

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**J. STERLING MORTON HIGH SCHOOL
DISTRICT 201**

CICERO, ILLINOIS

As of and for the Year Ended June 30, 2018

Officials Issuing Report

Mr. Ron O'Connor, Chief Financial Officer

Department Issuing Report

Business Office

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	<u><i>Page(s)</i></u>
<i>Introductory Section</i>	
Transmittal Letter	i - iv
ASBO Certificate	v
Organizational Chart	vi
Principal Officers and Advisors	vii
<i>Financial Section</i>	
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 12
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	13
Statement of Activities	14
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	15 - 16
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18 - 19
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Statement of Fiduciary Assets and Liabilities - Agency Fund	21
Notes to Basic Financial Statements	22 - 53
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	54
Illinois Municipal Retirement Fund - Schedule of District Contributions	55
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	56
Retirees' Health Plan - Schedule of Changes in the District's Net OPEB Liability and Related Ratios	57
Retirees' Health Plan - Schedule of District Contributions	58

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Page(s)</u>
Required Supplementary Information - (Continued)	
Teachers' Health Insurance Security Fund - Schedule of the District's Proportionate Share of the Collective Net OPEB Liability and Schedule of District Contributions	59
<u>General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
General Fund - Non-GAAP Budgetary Basis	60 - 69
Operations and Maintenance Fund	70 - 71
Transportation Fund	72
Municipal Retirement/Social Security Fund	73 - 74
Notes to Required Supplementary Information	75
Supplementary Information	
<u>Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Debt Service Fund	76
Capital Projects Fund	77
Fire Prevention and Life Safety Fund	78
General Fund - Combining Balance Sheet	79
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	80
<u>General Fund Accounts - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts - Non-GAAP Budgetary Basis	81 - 90
Working Cash Accounts	91
Operating Cost and Tuition Charge	92
Other Information	
Schedule of Changes in Assets and Liabilities - Agency Funds	93
Statistical Section	
Net Position by Component	94 - 95
Changes in Net Position	96 - 97
Fund Balances of Governmental Funds	98 - 99
Changes in Fund Balances, Governmental Funds	100 - 101
Assessed Valuation and Estimated Actual Value of Taxable Property	102
Property Tax Rates - All Direct and Overlapping Governments	103 - 104

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	<u><i>Page(s)</i></u>
<i>Statistical Section - (Continued)</i>	
Principal Property Taxpayers in the District	105
Property Tax Levies and Collections	106 - 107
Outstanding Debt by Type	108
Ratios of General Bonded Debt Outstanding	109
Computation of Direct and Overlapping Debt	110
Legal Debt Margin Information	111 - 112
Demographic and Economic Statistics	113
Principal Employers	114
Number of Employees by Type	115 - 116
Operating Indicators by Function	117 - 118
School Building Information	119 - 120
Operating Statistics	121

INDEPENDENT AUDITORS' REPORT

To the Board of Education
J. Sterling Morton High School District 201
Cicero, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of J. Sterling Morton High School District 201, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise J. Sterling Morton High School District 201's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 over financial reporting relevant to J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Education
J. Sterling Morton High School District 201

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of J. Sterling Morton High School District 201, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3, J. Sterling Morton High School District 201 adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Net position has been restated as of June 30, 2018 as a result. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise J. Sterling Morton High School District 201's basic financial statements. The supplementary information for the year ended June 30, 2018 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2018.

To the Board of Education
J. Sterling Morton High School District 201

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of J. Sterling Morton High School District 201 as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated October 10, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise J. Sterling Morton High School District 201's basic financial statements. The introductory section and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited J. Sterling Morton High School District 201's 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018 on our consideration of J. Sterling Morton High School District 201'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 J. Sterling Morton High School District 201's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 3, 2018

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

As management of J. Sterling Morton High School District 201, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal found in the introductory section and the School District's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the School District exceeded its liabilities and deferred inflows at June 30, 2018 by \$32,329,573 (*net position*). During the year, net position increased by \$11,351,813 from ordinary activities (after impacts of restatement for implementation of GASB Statement No. 75).
- General revenues accounted for \$106,998,894 or 67% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$51,762,768 or 33% of total revenues of \$158,761,730.
- The School District had \$147,409,917 in expenses. Of these expenses, only \$51,762,768 was offset by program specific charges for services, grants or contributions. Current year general revenues (primarily property taxes and general state aid) totaled \$106,998,962, which provided for the \$95,647,149 net cost for these programs, with the \$11,351,813 remainder increasing net position for the year.
- Among governmental funds, the General Fund had \$108,917,750 in revenues and \$111,406,929 in expenditures for a net decrease in fund balance of \$2,489,179.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This comprehensive annual financial report also contains other supplementary information in addition to the basic financial statements.

The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide an increasingly detailed look at specific financial activities. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during 2018?” The *Statement of Net Position* and the *Statements of Activities*, which appear on pages 13 - 14 in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide statements include *all assets, liabilities and deferred inflows and outflows* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School District's fund financial statements can be found on pages 15 – 21 of this report. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's major funds.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

Fiduciary Funds – The School District's only fiduciary fund is an agency fund. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole and may serve over time as a useful indicator of the School District's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1, which is presented on the next page, provides a summary of the School District's net position for 2018 and 2017. The School District's assets and deferred outflows exceeded liabilities and deferred inflows by \$32.3 million (*net position*) on June 30, 2018. As shown in Table 1 (on page 8), governmental activities resulted in a \$11.4 million increase in net position for the current year after considering the impact of the restated beginning net position relating to the implementation of GASB 75 during the year. Other financial transactions of the School District affected the allocation among the three components of net position.

The largest component of net position is net investment in capital assets (\$100.8 million). This component increased by \$12.1 million from the prior year.

An additional portion (\$8.1 million) of the School District's assets represents resources that are subject to other external restrictions on how they may be used. This component consists of net position restricted for debt service and fire prevention and safety projects. The current year balance decreased compared to the prior year due to capital outlay in the current year.

Additionally, the District issued \$50 million in Qualified School Construction Bonds in May of 2017. The interest on these bonds is reimbursable by the federal government, which made them a lucrative option for boiler replacement at Morton East and adding a Freshman Academy wing at Morton West.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

Any remaining balance of unrestricted net position may be used to meet a district's ongoing obligations to its general programs; however, for the School District this balance is negative (-\$76.6 million). The negative balance is an indication that the School District has utilized debt as a financing source for its general programs in prior years in addition to actuarially determined net pension and other postemployment benefit liabilities exceed unrestricted net position amounts.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<u>2017*</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 143.2	\$ 153.1
Capital Assets	<u>88.7</u>	<u>104.9</u>
Total assets	<u>231.9</u>	<u>258.0</u>
Total deferred outflows of resources	<u>11.9</u>	<u>10.0</u>
Liabilities:		
Current liabilities	2.6	14.3
Long-term debt outstanding	<u>144.1</u>	<u>181.0</u>
Total liabilities	<u>146.7</u>	<u>195.3</u>
Total deferred inflows of resources	<u>23.7</u>	<u>40.4</u>
Net position:		
Net investment in capital assets	88.7	100.8
Restricted	8.3	8.1
Unrestricted	<u>(23.6)</u>	<u>(76.6)</u>
Total net position	<u>\$ 73.4</u>	<u>\$ 32.3</u>
*Prior year information has not been updated for the District's implementation of GASB Statement No. 75 in fiscal year 2018.		

Table 2 on the next page shows the changes in total net position from governmental activities for fiscal years 2018 and 2017.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2017*</u>	<u>2018</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 2.6	\$ 2.5
Operating grants & contributions	48.6	47.0
Capital grants & contributions	0.2	2.2
<i>General revenues:</i>		
Taxes	52.8	51.0
General state aid/evidence based funding	43.5	55.1
Other	<u>0.5</u>	<u>0.9</u>
Total revenues	<u>148.2</u>	<u>158.7</u>
Expenses:		
Instruction	84.0	91.8
Pupil & instructional staff services	12.8	13.1
Administration & business	11.3	12.4
Transportation	3.5	3.9
Operations & maintenance	14.0	15.4
Other	<u>8.8</u>	<u>10.8</u>
Total expenses	<u>134.4</u>	<u>147.4</u>
Increase (decrease) in net position	<u>\$ 13.8</u>	<u>\$ 11.3</u>
*Prior year information has not been updated for the District's implementation of GASB Statement No. 75 in fiscal year 2018.		

