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**MARENGO COMMUNITY HIGH SCHOOL
DISTRICT NO. 154
STATE OF ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

eder, casella & co.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Marengo Community High School District No. 154
Marengo, Illinois

We have audited the accompanying basic financial statements of

Marengo Community High School District No. 154

as of and for the year ended June 30, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 adverse and unqualified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Illinois State Board of Education, the financial statements are prepared by Marengo Community High School District No. 154 in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting

other than accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. Also as described in Note 1, Marengo Community High School District No. 154 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Marengo Community High School District No. 154 as of June 30, 2017, or changes in financial position for the year then ended.

Opinion on Regulatory Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Marengo Community High School District No. 154 as of June 30, 2017, and the revenue it received and expenditures it paid during the fiscal year then ended, on the basis of accounting described in Note 1.

Change in Accounting Principle

As described in Note 20 to the financial statements, the District implemented GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District’s basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2017 on our consideration of Marengo Community High School District No. 154'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 Marengo Community High School District No. 154's internal control over financial reporting and compliance.

Restriction on Use

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
August 21, 2017



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
 Marengo Community High School District No. 154
 Marengo, Illinois

We have audited, in accordance with the 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, the basic financial statements of

Marengo Community High School District No. 154

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Marengo Community High School District No. 154's basic financial statements, and have issued our report thereon dated August 21, 2017. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marengo Community High School District No. 154's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marengo Community High School District No. 154's internal control. Accordingly, we do not express an opinion on the effectiveness of Marengo Community High School District No. 154's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marengo Community High School District No. 154's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
August 21, 2017

BASIC FINANCIAL STATEMENTS

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2017

ASSETS	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	TORT	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
	Cash and Cash Equivalents	\$ 8,776,205	\$ 1,274,995	\$ 1,375,683	\$ 1,402,810	\$ 94,044	\$ 5,256	\$ 91,738	\$ 123,084	\$ -	\$ -
Investments	1,979,500	-	-	-	-	-	-	877,841	-	-	2,857,341
Capital Assets											
Land	-	-	-	-	-	-	-	-	1,174,836	-	1,174,836
Building and Building Improvements	-	-	-	-	-	-	-	-	31,122,012	-	31,122,012
Site Improvements and Infrastructure	-	-	-	-	-	-	-	-	2,770,446	-	2,770,446
Capitalized Equipment	-	-	-	-	-	-	-	-	3,078,218	-	3,078,218
Amount Available in Debt Services Fund	-	-	-	-	-	-	-	-	-	1,375,683	1,375,683
Amount to be Provided for Payment of Long-Term Debt	-	-	-	-	-	-	-	-	-	898,667	898,667
Total Assets	\$ 10,755,705	\$ 1,274,995	\$ 1,375,683	\$ 1,402,810	\$ 94,044	\$ 5,256	\$ 91,738	\$ 1,000,925	\$ 38,145,512	\$ 2,274,350	\$ 56,421,018
LIABILITIES AND FUND BALANCE											
LIABILITIES											
Current Liabilities											
Payroll Deductions and Withholdings	\$ 33	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47
Due to Activity Fund Organizations	-	-	-	-	-	-	-	1,000,925	-	-	1,000,925
Total Current Liabilities	\$ 33	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ 1,000,925	\$ -	\$ -	\$ 1,000,972
Long-Term Liabilities											
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274,350	\$ 2,274,350
Total Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274,350	\$ 2,274,350
Total Liabilities	\$ 33	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ 1,000,925	\$ -	\$ 2,274,350	\$ 3,275,322
FUND BALANCE											
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,145,512	\$ -	\$ 38,145,512
Fund Balance											
Reserved	-	-	-	-	53,250	-	-	-	-	-	53,250
Unreserved											
Undesignated	10,755,672	1,274,995	1,375,683	1,402,796	40,794	5,256	91,738	-	-	-	14,946,934
Total Fund Balance	\$ 10,755,672	\$ 1,274,995	\$ 1,375,683	\$ 1,402,796	\$ 94,044	\$ 5,256	\$ 91,738	\$ -	\$ 38,145,512	\$ -	\$ 53,145,696
Total Liabilities and Fund Balance	\$ 10,755,705	\$ 1,274,995	\$ 1,375,683	\$ 1,402,810	\$ 94,044	\$ 5,256	\$ 91,738	\$ 1,000,925	\$ 38,145,512	\$ 2,274,350	\$ 56,421,018

