93 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 for the year ended June 30, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other schedules listed in the table of contents as supplementary financial information, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2017 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2017 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2017.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Warren Township High School District 121, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated October 14, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren Township High School District 121's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2016 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 those 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 16, 2017

Warren Township High School District 121

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2017

The discussion and analysis of Warren Township High School District 121's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$46,426,467 (net position).
- At June 30, 2017, the District reported combined ending fund balances of \$24,808,497, a decrease of \$2,261,669 in comparison with the prior year.
- At June 30, 2017, the unassigned fund balance for the General Fund was \$12,966,542 or 19% of the total General Fund expenditures.
- General revenues accounted for \$54,477,945, or 64% of total revenue. Program specific revenues in the form of charges for services, grants and contributions accounted for \$30,209,966 or 36% of total revenue.
- The District had \$84,054,560 in expenses related to governmental activities, offset by program specific charges for services or grants and contributions of \$30,209,966. As detailed above, general revenues of \$54,477,845 were adequate to provide for the remaining costs of these programs resulting in an increase in net position of \$633,351.

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 required supplementary information, supplementary financial information, and other supplemental information in addition to the basic financial statements.

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

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 and deferred outflows of resources and liabilities 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.

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

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

Fund financial statements

A fund is a self-balancing 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.

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Fund financial statements (Continued)

The District maintains seven governmental funds. These funds are: The General Fund (includes Educational, Tort Immunity and Judgment and Working Cash Accounts), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for each fund.

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 (agency) funds are used to account for resources held for the benefit of parties outside the school district. These funds, including Student Activity and Private Purpose Trust Funds, are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other postemployment benefits and pension data related to the Illinois Municipal Retirement Fund and the Teachers Retirement System (TRS).

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Government-Wide Financial Analysis

Net position: The District's net position increased to \$46,426,467 at June 30, 2017 as a result of fiscal year 2017 operations (Table 1).

Table 1
Condensed Statement of Net Position

	<i>Governmental Activities <u>2017</u></i>	<i>Governmental Activities <u>2016</u></i>
Current and other assets	\$ 51,621,169	\$ 53,072,789
Capital assets	<u>104,183,562</u>	<u>106,322,254</u>
Total assets	155,804,731	159,395,043
Deferred outflow of resources	4,532,534	5,409,294
Long-term liabilities	84,228,789	91,945,247
Other liabilities	<u>2,023,967</u>	<u>2,460,707</u>
Total liabilities	86,252,756	94,405,954
Deferred inflow of resources	27,658,042	24,605,267
Net position:		
Net investment in capital assets	27,547,062	24,799,506
Restricted	10,821,795	11,165,832
Unrestricted	<u>8,057,610</u>	<u>9,827,778</u>
Total net position	<u>\$ 46,426,467</u>	<u>\$ 45,793,116</u>

**Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

Changes in Net Position: Fiscal year 2017 revenue from governmental activities was \$84,687,911 with related expenses of \$84,054,560, resulting in an increase in net position of \$633,351. (Table 2).

Table 2 Changes in Net Position		
	<i>Governmental Activities <u>2017</u></i>	<i>Governmental Activities <u>2016</u></i>
Revenues:		
Program revenues:		
Charges for services	\$ 3,046,975	\$ 4,323,468
Operating grants and contributions	27,162,991	31,260,060
General revenues:		
Taxes	49,096,336	47,999,833
General state aid	5,071,121	4,886,582
Other	<u>310,488</u>	<u>1,030,467</u>
Total revenues	<u>84,687,911</u>	<u>89,500,410</u>
Expenses:		
Instruction	55,257,437	58,070,649
Pupil and instructional services	6,927,572	7,930,842
Administration and business	4,512,561	5,709,646
Transportation	4,143,719	3,957,450
Operations and maintenance	4,056,539	3,899,097
Other	<u>9,156,732</u>	<u>9,251,476</u>
Total expenses	<u>84,054,560</u>	<u>88,819,160</u>
Increase in net position	<u>\$ 633,351</u>	<u>\$ 681,250</u>

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017

Financial Analysis of the District's Funds

As the District closed the year, the District's governmental funds reported a combined fund balance of \$24,808,497, lower than last year's ending fund balance of \$27,070,166, or approximately 8.4%.

The General Fund is the largest of the governmental funds. The fund balance at the beginning of the year was \$21,241,092. Actual total revenues were \$65,846,518; actual total expenditures were \$67,614,789, and net other financing uses were \$401,753. The net change in fund balance was a decrease of \$2,170,024; the fund balance at the end of the year was \$19,071,068.

The Operation and Maintenance Fund had a fund balance at the beginning of the year of \$539,303. Actual total revenues were \$5,134,111; actual total expenditures were \$5,376,562, and other financing uses were \$410,594. The net change in fund balance was a decrease of \$653,045; the fund deficit at the end of the year was \$113,742.

The Transportation Fund had a fund balance at the beginning of the year of \$870,271. Actual total revenues were \$3,502,408; and actual total expenditures were \$3,846,230. The net change in fund balance was a decrease of \$343,822; the fund balance at the end of the year was \$526,449.

The Municipal Retirement/Social Security Fund had a fund balance at the beginning of the year of \$657,909. Actual total revenues were \$1,990,959; and actual total expenditures were \$1,539,451. The net change in fund balance was an increase of \$451,508; the fund balance at the end of the year was \$1,109,417.

The Debt Service Fund had a fund balance at the beginning of the year of \$3,699,222. Actual total revenues were \$7,206,320; actual total expenditures were \$7,697,269. Net other financing sources were \$942,774, which included transfers into the fund in the amount of \$401,753 from the General (Educational Account) and \$410,594 from Operations and Maintenance Funds for principal and interest payments on capital leases and debt certificates. The net change in fund balance was an increase of \$451,825; the fund balance at the end of the year was \$4,151,047.

The Capital Projects Fund had a fund balance at the beginning of the year of \$36,801. Actual total revenues were \$27,457; and actual total expenditures were \$0. The net change in fund balance was an increase of \$27,457; the fund balance at the end of the year was \$64,258.

The Fire Prevention and Safety Fund had a fund balance at the beginning of the year of \$25,568. Actual total revenues were \$0; and actual total expenditures were \$25,568. The net change in fund balance was a decrease of \$25,568; the fund balance at the end of the year was \$0.

**Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

General Fund Budgetary Highlights

Actual revenues were below budgeted revenues by \$5,795,960 and actual expenditures were below budgeted expenditures by \$7,183,686. Both were below budget primarily due to on behalf payments to the Teachers retirement system by the state, See pages 70-81 for additional detail on the General Fund budget.

Capital Asset and Debt Administration

Capital assets

By the end of fiscal year 2017, the District had invested \$104,183,562 (net of depreciation) in a broad range of capital assets, including, land, construction in process, buildings and building improvements, site improvements and equipment (Table 3). Additional detailed information on capital assets is in Note H to the financial statements.

Table 3 Capital Assets (net of depreciation)		
	<i>Governmental Activities <u>2017</u></i>	<i>Governmental Activities <u>2016</u></i>
Land	\$ 11,772,443	\$11,772,443
Construction in process	333,895	175,481
Buildings, and building improvements	87,891,929	89,724,514
Site improvements	3,439,032	3,612,391
Equipment	<u>746,263</u>	<u>1,037,425</u>
Total	<u>\$104,183,562</u>	<u>\$106,322,254</u>

Long-term liabilities

At year-end, the District had \$84,228,789 in outstanding general obligation bonds and other long-term liabilities (Table 4).

**Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2017**

**Table 4
Outstanding Long-Term Liabilities**

	<u>2017</u>	<u>2016</u>
General obligation bonds	\$71,690,000	\$75,490,000
Debt certificates	4,946,500	5,246,500
Other	<u>7,592,289</u>	<u>11,188,788</u>
Total	<u>\$84,228,789</u>	<u>\$91,925,288</u>

The District continued to pay down its existing debt. Additional detailed information on long-term debt, pension obligations, and other postemployment retirement benefits can be found in in Note I, Note F, and Note G to the financial statements, respectively.

Factors Bearing on the District's Future

The State of Illinois has finally passed a budget with a new evidence-based equitable funding formula which should provide additional financial resources to the school district. We are still waiting to see how the new Tier III pension plan (TRS) may affect the District.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office: Warren Township High School District 121, 34090 N. Almond Road, Gurnee, Illinois 60031.

BASIC FINANCIAL STATEMENTS

Warren Township High School District 121
 STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2017

ASSETS

Cash and investments	\$	19,094,241
Restricted cash		4,946,500
Receivables:		
Property taxes		23,800,889
Replacement taxes		133,884
Intergovernmental		2,248,096
Prepaid items		1,258,686
Other current assets		89,936
Net pension asset		48,937
Capital assets:		
Land		11,772,443
Construction in progress		333,895
Depreciable buildings, property, and equipment, net		<u>92,077,224</u>
 Total assets		 <u>155,804,731</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions		3,606,860
Deferred loss on refunding of bonds		<u>925,674</u>
 Total deferred outflows		 <u>4,532,534</u>

LIABILITIES

Accounts payable		1,344,292
Salaries and wages payable		18,060
Payroll deductions payable		104,045
Other current liabilities		258,451
Interest payable		299,119
Long-term liabilities:		
Due within one year		4,980,000
Due after one year		<u>79,248,789</u>
 Total liabilities		 <u>86,252,756</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions		3,197,541
Property taxes levied for a future period		<u>24,460,501</u>
 Total deferred inflows		 <u>27,658,042</u>

NET POSITION

Net investment in capital assets		27,547,062
Restricted For:		
Debt service		8,798,428
Student transportation		526,449
Retirement benefits		1,109,417
Capital projects		64,258
Tort immunity		323,243
Unrestricted		<u>8,057,610</u>
 Total net position		 <u>\$ 46,426,467</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2017

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 20,049,540	\$ 2,557,078	\$ 366,655	\$ (17,125,807)
Special programs	9,803,610	-	2,926,519	(6,877,091)
Other instructional programs	4,484,034	128,032	550,600	(3,805,402)
State retirement contributions	20,920,253	-	20,920,253	-
Support services:				
Pupils	3,485,804	-	-	(3,485,804)
Instructional staff	3,441,768	-	1,232,654	(2,209,114)
General administration	1,419,562	-	-	(1,419,562)
School administration	2,252,667	-	-	(2,252,667)
Business	840,332	108,482	1,590	(730,260)
Transportation	4,143,719	169,174	1,164,720	(2,809,825)
Operations and maintenance	4,056,539	84,209	-	(3,972,330)
Central and other supporting services	143,875	-	-	(143,875)
Community services	4,581	-	-	(4,581)
Nonprogrammed charges - excluding special education	2,253,973	-	-	(2,253,973)
Interest and fees	3,218,146	-	-	(3,218,146)
Unallocated depreciation	3,536,157	-	-	(3,536,157)
Total governmental activities	<u>\$ 84,054,560</u>	<u>\$ 3,046,975</u>	<u>\$ 27,162,991</u>	<u>\$ (53,844,594)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				31,913,400
Real estate taxes, levied for specific purposes				9,032,330
Real estate taxes, levied for debt service				7,205,712
Personal property replacement taxes				944,894
State aid-formula grants				5,071,121
Investment earnings				34,766
Miscellaneous				275,722
Total general revenues				<u>54,477,945</u>
Change in net position				633,351
Net position, beginning of year				<u>45,793,116</u>
Net position, end of year				<u>\$ 46,426,467</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Governmental Funds