Governmental activities increased the District's net position by \$11.3 million for fiscal year 2018 (after effects of restatement for the implementation of GASB 75). The major source of revenues for governmental activities of the School District was local property taxes, which provided 32% and 35% of the School District's revenues in fiscal years 2018 and 2017, respectively. State and federal funding in the form of grants and entitlements provided another significant source of revenues to the School District, providing 66% and 62% of revenues in fiscal years 2018 and 2017. The remainder of revenues was derived from charges for services, investment earnings and other miscellaneous revenues, which provided 2% of revenues in fiscal year 2018 and approximately 3% in fiscal year 2017. These revenues for governmental activities support the various instructional programs, support services and financing of the District.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

The major category of governmental activities provided by the School District is its instructional programs, which comprised 62% of total governmental program expenses in both 2018 and 2017. Support services activities comprised another 30.1% of governmental program expenses in both 2018 and 2017 with financing activities comprising the remaining 7.9% in both 2018 and 2017.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds starts on page 15. Recall that the funds are accounted for using the modified accrual basis of accounting, which provides information to help determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The fund balances for all of the School District's governmental funds totaled \$112.4 million as of June 30, 2018. The balances and transactions of the School District's major funds are summarized below.

The General Fund had \$108.9 million in revenues and \$111.4 million in expenditures for a net decrease in fund balance of \$2.5 million for fiscal year 2018. The General Fund ended the year with a fund balance of \$51.7 million at June 30, 2018.

The Transportation Fund had approximately \$4.2 million in revenues and \$3.8 million in expenditures for a net increase in fund balance of \$0.4 million for fiscal 2018. The Transportation Fund ended the year with a fund balance of \$1 million at June 30, 2018.

Within the Debt Service Fund, revenues consist primarily of property taxes levied for debt service purposes and expenditures consist of the related debt service payments. The fund balance decreased by approximately \$0.2 million during fiscal year 2018. The fund balance at June 30, 2018 totaled \$6.3 million for debt service payments due in the subsequent fiscal year.

GENERAL FUND – BUDGET HIGHLIGHTS

The School District's budget, which was not amended during the year, is prepared according to Illinois law using the modified accrual basis of accounting, which is the same basis that is used for financial reporting, except that pension contributions made by the State of Illinois on-behalf of the School District, for which revenues and expenditures are equal, are not included in either budgeted revenues or expenditures.

The General Fund net change in fund balance for the year ended June 30, 2018 was budgeted to increase by \$122,449 that allowed additional funds for programs.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

CAPITAL ASSETS

Table 3 Capital Assets (net of depreciation) (in millions of dollars)			
		<u>2017</u>	<u>2018</u>
Land	\$	13.6	\$ 13.6
Construction in Progress		.4	13.1
Land improvements		1.1	1.1
Buildings		56.1	56.9
Improvements		7.5	10.4
Equipment		10.0	9.8
Total	\$	<u>88.7</u>	<u>\$ 104.9</u>

Table 3 shows fiscal year 2018 balances compared to fiscal year 2017. At the end of fiscal year 2018, the School District had \$104.9 million invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and books and educational media (amount includes construction in progress). Capital assets (net of depreciation) increased by approximately \$16.2 million. The School District invested \$21.0 million in capital asset additions during the year and recorded \$4.8 million in depreciation expense, resulting in the net increase in capital assets (net of depreciation) for fiscal year 2018.

For more information on capital assets, refer to Note 6 of the notes to the basic financial statements.

DEBT ADMINISTRATION

At June 30, 2018, the School District had \$53,101,460 in capital appreciation long-term debt outstanding; of the total, \$9,195,000 is due within one year, and \$50,000,000 in Qualified School Construction Bonds outstanding. Table 4 summarizes debt outstanding:

Table 4 Outstanding Long-Term Debt (in millions of dollars)			
		<u>2017*</u>	<u>2018</u>
Capital appreciation bonds	\$	58.0	\$ 53.1
Qualified School Construction Bonds		50.0	50.0
Unamortized premium		4.9	4.3
Net Other post-employment benefits liability		1.8	53.8
Net pension liability		28.7	19.3
Compensated absences		0.7	0.5
Total	\$	<u>144.1</u>	<u>\$ 181.0</u>
*Prior year information has not been updated for the District's implementation of GASB Statement No. 75 in fiscal year 2018.			

For more information on debt, refer to Note 7 of the notes to the basic financial statements.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The Board of Education will face many challenges over the next few school years. Despite the state of Illinois revising its distribution of dollars, there are still plans of Mandated Categorical Funds (MCATs) being combined with this new formula. The Teacher Retirement System has created a Tier III which allows for pension cost shift of 2% for those employees. The Corporate Personal Property Replacement Tax (CPPRT) funds have been reduced for the next year due to statutory changes that were not reflected in state calculations. The FY2019 budget was developed in a manner that was conservative in its revenue projections yet adequate in its expenditure allocations to instructional programs. It is being assumed that the state will in fact funnel \$300 million in additional dollars into the Evidence Based Funding formula for FY19. In conclusion, J. Sterling Morton High School District 201 has committed itself to scholastic as well as financial excellence for many years. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

The State of Illinois has instituted a program called the School District Financial Profile. It is a system used to assess a school district's financial health. The State Financial Profile uses 5 indicators to determine the financial health of each school district in the State. The 5 ratios are: 1) Fund Balance to Revenue Ratio (FBRR), 2) Expenditures to Revenue Ratio (EXRV), 3) Days Cash on Hand (DCOH), 4) Percent of Short-term Borrowing Ability Remaining (STB) and 5) Percent of Long-term Debt Remaining (LTD). Based upon these indicators a district is assigned one of 4 rankings as follows: Financial Recognition, Financial Review, Financial Early Warning or Financial Watch. The School District received the following scores and ranking:

(Table 5)
State School District Financial Profile

Indicator	Possible Score	District Score	District Ranking
FBRR	1.40	1.40	
EXRV	1.40	1.40	
DCOH	0.40	0.40	
STB	0.40	0.40	
LTD	0.40	0.10	
	4.00	3.70	Recognition

The School District's ranking remained Recognition for fiscal year 2018. The District's Days Cash on Hand (DCOH) increased from 220.37 to 220.99 days. The Fund Balance to Revenue Ratio (FBRR) slightly increased from .521 to .523. The District's Percent of Long-Term Debt Margin Remaining (LTD) is currently at 13.21 percent. With careful planning and monitoring of our finances, J. Sterling Morton High School District 201's Board of Education is committed to providing a quality education for our students and a secure financial future for the School District.