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	TORT	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED								
Local Sources	\$ 7,289,450	\$ 812,305	\$ 2,445,690	\$ 301,193	\$ 297,747	\$ 4,417	\$ 133,833	\$ 11,284,635
State Sources	1,117,402	-	-	281,553	-	-	-	1,398,955
Federal Sources	692,509	-	-	-	-	-	-	692,509
On-Behalf Payments	3,792,868	-	-	-	-	-	-	3,792,868
	<u>\$ 12,892,229</u>	<u>\$ 812,305</u>	<u>\$ 2,445,690</u>	<u>\$ 582,746</u>	<u>\$ 297,747</u>	<u>\$ 4,417</u>	<u>\$ 133,833</u>	<u>\$ 17,168,967</u>
EXPENDITURES DISBURSED								
Instruction	\$ 6,380,516	\$ -	\$ -	\$ -	\$ 89,239	\$ -	\$ -	\$ 6,469,755
Support Services	2,670,354	1,146,611	-	639,037	201,405	-	125,881	4,783,288
Payments to Other Districts and Governmental Units	101,443	-	-	180	-	-	-	101,623
Debt Services	-	-	2,440,000	-	-	-	-	2,440,000
On-Behalf Payments	3,792,868	-	-	-	-	-	-	3,792,868
	<u>\$ 12,945,181</u>	<u>\$ 1,146,611</u>	<u>\$ 2,440,000</u>	<u>\$ 639,217</u>	<u>\$ 290,644</u>	<u>\$ -</u>	<u>\$ 125,881</u>	<u>\$ 17,587,534</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	\$ (52,952)	\$ (334,306)	\$ 5,690	\$ (56,471)	\$ 7,103	\$ 4,417	\$ 7,952	\$ (418,567)
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	-	3,784	-	-	-	(3,784)	-	-
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	\$ (52,952)	\$ (330,522)	\$ 5,690	\$ (56,471)	\$ 7,103	\$ 633	\$ 7,952	\$ (418,567)
FUND BALANCE - JULY 1, 2016	10,808,624	1,605,517	1,369,993	1,459,267	86,941	4,623	83,786	15,418,751
FUND BALANCE - JUNE 30, 2017	<u>\$ 10,755,672</u>	<u>\$ 1,274,995</u>	<u>\$ 1,375,683</u>	<u>\$ 1,402,796</u>	<u>\$ 94,044</u>	<u>\$ 5,256</u>	<u>\$ 91,738</u>	<u>\$ 15,000,184</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	TORT	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED								
Local Sources								
Ad Valorem Taxes Levied								
Designated Purpose Levies	\$ 6,173,266	\$ 793,670	\$ 2,442,579	\$ 239,889	\$ 108,996	\$ -	\$ 133,767	\$ 9,892,167
Special Education Purpose Levy	74,783	-	-	-	-	-	-	74,783
FICA/Medicare Only Purposes Levy	-	-	-	-	146,623	-	-	146,623
Corporate Personal Property Replacement Taxes	443,886	-	-	-	41,950	-	-	485,836
Tuition								
Summer School Tuition from Pupils or Parents (In State)	11,225	-	-	-	-	-	-	11,225
Transportation Fees								
Regular Trans. Fees from Other Districts (In State)	-	-	-	48,886	-	-	-	48,886
Regular Trans. Fees from Other Sources (In State)	-	-	-	7,507	-	-	-	7,507
Interest on Investments	42,207	4,535	3,111	4,911	178	8	66	55,016
Food Service								
Sales to Pupils - Lunch	119,238	-	-	-	-	-	-	119,238
Sales to Pupils - Breakfast	12,399	-	-	-	-	-	-	12,399
Sales to Pupils - Ala Carte	119,631	-	-	-	-	-	-	119,631
Sales to Adults	7,156	-	-	-	-	-	-	7,156
District/School Activity Income								
Admissions - Athletic	33,601	-	-	-	-	-	-	33,601
Fees	107,619	-	-	-	-	-	-	107,619
Other District/School Activity Revenue	1,647	-	-	-	-	-	-	1,647
Textbooks								
Rentals - Regular Textbook	52,698	-	-	-	-	-	-	52,698
Rentals	-	4,051	-	-	-	-	-	4,051
Contributions and Donations from Private Sources	983	-	-	-	-	-	-	983
Impact Fees From Municipal or County Governments	-	-	-	-	-	4,409	-	4,409
Services Provided Other Districts	15,133	-	-	-	-	-	-	15,133
Refund of Prior Years' Expenditures	47,731	6,549	-	-	-	-	-	54,280
Drivers' Education Fees	5,448	-	-	-	-	-	-	5,448
Proceeds from Vendors' Contracts	12,518	-	-	-	-	-	-	12,518
Other Local Revenues	8,281	3,500	-	-	-	-	-	11,781
Total Local Sources	\$ 7,289,450	\$ 812,305	\$ 2,445,690	\$ 301,193	\$ 297,747	\$ 4,417	\$ 133,833	\$ 11,284,635
State Sources								
Unrestricted Grants-In-Aid								
General State Aid - Sec. 18-8	\$ 780,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,847
Restricted Grants-In-Aid								
Special Education								
Private Facility Tuition	68,350	-	-	-	-	-	-	68,350
Extraordinary	69,007	-	-	-	-	-	-	69,007
Personnel	77,473	-	-	-	-	-	-	77,473
Orphanage - Individual	90,123	-	-	-	-	-	-	90,123
Career & Technical Education (CTE)								
Secondary Program Improvement	9,437	-	-	-	-	-	-	9,437
Bilingual Education								
State Free Lunch and Breakfast	460	-	-	-	-	-	-	460
Driver Education	21,705	-	-	-	-	-	-	21,705
Transportation								
Regular/Vocational	-	-	-	7,498	-	-	-	7,498
Special Education	-	-	-	274,055	-	-	-	274,055
Total State Sources	\$ 1,117,402	\$ -	\$ -	\$ 281,553	\$ -	\$ -	\$ -	\$ 1,398,955