BALANCE SHEET

June 30, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 13,035,733	\$ 560,910	\$ -	\$ 1,180,049
Restricted cash	4,946,500	-	-	-
Receivables				
Property taxes	16,008,858	2,432,592	919,960	745,520
Replacement taxes	107,107	-	-	26,777
Intergovernmental	1,414,881	-	833,215	-
Due from other fund	483,551	-	-	-
Prepaid Items	1,158,026	1,397	501,015	-
Other current assets	<u>79,158</u>	<u>5,223</u>	<u>5,425</u>	<u>-</u>
Total assets	<u>\$ 37,233,814</u>	<u>\$ 3,000,122</u>	<u>\$ 2,259,615</u>	<u>\$ 1,952,346</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 590,308	\$ 613,101	\$ 64,256	\$ 76,627
Salaries and wages payable	1,029	755	16,276	-
Payroll deductions payable	104,045	-	-	-
Other current liabilities	256,045	-	2,285	121
Due to other fund	<u>149,003</u>	<u>-</u>	<u>334,548</u>	<u>-</u>
Total liabilities	<u>1,100,430</u>	<u>613,856</u>	<u>417,365</u>	<u>76,748</u>
DEFERRED INFLOWS				
Unavailable grant revenue	609,793	-	370,345	-
Property taxes levied for a future period	<u>16,452,523</u>	<u>2,500,008</u>	<u>945,456</u>	<u>766,181</u>
Total deferred inflows	<u>17,062,316</u>	<u>2,500,008</u>	<u>1,315,801</u>	<u>766,181</u>
FUND BALANCES (DEFICIT)				
Nonspendable	1,158,026	1,397	501,015	-
Restricted	4,946,500	-	25,434	1,109,417
Unassigned	<u>12,966,542</u>	<u>(115,139)</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>19,071,068</u>	<u>(113,742)</u>	<u>526,449</u>	<u>1,109,417</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 37,233,814</u>	<u>\$ 3,000,122</u>	<u>\$ 2,259,615</u>	<u>\$ 1,952,346</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 4,253,421	\$ 64,128	\$ -	\$ 19,094,241
-	-	-	4,946,500
3,693,959	-	-	23,800,889
-	-	-	133,884
-	-	-	2,248,096
-	-	-	483,551
-	-	-	1,660,438
-	130	-	89,936
<u>\$ 7,947,380</u>	<u>\$ 64,258</u>	<u>\$ -</u>	<u>\$ 52,457,535</u>
\$ -	\$ -	\$ -	\$ 1,344,292
-	-	-	18,060
-	-	-	104,045
-	-	-	258,451
-	-	-	483,551
-	-	-	2,208,399
-	-	-	980,138
<u>3,796,333</u>	<u>-</u>	<u>-</u>	<u>24,460,501</u>
<u>3,796,333</u>	<u>-</u>	<u>-</u>	<u>25,440,639</u>
-	-	-	1,660,438
4,151,047	64,258	-	10,296,656
-	-	-	12,851,403
<u>4,151,047</u>	<u>64,258</u>	<u>-</u>	<u>24,808,497</u>
<u>\$ 7,947,380</u>	<u>\$ 64,258</u>	<u>\$ -</u>	<u>\$ 52,457,535</u>

Warren Township High School District 121
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

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

Total fund balances-governmental funds		\$ 24,808,497
Certain payments to vendors that reflect costs applicable to future accounting periods are reported as prepaid items in the governmental funds balance sheet. However, certain prepaid items represent advance payments on outstanding long-term liabilities and thus are recognized as a reduction of the long-term liabilities in the statement of net position.		(401,752)
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		104,183,562
Deferred charges included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.		925,674
Interest payable included in the statement of net position is not related to a current period expenditure and, therefore, is not included in the governmental funds balance sheet.		(299,119)
Certain grant receivables are not available to pay for current expenditures and are unavailable in the governmental funds		980,138
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	3,164,237	
Deferred outflows of 2016 employer contributions related to pensions	<u>442,623</u>	
		3,606,860
Deferred inflows of resources related to pensions		(3,197,541)
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		<u>(84,179,852)</u>
Net position - governmental activities		<u>\$ 46,426,467</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2017

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 32,362,095	\$ 4,660,753	\$ 2,154,976	\$ 1,767,906
Replacement taxes	721,841	-	-	223,053
State aid	27,724,614	172,603	1,164,720	-
Federal aid	2,192,037	-	-	-
Interest	34,158	-	-	-
Other	<u>2,811,773</u>	<u>300,755</u>	<u>182,712</u>	<u>-</u>
Total revenues	<u>65,846,518</u>	<u>5,134,111</u>	<u>3,502,408</u>	<u>1,990,959</u>
Expenditures				
Current:				
Instruction:				
Regular programs	19,693,499	-	-	257,345
Special programs	9,257,253	-	-	222,913
Other instructional programs	4,424,070	-	-	80,012
State retirement contributions	20,920,253	-	-	-
Support services:				
Pupils	3,338,222	-	-	129,242
Instructional staff	3,211,431	-	-	127,009
General administration	1,403,159	-	-	16,872
School administration	2,133,978	-	-	43,333
Business	756,290	-	-	60,291
Transportation	-	-	3,824,296	305,122
Operations and maintenance	6,400	3,872,123	-	132,627
Central	120,147	-	-	12,626
Other supporting services	2,799	-	-	29
Community services	4,057	-	-	58
Nonprogrammed charges	2,213,730	218,380	21,934	151,972
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>129,501</u>	<u>1,286,059</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>67,614,789</u>	<u>5,376,562</u>	<u>3,846,230</u>	<u>1,539,451</u>
Excess (deficiency) of revenues over expenditures	(1,768,271)	(242,451)	(343,822)	451,508
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(401,753)	(410,594)	-	-
Debt issuance	-	-	-	-
Premium on debt issuance	-	-	-	-
Deposit with escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(401,753)</u>	<u>(410,594)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,170,024)	(653,045)	(343,822)	451,508
Fund balance (deficit), beginning of year	<u>21,241,092</u>	<u>539,303</u>	<u>870,271</u>	<u>657,909</u>
Fund balance (deficit), end of year	<u>\$ 19,071,068</u>	<u>\$ (113,742)</u>	<u>\$ 526,449</u>	<u>\$ 1,109,417</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 7,205,712	\$ -	\$ -	\$ 48,151,442
-	-	-	944,894
-	-	-	29,061,937
-	-	-	2,192,037
608	-	-	34,766
-	27,457	-	3,322,697
<u>7,206,320</u>	<u>27,457</u>	<u>-</u>	<u>83,707,773</u>
-	-	-	19,950,844
-	-	-	9,480,166
-	-	-	4,504,082
-	-	-	20,920,253
-	-	-	3,467,464
-	-	-	3,338,440
-	-	-	1,420,031
-	-	-	2,177,311
-	-	-	816,581
-	-	-	4,129,418
-	-	25,568	4,036,718
-	-	-	132,773
-	-	-	2,828
-	-	-	4,115
-	-	-	2,606,016
4,610,276	-	-	4,610,276
3,086,993	-	-	3,086,993
-	-	-	1,415,560
<u>7,697,269</u>	<u>-</u>	<u>25,568</u>	<u>86,099,869</u>
(490,949)	27,457	(25,568)	(2,392,096)
812,347	-	-	812,347
-	-	-	(812,347)
5,745,000	-	-	5,745,000
310,968	-	-	310,968
(5,925,541)	-	-	(5,925,541)
<u>942,774</u>	<u>-</u>	<u>-</u>	<u>130,427</u>
451,825	27,457	(25,568)	(2,261,669)
<u>3,699,222</u>	<u>36,801</u>	<u>25,568</u>	<u>27,070,166</u>
<u>\$ 4,151,047</u>	<u>\$ 64,258</u>	<u>\$ -</u>	<u>\$ 24,808,497</u>

Warren Township High School District 121

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds \$ (2,261,669)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period. (2,138,692)

Governmental funds report the effects of the loss on refunding when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year net effect of these differences. (105,338)

Accrued interest reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds. 20,348

Certain grant revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements. 980,138

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

Deferred outflow and inflows of resources related to IMRF pension (376,602)

Deferred outflow and inflows of resources related to TRS pension (2,834,298)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. 7,349,464

Change in net position - governmental activities \$ 633,351

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

	Agency Fund	Private Purpose Trust Fund
<hr/>		
ASSETS		
Cash and investments	<u>\$ 457,535</u>	<u>\$ 25,326</u>
LIABILITIES		
Due to student groups	<u>\$ 457,535</u>	<u>\$ -</u>
NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES	<u>\$ -</u>	<u>\$ 25,326</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121
 Fiduciary Funds - Private Purpose Trust Fund
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
June 30, 2017

	Private Purpose Trust Fund
<hr/>	
ADDITIONS	
Contributions by external parties	<u>\$ 19,083</u>
Total additions	19,083
DEDUCTIONS	
Scholarships paid	<u>22,532</u>
Change in net position	(3,449)
Net position, beginning of year	<u>28,775</u>
Net position, end of year	<u>\$ 25,326</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Warren Township High School District 121 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units, hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its 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 organizations for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by the GASB pronouncements.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds (agency funds) are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon the collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need, as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current Equalized Assessed Valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies is for risk management activities.

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

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

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

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Funds

The Fiduciary (Agency) Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments.

The *Agency Funds* - includes the Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. These funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council.

Convenience accounts - account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc. The convenience accounts are included in student activity accounts.

The *Private Purpose Trust Fund* - is accounted for on the flow of economic resources measurement focus 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 scholarship and memorial trust funds.

4. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds as well as debt service and capital projects funds are by definition restricted for those specified purposes.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2017 the District had no committed fund balances.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Assistant Superintendent of Business Services and Operations. At June 30, 2017 the District had no assigned fund balances.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental fund balances reported on the fund financial statements at June 30, 2017 are as follows:

The nonspendable fund balance in the General Fund, Operations and Maintenance Fund, Transportation Fund consists of \$1,158,026, \$1,397, and \$501,015, respectively, for prepaid items. The restricted fund balance in the General Fund is comprised of \$4,946,500 of restricted cash. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary (agency) fund statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. The District considers property tax revenues and most other revenues susceptible to accrual if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end and collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due. However, debt service expenditures are recorded only when payment is due.

Property taxes, replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

6. Deferred Outflows/Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2017, the District has deferred outflows of resources associated with losses on refunding of bonds in the current and prior years and related to pensions. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2017, the District reported deferred inflows of resources related to property taxes levied for a future period, amounts related to pension liabilities and grant revenue.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. Restricted Cash

Restricted cash in the Working Cash account represents the \$4,946,500 remaining balance on the District's debt certificates, in accordance with the provisions of the debt agreement (See Note I).

10. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

11. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items is recorded as expenditures when consumed rather than when purchased.

12. Capital Assets

Capital assets, which include land, construction in progress, buildings and building improvements, site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$6,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost value at the date purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20 - 50
Site improvements	20
Equipment	5 - 20

13. Accumulated Unpaid Vacation and Sick Pay

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacation is required to be used by June 30 and there is no allowance for carryover, therefore no liability is reported in the financial statements for accumulated unpaid vacation.

Sick leave is accumulated from year to year without limit and 240 days can be turned over to the Illinois Municipal Retirement Fund (IMRF) or 340 days the Teachers' Retirement System (TRS), respectively, for credit. Unused sick days beyond the IMRF and TRS credit thresholds are paid out by the District at \$15 and \$50 per day for IMRF or TRS, respectively. Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is reported in the financial statements for accumulated unpaid sick leave.

14. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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 cost and losses on refunding are reported as debt service expenditures.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

16. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation.

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

17. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net 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, with the exception of on behalf payments to the Teachers' Retirement System by the State. The on behalf payments to the Teachers' Retirement System by the State were calculated based upon the contractually required contributions to the pension plan as opposed to the actual contributions made. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (71,690,000)
Debt certificates	(4,946,500)
IMRF net pension asset	48,937
TRS net pension liability	(2,960,823)
Other postemployment benefits	(1,873,855)
Bond premiums, net of amortization	(2,816,853)
Bond discounts, net of amortization	59,243
	<hr/>
Net adjustment to reduce total fund balances - governmental funds to arrive at net position - governmental activities	\$ <u>(84,179,851)</u>

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 1,415,561
Depreciation expense	<u>(3,554,253)</u>
	<hr/>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>(2,138,692)</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds." The details of this difference are as follows:

Principal repayments	
General obligation bonds	\$ 3,920,000
Debt certificates	300,000
Capital lease	786,248
Less: capital leases payments classified as prepaid in the governmental funds (Note I-4)	(395,972)
Payment on refunded debt	5,625,000
Bond premium amortization, net	(52,487)
Bond discount amortization	(4,103)
IMRF pension asset, net	28,978
TRS pension liability, net	3,011,188
Other postemployment benefits	(124,388)
Issuance of long-term liabilities	
General obligation bonds	<u>(5,745,000)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities.	\$ <u>7,349,464</u>

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2017, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 24,040,741	\$ 482,861	\$ 24,523,602

The total cash and investments includes a restricted amount of \$4,946,500 which is restricted by the provisions of the debt certificate agreement. For disclosure purposes, total cash and investments is segregated as follows:

	<u>Total</u>
Cash on hand	\$ 6,710
Deposits with financial institutions*	14,684,322
Illinois School District Liquid Asset Fund Plus	3,037,815
Other investments	6,794,755
	<u>\$ 24,523,602</u>

* includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of Deposit	\$ 744,755	\$ -	\$ 744,755	\$ -	\$ -
ISDLAF+ Term Series	6,050,000	6,050,000	-	-	-
	<u>\$ 6,794,755</u>	<u>\$ 6,050,000</u>	<u>\$ 744,755</u>	<u>\$ -</u>	<u>\$ -</u>

The following investment is measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 3,037,815	n/a	Daily	1 day

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

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits and ISDLAF+ term series are unrated.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to 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. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2017, the bank balances of the District's deposits with financial institutions totaled \$17,104,442, all of which was fully insured or collateralized.