J. Sterling Morton High School District No. 201
Management's Discussion and Analysis (MD&A) - Unaudited
For the Fiscal Year Ended June 30, 2018

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Ron O'Connor, Chief Financial Officer for J. Sterling Morton High School District 201, 5801 W. Cermak Rd. Cicero, IL 60804.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

STATEMENT OF NET POSITION

AS OF JUNE 30, 2018

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 116,463,800
Receivables (net of allowance for uncollectibles):	
Property taxes	25,287,472
Replacement taxes	924,732
Intergovernmental	2,876,435
Other	28,807
Inventory	110,632
Prepays	1,041,607
Restricted investments	6,294,329
Capital assets:	
Land	13,629,003
Construction in progress	13,131,438
Depreciable buildings, property and equipment, net	<u>78,162,619</u>
Total assets	<u>257,950,874</u>
Deferred outflows of resources	
Deferred outflows related to pensions	7,118,737
Deferred outflows related to OPEB	<u>2,907,385</u>
Total deferred outflows of resources	<u>10,026,122</u>
Liabilities	
Accounts payable	12,773,786
Salaries and wages payable	86,121
Interest payable	201,875
Health claims payable	1,267,600
Long-term liabilities:	
Other long-term liabilities - due within one year	9,195,000
Other long-term liabilities - due after one year	<u>171,753,007</u>
Total liabilities	<u>195,277,389</u>
Deferred inflows of resources	
Property taxes levied for future periods	25,287,472
Deferred inflows related to pensions	8,749,918
Deferred inflows related to OPEB	<u>6,332,644</u>
Total deferred inflows of resources	<u>40,370,034</u>
Net position	
Net investment in capital assets	100,817,910
Restricted for:	
Student transportation	531,195
Debt service	6,481,573
Capital projects	1,091,277
Unrestricted	<u>(76,592,382)</u>
Total net position	<u>\$ 32,329,573</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

PROGRAM REVENUE					NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental activities					
Instruction:					
Regular programs	\$ 36,858,138	\$ 1,546,466	\$ 788,567	\$ -	\$ (34,523,105)
Special programs	15,526,182	-	5,577,261	-	(9,948,921)
Other instructional programs	6,162,096	300,179	1,190,555	-	(4,671,362)
State retirement contributions	33,159,525	-	33,260,744	-	101,219
Support Services:					
Pupils	7,994,603	-	-	-	(7,994,603)
Instructional staff	5,118,881	-	388,114	-	(4,730,767)
General administration	2,533,958	-	-	-	(2,533,958)
School administration	4,707,847	-	-	-	(4,707,847)
Business	5,230,014	670,369	3,714,685	-	(844,960)
Transportation	3,917,493	-	2,124,193	-	(1,793,300)
Operations and maintenance	15,396,214	22,248	-	2,179,387	(13,194,579)
Central	2,901,996	-	-	-	(2,901,996)
Other supporting services	1,327,796	-	-	-	(1,327,796)
Community services	343,766	-	-	-	(343,766)
Payments to other districts and gov't units - excluding special education	26,788	-	-	-	(26,788)
Interest and fees	6,204,620	-	-	-	(6,204,620)
Total governmental activities	\$ 147,409,917	\$ 2,539,262	\$ 47,044,119	\$ 2,179,387	(95,647,149)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	26,680,400
Real estate taxes, levied for specific purposes	9,514,965
Real estate taxes, levied for debt service	9,346,402
Personal property replacement taxes	5,427,267
State aid-formula grants	55,078,510
Investment income	886,992
Miscellaneous	64,426
Total general revenues	<u>106,998,962</u>

Change in net position 11,351,813

Net position, beginning of year (as restated) 20,977,760

Net position, end of year \$ 32,329,573

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2018

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 50,905,159	\$ 15,676,928	\$ 1,049,555	\$ 769,390
Receivables (net allowance for uncollectibles):				
Property taxes	14,070,323	2,979,244	621,142	1,405,741
Replacement taxes	924,732	-	-	-
Intergovernmental	2,172,018	-	531,592	-
Other	28,807	-	-	-
Loan to tort immunity/judgment fund	-	-	-	-
Inventory	110,632	-	-	-
Prepays	340,325	692,090	9,192	-
Restricted investments	-	-	-	-
Total assets	<u>\$ 68,551,996</u>	<u>\$ 19,348,262</u>	<u>\$ 2,211,481</u>	<u>\$ 2,175,131</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 956,130	\$ 10,711,561	\$ 43,873	\$ -
Salaries and wages payable	75,264	10,760	-	97
Loan from tort/immunity/judgment fund	-	-	-	-
Health claims payable	<u>1,267,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,298,994</u>	<u>10,722,321</u>	<u>43,873</u>	<u>97</u>
Deferred inflows of resources				
Property taxes levied for future periods	14,070,323	2,979,244	621,142	1,405,741
Unavailable state and federal aid receivable	497,488	-	531,195	-
Unavailable other receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>14,567,811</u>	<u>2,979,244</u>	<u>1,152,337</u>	<u>1,405,741</u>
Fund balance				
Nonspendable	450,957	692,090	9,192	-
Restricted	-	-	-	769,293
Assigned	-	4,954,607	1,006,079	-
Unassigned	<u>51,234,234</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>51,685,191</u>	<u>5,646,697</u>	<u>1,015,271</u>	<u>769,293</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 68,551,996</u>	<u>\$ 19,348,262</u>	<u>\$ 2,211,481</u>	<u>\$ 2,175,131</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 18,329	\$ 36,477,921	\$ 11,566,518	\$ 116,463,800	\$ 105,345,993
6,211,022	-	-	25,287,472	23,377,304
-	-	-	924,732	1,041,759
172,825	-	-	2,876,435	6,637,686
-	-	-	28,807	28,807
-	-	-	-	1,500,000
-	-	-	110,632	110,632
-	-	-	1,041,607	545,360
<u>6,294,329</u>	<u>-</u>	<u>-</u>	<u>6,294,329</u>	<u>6,113,027</u>
<u>\$ 12,696,505</u>	<u>\$ 36,477,921</u>	<u>\$ 11,566,518</u>	<u>\$ 153,027,814</u>	<u>\$ 144,700,568</u>

\$ 3,910	\$ 645,924	\$ 412,388	\$ 12,773,786	\$ 1,340,627
-	-	-	86,121	45,054
-	-	-	-	1,500,000
-	-	-	<u>1,267,600</u>	<u>1,030,887</u>
<u>3,910</u>	<u>645,924</u>	<u>412,388</u>	<u>14,127,507</u>	<u>3,916,568</u>

6,211,022	-	-	25,287,472	23,377,304
-	-	-	1,028,683	1,733,208
<u>172,825</u>	<u>-</u>	<u>-</u>	<u>172,825</u>	<u>158,834</u>
<u>6,383,847</u>	<u>-</u>	<u>-</u>	<u>26,488,980</u>	<u>25,269,346</u>

-	-	-	1,152,239	655,992
6,308,748	35,831,997	11,154,130	54,064,168	58,478,746
-	-	-	5,960,686	2,605,752
-	-	-	<u>51,234,234</u>	<u>53,774,164</u>
<u>6,308,748</u>	<u>35,831,997</u>	<u>11,154,130</u>	<u>112,411,327</u>	<u>115,514,654</u>
<u>\$ 12,696,505</u>	<u>\$ 36,477,921</u>	<u>\$ 11,566,518</u>	<u>\$ 153,027,814</u>	<u>\$ 144,700,568</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2018