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS	TORT	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)								
Federal Sources								
Unrestricted Grants-In-Aid Received Directly from the Federal Government								
Food Service								
National School Lunch Program	\$ 106,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,878
School Breakfast Program	9,129	-	-	-	-	-	-	9,129
Title I								
Low Income	75,386	-	-	-	-	-	-	75,386
Federal - Special Education								
IDEA - Flow Through/Low Incidence	104,867	-	-	-	-	-	-	104,867
IDEA - Room and Board	278,167	-	-	-	-	-	-	278,167
CTE								
Other	18,126	-	-	-	-	-	-	18,126
Title II - Teacher Quality	11,366	-	-	-	-	-	-	11,366
Medicaid Matching Funds - Administrative Outreach	11,875	-	-	-	-	-	-	11,875
Medicaid Matching Funds - Fee-For-Service Program	31,791	-	-	-	-	-	-	31,791
Other Federal Sources	44,924	-	-	-	-	-	-	44,924
Total Federal Sources	<u>\$ 692,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,509</u>
Total Direct Revenue	<u>\$ 9,099,361</u>	<u>\$ 812,305</u>	<u>\$ 2,445,690</u>	<u>\$ 582,746</u>	<u>\$ 297,747</u>	<u>\$ 4,417</u>	<u>\$ 133,833</u>	<u>\$ 13,376,099</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	\$ 2,522,305	\$ 2,505,164
Employee Benefits	538,709	509,423
Purchased Services	2,000	1,190
Supplies and Materials	111,035	93,124
Capital Outlay	1,000	-
Non-Capitalized Equipment	600	-
	<u>\$ 3,175,649</u>	<u>\$ 3,108,901</u>
Special Education Programs		
Salaries	\$ 378,995	\$ 375,850
Employee Benefits	103,123	103,244
Purchased Services	350,620	327,449
Supplies and Materials	9,400	7,713
	<u>\$ 842,138</u>	<u>\$ 814,256</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 27,126	\$ 27,870
Employee Benefits	14,000	14,000
Purchased Services	910	976
Supplies and Materials	6,905	6,805
	<u>\$ 48,941</u>	<u>\$ 49,651</u>
CTE Programs		
Salaries	\$ 563,893	\$ 558,907
Employee Benefits	120,383	118,222
Purchased Services	6,800	6,741
Supplies and Materials	43,009	42,643
Capital Outlay	29,475	8,138
Non-Capitalized Equipment	-	20,977
	<u>\$ 763,560</u>	<u>\$ 755,628</u>
Interscholastic Programs		
Salaries	\$ 493,089	\$ 479,158
Employee Benefits	14,155	14,465
Purchased Services	109,500	102,997
Supplies and Materials	77,245	75,120
Capital Outlay	17,625	5,145
Non-Capitalized Equipment	20,800	29,690
	<u>\$ 732,414</u>	<u>\$ 706,575</u>
Summer School Programs		
Salaries	\$ 35,942	\$ 29,081
Employee Benefits	2,851	2,772
	<u>\$ 38,793</u>	<u>\$ 31,853</u>
Driver's Education Programs		
Salaries	\$ 102,163	\$ 99,950
Employee Benefits	987	1,005
Purchased Services	1,000	31
Supplies and Materials	6,000	3,797
Capital Outlay	16,275	16,272
Non-Capitalized Equipment	500	-
	<u>\$ 126,925</u>	<u>\$ 121,055</u>
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 14,300	\$ 14,300
Special Education Programs K-12	778,471	778,297
	<u>\$ 792,771</u>	<u>\$ 792,597</u>
Total Instruction	<u>\$ 6,521,191</u>	<u>\$ 6,380,516</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 31,922	\$ 31,928
Employee Benefits	9,227	9,227
Purchased Services	50	-
Supplies and Materials	50	-
	<u>\$ 41,249</u>	<u>\$ 41,155</u>
Guidance Services		
Salaries	\$ 365,407	\$ 365,716
Employee Benefits	80,252	80,495
Purchased Services	2,640	2,537
Supplies and Materials	1,291	1,095
Other Objects	500	319
	<u>\$ 450,090</u>	<u>\$ 450,162</u>
Health Services		
Salaries	\$ 52,530	\$ 49,551
Employee Benefits	22,516	22,516
Purchased Services	175	48
Supplies and Materials	1,000	936
	<u>\$ 76,221</u>	<u>\$ 73,051</u>
Psychological Services		
Salaries	\$ 70,562	\$ 70,301
Employee Benefits	10,556	10,556
Supplies and Materials	1,000	921
	<u>\$ 82,118</u>	<u>\$ 81,778</u>
Other Support Services - Pupils		
Salaries	\$ 15,309	\$ 15,271
Supplies and Materials	700	317
	<u>\$ 16,009</u>	<u>\$ 15,588</u>
Total Support Services - Pupils	<u>\$ 665,687</u>	<u>\$ 661,734</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 28,000	\$ 21,659
Employee Benefits	398	296
Purchased Services	91,105	88,710
	<u>\$ 119,503</u>	<u>\$ 110,665</u>
Educational Media Services		
Salaries	\$ 196,431	\$ 193,350
Employee Benefits	48,745	48,745
Purchased Services	31,200	25,523
Supplies and Materials	220,250	200,452
Non-Capitalized Equipment	41,000	40,776
	<u>\$ 537,626</u>	<u>\$ 508,846</u>
Assessment and Testing		
Supplies and Materials	\$ 52,150	\$ 51,890
	<u>\$ 52,150</u>	<u>\$ 51,890</u>
Total Support Services - Instructional Staff	<u>\$ 709,279</u>	<u>\$ 671,401</u>
General Administration		
Board of Education Services		
Salaries	\$ 51,980	\$ 51,985
Employee Benefits	44,597	44,225
Purchased Services	44,150	42,248
Supplies and Materials	17,250	16,859
Other Objects	5,250	5,084
	<u>\$ 163,227</u>	<u>\$ 160,401</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
General Administration (Continued)		
Executive Administration Services		
Salaries	\$ 88,497	\$ 88,435
Employee Benefits	18,071	18,072
Purchased Services	7,600	7,576
Supplies and Materials	1,363	1,363
Other Objects	1,826	1,825
	\$ 117,357	\$ 117,271
Special Area Administration Services		
Salaries	\$ 89,631	\$ 89,631
Employee Benefits	29,688	29,681
Purchased Services	2,322	2,198
Supplies and Materials	2,570	2,569
Other Objects	-	130
	\$ 124,211	\$ 124,209
Total Support Services - General Administration	\$ 404,795	\$ 401,881
School Administration		
Office of the Principal Services		
Salaries	\$ 229,822	\$ 231,005
Employee Benefits	92,068	89,743
Purchased Services	17,000	12,846
Supplies and Materials	1,000	868
Other Objects	1,000	1,000
Non-Capitalized Equipment	500	-
	\$ 341,390	\$ 335,462
Other Support Services - School Administration		
Salaries	\$ 18,624	\$ 18,625
Employee Benefits	259	265
	\$ 18,883	\$ 18,890
Total Support Services - School Administration	\$ 360,273	\$ 354,352
Business		
Direction of Business Support Services		
Salaries	\$ 75,800	\$ 75,778
Employee Benefits	18,071	18,073
Purchased Services	2,000	2,137
Supplies and Materials	1,072	967
	\$ 96,943	\$ 96,955
Fiscal Services		
Salaries	\$ 107,910	\$ 107,914
Employee Benefits	11,304	11,304
Purchased Services	2,400	1,500
Supplies and Materials	500	500
	\$ 122,114	\$ 121,218
Food Services		
Salaries	\$ 93,000	\$ 87,173
Employee Benefits	9,227	9,227
Purchased Services	2,000	565
Supplies and Materials	250,589	234,548
Capital Outlay	50,000	-
Other Objects	800	755
Non-Capitalized Equipment	500	4,999
	\$ 406,116	\$ 337,267
Total Support Services - Business	\$ 625,173	\$ 555,440