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

NOTE D - DUE FROM EMPLOYEES

In an effort to encourage its teachers to improve their computer knowledge, the District sponsors a program in which employees can purchase computers for their personal/home use. The District purchases a computer for each employee who signs up for the program, and the employee is required to repay the District, interest free, through payroll withholdings over a two year period. At June 30, 2017 a total of \$11,908 is due to the District and reported as other current assets on the balance sheet and the statement of net position.

NOTE E - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 15, 2016. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that tax year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the Equalized Assessed Valuation of all real property in the District to the valuation of property assessed directly by the state (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used to calculate the annual tax rates, as described above. The Equalized Assessed Valuation for the extension for the 2016 tax levy was \$2,008,232,290.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE E - PROPERTY TAXES RECEIVABLE (Continued)

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

The portion of the 2016 property tax levy not received by June 30 is recorded as a receivable. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, up to 50 percent of the 2016 property tax levy, are recognized as revenue. Net taxes receivable plus any excess collections over 50 percent of the 2016 property tax levy is reflected as deferred inflow of resources - property taxes levied for a future period.

NOTE F - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at www.trsil.org; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

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.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

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

Contributions

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

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

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2017, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$20,608,959 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$161,206, and are deferred because they were paid after the June 30, 2016 measurement date.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information about the Pension Plan (Continued)

Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$163,427 were paid from federal and special trust funds that required employer contributions of \$62,985. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$16,025 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

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

District's proportionate share of the net pension liability	\$ 2,960,823
State's proportionate share of the net pension liability associated with the District	<u>51,378,931</u>
Total	<u>\$ 54,339,754</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was .0037509136 percent, which was a decrease of .005365258 percent from its proportion measured as of June 30, 2015.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

For the year ended June 30, 2017, the District recognized pension expense of \$20,590,763 and revenue of \$20,608,959 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,893	\$ 2,008
Change of assumptions	254,291	-
Net difference between projected and actual earnings on pension plan investments	83,648	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,314,715</u>	<u>3,008,782</u>
Total deferred amounts to be recognized in pension expense in future periods	1,674,547	3,010,790
District contributions subsequent to the measurement date	<u>224,190</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,898,737</u>	<u>\$ 3,010,790</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

The District reported \$224,190 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Net Deferred Inflows of Resources</u>
2018	\$ 226,747
2019	226,747
2020	162,782
2021	590,480
2022	<u>129,487</u>
Total	<u>\$ 1,336,243</u>

Actuarial Assumptions

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

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

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.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Actuarial Assumptions (Continued)

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S equities. large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	100 %	

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Discount Rate

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

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.83%)	Current Discount (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$ 3,621,207	\$ 2,960,823	\$ 2,421,465

TRS Fiduciary Net Position

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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. That 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).

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 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.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	123
Inactive plan members entitled to but not yet receiving benefits	135
Active plan members	<u>159</u>
Total	<u><u>417</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 12.43%. For the fiscal year ended June 30, 2017 the District contributed \$549,347 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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, 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 projections scale 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.

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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:

- a. 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
- b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Asset

The following table shows the components of the change in the District's net pension asset for the calendar year ended December 31, 2016:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Asset (A) - (B)
Balances at December 31, 2015	\$ 22,400,546	\$ 22,420,505	\$ (19,959)
Changes for the year:			
Service cost	635,167	-	635,167
Interest on the total pension liability	1,662,383	-	1,662,383
Difference between expected and actual experience of the total pension liability	263,372	-	263,372
Changes of assumptions	-	-	-
Contributions - employer	-	733,746	(733,746)
Contributions - employees	-	266,568	(266,568)
Net investment income	-	1,523,563	(1,523,563)
Benefit payments, including refunds of employee contributions	(1,106,049)	(1,106,049)	-
Other (net transfer)	-	66,023	(66,023)
Net changes	<u>1,454,873</u>	<u>1,483,851</u>	<u>(28,978)</u>
Balances at December 31, 2016	<u>\$ 23,855,419</u>	<u>\$ 23,904,356</u>	<u>\$ (48,937)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability (asset)	\$ <u>2,985,013</u>	\$ <u>(48,937)</u>	\$ <u>(2,573,670)</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2017, the District recognized pension expense of \$914,219. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 231,503	\$ 151,293
Change of assumptions	198,454	35,458
Net difference between projected and actual earnings on pension plan investments	<u>1,059,733</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>1,489,690</u>	<u>186,751</u>
Pension contributions made subsequent to the measurement date	<u>218,433</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,708,123</u>	<u>\$ 186,751</u>

The District reported \$218,433 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2018	\$ 561,696
2019	364,435
2020	345,510
2021	31,298
2022	-
Thereafter	<u>-</u>
Total	<u>\$ 1,302,939</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items at June 30, 2017:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 224,190	\$ 218,433	\$ 442,623
Experience	21,893	231,503	253,396
Assumptions	254,291	198,454	452,745
Proportionate share	1,314,715	-	1,314,715
Investments	83,648	1,059,733	1,143,381
	<u>\$ 1,898,737</u>	<u>\$ 1,708,123</u>	<u>\$ 3,606,860</u>
Net pension liability (asset)	<u>\$ 2,960,823</u>	<u>\$ (48,937)</u>	<u>\$ 2,911,886</u>
Deferred inflows of resources:			
Experience	\$ 2,008	\$ 151,293	\$ 153,301
Assumptions	-	35,458	35,458
Proportionate share	3,008,782	-	3,008,782
	<u>\$ 3,010,790</u>	<u>\$ 186,751</u>	<u>\$ 3,197,541</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE F - PENSION LIABILITIES (Continued)

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

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

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

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$311,294, and the District recognized revenue and expenditures of this amount during the year.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$233,470 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

2. Retiree Health Plan

Plan Description

The District provides post-employment benefits other than pensions to employees who retire directly from the District and who meet certain criteria. The Plan, a single-employer defined benefit plan, provides medical, prescription drug, dental, and vision insurance benefits to retirees. Participants in the plan must contribute 100% of the premium level to participate in the plan. Premiums are based on expected experience for active and retiree populations. Retirees are eligible to continue coverage for life. To be eligible, the employee must be enrolled in the active medical plan immediately prior to retiring and not be enrolled in the TRS medical plan. Teachers are given the choice to select COBRA coverage upon retirement or receive a \$10,000 cash payment from the District. If the participant is not a teacher, he or she become eligible to retire and receive medical coverage as of 55 years of age and eight years of service.

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

Actives	147
Retirees and spouses	<u>6</u>
	<u>153</u>

Funding Policy

The required contribution is based on a projected pay-as-you-go financing requirement.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's estimated net OPEB obligation to the Retiree Health Plan:

	<u>June 30,</u> <u>2017</u>
Annual required contribution	\$ 159,911
Interest on net OPEB obligation	69,979
Amortization of net OPEB obligation	<u>(87,605)</u>
Annual OPEB cost	142,285
Contributions made	<u>(17,897)</u>
Increase in net OPEB obligation	124,388
Net OPEB obligation beginning of year	<u>1,749,467</u>
Net OPEB obligation end of year	<u><u>\$ 1,873,855</u></u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

Actuarial Valuation Date	Annual OPEB Cost	Trend Information	
		Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017*	\$ 142,285	12.6%	\$ 1,873,855
6/30/2016*	137,501	13.0%	1,749,467
6/30/2015	132,900	13.5%	1,629,863

*Annual OPEB cost estimated using ARC from most recent valuation information.

Funding Status and Funding Progress

As of July 1, 2014 (the most recent information available), the actuarial accrued liability for benefits was \$1,078,097, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

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

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

Methods and Assumptions

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Contribution rates:	
District	Not Applicable
Plan members	0.00%
Actuarial valuation date	July 1, 2014
Actuarial cost method	Unit credit, normal cost
Amortization period	Open, level dollar
Remaining amortization period	30 years
Initial healthcare trend rate	6.85%
Ultimate healthcare trend rate	4.00%
Mortality, Turnover, Disability, Retirement ages	RP-2000 Combined Healthy Mortality table projected generationally with scale AA
Discount rate	4.00% per year (based on 2.50% long-term inflation; 0.75% real GDP growth and 0.75%
Percentage of active employees assumed to elect benefit	It is assumed that the new retirees select coverage, consistent with their active election, and are assumed to participate in Medicare upon eligibility. Teachers are assumed to enroll in the TRS medical plan and not elect to receive COBRA benefits.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 11,772,443	\$ -	\$ -	\$ 11,772,443
Construction in process	175,481	995,402	836,988	333,895
Total capital assets, not being depreciated	11,947,924	995,402	836,988	12,106,338
Capital assets, being depreciated				
Buildings and building improvements	128,231,247	849,811	-	129,081,058
Site improvements	6,794,911	162,660	-	6,957,571
Equipment	6,739,954	244,676	-	6,984,630
Total capital assets, being depreciated	141,766,112	1,257,147	-	143,023,259
Less accumulated depreciation for:				
Buildings and building improvements	38,506,733	2,682,396	-	41,189,129
Site improvements	3,182,520	336,019	-	3,518,539
Equipment	5,702,529	535,838	-	6,238,367
Total accumulated depreciation	47,391,782	3,554,253	-	50,946,035
Total capital assets being depreciated, net	94,374,330	(2,297,106)	-	92,077,224
Governmental activities capital assets, net	\$ 106,322,254	\$ (1,301,704)	\$ 836,988	\$ 104,183,562

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	
Transportation	\$ 14,301
Food Service	3,795
Unallocated	3,536,157
	\$ 3,554,253

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE I - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2017, the following is the long-term liability activity for the District:

	Balance July 1, 2016	Additions	Reductions/ Refunded	Balance June 30, 2017
General obligation bonds	\$ 75,490,000	\$ 5,745,000	\$ 9,545,000	\$ 71,690,000
Debt certificates	5,246,500	-	300,000	4,946,500
Capital lease	786,248		786,248	-
TRS net pension liability	5,972,011	386,840	3,398,028	2,960,823
Bond premiums, net of amortization	2,764,367	310,968	258,481	2,816,854
Bond discounts, net of amortization	(63,346)	-	(4,103)	(59,243)
Other postemployment benefits	1,749,467	142,285	17,897	1,873,855
Total long-term liabilities	<u>\$ 91,945,247</u>	<u>\$ 6,585,093</u>	<u>\$ 14,301,551</u>	<u>\$ 84,228,789</u>

At June 30, 2017, amounts due within one year on the outstanding long-term liabilities were as follows:

General obligation bonds	\$ 4,680,000
Debt certificates	<u>300,000</u>
Total amount due within one year	<u>\$ 4,980,000</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE I - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding at June 30, 2017, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
GO Limited School Bonds 2007	3.85% - 4.20%	\$ 1,835,000
GO Limited School Bonds 2008A	5.00% - 5.125%	2,575,000
GO School Building Bonds 2009	5.40% - 6.30%	23,725,000
Refunding School Bonds 2012A	2.25% - 3.00%	9,440,000
Refunding School Bonds 2012B	0.83% - 2.74%	1,395,000
Refunding School Bonds 2012C	1.625%	455,000
Refunding School Bonds 2012D	0.65% - 3.09%	7,795,000
Refunding School Bonds 2013A	4.00%	5,860,000
Refunding School Bonds 2013B	0.67% - 1.80%	870,000
Refunding School Bonds 2014	2.25% - 2.875%	2,810,000
Refunding School Bonds 2015	3.00%	5,730,000
Working Cash Bonds 2016	3.00% - 3.25%	3,550,000
Refunding School Bonds 2016A	2.00% - 3.00%	5,650,000
		<u>\$ 71,690,000</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE I - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable (Continued)

At June 30, 2017, the District's annual debt service requirements to maturity for general obligation bonds principal and interest are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,680,000	\$ 2,836,951	\$ 7,516,951
2019	5,410,000	2,742,492	8,152,492
2020	5,660,000	2,586,832	8,246,832
2021	5,325,000	2,391,298	7,716,298
2022	5,725,000	2,201,092	7,926,092
2023-2027	36,110,000	7,095,064	43,205,064
2028	<u>8,780,000</u>	<u>264,043</u>	<u>9,044,043</u>
	<u>\$ 71,690,000</u>	<u>\$ 20,117,772</u>	<u>\$ 91,807,772</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,151,047 in the Debt Service Fund to service the outstanding bond payable.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$138,568,028, providing a debt margin of \$61,931,528.