Total fund balances - governmental funds		\$ 112,411,327
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		104,923,060
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:		
Federal interest subsidy on Qualified School Construction Bond	\$ 172,825	
State and federal aid	<u>1,028,683</u>	1,201,508
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		7,118,737
Deferred outflows of resources related to other post employment obligations do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		2,907,385
Deferred inflows of resources related to other post employment obligations do not relate to the current financial resources and are not included in the Governmental Funds Balance Sheet.		(6,332,644)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(8,749,918)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2018 are:		
Bonds payable	\$ (103,101,460)	
Unamortized bond premium	(4,254,680)	
Net OPEB liability	(53,786,827)	
Net pension liability	(19,281,682)	
Interest payable	(201,875)	
Compensated absences	<u>(523,358)</u>	(181,149,882)
Net position of governmental activities		<u>\$ 32,329,573</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 26,680,400	\$ 5,716,303	\$ 1,122,365	\$ 2,678,181
Corporate personal property replacement taxes	5,202,267	-	-	225,000
State aid	64,321,790	25,894,875	3,034,668	-
Federal aid	9,575,821	-	-	-
Investment income	556,032	(74,691)	35,734	10,704
Other	<u>2,581,440</u>	<u>22,248</u>	<u>-</u>	<u>-</u>
Total revenues	<u>108,917,750</u>	<u>31,558,735</u>	<u>4,192,767</u>	<u>2,913,885</u>
Expenditures				
Current:				
Instruction:				
Regular programs	31,833,741	-	-	363,629
Special programs	13,554,159	-	-	343,245
Other instructional programs	5,830,332	-	-	122,543
State retirement contributions	33,159,525	-	-	-
Support Services:				
Pupils	7,302,990	-	-	329,900
Instructional staff	3,959,855	-	-	113,426
General administration	2,164,268	-	-	133,065
School administration	2,527,720	-	-	137,455
Business	4,569,666	-	-	336,839
Transportation	-	-	3,779,188	6,346
Operations and maintenance	311,021	12,307,692	-	1,173,234
Central	2,646,318	-	-	120,119
Other supporting services	857,789	446,169	-	7,350
Community services	288,508	-	-	29,118
Payments to other districts and gov't units	819,814	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>1,581,223</u>	<u>15,390,871</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>111,406,929</u>	<u>28,144,732</u>	<u>3,779,188</u>	<u>3,216,269</u>
Excess (deficiency) of revenues over expenditures	<u>(2,489,179)</u>	<u>3,414,003</u>	<u>413,579</u>	<u>(302,384)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	(50,000)	-	-
Principal on bonds sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,489,179)	3,364,003	413,579	(302,384)
Fund balance, beginning of year	<u>54,174,370</u>	<u>2,282,694</u>	<u>601,692</u>	<u>1,071,677</u>
Fund balance, end of year	<u>\$ 51,685,191</u>	<u>\$ 5,646,697</u>	<u>\$ 1,015,271</u>	<u>\$ 769,293</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2018	2017
\$ 9,346,402	\$ -	\$ (1,884)	\$ 45,541,767	\$ 45,474,194
-	-	-	5,427,267	7,352,297
-	-	-	93,251,333	80,478,488
2,165,396	-	-	11,741,217	11,523,161
19,727	261,059	78,427	886,992	550,215
-	-	-	2,603,688	2,562,388
<u>11,531,525</u>	<u>261,059</u>	<u>76,543</u>	<u>159,452,264</u>	<u>147,940,743</u>
-	-	-	32,197,370	29,990,051
-	-	-	13,897,404	13,259,916
-	-	-	5,952,875	5,275,271
-	-	-	33,159,525	30,799,388
-	-	-	7,632,890	7,549,775
-	-	-	4,073,281	4,982,677
-	-	-	2,297,333	2,374,217
-	-	-	2,665,175	2,420,601
-	-	-	4,906,505	4,994,517
-	-	-	3,785,534	3,273,588
-	-	-	13,791,947	12,314,426
-	-	-	2,766,437	2,942,048
-	-	-	1,311,308	1,266,362
-	-	-	317,626	272,425
-	-	-	819,814	845,189
9,244,036	-	-	9,244,036	9,353,158
2,512,168	-	-	2,512,168	371,039
-	3,273,558	978,711	21,224,363	9,979,152
<u>11,756,204</u>	<u>3,273,558</u>	<u>978,711</u>	<u>162,555,591</u>	<u>142,263,800</u>
<u>(224,679)</u>	<u>(3,012,499)</u>	<u>(902,168)</u>	<u>(3,103,327)</u>	<u>5,676,943</u>
50,000	-	-	50,000	39,820,619
-	-	-	(50,000)	(39,820,619)
-	-	-	-	50,000,000
<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000,000</u>
(174,679)	(3,012,499)	(902,168)	(3,103,327)	55,676,943
<u>6,483,427</u>	<u>38,844,496</u>	<u>12,056,298</u>	<u>115,514,654</u>	<u>59,837,711</u>
<u>\$ 6,308,748</u>	<u>\$ 35,831,997</u>	<u>\$ 11,154,130</u>	<u>\$ 112,411,327</u>	<u>\$ 115,514,654</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds \$ (3,103,327)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense. 16,259,739

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:

Federal subsidy QSCB	\$ 13,991	
State and federal aid	<u>(704,525)</u>	(690,534)

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

Amortization of premium on bond issuances	\$ 592,205	
Repayment of bond principal	9,195,000	
Repayment of EPA loan principal	49,036	
Accretion on bonds	<u>(4,268,315)</u>	5,567,926

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Interest payable	\$ (16,342)	
Compensated absences	130,781	
Net OPEB Liability	773,267	
Net pension liability	9,402,048	
Deferred outflows of resources due to OPEB	2,559,948	
Deferred inflows of resources due to OPEB	(6,332,644)	
Deferred outflows of resources due to pensions	(4,769,838)	
Deferred inflows of resources due to pensions	<u>(8,429,211)</u>	<u>(6,681,991)</u>

Change in net position of governmental activities \$ 11,351,813

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

AGENCY FUND

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2018**

	AGENCY FUND
<hr/>	
Assets	
Cash and investments	\$ 926,733
Total assets	<u>\$ 926,733</u>
 Liabilities	
Due to student groups	\$ 926,733
Total liabilities	<u>\$ 926,733</u>

See Notes to Basic Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Sterling Morton High School District 201 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District.

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

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

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and state government aid.

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

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

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through serial bond issues or state grants.

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

Other Fund Types

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

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2017 levy resolution was approved during the December 13, 2017 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2017 and 2016 tax levies were 2.1% and 0.7%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2017 property tax levy is recognized as a receivable in fiscal 2018, net of estimated uncollectible amounts approximating 2.0% and less amounts already received. The District considers that the first installment of the 2017 levy that is received by June 30, 2018 is to be used to finance operations in fiscal 2018. The District has determined that the remaining uncollected portion of the 2017 levy is to be used to finance operations in fiscal 2019 and has been included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prepaid Items

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Assets

Capital assets, which include land, construction in process, buildings and improvements, and furniture and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	40-50 years
Land improvements	15-20 years
Furniture, equipment and vehicles	3-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2018 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Deferred Inflows of Resources

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

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, prepaid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. Currently this authority has not been delegated. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The nonspendable fund balance in the General Fund is comprised of \$110,632 for inventory and \$340,325 for prepaid items. The nonspendable balances in the Operations and Maintenance Fund and Transportation Fund were \$692,090, and \$9,192, respectively, are for prepaid items. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The committed and assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2017, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2018, expenditures exceeded budget in the Educational Accounts of the General Fund, Debt Service Fund, Operations and Maintenance Fund, and Transportation Fund by \$3,188,735, \$2,374,886, \$14,334,921, and \$404,338, respectively, and were funded by available financial resources.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agency Employers and Agent Multiple-Employer Plans*, for OPEB. This standard was implemented July 1, 2017.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	Government- wide	Fiduciary	Total
Cash and investments	\$ 116,463,800	\$ 926,733	\$ 117,390,533
Restricted cash and investments	<u>6,294,329</u>	<u>-</u>	<u>6,294,329</u>
Total	<u>\$ 122,758,129</u>	<u>\$ 926,733</u>	<u>\$ 123,684,862</u>

The restricted cash and investments represents holdings at The Bank of New York Mellon and are invested in the JP Morgan 100% US Treasury Capital Money Market Fund. These funds are restricted for repayment of the District's 2004B, 2004C, 2005B and 2005C Capital Appreciation Bonds.

For disclosure purposes, this amount is segregated into the following components:

	Cash and investments
Cash on hand	\$ 7,500
Deposits with financial institutions	43,172,865
Money market mutual fund	2,889,403
ISDLAF+	14,166,183
Other investments	<u>63,448,911</u>
Total	<u>\$ 123,684,862</u>

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's investments subject to fair value measurement are categorized in the below table based upon the valuation methodology utilized at year end.