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Central		
Data Processing Services		
Purchased Services	\$ 26,000	\$ 25,090
Supplies and Materials	500	55
Total Support Services - Central	<u>\$ 26,500</u>	<u>\$ 25,145</u>
Other Support Services		
Supplies and Materials	\$ 400	\$ 401
Total Other Support Services	<u>\$ 400</u>	<u>\$ 401</u>
Total Support Services	<u>\$ 2,792,107</u>	<u>\$ 2,670,354</u>
Payments to Other Districts and Governmental Units		
Payments to Other Governmental Units (In-State)		
Payments for Regular Programs		
Purchased Services	\$ -	\$ 181
	<u>\$ -</u>	<u>\$ 181</u>
Payments for Special Education Programs		
Purchased Services	\$ 10,000	\$ 6,748
	<u>\$ 10,000</u>	<u>\$ 6,748</u>
Other Payments to In-State Governmental Units		
Purchased Services	\$ 20,000	\$ 20,000
	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 30,000</u>	<u>\$ 26,929</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Other Objects		
Payments for Special Education Programs	\$ 69,529	\$ 68,554
Other Payments to In-State Gov't Units	6,500	5,960
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 76,029</u>	<u>\$ 74,514</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 106,029</u>	<u>\$ 101,443</u>
Total Direct Expenditures	<u>\$ 9,419,327</u>	<u>\$ 9,152,313</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 OPERATIONS AND MAINTENANCE FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Salaries	\$ 310,000	\$ 307,772
Employee Benefits	96,724	96,726
Purchased Services	306,400	171,718
Supplies and Materials	495,750	427,442
Capital Outlay	162,000	126,511
Non-Capitalized Equipment	25,000	16,442
	<u>\$ 1,395,874</u>	<u>\$ 1,146,611</u>
Total Support Services - Business	<u>\$ 1,395,874</u>	<u>\$ 1,146,611</u>
Total Support Services	<u>\$ 1,395,874</u>	<u>\$ 1,146,611</u>
Total Direct Expenditures	<u><u>\$ 1,395,874</u></u>	<u><u>\$ 1,146,611</u></u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 1,805,502	\$ 1,805,502
Total Debt Services - Interest	<u>\$ 1,805,502</u>	<u>\$ 1,805,502</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 634,497	\$ 634,498
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 634,497</u>	<u>\$ 634,498</u>
Total Debt Services	<u>\$ 2,439,999</u>	<u>\$ 2,440,000</u>
Total Direct Expenditures	<u>\$ 2,439,999</u>	<u>\$ 2,440,000</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 320,372	\$ 313,949
Employee Benefits	36,999	36,978
Purchased Services	77,900	72,073
Supplies and Materials	104,009	100,571
Capital Outlay	116,000	115,466
	<u>\$ 655,280</u>	<u>\$ 639,037</u>
Total Support Services - Business	<u>\$ 655,280</u>	<u>\$ 639,037</u>
Total Support Services	<u>\$ 655,280</u>	<u>\$ 639,037</u>
Payments to Other Districts and Governmental Units		
Payments to Other Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 500	\$ 180
	<u>\$ 500</u>	<u>\$ 180</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 500</u>	<u>\$ 180</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 500</u>	<u>\$ 180</u>
Total Direct Expenditures	<u><u>\$ 655,780</u></u>	<u><u>\$ 639,217</u></u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 37,970	\$ 37,624
Special Education Programs		
Employee Benefits	22,411	21,928
Remedial and Supplemental Programs - K-12		
Employee Benefits	5,425	5,102
CTE Programs		
Employee Benefits	6,672	6,354
Interscholastic Programs		
Employee Benefits	17,787	16,447
Summer School Programs		
Employee Benefits	451	409
Driver's Education Programs		
Employee Benefits	1,421	1,375
Total Instruction	<u>\$ 92,137</u>	<u>\$ 89,239</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 5,931	\$ 5,999
Guidance Services		
Employee Benefits	10,509	10,777
Health Services		
Employee Benefits	708	641
Psychological Services		
Employee Benefits	1,004	1,019
Other Support Services - Pupils		
Employee Benefits	2,957	2,934
Total Support Services - Pupils	<u>\$ 21,109</u>	<u>\$ 21,370</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 961	\$ 364
Educational Media Services		
Employee Benefits	20,663	19,335
Total Support Services - Instructional Staff	<u>\$ 21,624</u>	<u>\$ 19,699</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 9,754	\$ 9,681
Executive Administration Services		
Employee Benefits	3,367	3,350
Special Area Administrative Services		
Employee Benefits	1,310	1,298
Total Support Services - General Administration	<u>\$ 14,431</u>	<u>\$ 14,329</u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 7,155	\$ 7,162
Other Support Services - School Administration		
Employee Benefits	265	270
Total Support Services - School Administration	<u>\$ 7,420</u>	<u>\$ 7,432</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 1,158	\$ 1,086
Fiscal Services		
Employee Benefits	20,692	20,634
Operation and Maintenance of Plant Services		
Employee Benefits	52,221	52,479
Pupil Transportation Services		
Employee Benefits	48,477	48,969
Food Services		
Employee Benefits	15,457	15,407
Total Support Services - Business	<u>\$ 138,005</u>	<u>\$ 138,575</u>
Total Support Services	<u>\$ 202,589</u>	<u>\$ 201,405</u>
Total Direct Expenditures	<u><u>\$ 294,726</u></u>	<u><u>\$ 290,644</u></u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
 STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
 TORT FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Insurance Payments		
Purchased Services	\$ 130,000	\$ 125,881
	<u>\$ 130,000</u>	<u>\$ 125,881</u>
Total General Administration	<u>\$ 130,000</u>	<u>\$ 125,881</u>
Total Support Services - General Administration	<u>\$ 130,000</u>	<u>\$ 125,881</u>
Total Direct Expenditures	<u><u>\$ 130,000</u></u>	<u><u>\$ 125,881</u></u>