During the fiscal year ended June 30, 2017, the District issued \$5,745,000 of General Obligation Refunding School Bonds. This issuance was used to refund a portion of the principal and interest maturities on the District's Series 2007 bond and 2008A Bond. This transaction resulted in a theoretical economic loss (difference between the present value of the debt service payments on the old and new debt) of \$120,000 related to the refunding bond.

The District defeased the debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2017, \$10,995,000 of bonds principal outstanding are considered defeased.

Warren Township High School District 121
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

NOTE I - LONG-TERM LIABILITIES (Continued)

3. Debt Certificates

At June 30, 2017, the District's annual debt service requirements to maturity for debt certificates principal and interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 300,000	\$ 104,084	\$ 404,084
2019	300,000	97,574	397,574
2020	4,346,500	47,160	4,393,660
	<u>\$ 4,946,500</u>	<u>\$ 248,818</u>	<u>\$ 5,195,318</u>

4. Capital Lease

The District entered into an agreement to lease computers. The lease terms required annual payments of \$401,752 through July 2017. Current year expense under this leases was \$401,779 for the fiscal year ended June 30, 2017. During 2017, the District also paid the fiscal 2018 payment of \$401,082 which has been recorded as a prepaid item on the governmental funds balance sheet at June 30, 2017. In the government-wide financial statements, the payment has been recorded as a reduction of the capital lease obligation. The obligation was repaid in full from the Debt Service Fund with funding provided by the General (Educational Account) Fund.

NOTE J - OPERATING LEASES

The District leases equipment, vehicles and land under noncancelable operating leases. Total costs for such leases were \$938,902 for the year ended June 30, 2017. At June 30, 2017, future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Total</u>
2018	\$ 956,188
2019	948,177
2020	975,677
2021	111,048
2022	9,755
2023-2027	43,520
2028-2032	22,500
2033	4,500
Total	<u>\$ 3,071,365</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE K - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: the Lake Region School Benefit Cooperative (LRSBC) for health and benefit claims and the Collective Liability Insurance Cooperative (CLIC) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois 60030.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE L - JOINT AGREEMENTS

1. Special Education District of Lake County (SEDOL)

The District is a member of the Special Education District of Lake County (SEDOL) joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool listed above (Note K). The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

2. Lake County Area Vocational System (LCAVS)

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments, as established by the management council. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE L - JOINT AGREEMENTS (Continued)

3. Transportation Center

The District and Gurnee School District #56 (Gurnee #56) entered into a joint agreement to build a new transportation center to house both Districts' transportation staff and equipment. The joint transportation facility shares resources and complements the current shared transportation agreement with Gurnee #56 for transportation of students. The District also entered into a long-term lease with the Village of Gurnee for additional land use (Note J). The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

NOTE M - INTERFUND TRANSACTIONS

1. Interfund Loans

As of June 30, 2017, the Educational Account loaned \$149,003 and \$334,548 to the Tort Immunity Account and Transportation Fund, respectively, for the purpose of funding cash deficits. Amounts are expected to be repaid in fiscal year 2018.

2. Interfund Transfers

The District transferred \$300,000 and \$110,594, respectively, from the Operations and Maintenance Fund to the Debt Service Fund. These amounts transferred represent amounts transferred to pay principal and interest, respectively, on the District's debt certificates.

The District transferred \$390,276 and \$11,477, respectively, from the General (Educational Account) Fund to the Debt Service Fund. These amounts transferred represent amounts transferred to pay principal and interest, respectively, on the District's capital leases.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017

NOTE N - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits and other pending matters such as property tax objections. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE O - CONSTRUCTION COMMITMENTS

The District has certain contracts for construction projects which were in progress at June 30, 2017. Remaining commitments under these contracts approximated \$310,000 at June 30, 2017.

NOTE P - SUBSEQUENT EVENT

Management has evaluated subsequent events through October 16, 2017, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those described below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

In September 2017, the District approved a resolution for the issuance of \$4,070,000 of General Obligation Limited Refunding School Bonds. The proceeds from the bond issue will be used to refund certain outstanding General Obligation bonds.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Warren Township High School District 121
MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALANDAR YEARS
 Illinois Municipal Retirement Fund
June 30, 2017

Calendar year ended December 31,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 635,167	\$ 674,707	\$ 694,132
Interest on the total pension liability	1,662,383	1,596,937	1,419,751
Difference between expected and actual experience of the total pension liability	263,372	(339,725)	215,866
Assumption changes	-	(79,622)	959,401
Benefit payments and refunds	<u>(1,106,049)</u>	<u>(984,815)</u>	<u>(728,603)</u>
Net change in total pension liability	1,454,873	867,482	2,560,547
Total pension liability, beginning	<u>22,400,546</u>	<u>21,533,064</u>	<u>18,972,517</u>
Total pension liability, ending	<u>\$ 23,855,419</u>	<u>\$ 22,400,546</u>	<u>\$ 21,533,064</u>
Plan fiduciary net position			
Contributions, employer	\$ 733,746	\$ 5,418,964	\$ 562,870
Contributions, employee	266,568	255,730	214,739
Net investment income	1,523,563	100,457	1,020,154
Benefit payments, including refunds of employee contributions	(1,106,049)	(984,815)	(728,603)
Other (net transfer)	<u>66,023</u>	<u>(116,248)</u>	<u>(22,072)</u>
Net change in plan fiduciary net position	1,483,851	4,674,088	1,047,088
Plan fiduciary net position, beginning	<u>22,420,505</u>	<u>17,746,417</u>	<u>16,699,329</u>
Plan fiduciary net position, ending	<u>\$ 23,904,356</u>	<u>\$ 22,420,505</u>	<u>\$ 17,746,417</u>
Net pension liability (asset)	<u>\$ (48,937)</u>	<u>\$ (19,959)</u>	<u>\$ 3,786,647</u>
Plan fiduciary net position as a percentage of the total pension liability	100.21 %	100.09 %	82.41 %
Covered Valuation Payroll	\$ 5,756,535	\$ 5,641,952	\$ 5,927,845
Net pension liability as a percentage of covered valuation payroll	(0.85) %	(0.35) %	63.88 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2017

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 715,537	* \$ 733,746	\$ (18,209)	\$ 5,756,535	12.75 %
2015	667,443	5,418,964	(4,751,521)	5,641,952	96.05
2014	696,521	562,870	133,651	5,927,845	9.50

* Estimated based on contribution rate of 12.43% and covered valuation payroll of \$5,756,535.

Note 1: Covered payroll information is the most recent information available.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0037509136 %	0.0091161716 %	0.0056534789 %
District's proportionate share of the net pension liability	\$ 2,960,823	\$ 5,972,011	\$ 3,440,610
State's proportionate share of the net pension liability (asset) associated with the District	<u>51,378,931</u>	<u>310,966,744</u>	<u>151,933,269</u>
Total	<u>\$ 54,339,754</u>	<u>\$ 316,938,755</u>	<u>\$ 155,373,879</u>
District's covered-employee payroll	\$ 26,438,524	\$ 25,054,186	\$ 24,598,129
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.20 %	23.84 %	13.99 %
Plan fiduciary net position as a percentage of the total pension liability	36.4 %	41.5 %	43.0 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2017

Fiscal year ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 210,758	\$ 222,848	\$ 198,764
Contributions in relation to the contractually required contribution	<u>145,262</u>	<u>319,430</u>	<u>201,713</u>
Contribution excess	<u>\$ 65,496</u>	<u>\$ (96,582)</u>	<u>\$ (2,949)</u>
District's covered-employee payroll	\$ 27,794,090	\$ 26,438,524	\$ 25,054,186
Contributions as a percentage of covered-employee payroll	0.52 %	1.21 %	0.81 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2017

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/2017*	\$ -	\$ 1,078,097	0.00 %	\$ 1,078,097	\$ 30,774,125	3.50 %
6/30/2016*	-	1,078,097	0.00	1,078,097	30,774,125	3.50
6/30/2015	-	1,078,097	0.00	1,078,097	30,774,125	3.50

NA - not available

* June 30, 2015 information is the most recent available.

Warren Township High School District 121
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$32,258,951	\$32,258,951	\$31,990,199	\$ (268,752)	\$31,794,587
Leasing levy	319,364	319,364	346,463	27,099	316,980
Special education levy	20,956	20,956	25,433	4,477	20,623
Corporate personal property replacement taxes	485,045	485,045	721,841	236,796	443,650
Regular tuition from pupils or parents	-	-	-	-	3,798
Summer school tuition from pupils or parents	135,000	135,000	128,032	(6,968)	136,095
Interest on investments	10,000	10,000	34,158	24,158	15,216
Sales to pupils - lunch	150,000	150,000	105,608	(44,392)	1,297,085
Admissions - athletic	44,000	44,000	44,841	841	43,669
Admissions - other	23,000	23,000	12,273	(10,727)	367
Fees	2,174,000	2,174,000	2,276,055	102,055	2,337,504
Book store sales	12,000	12,000	13,520	1,520	13,128
Other district/school activity revenue	-	-	(3,766)	(3,766)	-
Other - textbooks	7,000	7,000	4,668	(2,332)	6,406
Contributions and donations from private sources	54,000	54,000	11,258	(42,742)	5,618
Services provided other districts	45,000	45,000	208	(44,792)	593
Refund of prior years' expenditures	40,000	40,000	155,638	115,638	47,309
Drivers' education fees	9,000	9,000	9,217	217	8,915
Proceeds from vendors' contracts	60,000	60,000	45,210	(14,790)	47,011
Payment from other districts	-	-	393	393	49,093
Other	9,000	9,000	8,618	(382)	28,285
Total local sources	<u>35,856,316</u>	<u>35,856,316</u>	<u>35,929,867</u>	<u>73,551</u>	<u>36,615,932</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
State sources					
General State Aid	\$ 5,077,122	\$ 4,852,122	\$ 5,071,121	\$ 218,999	\$ 4,886,582
Special Education -					
Private Facility Tuition	820,000	524,206	783,609	259,403	818,460
Special Education - Funding for Children Requiring Sp Ed Services	536,854	263,426	402,640	139,214	540,050
Special Education - Personnel	675,000	326,814	490,221	163,407	626,512
Special Education - Summer School	8,000	-	-	-	-
CTE - Technical Education Tech Prep	-	-	-	-	-
CTE - Secondary Program Improvement (CTEI)	52,067	52,067	28,569	(23,498)	49,544
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	45,960	45,960	6,295	(39,665)	19,751
State Free Lunch and Breakfast	-	-	666	666	1,150
Driver Education	19,000	21,240	21,240	-	25,414
Other state sources	3,200	3,200	-	(3,200)	13,052
On Behalf Payments to TRS from the State	<u>27,000,000</u>	<u>28,000,000</u>	<u>20,920,253</u>	<u>(7,079,747)</u>	<u>25,759,910</u>
Total state sources	<u>34,237,203</u>	<u>34,089,035</u>	<u>27,724,614</u>	<u>(6,364,421)</u>	<u>32,740,425</u>
Federal sources					
Special Milk Program	4,000	4,000	924	(3,076)	2,913
Title I - Low Income	303,368	303,368	345,415	42,047	292,054
Federal - Special Education - I.D.E.A. - Flow Through	410,195	410,195	411,722	1,527	279,935
Federal - Special Education - I.D.E.A. - Room and Board	200,000	200,000	589,665	389,665	289,082
CTE - Other	25,353	25,353	23,588	(1,765)	25,353
Build America Bonds Interest Reimbursement	467,852	467,852	467,352	(500)	467,854
Title III - Immigrant Education Program (IEP)	6,641	6,641	11,295	4,654	1,199
Title III - Lang. Inst. Prog. - Limited English (LIPLEP)	12,939	12,939	13,501	562	13,938