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable certificate of deposit	\$ -	\$ 247,919	\$ -	\$ 247,919
FNMA	-	6,453,565	-	6,453,565
FHLMC	-	7,940,205	-	7,940,205
FFCB	-	2,961,700	-	2,961,700
FHLB	-	2,717,378	-	2,717,378
Commercial paper	-	16,147,442	-	16,147,442
Municipal bonds	<u>-</u>	<u>26,980,702</u>	<u>-</u>	<u>26,980,702</u>
Total	<u>\$ -</u>	<u>\$ 63,448,911</u>	<u>\$ -</u>	<u>\$ 63,448,911</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

At year end, the District had the following investments subject to interest rate risk:

	<i>Fair Value</i>	<i>Investment Maturity (In Years)</i>			
		<i>Less than one</i>	<i>1-5</i>	<i>5-10</i>	<i>More than 10</i>
Negotiable certificate of deposit	\$ 247,919	\$ 247,919	\$ -	\$ -	\$ -
FNMA	6,453,565	5,966,935	486,630	-	-
FHLMC	7,940,205	4,494,450	3,445,755	-	-
FFCB	2,961,700	1,989,440	972,260	-	-
FHLB	2,717,378	1,001,413	981,380	734,585	-
Commercial paper	16,147,442	16,147,442	-	-	-
Municipal bonds	26,980,702	17,795,505	9,185,197	-	-
Total	<u>\$ 63,448,911</u>	<u>\$ 47,643,104</u>	<u>\$ 15,071,222</u>	<u>\$ 734,585</u>	<u>\$ -</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). Ratings for the negotiable certificates of deposit were unavailable. The Municipal Bonds held by the District at year end ranged from being rated between AA- and AAA by Standard and Poor and Aaa - A2 by Moody's.

The JP Morgan 100% US Treasury Capital Money Market Fund invests solely in debt securities of the US Treasury, including Treasury bills, bonds and notes. These investments carry different interest rates, maturities and issue dates. The JP Morgan US Treasury Capital Money Market Fund is rated AAAM by Standard and Poor and Aaa-mf by Moody's investment rating agencies.

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

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following investments exceed 5% of the District's total portfolio of investment subject to concentration of credit risk: Federal Home Loan Mortgage Corporation Discount Note - 11.97%, Federal National Mortgage Association Note - 9.73%, JP Morgan Securities DISC Commercial Paper - 5.37%, Toyota Motor Credit Commercial Paper 14.46%, Cook County IL 099 Cicero Municipal Bonds - 6.02%, New York NY Transitional Fin Municipal Bonds - 5.84%.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2018, the bank balance of the District's deposit with financial institutions totaled \$44,965,897; of this amount, \$4,251,297 was uncollateralized and uninsured.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

NOTE 5 - INTERFUND TRANSFERS

During the year, the Board transferred \$50,000 from the Operations and Maintenance Fund to the Debt Service Fund for payment of interest and principal for the EPA loan.

State law allows for the above transfers.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2018, was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 13,629,003	\$ -	\$ -	\$ 13,629,003
Construction in progress	374,705	13,131,438	374,705	13,131,438
Total capital assets not being depreciated	14,003,708	13,131,438	374,705	26,760,441
<u>Capital assets being depreciated:</u>				
Land improvements	1,227,692	59,320	-	1,287,012
Buildings	90,227,934	2,825,667	-	93,053,601
Building improvements	9,935,673	3,564,703	-	13,500,376
Equipment	31,560,302	1,802,192	-	33,362,494
Total capital assets being depreciated	132,951,601	8,251,882	-	141,203,483
<u>Less Accumulated Depreciation for:</u>				
Land improvements	141,296	70,159	-	211,455
Buildings	34,123,297	2,024,004	-	36,147,301
Building improvements	2,410,264	737,125	-	3,147,389
Equipment	21,617,131	1,917,588	-	23,534,719
Total accumulated depreciation	58,291,988	4,748,876	-	63,040,864
Net capital assets being depreciated	74,659,613	3,503,006	-	78,162,619
Net governmental activities capital assets	<u>\$ 88,663,321</u>	<u>\$ 16,634,444</u>	<u>\$ 374,705</u>	<u>\$ 104,923,060</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 6 - CAPITAL ASSETS - (CONTINUED)

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 3,229,236
Special programs	379,910
Pupils	23,744
Instructional staff	47,489
General administration	23,744
School administration	47,489
Business	23,744
Transportation	142,466
Operations and maintenance	783,565
Central	47,489
Total depreciation expense - governmental activities	<u>\$ 4,748,876</u>

NOTE 7 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2018:

	<i>Beginning Balance (as restated)</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000	\$ -
Capital appreciation bonds	58,028,145	4,268,315	9,195,000	53,101,460	9,195,000
Unamortized premium	<u>4,846,885</u>	<u>-</u>	<u>592,205</u>	<u>4,254,680</u>	<u>-</u>
Total bonds payable	<u>112,875,030</u>	<u>4,268,315</u>	<u>9,787,205</u>	<u>107,356,140</u>	<u>9,195,000</u>
Net Pension Liability	28,683,730	-	9,402,048	19,281,682	-
Net OPEB Liability	54,560,094	409,506	1,182,773	53,786,827	-
EPA Loans	49,036	-	49,036	-	-
Compensated absences	<u>654,139</u>	<u>30,528</u>	<u>161,309</u>	<u>523,358</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 196,822,029</u>	<u>\$ 4,708,349</u>	<u>\$ 20,582,371</u>	<u>\$ 180,948,007</u>	<u>\$ 9,195,000</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

The net pension liability will be repaid from the Illinois Municipal Retirement/Social Security Fund and the General Fund. The obligations for the compensated absences and total OPEB Liability will be repaid from the General Fund.

In April 2017, the District issued its Taxable General Obligation Limited Tax School Bonds, in the amount of \$50,000,000 to increase the working cash fund of the District, such funds to be used to finance improvements to facilities of the District, provide funds to make school fire prevention and safety improvements to facilities of the District, and to pay costs associated with the issuance of the Bonds. The bonds were issued in connection with the Qualified School Construction Bonds - Direct Subsidy, whereby interest payments are due semi-annually at a rate of 4.845% which is subsidized by the Federal government at a rate of 4.46%, less a 7% sequestration reduction factor throughout the life of the bonds. There is no guarantee of the amount of the subsidy the District will receive in the future.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<i>Purpose</i>	<i>Interest Rates</i>	<i>Original Indebtedness</i>	<i>Face Amount</i>	<i>Carrying Amount</i>
Series 2004B Capital Appreciation Limited Tax School Bonds dated February 19, 2004 are due in annual installments through December 1, 2020	4.8% - 5.0%	\$ 5,638,957	\$ 12,660,000	\$ 11,731,622
Series 2004C Capital Appreciation Limited Tax School Bonds dated February 19, 2004 are due in annual installments through December 1, 2018	4.8% - 6.0%	24,238,841	3,700,000	3,595,098
Series 2005B Capital Appreciation Limited Tax School Bonds dated November 17, 2005 are due in annual installments through December 1, 2024	5.3% - 5.8%	18,500,926	44,960,000	31,656,865
Series 2005C Capital Appreciation Limited Tax School Bonds dated December 1, 2005 are due in annual installments through December 1, 2025	5.0%	2,035,598	11,560,000	6,117,875
Series 2017 Qualified School Construction Bonds dated December 1, 2017 are due on December 1, 2041	4.845%	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Total		<u>\$ 100,414,322</u>	<u>\$ 122,880,000</u>	<u>\$ 103,101,460</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 - LONG TERM LIABILITIES - (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019	\$ 9,195,000	\$ 2,422,500	\$ 11,617,500
2020	9,195,000	2,422,500	11,617,500
2021	9,195,000	2,422,500	11,617,500
2022	9,195,000	2,422,500	11,617,500
2023	9,195,000	2,422,500	11,617,500
2024 - 2028	26,905,000	12,112,500	39,017,500
2029 - 2033	-	12,112,500	12,112,500
2034 - 2038	-	12,112,500	12,112,500
2039 - 2042	<u>50,000,000</u>	<u>8,478,750</u>	<u>58,478,750</u>
Total	<u>\$ 122,880,000</u>	<u>\$ 56,928,750</u>	<u>\$ 179,808,750</u>