The Notes to Financial Statements are an integral part of this statement.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marengo Community High School District No. 154's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine Scope of Entity

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service, and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes and contributions and donations from private sources.

NOTES TO FINANCIAL STATEMENTS (Continued)

Debt Services Fund – The Debt Services Fund is used to account for the accumulations of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Tort Fund – The Tort Fund is used to account for the proceeds of specific revenue sources that are legally restricted for tort expenditures.

Agency Fund – The Agency Fund is used to account for Student Activity Funds and Convenience Accounts, which are assets held by the District as an agent for the students and teachers. This fund is custodial in nature and does not involve the measurement of the results of operations. The amounts due to the Activity Fund organizations are equal to the assets.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

Measurement Focus

The financial statements of all funds, except the Agency Fund and two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts

NOTES TO FINANCIAL STATEMENTS (Continued)

when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The budget was passed on September 26, 2016 and the amended budget was passed on June 26, 2017

For each fund, total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by School Board action.

No District fund had a cash overdraft at June 30, 2017.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment). Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost.

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

J. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the board on December 20, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for, and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts within one month after these dates.

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

The following table categorizes the investments according to levels of risk:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
Mutual Funds	\$ 427,797	\$ 427,797	\$ -	\$ -	\$ -
Stocks	187,205	187,205	-	-	-
Real Estate Investment Trusts	23,405	23,405	-	-	-
Exchange Traded Products	178,158	178,158	-	-	-
	<u>\$ 816,565</u>	<u>\$ 816,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2017, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
Real Estate Investment Trusts	BB- to BBB-	Standard & Poor's
Exchange Traded Products	NR to BBB+f	Standard & Poor's

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2017:

Investments by fair value level	6/30/2017	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds	\$ 427,797	\$ 427,797	\$ -
Debt Securities	178,158	178,158	-
Equity Securities			
Financial Service Industry	187,205	187,205	-
Real Estate Investment Trusts	23,405	23,405	-
Total Investments by fair value level	<u>\$ 816,565</u>	<u>\$ 816,565</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Mutual funds, debt securities, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 1,174,836	\$ -	\$ -	\$ 1,174,836
Building and Building Improvements	30,784,450	337,562	-	31,122,012
Site Improvements and Infrastructure	2,770,446	-	-	2,770,446
Capitalized Equipment	2,954,821	123,397	-	3,078,218
Construction in Progress	189,427	-	189,427	-
	<u>\$ 37,873,980</u>	<u>\$ 460,959</u>	<u>\$ 189,427</u>	<u>\$ 38,145,512</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT

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

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amounts Due Within One Year
Long-Term Debt					
Bonds Payable					
General Obligation Bonds					
Dated 9/13/01	\$ 2,908,848	\$ -	\$ 634,498	\$ 2,274,350	\$ 606,015
	<u>\$ 2,908,848</u>	<u>\$ -</u>	<u>\$ 634,498</u>	<u>\$ 2,274,350</u>	<u>\$ 606,015</u>

Bonds and long-term debt payable consisted of the following at June 30, 2017:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation Bonds Dated 9/13/01	1/1/2021	3.20%-5.42%	\$ 15,441,479	\$ 2,274,350

At June 30, 2017 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total
2018	\$ 606,015	\$ 1,938,985	\$ 2,545,000
2019	581,130	2,083,870	2,665,000
2020	555,110	2,224,890	2,780,000
2021	532,095	2,377,905	2,910,000
	<u>\$ 2,274,350</u>	<u>\$ 8,625,650</u>	<u>\$ 10,900,000</u>

NOTE 6 - INTERFUND LOANS

There are no outstanding interfund loans at June 30, 2017.

NOTE 7 - SPECIAL TAX LEVIES AND RESERVED FUND BALANCE

Social Security Tax Levy

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. A portion, \$53,250, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is reserved for future social security disbursements.

NOTES TO FINANCIAL STATEMENTS (Continued)

Social Security Receipts	
Tax Collected	\$ 146,623
Replacement Taxes	26,500
Interest	115
Total Social Security Receipts	<u>\$ 173,238</u>
Social Security Expenditures	
Social Security and Medicare	\$ 163,667
Total Social Security Expenditures	<u>\$ 163,667</u>
Receipts Over/(Under) Expenditures	\$ 9,571
Reserved at July 1, 2016	43,679
Reserved at June 30, 2017	<u>\$ 53,250</u>

NOTE 8 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance as of June 30, 2017.