(Continued)

Warren Township High School District 121
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Federal sources (Continued)					
Title II - Teacher Quality	\$ 35,779	\$ 35,779	\$ 36,000	\$ 221	\$ 37,725
Division of Rehab Services - STEP	56,000	56,000	43,913	(12,087)	52,910
Medicaid Matching Funds - Administrative Outreach	25,000	25,000	42,397	17,397	54,958
Medicaid Matching Funds - Fee-For-Service-Program	<u>150,000</u>	<u>150,000</u>	<u>206,265</u>	<u>56,265</u>	<u>213,727</u>
Total federal sources	<u>1,697,127</u>	<u>1,697,127</u>	<u>2,192,037</u>	<u>494,910</u>	<u>1,731,648</u>
Total revenues	<u>71,790,646</u>	<u>71,642,478</u>	<u>65,846,518</u>	<u>(5,795,960)</u>	<u>71,088,005</u>
Expenditures					
Instruction					
Regular programs					
Salaries	16,572,078	16,572,078	16,309,341	262,737	15,733,018
Employee benefits	2,172,004	2,172,004	2,485,106	(313,102)	2,172,951
On-behalf payments to TRS from the state	27,000,000	28,000,000	20,920,253	7,079,747	25,759,910
Purchased services	356,120	356,120	401,428	(45,308)	348,761
Supplies and materials	588,556	591,556	482,220	109,336	704,839
Capital outlay	10,000	10,000	-	10,000	-
Other objects	8,525	8,525	8,081	444	7,924
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>7,323</u>	<u>(7,323)</u>	<u>-</u>
Total	<u>46,707,283</u>	<u>47,710,283</u>	<u>40,613,752</u>	<u>7,096,531</u>	<u>44,727,403</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Special education programs					
Salaries	\$ 4,587,849	\$ 4,587,849	\$ 4,420,366	\$ 167,483	\$ 4,235,553
Employee benefits	750,694	750,694	747,228	3,466	672,246
Purchased services	357,820	357,820	277,893	79,927	259,215
Supplies and materials	93,513	93,513	54,410	39,103	59,086
Other objects	-	-	-	-	260
Non-capitalized equipment	-	-	1,558	(1,558)	807
Total	<u>5,789,876</u>	<u>5,789,876</u>	<u>5,501,455</u>	<u>288,421</u>	<u>5,227,167</u>
Remedial and Supplemental programs K-12					
Salaries	143,000	143,000	143,681	(681)	138,374
Employee benefits	2,554	2,554	3,326	(772)	2,435
Total	<u>145,554</u>	<u>145,554</u>	<u>147,007</u>	<u>(1,453)</u>	<u>140,809</u>
CTE programs					
Salaries	1,343,276	1,343,276	1,346,090	(2,814)	1,373,147
Employee benefits	152,419	152,419	156,507	(4,088)	147,663
Purchased services	4,775	4,775	5,089	(314)	1,541
Supplies and materials	49,560	54,560	42,899	11,661	51,462
Capital outlay	87,360	87,360	86,152	1,208	74,780
Non-capitalized equipment	-	-	-	-	4,551
Total	<u>1,637,390</u>	<u>1,642,390</u>	<u>1,636,737</u>	<u>5,653</u>	<u>1,653,144</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Interscholastic programs					
Salaries	\$ 1,512,695	\$ 1,512,695	\$ 1,562,815	\$ (50,120)	\$ 1,493,509
Employee benefits	81,394	81,394	93,149	(11,755)	95,602
Purchased services	258,945	258,945	287,336	(28,391)	292,356
Supplies and materials	125,700	125,700	103,387	22,313	102,358
Capital outlay	-	-	32,579	(32,579)	18,609
Non-capitalized equipment	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Total	<u>1,986,734</u>	<u>1,986,734</u>	<u>2,079,266</u>	<u>(92,532)</u>	<u>2,002,434</u>
Summer school programs					
Salaries	212,000	212,000	159,623	52,377	212,553
Employee benefits	3,011	3,011	2,017	994	3,442
Purchased services	4,000	4,000	1,333	2,667	3,333
Supplies and materials	<u>2,000</u>	<u>2,000</u>	<u>1,659</u>	<u>341</u>	<u>1,929</u>
Total	<u>221,011</u>	<u>221,011</u>	<u>164,632</u>	<u>56,379</u>	<u>221,257</u>
Drivers education programs					
Salaries	20,000	20,000	45,244	(25,244)	80,358
Employee benefits	506	506	4,415	(3,909)	2,480
Purchased services	2,900	2,900	3,470	(570)	2,731
Supplies and materials	<u>500</u>	<u>500</u>	<u>253</u>	<u>247</u>	<u>301</u>
Total	<u>23,906</u>	<u>23,906</u>	<u>53,382</u>	<u>(29,476)</u>	<u>85,870</u>
Bilingual programs					
Salaries	228,362	228,362	403,787	(175,425)	184,553
Employee benefits	30,369	30,369	57,990	(27,621)	11,730
Purchased services	34	34	-	34	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547</u>
Total	<u>258,765</u>	<u>258,765</u>	<u>461,777</u>	<u>(203,012)</u>	<u>196,830</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Special education programs K-12 - private tuition	\$ 3,223,000	\$ 3,373,000	\$ 3,789,729	\$ (416,729)	\$ 2,385,248
Remedial/supplemental programs K-12 - private tuition	-	-	-	-	3,988
Total instruction	<u>59,993,519</u>	<u>61,151,519</u>	<u>54,447,737</u>	<u>6,703,782</u>	<u>56,644,150</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	926,507	926,507	922,644	3,863	868,063
Employee benefits	<u>140,217</u>	<u>140,217</u>	<u>142,450</u>	<u>(2,233)</u>	<u>119,325</u>
Total	<u>1,066,724</u>	<u>1,066,724</u>	<u>1,065,094</u>	<u>1,630</u>	<u>987,388</u>
Guidance services					
Salaries	1,596,923	1,596,923	1,589,539	7,384	1,535,495
Employee benefits	<u>210,263</u>	<u>210,263</u>	<u>207,077</u>	<u>3,186</u>	<u>185,620</u>
Total	<u>1,807,186</u>	<u>1,807,186</u>	<u>1,796,616</u>	<u>10,570</u>	<u>1,721,115</u>
Health services					
Salaries	293,963	293,963	291,802	2,161	337,185
Employee benefits	50,212	50,212	49,971	241	41,256
Supplies and materials	6,500	6,500	4,202	2,298	6,002
Non-capitalized equipment	<u>4,000</u>	<u>4,000</u>	<u>2,610</u>	<u>1,390</u>	<u>1,494</u>
Total	<u>354,675</u>	<u>354,675</u>	<u>348,585</u>	<u>6,090</u>	<u>385,937</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Psychological services					
Salaries	\$ 109,642	\$ 109,642	\$ 109,642	\$ -	\$ 61,405
Employee benefits	<u>17,937</u>	<u>17,937</u>	<u>18,285</u>	<u>(348)</u>	<u>7,884</u>
Total	<u>127,579</u>	<u>127,579</u>	<u>127,927</u>	<u>(348)</u>	<u>69,289</u>
Total pupils	<u>3,356,164</u>	<u>3,356,164</u>	<u>3,338,222</u>	<u>17,942</u>	<u>3,163,729</u>
Instructional staff					
Improvement of instruction services					
Salaries	442,091	442,091	589,389	(147,298)	293,842
Employee benefits	104,617	104,617	127,305	(22,688)	76,791
Purchased services	106,300	106,300	67,395	38,905	74,532
Supplies and materials	114,301	106,301	108,809	(2,508)	87,079
Other objects	<u>1,009</u>	<u>1,009</u>	<u>1,241</u>	<u>(232)</u>	<u>1,009</u>
Total	<u>768,318</u>	<u>760,318</u>	<u>894,139</u>	<u>(133,821)</u>	<u>533,253</u>
Educational media services					
Salaries	910,888	910,888	864,059	46,829	1,060,794
Employee benefits	143,046	143,046	155,600	(12,554)	176,207
Purchased services	105,900	105,900	151,430	(45,530)	114,548
Supplies and materials	655,376	655,376	720,829	(65,453)	1,763,390
Capital outlay	79,000	79,000	10,770	68,230	467,744
Non-capitalized equipment	<u>282,300</u>	<u>282,300</u>	<u>139,933</u>	<u>142,367</u>	<u>309,502</u>
Total	<u>2,176,510</u>	<u>2,176,510</u>	<u>2,042,621</u>	<u>133,889</u>	<u>3,892,185</u>
Assessment and testing					
Salaries	25,000	25,000	8,223	16,777	34,206
Employee benefits	355	355	32	323	81
Purchased services	328,775	328,775	277,186	51,589	285,449
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,384</u>
Total	<u>354,130</u>	<u>354,130</u>	<u>285,441</u>	<u>68,689</u>	<u>321,120</u>
Total instructional staff	<u>3,298,958</u>	<u>3,290,958</u>	<u>3,222,201</u>	<u>68,757</u>	<u>4,746,558</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
General administration					
Board of education services					
Salaries	\$ 9,978	\$ 9,978	\$ 9,978	\$ -	\$ 12,312
Employee benefits	470	470	415	55	1,462
Purchased services	516,473	516,473	456,325	60,148	488,241
Supplies and materials	24,930	24,930	37,962	(13,032)	24,337
Other objects	11,320	11,320	10,901	419	11,836
Total	<u>563,171</u>	<u>563,171</u>	<u>515,581</u>	<u>47,590</u>	<u>538,188</u>
Executive administration services					
Salaries	269,852	269,852	269,851	1	262,986
Employee benefits	69,011	69,011	69,483	(472)	68,945
Total	<u>338,863</u>	<u>338,863</u>	<u>339,334</u>	<u>(471)</u>	<u>331,931</u>
Tort immunity services					
Purchased services	570,967	570,967	548,244	22,723	613,765
Total	<u>570,967</u>	<u>570,967</u>	<u>548,244</u>	<u>22,723</u>	<u>613,765</u>
Total general administration	<u>1,473,001</u>	<u>1,473,001</u>	<u>1,403,159</u>	<u>69,842</u>	<u>1,483,884</u>
School administration					
Office of the principal services					
Salaries	949,594	949,594	959,384	(9,790)	917,751
Employee benefits	248,000	248,000	249,772	(1,772)	246,497
Purchased services	8,000	8,000	774	7,226	3,578
Supplies and materials	25,600	25,600	19,559	6,041	59,785
Other objects	11,000	11,000	13,750	(2,750)	8,159
Total	<u>1,242,194</u>	<u>1,242,194</u>	<u>1,243,239</u>	<u>(1,045)</u>	<u>1,235,770</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other support services - school administration					
Salaries	\$ 695,888	\$ 695,888	\$ 695,887	\$ 1	\$ 665,234
Employee benefits	<u>168,724</u>	<u>168,724</u>	<u>160,921</u>	<u>7,803</u>	<u>171,072</u>
Total	<u>864,612</u>	<u>864,612</u>	<u>856,808</u>	<u>7,804</u>	<u>836,306</u>
Total school administration	<u>2,106,806</u>	<u>2,106,806</u>	<u>2,100,047</u>	<u>6,759</u>	<u>2,072,076</u>
Business					
Direction of business support services					
Salaries	187,960	187,960	187,959	1	177,320
Employee benefits	<u>31,488</u>	<u>31,488</u>	<u>32,104</u>	<u>(616)</u>	<u>29,768</u>
Total	<u>219,448</u>	<u>219,448</u>	<u>220,063</u>	<u>(615)</u>	<u>207,088</u>
Fiscal services					
Salaries	322,295	322,295	323,145	(850)	319,837
Employee benefits	56,677	56,677	59,448	(2,771)	57,142
Purchased services	112,500	112,500	106,844	5,656	129,825
Supplies and materials	26,500	26,500	24,993	1,507	25,690
Other objects	<u>5,000</u>	<u>5,000</u>	<u>3,148</u>	<u>1,852</u>	<u>4,548</u>
Total	<u>522,972</u>	<u>522,972</u>	<u>517,578</u>	<u>5,394</u>	<u>537,042</u>
Operation and maintenance of plant services					
Purchased services	<u>-</u>	<u>-</u>	<u>6,400</u>	<u>(6,400)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>6,400</u>	<u>(6,400)</u>	<u>-</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Food services					
Purchased services	\$ 8,000	\$ 8,000	\$ 12,440	\$ (4,440)	\$ 1,138,946
Supplies and materials	5,000	5,000	1,983	3,017	2,840
Non-capitalized equipment	<u>20,000</u>	<u>20,000</u>	<u>4,226</u>	<u>15,774</u>	<u>-</u>
Total	<u>33,000</u>	<u>33,000</u>	<u>18,649</u>	<u>14,351</u>	<u>1,141,786</u>
Total business	<u>775,420</u>	<u>775,420</u>	<u>762,690</u>	<u>12,730</u>	<u>1,885,916</u>
Information services					
Purchased services	<u>55,633</u>	<u>55,633</u>	<u>-</u>	<u>55,633</u>	<u>-</u>
Total	<u>55,633</u>	<u>55,633</u>	<u>-</u>	<u>55,633</u>	<u>-</u>
Staff services					
Salaries	70,995	70,995	70,995	-	68,514
Employee benefits	20,224	20,224	42,476	(22,252)	33,246
Purchased services	6,000	6,000	6,011	(11)	5,745
Supplies and materials	500	500	590	(90)	457
Other objects	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>	<u>-</u>
Total	<u>97,794</u>	<u>97,794</u>	<u>120,147</u>	<u>(22,353)</u>	<u>107,962</u>
Data processing services					
Purchased services	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>-</u>
Total	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>-</u>
Total central	<u>159,927</u>	<u>159,927</u>	<u>120,147</u>	<u>39,780</u>	<u>107,962</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other supporting services					
Salaries	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Employee benefits	800	800	799	1	749
Supplies and materials	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>928</u>
Total	<u>3,800</u>	<u>3,800</u>	<u>2,799</u>	<u>1,001</u>	<u>3,677</u>
Total support services	<u>11,174,076</u>	<u>11,166,076</u>	<u>10,949,265</u>	<u>216,811</u>	<u>13,463,802</u>
Community services					
Salaries	4,000	4,000	4,000	-	4,000
Employee benefits	<u>57</u>	<u>57</u>	<u>57</u>	<u>-</u>	<u>55</u>
Total	<u>4,057</u>	<u>4,057</u>	<u>4,057</u>	<u>-</u>	<u>4,055</u>
Payments to other districts and government units					
Payments for regular programs					
Purchased services	<u>-</u>	<u>-</u>	<u>1,740</u>	<u>(1,740)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>1,740</u>	<u>(1,740)</u>	<u>-</u>
Payments for special education programs					
Purchased services	<u>17,283</u>	<u>17,283</u>	<u>12,178</u>	<u>5,105</u>	<u>39,471</u>
Total	<u>17,283</u>	<u>17,283</u>	<u>12,178</u>	<u>5,105</u>	<u>39,471</u>
Payments for special education programs - tuition					
Other objects	<u>1,578,000</u>	<u>1,578,000</u>	<u>1,366,558</u>	<u>211,442</u>	<u>1,206,986</u>
Payments for CTE programs - tuition					
Other objects	<u>819,540</u>	<u>819,540</u>	<u>795,892</u>	<u>23,648</u>	<u>802,065</u>