	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>	<i>Sinking Fund Activity**</i>	<i>Total Cash Requirements</i>
2019	\$ 9,195,000	\$ 2,422,500	\$ 11,617,500	\$ 1,030,000	\$ 12,647,500
2020	9,195,000	2,422,500	11,617,500	1,030,000	12,647,500
2021	9,195,000	2,422,500	11,617,500	1,030,000	12,647,500
2022	9,195,000	2,422,500	11,617,500	1,030,000	12,647,500
2023	9,195,000	2,422,500	11,617,500	400,000	12,017,500
2024 - 2028	26,905,000	12,112,500	39,017,500	5,905,000	44,922,500
2029 - 2033	-	12,112,500	12,112,500	10,075,000	22,187,500
2034 - 2038	-	12,112,500	12,112,500	10,075,000	22,187,500
2039 - 2042	<u>50,000,000</u>	<u>8,478,750</u>	<u>58,478,750</u>	<u>(30,575,000)</u>	<u>27,903,750</u>
Total	<u>\$ 122,880,000</u>	<u>\$ 56,928,750</u>	<u>\$ 179,808,750</u>	<u>\$ -</u>	<u>\$ 179,808,750</u>

** Final coupon rate is 4.845%. Sinking fund earnings assumed an investment rate of 2.29%. The final Sinking Fund Payment will be adjusted based on the amount of Sinking Fund earnings then existing in the Sinking Fund account, in an amount sufficient to make the interest payment due on that date.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was \$118,805,790, providing a debt margin of \$49,053,146.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pool: Collective Liability Insurance Cooperative (CLIC) for general liability, workers compensation and other. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 - RISK MANAGEMENT - (CONTINUED)

The District is self-insured for medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$125,000 per employee on the HMO plan or \$175,000 per employee on the PPO plan. The District's liability will not exceed \$3,542,573 in the aggregate for the HMO plan or \$6,868,321 in the aggregate for the PPO plan, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2018, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,267,600. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2017 and June 30, 2018, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<i>Claims Payable Beginning of Year</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>Claims Payable End of Year</i>
Fiscal Year 2017	\$ 966,480	\$ 8,489,303	\$ 8,424,896	\$ 1,030,887
Fiscal Year 2018	\$ 1,030,887	\$ 8,714,627	\$ 8,477,914	\$ 1,267,600

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

Plan Description. The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that 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 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."

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

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.18% of pay during the year ended June 30, 2018. State of Illinois contributions were \$503,739, and the District recognized revenues and expenditures of this amount during the year.

Contributions. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.88% during the year ended June 30, 2018. 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. For the year ended June 30, 2018, the District paid \$375,670 to the THIS Fund, which was 100 percent of the required contribution for the year.

THIS Fiduciary Net Position. Detailed information about the THIS Fund's fiduciary net position as of June 30, 2017 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability. At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 46,656,514
State's proportionate share of the collective net OPEB liability associated with the District	<u>61,271,596</u>
Total	<u>\$ 107,928,110</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017 and 2016, the District's proportion was 0.179797% and 0.169181%, respectively.

Actuarial Assumptions. The net OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	3.25% to 9.25%
Investment Rate of Return	0.00%
Healthcare Cost Trend Rates - Initial	Non-Medicare - 8.00%; Post-Medicare - 9.00%
Healthcare Cost Trend Rates - Ultimate	4.50% with additional 0.59% added to non-Medicare costs
Fiscal Year the Ultimate Rate is Reached	2020

Mortality rates were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Discount Rate. At June 30, 2017, the discount rate used to measure the total OPEB liability was a blended rate of 3.56%, which was a change from the June 30, 2016 rate of 2.85%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	<u>\$ 55,987,577</u>	<u>\$ 46,656,514</u>	<u>\$ 39,190,192</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 4.09%) for non-Medicare coverage and initial rate of 8.00% decreasing to an ultimate rate of 3.50% for Medicare coverage) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 6.09%) for non-Medicare coverage and initial rate of 10.00% decreasing to an ultimate rate of 5.50% for Medicare coverage) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 37,656,589</u>	<u>\$ 46,656,514</u>	<u>\$ 59,574,394</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2018, the District recognized OPEB expense of \$3,530,397 and on-behalf revenue and expenditures of \$503,739 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 26,426
Changes in Assumptions	-	5,555,074
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	513
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,488,655	-
District Contributions Subsequent to the Measurement Date	<u>375,670</u>	<u>-</u>
Total	<u>\$ 2,864,325</u>	<u>\$ 5,582,013</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$3,093,358) will be recognized in OPEB expense as follows in these reporting years:

<i>Year Ending June 30,</i>	<i>Amount</i>
2019	\$ (475,219)
2020	(475,219)
2021	(475,219)
2022	(475,220)
2023	(475,091)
Thereafter	<u>(717,390)</u>
Total	<u>\$ (3,093,358)</u>

Retirees' Health Plan

Plan Description. The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The plan provides health insurance contributions for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retirees' Health Plan does not issue a publicly available financial report.

Contributions and Benefits Provided. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union. The following is a summary of the eligibility plan provisions.

Eligibility Provisions

Certified Teachers & Administrators

Employees retiring on or before June 30, 2008 must be age 55 or older and have at least 15 years of service at District 201 at retirement.

Employees retiring after June 30, 2008 must have 20 years of continuous employment with 3 consecutive years at District 201 immediately preceding retirement.

Employees retiring after June 30, 2014 must have 20 years of continuous employment with 3 consecutive years at District 20 immediately preceding retirement.

In addition, employees must also meet the Teachers' Retirement System ("TRS") requirements for participation in the TRS retirement program:

Tier I Members (First Contributed Prior to January 1, 2011)

- Age 62 with 5 years of service; or
- Age 60 with 10 years of service; or
- Age 55 with 20 years of service (reduced pension); or
- Age 55 with 35 years of service (full pension)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Tier II Members (First Contributed On or After January 1, 2011)

- 62 years old with 10 years of service (reduced pension)
- 67 years old with 10 years of service (full pension)

Clerical Union

Employees must have 20 or more years of service with District and satisfy IMRF eligibility requirements:

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (First Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

Custodial / Maintenance Union, Security Union, Teaching Assistants' Union

Employees must be age 55 or older and have at least 15 years of service at District 201 at retirement. Employees must also satisfy IMRF eligibility requirements.

Medical & Dental Coverage

Certified Teachers & Administrators

For employees retiring under the Collective Bargaining Agreement dated June 30, 2013, the District pays 100% of the single and spouse cost for coverage in the District plan for a maximum of 5 years after retirement.

For employees retiring under the Collective Bargaining Agreement date June 30, 2014, the District pays for employees electing to continue coverage into retirement on the District plan at the same amount as actives with the same coverage:

- 100% of single cost for coverage for up to 5 years
- For up to 5 years, 92% of the family coverage

For employees retiring under the Collective Bargaining Agreement date June 30, 2017, the Board will pay 45% of T.R.I.P. plan through Teachers' Retirement System for the retiree (single or dependent) for 5 years or until Medicare eligible, whichever comes first.

According to the Certified Teachers Collective Bargaining Agreement dated June 30, 2013, Teachers are allowed to remain on the group health insurance plan if they retire before age 65 and have an option up to age 65 to retain health insurance under the District group plan at no cost to the Board. Premiums shall be paid one year in advance.