NOTE 9 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2016 (\$5,414,190) and 2015 (\$4,699,383) tax levies. A summary of the past three years' assessed valuations, tax rates, and extensions follows:

Tax Year	2016		2015		2014	
	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	\$315,434,621		\$298,360,930		\$288,583,496	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	1.9750	\$ 6,229,752	2.0476	\$ 6,109,232	2.1581	\$ 6,227,857
Tort Immunity	0.0421	132,798	0.0452	134,984	0.0544	157,001
Special Education	0.0234	73,812	0.0255	75,993	0.0260	75,003
Operations and Maintenance	0.2845	897,411	0.2264	675,415	0.2315	668,002
Transportation	0.0316	99,677	0.1341	399,953	0.0648	187,002
Municipal Retirement	0.0343	108,194	0.0369	109,988	0.0369	106,502
Debt Service	0.7751	2,444,934	0.8178	2,439,999	0.8074	2,330,000
Social Security	0.0536	169,079	0.0406	120,988	0.0412	119,000
	<u>3.2196</u>	<u>\$ 10,155,657</u>	<u>3.3740</u>	<u>\$ 10,066,552</u>	<u>3.4203</u>	<u>\$ 9,870,367</u>

NOTE 10 - OVEREXPENDITURE OF BUDGET

The following funds had expenditures that exceeded the budget during fiscal year 2017:

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Services	\$ 2,439,999	\$ 2,440,000	\$ 1

NOTE 11 - OPERATING LEASES

On July 24, 2013, the District entered into an operating lease for a postage machine. This lease is for 60 months at \$389 per quarter.

On December 15, 2014, the District entered into an operating lease for copiers. This lease is for 60 months at \$1,092 per month.

On May 6, 2015, the District entered into an operating lease for copiers. This lease is for 60 months at \$595 per month.

Minimum annual lease payments are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 21,793
2019	20,626
2020	11,406
2021	5,948
	<u>\$ 59,773</u>

Rental expense for the year ended June 30, 2017 was \$21,793.

NOTE 12 - RETIREMENT FUND COMMITMENTS

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

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten 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 ten 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% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten 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% 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 3% of the original benefit or ½% 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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

NOTES TO FINANCIAL STATEMENTS (Continued)

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% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$3,738,364 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% 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 \$28,225.

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 District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$14,325 were paid from federal and special trust funds that required District contributions of \$5,521.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The 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 program that ended on June 30, 2016 is 146.5% 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 for retirements that occurred before July 1, 2016.

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

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

At June 30, 2017, the District has 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 District's 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:

NOTES TO FINANCIAL STATEMENTS (Continued)

District's proportionate share of the net pension liability	\$ 674,677
State's proportionate share of the net pension liability associated with the District	<u>38,066,521</u>
Total	<u><u>\$ 38,741,198</u></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 contributions of all participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.0008547%, which was a decrease of .0000788% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$3,738,364 and revenue of \$3,738,364 for support provided by the State. At June 30, 2017, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Outflows of Resources</u>
Differences between expected and actual experience	\$ 4,989	\$ (458)	\$ 4,531
Net difference between projected and actual earnings on pension plan investments	19,061	-	19,061
Changes of assumptions	57,945	-	57,945
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,825	(86,262)	(68,437)
Employer contributions subsequent to the measurement date	<u>33,746</u>	<u>-</u>	<u>33,746</u>
	<u><u>\$ 133,566</u></u>	<u><u>\$ (86,720)</u></u>	<u><u>\$ 46,846</u></u>

\$28,225 of deferred outflows of resources related to pensions results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ (7,203)
2019	(7,203)
2020	17,177
2021	9,569
2022	<u>759</u>
	<u><u>\$ 13,099</u></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%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

NOTES TO FINANCIAL STATEMENTS (Continued)

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

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7.0%. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.0%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>99.7%</u>	

Discount Rate

At June 30, 2016, the discount rate used to measure total pension liability was a blended rate of 6.83%, which was a change from the June 30, 2015 rate of 7.47%. 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%. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Employer's proportionate share of the net pension liability	\$ 825,157	\$ 674,677	\$ 551,775

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*.

B. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. 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 may be obtained on-line at www.imrf.org.

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum 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 ten 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2016, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	<u>38</u>
Total	<u><u>107</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 11.64%. For the fiscal year ended June 30, 2017, the District contributed \$1,061,448 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 components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	4,768,979
IMRF Fiduciary Net Position		4,078,427
District's Net Pension Liability		690,552
IMRF Fiduciary Net Pension as a Percentage of the Total Pension Liability		85.52%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions.

NOTES TO FINANCIAL STATEMENTS (Continued)

Assumptions

Price Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same 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 2014). 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 as of December 31, 2016:

	Target Allocation	Projected Return
Equities	38.0%	6.85%
International Equities	17.0%	6.75%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	5.75%
Alternatives	9.0%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.0%	2.25%
	<u>100.0%</u>	

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the Plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balances at December 31, 2016	\$ 4,593,921	\$ 3,860,127	\$ 733,794
Changes for the year:			
Service Cost	\$ 117,610	\$ -	\$ 117,610
Interest on the Total Pension Liability	338,312	-	338,312
Differences Between Expected and Actual Experience of the Total Pension Liability	(16,936)	-	(16,936)
Changes of Assumptions	(16,350)	-	(16,350)
Contributions - Employer	-	123,552	(123,552)
Contributions - Employee	-	47,766	(47,766)
Net Investment Income	-	266,667	(266,667)
Benefit Payments, including Refunds of Employee Contributions	(247,578)	(247,578)	-
Other (Net Transfer)	-	27,893	(27,893)
Net Changes	\$ 175,058	\$ 218,300	\$ (43,242)
Balances at December 31, 2017	\$ 4,768,979	\$ 4,078,427	\$ 690,552