(Continued)

Warren Township High School District 121
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Payments to other districts and government units (Continued)					
Payments for other programs - tuition					
Other objects	\$ 62,000	\$ 62,000	\$ 37,362	\$ 24,638	\$ 54,040
Total payments to other districts and other government units	<u>2,476,823</u>	<u>2,476,823</u>	<u>2,213,730</u>	<u>263,093</u>	<u>2,102,562</u>
Total expenditures	<u>73,648,475</u>	<u>74,798,475</u>	<u>67,614,789</u>	<u>7,183,686</u>	<u>72,214,569</u>
Deficiency of revenues over expenditures	<u>(1,857,829)</u>	<u>(3,155,997)</u>	<u>(1,768,271)</u>	<u>1,387,726</u>	<u>(1,126,564)</u>
Other financing sources (uses)					
Permanent transfer from Working Cash Fund - abatement	-	-	-	-	(3,746,366)
Debt issuance	-	-	-	-	3,689,086
Premium on bonds sold	-	-	-	-	61,602
Proceeds from capital leases	-	-	-	-	1,188,000
Transfer to Debt Service Fund for principal on capital leases	(390,276)	(390,276)	(390,276)	-	(569,372)
Transfer to Debt Service Fund for interest on capital leases	<u>(11,477)</u>	<u>(11,477)</u>	<u>(11,477)</u>	<u>-</u>	<u>(13,441)</u>
Total other financing sources (uses)	<u>(401,753)</u>	<u>(401,753)</u>	<u>(401,753)</u>	<u>-</u>	<u>609,509</u>
Net change to fund balance	<u>\$ (2,259,582)</u>	<u>\$ (3,557,750)</u>	<u>(2,170,024)</u>	<u>\$ 1,387,726</u>	<u>(517,055)</u>
Fund balance, beginning of year			<u>21,241,092</u>		<u>21,758,147</u>
Fund balance, end of year			<u>\$19,071,068</u>		<u>\$21,241,092</u>

(Concluded)

Warren Township High School District 121

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$4,641,294	\$ 4,641,294	\$ 4,660,753	\$ 19,459	\$ 4,394,211
Fees	165,000	165,000	209,487	44,487	204,864
Rentals	55,000	55,000	84,209	29,209	115,306
Contributions and donations					
from private sources	20,000	20,000	4,000	(16,000)	20,000
Services provided other Districts	-	-	2,666	2,666	2,365
Refund of prior years' expenditures	-	-	-	-	44
Other	-	-	393	393	500
Total local sources	<u>4,881,294</u>	<u>4,881,294</u>	<u>4,961,508</u>	<u>80,214</u>	<u>4,737,290</u>
State sources					
Other	-	-	172,603	172,603	76,010
Total state sources	<u>-</u>	<u>-</u>	<u>172,603</u>	<u>172,603</u>	<u>76,010</u>
Total revenues	<u>4,881,294</u>	<u>4,881,294</u>	<u>5,134,111</u>	<u>252,817</u>	<u>4,813,300</u>

(Continued)

Warren Township High School District 121

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Actual	Variance	2016 Actual
	Original Budget	Final Budget		From Final Budget	
Expenditures					
Support services					
Business					
Operation and maintenance of plant services					
Salaries	\$ 809,286	\$ 809,286	\$ 815,170	\$ (5,884)	\$ 779,566
Employee benefits	148,265	148,265	145,166	3,099	110,422
Purchased services	1,654,380	1,654,380	1,589,834	64,546	1,584,079
Supplies and materials	1,155,500	1,155,500	1,298,072	(142,572)	1,177,177
Capital outlay	763,500	813,500	1,286,059	(472,559)	1,032,836
Other objects	-	-	20	(20)	20
Non-capitalized equipment	<u>13,500</u>	<u>13,500</u>	<u>23,861</u>	<u>(10,361)</u>	<u>28,505</u>
Total business	<u>4,544,431</u>	<u>4,594,431</u>	<u>5,158,182</u>	<u>(563,751)</u>	<u>4,712,605</u>
Total support services	<u>4,544,431</u>	<u>4,594,431</u>	<u>5,158,182</u>	<u>(563,751)</u>	<u>4,712,605</u>
Payments to other districts and Government units					
Payments to other governmental units (in-state)					
Payments for special education programs					
Purchased services	172,836	172,836	178,300	(5,464)	171,137
Other objects	<u>9,942</u>	<u>9,942</u>	<u>9,593</u>	<u>349</u>	<u>8,604</u>
Total	<u>182,778</u>	<u>182,778</u>	<u>187,893</u>	<u>(5,115)</u>	<u>179,741</u>

(Continued)

Warren Township High School District 121

Operations and Maintenance Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Payments for CTE education programs					
Other objects	\$ 29,400	\$ 29,400	\$ 29,400	\$ -	\$ 29,925
Total	<u>29,400</u>	<u>29,400</u>	<u>29,400</u>	<u>-</u>	<u>29,925</u>
Other payments to in-state governmental units					
Other objects	<u>1,000</u>	<u>1,000</u>	<u>1,087</u>	<u>(87)</u>	<u>983</u>
Total	<u>1,000</u>	<u>1,000</u>	<u>1,087</u>	<u>(87)</u>	<u>983</u>
Total other payments	<u>213,178</u>	<u>213,178</u>	<u>218,380</u>	<u>(5,202)</u>	<u>210,649</u>
Total expenditures	<u>4,757,609</u>	<u>4,807,609</u>	<u>5,376,562</u>	<u>(568,953)</u>	<u>4,923,254</u>
Excess (deficiency) of revenues over expenditures	<u>123,685</u>	<u>73,685</u>	<u>(242,451)</u>	<u>(316,136)</u>	<u>(109,954)</u>
Other financing uses					
Transfer to Debt Service Fund for principal on debt certificates	(300,000)	(300,000)	(300,000)	-	(300,000)
Transfer to Debt Service Fund for interest on debt certificates	<u>(110,594)</u>	<u>(110,594)</u>	<u>(110,594)</u>	<u>-</u>	<u>(117,538)</u>
Total other financing uses	<u>(410,594)</u>	<u>(410,594)</u>	<u>(410,594)</u>	<u>-</u>	<u>(417,538)</u>
Net change in fund balance	<u>\$ (286,909)</u>	<u>\$ (336,909)</u>	(653,045)	<u>\$ (316,136)</u>	(527,492)
Fund balance, beginning of year			<u>539,303</u>		<u>1,066,795</u>
Fund balance (deficit), end of year			<u>\$ (113,742)</u>		<u>\$ 539,303</u>

(Concluded)

Warren Township High School District 121
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Actual	Variance	2016 Actual
	Original Budget	Final Budget		From Final Budget	
Revenues					
Local sources					
General levy	\$ 1,990,124	\$ 1,990,124	\$ 2,154,976	\$ 164,852	\$ 2,230,782
Regular transportation fees from other districts	80,000	80,000	84,766	4,766	66,757
Regular transportation fees curricular activities	5,000	5,000	11,866	6,866	5,407
Summer school transportation fees from pupils or parents	10,000	10,000	15,214	5,214	10,631
Special education transportation fees from other districts	65,000	65,000	57,328	(7,672)	79,493
Other	-	-	13,538	13,538	-
Total local sources	<u>2,150,124</u>	<u>2,150,124</u>	<u>2,337,688</u>	<u>187,564</u>	<u>2,393,070</u>
State sources					
General State Aid	-	225,000	-	(225,000)	-
Transportation - Regular/Vocational	150,287	104,863	134,882	30,019	137,665
Transportation - Special Education	<u>1,472,651</u>	<u>689,513</u>	<u>1,029,838</u>	<u>340,325</u>	<u>1,460,894</u>
Total state sources	<u>1,622,938</u>	<u>1,019,376</u>	<u>1,164,720</u>	<u>145,344</u>	<u>1,598,559</u>
Total revenues	<u>3,773,062</u>	<u>3,169,500</u>	<u>3,502,408</u>	<u>332,908</u>	<u>3,991,629</u>

(Continued)