According to the Administrator's contract with the District, Administrators remain on the group health plan until attaining Medicare eligibility by paying their portion of the monthly premiums. The monthly premiums are the same as an active Teacher. Coverage terminates upon unpaid premiums or the attainment of Medicare eligibility.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Clerical Union

The Clerical Retirement Agreement dated June 30, 2014 provides for medical and dental insurance based upon years of service with the District:

- Less than 15 years of service: 50% of the single and spouse cost for coverage up to Medicare eligibility
- Between 15 and 20 years of service: 100% of the single and spouse cost for up to 3 years; 50% thereafter up to Medicare eligibility
- 20 or more years of service: 100% of the single and spouse cost for coverage for up to 5 years; 50% thereafter up to Medicare eligibility

The Clerical Retirement Agreement dated June 30, 2017 provides for medical as follows:

Employees with 20 or more years of service to District 201 will receive the dollar equivalent of 45% of the cost of health insurance under the Teachers' Retirement Insurance Plan (TRIP) on an annual basis which will be reimbursed to the employee after proof of payment to an insurance carrier of the retiree's choosing other than the District health insurance plan. This benefit will continue for 5 years or when the employee is Medicare eligible, whichever first occurs.

Custodial / Maintenance Union

The Custodian Collective Bargaining Agreement dated June 30, 2014 provide for medical and dental based upon years of service with the District.

- Between 15 and 20 years of service: 100% of the single and spouse cost for up to 3 years; 50% thereafter up to Medicare eligibility
- Between 21 and 25 years of service: 100% of the single and spouse cost for up to 5 years; 50% thereafter up to Medicare eligibility
- Between 26 and 30 years of service: 100% of the single and spouse cost for up to 7 years; 50% thereafter up to Medicare eligibility
- 31 or more years of service: 100% of the single and spouse cost up to Medicare eligibility

The Custodial Collective Bargaining Agreement dated June 30, 2019 provides for medical as follows:

Employees with 15 or more years of service to District 201 will receive the dollar equivalent of 45% of the cost of health insurance under the Teachers' Retirement Insurance Plan (TRIP) on an annual basis which will be reimbursed to the employee after proof of payment to an insurance carrier of the retiree's choosing other than the District health insurance plan. This benefit will continue for 5 years or when the employee is Medicare eligible, whichever first occurs.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Teaching Assistants' Union

Employees Hired ON or AFTER July 1, 2013

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan. The retiree shall be responsible for 100% of the insurance premium for the plan he/she chooses. Access to a District Health Insurance Plan shall terminate upon the individual becoming eligible for Medicare. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

Employees hired ON or AFTER July 1, 1998, but ON or BEFORE June 30, 2013

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan --- single coverage. The District shall pay 50% of the single insurance premium until the individual is eligible for Medicare. If the retiree chooses family insurance, he/she must demonstrate that his/her spouse is NOT eligible for insurance via his/her employer and/or eligible for Medicare AND the retiree must pay 100% of the difference between the single and family insurance plan premium in addition to the portion of the single insurance plan premium for which the retiree is responsible. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

Employees hired ON or BEFORE July 1, 1998

Upon retirement from the District, if an employee has at least 15 years of service to the District, he/she shall have access to a District Health Insurance Plan --- single coverage. The District shall pay 80% of the single insurance premium until the individual is eligible for Medicare. If the retiree chooses family insurance, he/she must demonstrate that his/her spouse is NOT eligible for insurance via his/her employer and/or eligible for Medicare AND the retiree must pay 100% of the difference between the single and family insurance plan premium in addition to the portion of the single insurance plan premium for which the retiree is responsible. Any access to a District Health Insurance Plan shall be subject to all applicable federal and state laws.

The Teaching Assistants' Collective Bargaining Agreement dated July 1, 2018 does not provide for medical coverage. However; being a retiree under IMRF, the retiree may elect to stay on the employer's plan by paying full cost of the premium until Medicare eligible.

Employees Covered by Benefit Terms. At June 30, 2018, the actuarial valuation date, the following employees were covered by the benefit terms:

Retired Plan Members	37
Active Employees Not Yet Eligible	716
Active Employees Fully Eligible	-
Total	<u>753</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Total OPEB Liability. The District's total OPEB liability of \$7,130,313 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Inflation	3.00%
Election at Retirement (Certified Teachers & Administrators, Clerical Employees, Custodial & Maintenance Employees)	100.00%
Election at Retirement (All other Employees)	20.00%
Discount Rate	2.98%
Healthcare Cost Trend Rate - Initial (PPO)	6.50%
Healthcare Cost Trend Rate - Initial (HMO)	5.50%
Healthcare Cost Trend Rate - Initial (TRIP)	5.00%
Healthcare Cost Trend Rate - Initial (Dental)	2.00%
Healthcare Cost Trend Rate - Ultimate (PPO)	5.00%
Healthcare Cost Trend Rate - Ultimate (HMO)	4.50%
Healthcare Cost Trend Rate - Ultimate (TRIP & Dental)	Constant Trend Rate
Fiscal Year the Ultimate Rate is Reached	2028

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

Mortality rates were based on the December 31, 2017 IMRF Actuarial Valuation Report for IMRF employees and retirees and the June 30, 2017 Teachers' Retirement System Actuarial Valuation Report for TRS employees and retirees.

The actuarial assumptions used in the June 30, 2018 valuation were based on assumptions about future events.

Changes in Total OPEB Liability. The District's changes in total OPEB liability for the year ended June 30, 2018 was as follows:

	<i>Total OPEB Liability</i>
Balance at June 30, June 30, 2017	\$ 8,313,086
Service Cost	256,038
Interest	234,569
Differences Between Expected and Actual Experience	(246,451)
Changes in Assumptions and Other Inputs	(329,894)
Benefit Payments	(883,290)
Other changes	<u>(213,744)</u>
Net Changes	<u>(1,182,772)</u>
Balance at June 30, 2018	<u><u>\$ 7,130,314</u></u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 7,510,244</u>	<u>\$ 7,130,314</u>	<u>\$ 6,772,012</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 6,646,688</u>	<u>\$ 7,130,314</u>	<u>\$ 7,692,981</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2018, the District recognized OPEB expense of \$408,089. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 220,771
Assumption Changes	<u>43,060</u>	<u>529,920</u>
Total	<u>\$ 43,060</u>	<u>\$ 750,691</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the total OPEB liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB (\$ (707,631)) will be recognized in OPEB expense as follows:

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$ (707,631)) will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2019	\$ (82,518)
2020	(82,518)
2021	(82,518)
2022	(82,518)
2023	(82,518)
Thereafter	<u>(295,041)</u>
Total	<u>\$ (707,631)</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

NOTE 10 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System

Plan Description. The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/financial-reports>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier 2* annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2018, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$32,655,786 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were \$301,050, and are deferred because they were paid after the June 30, 2017 measurement date.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018. Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2018, the District pension contribution was 10.10 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2018, were \$91,438. The District contributed \$93,312. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 16,838,124
State's proportionate share of the collective net pension liability associated with the District	<u>331,816,459</u>
Total	<u>\$ 348,654,583</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017 and 2016, the District's proportion was 0.02203997 percent and 0.02295532 percent, respectively.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2017 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.50%.

Mortality. Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 valuation.

Long-Term Expected Real 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 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:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
U.S. equities large cap	14.40 %	6.94 %
U.S. equities small/mid cap	3.60 %	8.09 %
International equities developed	14.40 %	7.46 %
Emerging market equities	3.60 %	10.15 %
U.S. bonds core	10.70 %	2.44 %
International debt developed	5.30 %	1.70 %
Real estate	15.00 %	5.44 %
Commodities (real return)	11.00 %	4.28 %
Hedge funds (absolute return)	8.00 %	4.16 %
Private equity	14.00 %	10.63 %

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, 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, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* 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. All projected future payments were covered, so the 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, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by *Tier 2* were not sufficient to cover all projected benefit payments.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	<u>\$ 20,687,834</u>	<u>\$ 16,838,124</u>	<u>\$ 13,684,890</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2018, the District recognized pension expense of \$2,486,962 and on-behalf revenue of \$32,655,786 for support provided by the state. At June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 182,881	\$ 7,772
Net difference between projected and actual earnings on pension plan investments	11,551	-
Assumption changes	1,123,824	483,849
Changes in proportion and differences between District contributions and proportionate share of contributions	1,834,183	511,639
District contributions subsequent to the measurement date	<u>371,534</u>	<u>-</u>
Total	<u>\$ 3,523,973</u>	<u>\$ 1,003,260</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$2,149,179) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2019	\$ 1,103,160
2020	1,095,214
2021	224,020
2022	(242,449)
2023	<u>(30,766)</u>
Total	<u>\$ 2,149,179</u>