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 1,276,357	\$ 690,552	\$ 203,670

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

For the year ended June 30, 2017, the District’s pension expense is \$287,845. At June 30, 2017, the District’s deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 36,903	\$ (11,369)	\$ 25,534
Assumption changes	28,760	(10,975)	17,785
Net difference between projected and actual earnings on pension investments	200,553	-	200,553
Total deferred amounts to be recognized in pension expense in future periods	\$ 266,216	\$ (22,344)	\$ 243,872
Pension contributions made subsequent to the measurement date	62,832	-	62,832
Total deferred amounts related to pensions	\$ 329,048	\$ (22,344)	\$ 306,704

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 121,447
2018	60,224
2019	57,996
2020	4,205
2021	-
Thereafter	-
	\$ 243,872

C. *Social Security*

Employees not qualifying for coverage under the Teachers’ Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid the total required contribution for the current fiscal year.

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (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% 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% of pay during the year ended June 30, 2017. State of Illinois contributions were \$54,504, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$40,878 to the THIS Fund, which was 100% of the required contribution.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

NOTE 14 - INTERFUND TRANSFERS

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

Transfer From	Transfer To	Amount
Capital Projects Fund	Operations and Maintenance Fund	\$ 3,784

The transfer to the Operations and Maintenance Fund was to move the prior year impact fees. Expenses were paid out of the Operations and Maintenance Fund.

NOTE 15 - JOINT VENTURES

A. Special Education District of McHenry County (SEDOM)

The District and Seventeen other districts within McHenry County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of SEDOM at June 30, 2016 (most recent information available) is as follows:

Assets	\$ 10,775,914
Liabilities	\$ 153,276
Fund Equity	10,622,638
	<u>\$ 10,775,914</u>
Revenues Received	\$ 12,127,348
Expenditures Disbursed	11,900,345
Net Increase/(Decrease) in Fund Balance	<u>\$ 227,003</u>

Complete financial statements for SEDOM can be obtained from the Administrative Offices at 1200 Claussen Drive, Woodstock, Illinois 60098.

B. McHenry County Cooperative for Employment Education

The District and nine other districts within McHenry County have entered into a joint agreement to provide vocational education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the Board of Control.

A summary of financial condition (cash basis) of McHenry County Cooperative for Employment Education at June 30, 2016 (most recent information available) is as follows:

Assets	\$ 222,629
Liabilities	\$ -
Fund Equity	222,629
	<u>\$ 222,629</u>
Revenues Received	\$ 910,773
Expenditures Disbursed	820,914
Net Increase/(Decrease) in Fund Balance	<u>\$ 89,859</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Complete financial statements for McHenry County Cooperative for Employment Education can be obtained from the Administrative Offices at 2200 North Seminary Ave., Suite 207, Woodstock, Illinois 60098.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit’s governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended June 30, 2017, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years. The District is insured under a retrospectively-rated policy for workers’ compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2017, there were no significant adjustments in premiums based on actual experience.

NOTE 17 - CONTINGENCIES

The District is not aware of any litigation which might have a material adverse effect on the District’s financial position.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District’s legal debt limitation is as follows:

2016 EAV	\$	315,434,621
Rate		<u>6.90%</u>
Debt Margin	\$	21,764,989
Current Debt		<u>2,274,350</u>
Remaining Debt Margin	\$	<u><u>19,490,639</u></u>

NOTE 19 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 21, 2017, the date on which the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2017, the District has implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by the District. The statement also requires additional disclosures about the tax abatement agreements entered into by the District. For fiscal year 2017 the District had no tax abatements.

SUPPLEMENTAL FINANCIAL INFORMATION

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY			
Service Cost	\$ 117,610	\$ 117,126	\$ 126,708
Interest on the Total Pension Liability	338,312	322,254	276,225
Differences Between Expected and Actual Experience	(16,936)	20,628	235,653
Changes of Assumptions	(16,350)	10,407	201,192
Benefit Payments, Including Refunds of Member Contributions	(247,578)	(240,764)	(190,302)
Net Change in Total Pension Liability	<u>\$ 175,058</u>	<u>\$ 229,651</u>	<u>\$ 649,476</u>
Total Pension Liability - Beginning	<u>4,593,921</u>	<u>4,364,270</u>	<u>3,714,794</u>
Total Pension Liability - Ending	<u>\$ 4,768,979</u>	<u>\$ 4,593,921</u>	<u>\$ 4,364,270</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 123,552	\$ 107,483	\$ 107,220
Contributions - Member	47,766	46,419	45,135
Net Investment Income	266,667	19,323	224,301
Benefit Payments, Including Refunds of Member Contributions	(247,578)	(240,764)	(190,302)
Other (Net Transfers)	27,893	19,639	25,632
Net Change in Plan Fiduciary Net Position	<u>\$ 218,300</u>	<u>\$ (47,900)</u>	<u>\$ 211,986</u>
Plan Net Position - Beginning	<u>3,860,127</u>	<u>3,908,027</u>	<u>3,696,041</u>
Plan Net Position - Ending	<u>\$ 4,078,427</u>	<u>\$ 3,860,127</u>	<u>\$ 3,908,027</u>
District's Net Pension Liability	<u>\$ 690,552</u>	<u>\$ 733,794</u>	<u>\$ 456,243</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.52%	84.03%	89.55%
Covered-Valuation Payroll	\$ 1,061,448	\$ 1,031,503	\$ 1,002,995
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	65.06%	71.14%	45.49%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015*</u>
Actuarially-Determined Contribution	\$ 123,553	\$ 107,483	\$ 107,221
Contributions in Relation to Actuarially-Determined Contribution	<u>123,552</u>	<u>107,483</u>	<u>107,220</u>
Contribution Deficiency/(Excess)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Covered-Valuation Payroll	\$ 1,061,448	\$ 1,031,503	\$ 1,002,995
Contributions as a Percentage of Covered-Valuation Payroll	11.64%	10.42%	10.69%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2016 Contribution Rate *