Warren Township High School District 121

Transportation Fund

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

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Support services					
Business					
Pupil transportation services					
Salaries	\$ 1,926,667	\$ 1,926,667	\$ 1,939,650	\$ (12,983)	\$ 1,857,835
Employee benefits	303,347	303,347	250,974	52,373	240,378
Purchased services	1,052,870	1,102,870	1,359,007	(256,137)	1,057,298
Supplies and materials	293,400	293,400	272,708	20,692	262,236
Capital outlay	45,000	45,000	-	45,000	-
Other objects	500	500	65	435	65
Non-capitalized equipment	<u>17,800</u>	<u>17,800</u>	<u>1,892</u>	<u>15,908</u>	<u>2,819</u>
Total support services	<u>3,639,584</u>	<u>3,689,584</u>	<u>3,824,296</u>	<u>(134,712)</u>	<u>3,420,631</u>
Payments to other districts and government units					
Payments for regular programs					
Purchased services	<u>-</u>	<u>-</u>	<u>21,934</u>	<u>(21,934)</u>	<u>27,900</u>
Total nonprogrammed charges	<u>-</u>	<u>-</u>	<u>21,934</u>	<u>(21,934)</u>	<u>27,900</u>
Total expenditures	<u>3,639,584</u>	<u>3,689,584</u>	<u>3,846,230</u>	<u>(156,646)</u>	<u>3,448,531</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 133,478</u>	<u>\$ (520,084)</u>	(343,822)	<u>\$ 176,262</u>	543,098
Fund balance, beginning of year			<u>870,271</u>		<u>327,173</u>
Fund balance, end of year			<u>\$ 526,449</u>		<u>\$ 870,271</u>

(Concluded)

Warren Township High School District 121

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$1,022,644	\$ 1,022,644	\$ 953,424	\$ (69,220)	\$ 1,087,354
Social security/Medicare only levy	538,626	538,626	662,514	123,888	677,308
Other tax levies	153,254	153,254	151,968	(1,286)	143,536
Corporate personal property replacement taxes	200,000	200,000	223,053	23,053	225,928
Payments of surplus moneys from TIF districts	-	-	-	-	799,127
Total local sources	<u>1,914,524</u>	<u>1,914,524</u>	<u>1,990,959</u>	<u>76,435</u>	<u>2,933,253</u>
Total revenues	<u>1,914,524</u>	<u>1,914,524</u>	<u>1,990,959</u>	<u>76,435</u>	<u>2,933,253</u>
Expenditures					
Instruction					
Regular programs	278,428	278,428	257,345	21,083	1,084,524
Special education programs	249,217	249,217	220,870	28,347	1,007,809
Remedial and supplemental programs K-12	2,074	2,074	2,043	31	8,045
Vocational educational programs	19,439	19,439	19,347	92	81,191
Interscholastic programs	35,076	35,076	44,998	(9,922)	184,550
Summer school programs	6,374	6,374	5,533	841	35,187
Drivers education programs	-	-	634	(634)	4,797
Bilingual programs	<u>7,693</u>	<u>7,693</u>	<u>9,500</u>	<u>(1,807)</u>	<u>10,429</u>
Total instruction	<u>598,301</u>	<u>598,301</u>	<u>560,270</u>	<u>38,031</u>	<u>2,416,532</u>

(Continued)

Warren Township High School District 121

Municipal Retirement / Social Security Fund

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

For the Year Ended June 30, 2017

With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Support services					
Pupils					
Attendance and social work services	\$ 67,205	\$ 67,205	\$ 62,196	\$ 5,009	\$ 280,218
Guidance services	35,912	35,912	31,799	4,113	136,076
Health services	37,076	37,076	33,657	3,419	200,308
Psychological services	<u>1,523</u>	<u>1,523</u>	<u>1,590</u>	<u>(67)</u>	<u>3,664</u>
Total pupils	<u>141,716</u>	<u>141,716</u>	<u>129,242</u>	<u>12,474</u>	<u>620,266</u>
Instructional staff					
Improvement of instruction services	42,172	42,172	35,402	6,770	49,425
Educational media services	106,194	106,194	91,607	14,587	555,508
Assessment and testing	<u>363</u>	<u>363</u>	<u>-</u>	<u>363</u>	<u>1,186</u>
Total instructional staff	<u>148,729</u>	<u>148,729</u>	<u>127,009</u>	<u>21,720</u>	<u>606,119</u>
General administration					
Board of education services	2,335	2,335	1,720	615	8,317
Executive administration services	<u>19,611</u>	<u>19,611</u>	<u>15,152</u>	<u>4,459</u>	<u>70,239</u>
Total general administration	<u>21,946</u>	<u>21,946</u>	<u>16,872</u>	<u>5,074</u>	<u>78,556</u>
School administration					
Office of the principal services	36,589	36,589	33,434	3,155	144,245
Other support services - school administration	<u>10,091</u>	<u>10,091</u>	<u>9,899</u>	<u>192</u>	<u>39,284</u>
Total school administration	<u>46,680</u>	<u>46,680</u>	<u>43,333</u>	<u>3,347</u>	<u>183,529</u>

(Continued)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Business					
Direction of business support services	\$ 2,726	\$ 2,726	\$ 2,715	\$ 11	\$ 10,536
Fiscal services	77,904	77,904	57,576	20,328	326,469
Operation and maintenance of plant services	152,045	152,045	132,627	19,418	600,660
Pupil transportation services	<u>389,196</u>	<u>389,196</u>	<u>305,122</u>	<u>84,074</u>	<u>1,370,330</u>
Total business	<u>621,871</u>	<u>621,871</u>	<u>498,040</u>	<u>123,831</u>	<u>2,307,995</u>
Central					
Staff services	<u>16,535</u>	<u>16,535</u>	<u>12,626</u>	<u>3,909</u>	<u>55,552</u>
Total central	<u>16,535</u>	<u>16,535</u>	<u>12,626</u>	<u>3,909</u>	<u>55,552</u>
Other support services	<u>29</u>	<u>29</u>	<u>29</u>	<u>-</u>	<u>119</u>
Total support services	<u>997,506</u>	<u>997,506</u>	<u>827,151</u>	<u>170,355</u>	<u>3,852,136</u>
Community services	<u>58</u>	<u>58</u>	<u>58</u>	<u>-</u>	<u>235</u>
Payments to other districts and governments					
Payments for special education programs	<u>143,710</u>	<u>143,710</u>	<u>151,972</u>	<u>(8,262)</u>	<u>144,204</u>
Total payments to other districts and governments	<u>143,710</u>	<u>143,710</u>	<u>151,972</u>	<u>(8,262)</u>	<u>144,204</u>
Total expenditures	<u>1,739,575</u>	<u>1,739,575</u>	<u>1,539,451</u>	<u>200,124</u>	<u>6,413,107</u>
Excess (deficiency) of revenues over expenditures	<u>174,949</u>	<u>174,949</u>	<u>451,508</u>	<u>276,559</u>	<u>(3,479,854)</u>

(Continued)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Other financing sources					
Permanent transfer from Working Cash Fund - abatement	\$ -	\$ -	\$ -	\$ -	\$ 3,746,366
Total other financing sources	-	-	-	-	3,746,366
Net change in fund balance	<u>\$ 174,949</u>	<u>\$ 174,949</u>	451,508	<u>\$ 276,559</u>	266,512
Fund balance, beginning of year			<u>657,909</u>		<u>391,397</u>
Fund balance, end of year			<u>\$ 1,109,417</u>		<u>\$ 657,909</u>

(Concluded)

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2017

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) Prior to October 1, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) 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 a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 27, 2016 and amended by the Board of education on June 27, 2017.
- g) All budget appropriations lapse at the end of each fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2017:

<u>Fund</u>	<u>Amount</u>
Operations and Maintenance	\$ 568,953
Transportation	156,646

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2017

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2016 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 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 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2016 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2017

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2016 Contribution Rate * (Continued):

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 calculation pursuant to an experience study of the period 2011-2013.

Methods and Assumptions Used to Determine the 2016 Contribution Rate (Continued):

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

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Warren Township High School District 121

General Fund

COMBINING BALANCE SHEET

June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 8,849,276	\$ -	\$ 4,186,457	\$ 13,035,733
Restricted cash	-	-	4,946,500	4,946,500
Receivables				
Property taxes	15,765,595	243,263	-	16,008,858
Replacement taxes	107,107	-	-	107,107
Intergovernmental	1,414,881	-	-	1,414,881
Due from other fund	483,551	-	-	483,551
Prepaid items	679,038	478,988	-	1,158,026
Other current assets	79,158	-	-	79,158
Total assets	<u>\$ 27,378,606</u>	<u>\$ 722,251</u>	<u>\$ 9,132,957</u>	<u>\$ 37,233,814</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 590,308	\$ -	\$ -	\$ 590,308
Salaries and wages payable	1,029	-	-	1,029
Payroll deductions payable	104,045	-	-	104,045
Other current liabilities	256,045	-	-	256,045
Due to other fund	-	149,003	-	149,003
Total liabilities	<u>951,427</u>	<u>149,003</u>	<u>-</u>	<u>1,100,430</u>
DEFERRED INFLOWS				
Unavailable grant revenue	609,793	-	-	609,793
Property taxes levied for a future period	16,202,518	250,005	-	16,452,523
Total deferred inflows	<u>16,812,311</u>	<u>250,005</u>	<u>-</u>	<u>17,062,316</u>
FUND BALANCES				
Nonspendable	679,038	478,988	-	1,158,026
Restricted	-	-	4,946,500	4,946,500
Unassigned	8,935,830	(155,745)	4,186,457	12,966,542
Total fund balance	<u>9,614,868</u>	<u>323,243</u>	<u>9,132,957</u>	<u>19,071,068</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 27,378,606</u>	<u>\$ 722,251</u>	<u>\$ 9,132,957</u>	<u>\$ 37,233,814</u>

Warren Township High School District 121

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2017

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 31,913,400	\$ 448,695	\$ -	\$ 32,362,095
Replacement taxes	721,841	-	-	721,841
State aid	27,724,614	-	-	27,724,614
Federal aid	2,192,037	-	-	2,192,037
Interest	4,900	-	29,258	34,158
Other	2,804,486	7,287	-	2,811,773
	<u>65,361,278</u>	<u>455,982</u>	<u>29,258</u>	<u>65,846,518</u>
Total revenues				
Expenditures				
Current:				
Instruction:				
Regular programs	19,693,499	-	-	19,693,499
Special programs	9,257,253	-	-	9,257,253
Other instructional programs	4,424,070	-	-	4,424,070
State retirement contributions	20,920,253	-	-	20,920,253
Support services:				
Pupils	3,338,222	-	-	3,338,222
Instructional staff	3,211,431	-	-	3,211,431
General administration	854,915	548,244	-	1,403,159
School administration	2,133,978	-	-	2,133,978
Business	756,290	-	-	756,290
Operations and maintenance	6,400	-	-	6,400
Central	120,147	-	-	120,147
Other supporting services	2,799	-	-	2,799
Community services	4,057	-	-	4,057
Nonprogrammed charges	2,213,730	-	-	2,213,730
Capital outlay	129,501	-	-	129,501
	<u>67,066,545</u>	<u>548,244</u>	<u>-</u>	<u>67,614,789</u>
Total expenditures				
Excess of revenues over expenditures	<u>(1,705,267)</u>	<u>(92,262)</u>	<u>29,258</u>	<u>(1,768,271)</u>
Other financing uses				
Transfers out	(401,753)	-	-	(401,753)
	<u>(401,753)</u>	<u>-</u>	<u>-</u>	<u>(401,753)</u>
Total other financing uses				
Net change in fund balance	(2,107,020)	(92,262)	29,258	(2,170,024)
Fund balance, beginning of year	<u>11,721,888</u>	<u>415,505</u>	<u>9,103,699</u>	<u>21,241,092</u>
Fund balance, end of year	<u>\$ 9,614,868</u>	<u>\$ 323,243</u>	<u>\$ 9,132,957</u>	<u>\$ 19,071,068</u>

Warren Township High School District 121
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
General levy	\$ 7,262,949	\$ 7,262,949	\$ 7,205,712	\$ (57,237)	\$ 6,664,874
Interest on investments	<u>-</u>	<u>-</u>	<u>608</u>	<u>608</u>	<u>176</u>
Total local sources	<u>7,262,949</u>	<u>7,262,949</u>	<u>7,206,320</u>	<u>(56,629)</u>	<u>6,665,050</u>
Total revenues	<u>7,262,949</u>	<u>7,262,949</u>	<u>7,206,320</u>	<u>(56,629)</u>	<u>6,665,050</u>
Expenditures					
Debt service					
Debt services - interest					
Bonds and certificates - interest	<u>3,362,426</u>	<u>3,362,426</u>	<u>2,958,009</u>	<u>404,417</u>	<u>3,070,348</u>
Total debt service - interest	<u>3,362,426</u>	<u>3,362,426</u>	<u>2,958,009</u>	<u>404,417</u>	<u>3,070,348</u>
Principal payments on long-term debt	<u>4,515,276</u>	<u>4,515,276</u>	<u>4,610,276</u>	<u>(95,000)</u>	<u>4,294,372</u>
Other debt service					
Purchased services	<u>-</u>	<u>-</u>	<u>128,984</u>	<u>(128,984)</u>	<u>137,606</u>
Total	<u>-</u>	<u>-</u>	<u>128,984</u>	<u>(128,984)</u>	<u>137,606</u>
Total debt service	<u>7,877,702</u>	<u>7,877,702</u>	<u>7,697,269</u>	<u>180,433</u>	<u>7,502,326</u>
Total expenditures	<u>7,877,702</u>	<u>7,877,702</u>	<u>7,697,269</u>	<u>180,433</u>	<u>7,502,326</u>
Deficiency of revenues over expenditures	<u>(614,753)</u>	<u>(614,753)</u>	<u>(490,949)</u>	<u>123,804</u>	<u>(837,276)</u>