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.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 27-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, 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 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 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

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

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
Employer's proportion of the Net Pension Liability	0.0008547%	0.0009335%	0.0008866%
Employer's proportionate share of the Net Pension Liability	\$ 674,677	\$ 611,545	\$ 539,549
State's proportionate share of the Net Pension Liability associated with the employer	38,066,521	30,671,748	28,557,216
Total	\$ 38,741,198	\$ 31,283,293	\$ 29,096,765
Employer's Covered-Employee Payroll	\$ 4,810,461	\$ 4,763,260	\$ 4,628,850
Employer's proportionate share of the Net Pension Liability as a percentage of Covered-Employee Payroll	14.03%	12.84%	11.66%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

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

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

Changes of Assumptions:

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

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

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

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTION
 JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-required contribution	\$ 33,101	\$ 32,864	\$ 31,633
Contributions in relation to the statutorily-required contribution	<u>33,101</u>	<u>32,710</u>	<u>31,632</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ 1</u>
Employer's Covered-Employee Payroll	\$ 4,810,461	\$ 4,763,260	\$ 4,628,850
Contributions as a percentage of Covered-Employee Payroll	0.69%	0.69%	0.68%

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

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
A S S E T S				
Cash and Cash Equivalents	\$ 96,098	\$ 429,040	\$ 402,054	\$ 123,084
Investments	814,373	91,444	27,976	877,841
	<u>\$ 910,471</u>	<u>\$ 520,484</u>	<u>\$ 430,030</u>	<u>\$ 1,000,925</u>
L I A B I L I T I E S				
Amount Due to Activity				
Marengo Community High School	\$ 133,277	\$ 430,099	\$ 402,054	\$ 161,322
Franks Family Fund	70,605	10,163	1,965	78,803
Reach for the Stars Scholarship	854	6	860	-
S. Ritchie Scholarship	1,366	9	100	1,275
Swanson Fund	123,683	59,112	10,616	172,179
Thurrow Memorial	406,183	1,217	-	407,400
Union American Legion Fund	174,503	19,878	14,435	179,946
	<u>\$ 910,471</u>	<u>\$ 520,484</u>	<u>\$ 430,030</u>	<u>\$ 1,000,925</u>

See Accompanying Independent Auditor's Report

MARENGO COMMUNITY HIGH SCHOOL DISTRICT NO. 154
 COMPUTATION OF OPERATING EXPENSE PER PUPIL
 AND PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2017

OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED		Total Expenditures	\$ 9,152,313
O&M		Total Expenditures	1,146,611
DS		Total Expenditures	2,440,000
TR		Total Expenditures	639,217
MR/SS		Total Expenditures	290,644
TORT		Total Expenditures	125,881
		Total Expenditures	\$ 13,794,666
LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:			
TR	1412	Regular - Transp Fees from Other Districts (In State)	\$ 48,886
ED	1600	Summer School Programs	31,853
ED	1911	Regular K-12 Programs - Private Tuition	14,300
ED	1912	Special Education Programs K-12 - Private Tuition	778,297
ED	4000	Total Payments to Other District & Govt Units	101,443
ED	-	Capital Outlay	29,555
ED	-	Non-Capitalized Equipment	96,442
O&M	-	Capital Outlay	126,511
O&M	-	Non-Capitalized Equipment	16,442
DS	5300	Debt Service - Payments of Principal on Long-Term Debt	634,498
TR	4000	Total Payments to Other Dist & Govt Units	180
TR	-	Capital Outlay	115,466
MR/SS	1600	Summer School Programs	409
		Total Deductions	\$ 1,994,282
		Total Operating Expenses (Regular K-12)	11,800,384
		9 Mo ADA (See the General State Aid Claim for 2013-2014 (ISBE 54-33, L12))	622.30
		Estimated OEPP *	\$ 18,962.53

PER CAPITA TUITION CHARGE			
LESS OFFSETTING RECEIPTS/REVENUES:			
TR	1413	Regular - Transp Fees from Other Sources (In State)	\$ 7,507
ED	1600	Total Food Service	258,424
ED-O&M	1700	Total District/School Activity Income	142,867
ED	1811	Rentals - Regular Textbooks	52,698
ED-O&M	1910	Rentals	4,051
ED-O&M-TR	1940	Services Provided Other Districts	15,133
ED-O&M-TR	3100	Total Special Education	304,953
ED-O&M-MR/SS	3200	Total Career and Technical Education	9,437
ED	3360	State Free Lunch & Breakfast	460
ED-O&M	3370	Driver Education	21,705
ED-O&M-TR-MR/SS	3500	Total Transportation	281,553
ED-MR/SS	-	Total Food Service	116,007
ED-O&M-TR-MR/SS	-	Total Title I	75,386
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence	104,867
ED-O&M-TR-MR/SS	4625	Fed - Spec Education - IDEA - Room & Board	278,167
ED-O&M-MR/SS	4700	Total CTE - Perkins	18,126
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality	11,366
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach	11,875
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program	31,791
ED-O&M-TR-MR/SS	4998	Other Restricted Revenue from Federal Sources (Describe & Itemize)	44,924
		Total Allowance for PCTC Computation	\$ 1,791,297
		Net Operating Expense for PCTC Computation	10,009,087
		Total Depreciation Allowance (from page 27, Col I)	914,157
		Total Allowance for PCTC Computation	10,923,244
		9 Mo ADA	622.30
		Total Estimated PCTC *	\$ 17,553.02

Unaudited