(Continued)

Warren Township High School District 121
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Actual	Variance	2016 Actual
	Original Budget	Final Budget		From Final Budget	
Other financing sources (uses)					
Principal on bonds sold	\$ -	\$ -	\$ 5,745,000	\$ 5,745,000	\$ 5,765,000
Premium on bonds sold	-	-	310,968	310,968	177,281
Transfer to pay for principal on capital leases	390,276	390,276	390,276	-	569,372
Transfer to pay for interest on capital leases	11,477	11,477	11,477	-	13,441
Transfer to pay for principal on debt certificates	300,000	300,000	300,000	-	300,000
Transfer to pay for interest on debt certificates	110,594	110,594	110,594	-	117,538
Deposit with escrow agent	-	-	(5,925,541)	(5,925,541)	(5,803,190)
Total other financing sources (uses)	<u>812,347</u>	<u>812,347</u>	<u>942,774</u>	<u>130,427</u>	<u>1,139,442</u>
Net change in fund balance	<u>\$ 197,594</u>	<u>\$ 197,594</u>	451,825	<u>\$ 254,231</u>	302,166
Fund balance, beginning of year			<u>3,699,222</u>		<u>3,397,056</u>
Fund balance, end of year			<u>\$ 4,151,047</u>		<u>\$ 3,699,222</u>

(Concluded)

Warren Township High School District 121
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues					
Local sources					
Impact fees from municipal or county governments	\$ 7,000	\$ 7,000	\$ 27,457	\$ 20,457	\$ 8,974
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>27,457</u>	<u>20,457</u>	<u>9,173</u>
Excess of revenues over expenditures	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>27,457</u>	<u>\$ 20,457</u>	<u>9,173</u>
Fund balance, beginning of year			<u>36,801</u>		<u>27,628</u>
Fund balance, end of year			<u>\$ 64,258</u>		<u>\$ 36,801</u>

Warren Township High School District 121
 Fire Prevention and Safety Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017			Variance From Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
Expenditures					
Support services					
Operations and maintenance of plant services					
Purchased services	\$ 25,568	\$ 25,568	\$ 25,568	\$ -	\$ -
Total	<u>25,568</u>	<u>25,568</u>	<u>25,568</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>25,568</u>	<u>25,568</u>	<u>25,568</u>	<u>-</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>\$ (25,568)</u>	<u>\$ (25,568)</u>	<u>(25,568)</u>	<u>\$ -</u>	<u>-</u>
Fund balance, beginning of year			<u>25,568</u>		<u>25,568</u>
Fund balance, end of year			<u>\$ -</u>		<u>\$ 25,568</u>

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets				
Cash and cash equivalents	\$ 476,002	\$ 3,251,597	3,270,064	\$ 457,535
Total assets	\$ 476,002	\$ 3,251,597	\$ 3,270,064	\$ 457,535
Liabilities				
Curricular Activity Accounts				
Art Club - O'Plaine	\$ 289	\$ 1,524	\$ 1,698	\$ 115
Astronomy Club	666	993	1,070	589
Avanza	3,359	-	308	3,051
Blue Devil Nation	1,595	-	-	1,595
Bookstore	9,541	33,577	33,773	9,345
Children's Show	47	79	113	13
Chorus	11,403	16,840	15,645	12,598
Class of 2014	199	-	199	-
Class of 2015	55	-	-	55
Class of 2016	2,438	-	1,501	937
Class of 2017	1,775	1,280	2,290	765
Council for Exceptional Children	336	145	179	302
Creations	1,226	385	1,027	584
Environmental Science Activity	2,186	-	146	2,040
FBLA	5,997	120,532	108,283	18,246
First Robotics Club	30,655	22,844	32,131	21,368
French Club	2,615	491	529	2,577
Frisbee Golf	331	-	-	331
FY17-18 Junior Class	998	2,213	796	2,415
FY17-18 Sophomore Class	-	4,682	3,101	1,581
FY17-18 Senior Class	474	122,703	118,136	5,041
German Club	122	5,016	4,890	248
Industrial Tech Club	9,823	3,922	3,065	10,680
Live Arts	222	1,004	331	895
Marching Arts	356	3,200	338	3,218
MECS Mother Earth	1,232	649	937	944
Mud Club	220	-	220	-
Multi-Cultural Club	1,237	2,702	3,142	797
National Honor Society	8,056	300	595	7,761

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Curricular Activity Accounts (Continued)				
NHS - Spanish	\$ 2,136	\$ 3,428	\$ 2,983	\$ 2,581
Northern Area FBLA	6,882	21,629	15,038	13,473
Powerschool User Group	500	-	-	500
Science Olympiad	100	450	239	311
Scratch Paper	1,976	2,044	2,149	1,871
Ski Club	2,214	8,502	8,044	2,672
Spanish Club	975	-	83	892
Speech Team	248	875	417	706
Speech Tournament	2,118	1,667	2,467	1,318
Sports Marketing	2,282	2,970	3,757	1,495
Spring Musical	431	2,328	2,632	127
Staff Purchases	43	4	-	47
Student Council	29,727	63,685	71,218	22,194
Students of Service	2,283	1,067	1,026	2,324
Table Top Gaming	6	204	103	107
Tech Crew	580	-	29	551
Thespian Troupe	10,206	10,391	8,742	11,855
Warren Fiber & Craft	-	-	-	-
Yearbook-Blue Devil	45,154	15,193	37,989	22,358
Athletic Activity Accounts				
Athletic Conditioning Camp	-	2,370	1,690	680
Athletic Trainer Student Activ	2,450	1,778	2,469	1,759
Baseball Camp	5,013	13,022	16,706	1,329
Basketball Camp-Boys	4,736	16,637	19,426	1,947
Basketball Camp-Girls	625	7,210	7,835	-
Boys Baseball Student Activ	103	-	-	103
Boys Basketball Student Activ	2,656	557	2,242	971
Boys Cross Country Stdt Activ	1,434	305	-	1,739
Boys Golf Student Activ	16,126	6,765	17,082	5,809
Boys Soccer Student Activ	8,867	4,283	6,740	6,410
Boys Swimming Student Activ	4,678	7,212	9,885	2,005
Boys Tennis Student Activ	2,138	3,897	4,246	1,789
Boys Track Student Activ	157	32	-	189

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Athletic Activity Accounts (Continued)				
Boys Volleyball Std Activ	\$ 3,771	\$ 14,815	\$ 14,960	\$ 3,626
Cheerleading Student Activ	8,448	33,475	30,746	11,177
Cross Country Camp-Girls	2,952	4,716	6,402	1,266
Devilettes Student Activ	26,272	40,309	44,882	21,699
Football Camp	5,252	29,398	27,112	7,538
Football student Activ	40,302	82,141	78,763	43,680
Girls Badminton Activ	-	1,757	1,280	477
Girls Badminton Camp	575	2,190	2,313	452
Girls Basketball Std Activ	3,617	4,635	4,975	3,277
Girls Bowling Student Activ	152	1,083	1,090	145
Girls Cheer Camp	17,120	20,015	28,824	8,311
Girls Cross Country St Activ	2,166	13,645	12,609	3,202
Girls Golf Camp	4	-	4	-
Girls Golf Student Activ	1,049	3,766	3,440	1,375
Girls Soccer Student Activ	26	13,580	10,970	2,636
Girls Softball Student Activ	4,496	12,554	14,028	3,022
Girls Swimming Std Activ	742	11,787	9,628	2,901
Girls Swim & Dive Camp	-	1,945	1,517	428
Girls Tennis Student Activ	402	573	476	499
Girls Track & Field St Activ	2,585	6,379	6,224	2,740
Girls Volleyball Student Activ	2,695	6,378	6,677	2,396
Girls Water Polo Activ	-	1,710	277	1,433
Gymnastics Std Activ	1,130	993	1,744	379
Phys Ed Fundraising	528	-	490	38
Soccer Camp-Boys	-	16,445	1,805	14,640
Soccer Camp-Girls	4,195	4,183	6,996	1,382
Softball Camp	673	1,714	1,440	947
Tennis Camp-Boys	5,277	11,633	14,667	2,243
Tennis Camp-Girls	4,879	8,886	11,019	2,746

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Liabilities (Continued)				
Athletic Activity Accounts (Continued)				
Volleyball Camp-Boys	\$ 9,462	\$ 7,970	\$ 10,198	\$ 7,234
Volleyball Camp-Girls	8,562	9,225	14,207	3,580
Water Polo Camp-Boys	-	1,040	589	451
Water Polo Camp-Girls	-	1,120	211	909
Wrestling Camp	1,440	1,985	3,312	113
Wrestling Clinic	420	1,792	986	1,226
Triathlon Club Activity	2,077	538	738	1,877
Convenience Accounts				
Athletic Invitationals	7,128	72,726	64,597	15,257
Band Boosters	15,641	33,277	45,296	3,622
Blue Devil Tech Institute	555	-	-	555
Global Fest	1,352	304	1,352	304
IHSA Athletic Tournaments	4,086	15,378	14,716	4,748
NHS - French	-	1,315	859	456
Speech Camp	-	110	3	107
Summer Band Camp	29,084	30,335	32,423	26,996
Band Festival Trip 13/14	97	290,599	290,696	-
French Trip	-	3,612	3,612	-
Miscellaneous	2,493	1,885,980	1,861,231	27,242
Total liabilities	\$ <u>476,002</u>	\$ <u>3,251,597</u>	\$ <u>3,270,064</u>	\$ <u>457,535</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

Warren Township High School District 121
OPERATING COSTS AND TUITION CHARGE
June 30, 2017 and 2016

Operating costs per pupil	<u>2017</u>	<u>2016</u>
Average Daily Attendance (ADA):	<u>3,866.76</u>	<u>3,949.68</u>
Operating costs:		
Educational	\$ 46,146,292	\$ 45,840,894
Operations and Maintenance	5,376,562	4,923,254
Debt Service	7,697,269	7,502,326
Transportation	3,846,230	3,448,531
Municipal Retirement/Social Security	1,539,451	6,413,107
Tort	<u>548,244</u>	<u>613,765</u>
Subtotal	<u>65,154,048</u>	<u>68,741,877</u>
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Gov't Units	2,606,016	2,485,315
Summer school	170,165	256,444
Community services	4,115	4,290
Remedial/supplemental programs	-	3,988
Capital outlay	1,415,560	1,593,969
Debt principal retired	4,610,276	4,294,372
Non-capitalized equipment	181,403	347,678
Special education	3,789,729	2,464,741
Transportation fees	<u>157,308</u>	<u>77,388</u>
Subtotal	<u>12,934,572</u>	<u>11,528,185</u>
Operating costs	<u>\$ 52,219,476</u>	<u>\$ 57,213,692</u>
Operating costs per pupil - based on ADA	<u>\$ 13,505</u>	<u>\$ 14,486</u>
Tuition Charge		
Operating costs	\$ 52,219,476	\$ 57,213,692
Less - revenues from specific programs, such as special education or lunch programs	<u>8,024,628</u>	<u>9,575,937</u>
Net operating costs	44,194,848	47,637,755
Depreciation allowance	<u>3,572,393</u>	<u>3,530,158</u>
Allowance tuition costs	<u>\$ 47,767,241</u>	<u>\$ 51,167,913</u>
Tuition charge per pupil - based on ADA	<u>\$ 12,353</u>	<u>\$ 12,955</u>