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 pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Plan Membership. At December 31, 2017, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	294
Inactive, non-retired members	349
Active members	360
Total	<u>1,003</u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2017 was 11.54 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2017 annual actuarial valuation included (a) 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real 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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00 %	8.30 %	6.85 %
International equities	18.00 %	8.45 %	6.75 %
Fixed income	28.00 %	3.05 %	3.00 %
Real estate	9.00 %	6.90 %	5.75 %
Alternatives	7.00 %		
Private equity		12.45 %	7.35 %
Hedge funds		5.35 %	5.05 %
Commodities		4.25 %	2.65 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 83,318,017	\$ 74,377,917	\$ 66,979,280
Plan fiduciary net position	71,934,359	71,934,359	71,934,359
Net pension liability/(asset)	<u>\$ 11,383,658</u>	<u>\$ 2,443,558</u>	<u>\$ (4,955,079)</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2017 was as follows:

	<i>Increase (Decrease)</i>	
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>
	<i>(a)</i>	<i>(b)</i>
		<i>Net Pension Liability/(Asset)</i>
		<i>(a) - (b)</i>
Balances at December 31, 2016	\$ 74,719,132	\$ 64,155,424
Service cost	1,466,220	-
Interest on total pension liability	5,499,547	-
Differences between expected and actual experience of the total pension liability	(631,383)	-
Change of assumptions	(2,425,701)	-
Benefit payments, including refunds of employee contributions	(4,249,898)	(4,249,898)
Contributions - employer	-	1,505,670
Contributions - employee	-	625,531
Net investment income	-	11,473,376
Other (net transfer)	-	(1,575,744)
	<u>\$ 74,377,917</u>	<u>\$ 71,934,359</u>
Balances at December 31, 2017		<u>\$ 2,443,558</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2018, the District recognized pension expense of \$3,116,633. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 708,511	\$ 459,662
Assumption changes	17,901	1,846,787
Net difference between projected and actual earnings on pension plan investments	2,083,749	5,440,209
Contributions subsequent to the measurement date	<u>784,603</u>	<u>-</u>
Total	<u>\$ 3,594,764</u>	<u>\$ 7,746,658</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$ (4,936,497)) will be recognized in pension expense as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2018	\$ (619,074)
2019	(1,100,190)
2020	(1,857,180)
2021	<u>(1,360,053)</u>
Total	<u>\$ (4,936,497)</u>

NOTE 11 - CONSTRUCTION COMMITMENTS

As of June 30, 2018, the District is committed to approximately \$53,372,766 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 12 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

NOTE 13 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 75. The restatement is necessary to record the prior year net OPEB liability.

	<i>Governmental Activities</i>
Net position as previously reported, June 30, 2017	\$ 73,403,398
Adjustment to record the net OPEB liability as of June 30, 2017 for THIS	(46,247,008)
Adjustment to record deferred outflows of resources related to OPEB as of June 30, 2017 for THIS	347,437
Adjustment to record the net OPEB liability as of June 30, 2017 for the District's plan	(8,313,086)
Adjustment to remove the OPEB obligation reported as of June 30, 2017	<u>1,787,019</u>
Net position as restated, June 30, 2017	<u>\$ 20,977,760</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

NOTE 14 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 83, *Asset Retirement Obligations*, GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 85, *Omnibus 2017*, GASB Statement No. 86, *Certain Debt Extinguishment Issues*, GASB Statement No. 87, *Leases*, GASB Statement No. 88, *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and GASB Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. Application of these standards may restate portions of these financial statements.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 1,466,220	\$ 1,398,793	\$ 1,376,234	\$ 1,497,870
Interest	5,499,547	5,234,751	4,972,352	4,656,933
Differences between expected and actual experience	(631,383)	1,016,026	1,116,133	(788,111)
Changes of assumptions	(2,425,701)	(174,298)	84,159	2,675,593
Benefit payments, including refunds of member contributions	<u>(4,249,898)</u>	<u>(4,080,097)</u>	<u>(3,846,691)</u>	<u>(3,528,043)</u>
Net change in total pension liability	(341,215)	3,395,175	3,702,187	4,514,242
Total pension liability - beginning	<u>74,719,132</u>	<u>71,323,957</u>	<u>67,621,770</u>	<u>63,107,528</u>
Total pension liability - ending (a)	<u><u>\$ 74,377,917</u></u>	<u><u>\$ 74,719,132</u></u>	<u><u>\$ 71,323,957</u></u>	<u><u>\$ 67,621,770</u></u>
Plan fiduciary net position				
Employer contributions	\$ 1,505,670	\$ 1,581,981	\$ 1,599,287	\$ 1,487,656
Employee contributions	625,531	606,604	604,868	575,577
Net investment income	11,473,376	4,222,491	305,140	3,603,786
Benefit payments, including refunds of member contributions	(4,249,898)	(4,080,097)	(3,846,691)	(3,528,043)
Other (net transfer)	<u>(1,575,744)</u>	<u>411,562</u>	<u>901,102</u>	<u>(100,662)</u>
Net change in plan fiduciary net position	7,778,935	2,742,541	(436,294)	2,038,314
Plan fiduciary net position - beginning	<u>64,155,424</u>	<u>61,412,883</u>	<u>61,849,177</u>	<u>59,810,863</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 71,934,359</u></u>	<u><u>\$ 64,155,424</u></u>	<u><u>\$ 61,412,883</u></u>	<u><u>\$ 61,849,177</u></u>
Employer's net pension liability - ending (a) - (b)	<u><u>\$ 2,443,558</u></u>	<u><u>\$ 10,563,708</u></u>	<u><u>\$ 9,911,074</u></u>	<u><u>\$ 5,772,593</u></u>
Plan fiduciary net position as a percentage of the total pension liability	96.71%	85.86%	86.10%	91.46%
Covered-employee payroll	\$ 13,047,398	\$ 13,316,346	\$ 12,813,680	\$ 12,113,794
Employer's net pension liability as a percentage of covered-employee payroll	18.73%	79.33%	77.35%	47.65%

Notes to Schedule:

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

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF DISTRICT CONTRIBUTIONS Four Most Recent Fiscal Years

	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,505,670	\$ 1,581,982	\$ 1,533,797	\$ 1,466,980
Contributions in relation to the actuarially determined contribution	(1,505,670)	(1,581,981)	(1,599,287)	(1,487,656)
Contribution deficiency (excess)	\$ -	\$ 1	\$ (65,490)	\$ (20,676)
Covered-employee payroll	\$ 13,047,398	\$ 13,316,346	\$ 12,813,680	\$ 12,113,794
Contributions as a percentage of covered-employee payroll	11.54%	11.88%	12.48%	12.28%

Notes to Schedule:

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

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 year closed period
Asset valuation method	5-Year Smoothed Market, 20% corridor
Inflation	2.75% -- approximate
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
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE

OF THE COLLECTIVE NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS

Four Most Recent Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0220399653%	0.0229553199%	0.0225832234%	0.0164412830%
District's proportionate share of the net pension liability	\$ 16,838,124	\$ 18,120,022	\$ 14,794,286	\$ 10,005,881
State's proportionate share of the net pension liability	<u>331,816,459</u>	<u>308,907,911</u>	<u>228,260,631</u>	<u>275,578,370</u>
Total net pension liability	<u>\$ 348,654,583</u>	<u>\$ 327,027,933</u>	<u>\$ 243,054,917</u>	<u>\$ 285,584,251</u>
Covered-employee payroll	\$ 41,316,776	\$ 39,425,189	\$ 37,300,609	\$ 38,072,544
District's proportionate share of the net pension liability as a percentage of covered payroll	40.75%	45.96%	39.66%	26.28%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%
Contractually required contribution	\$ 339,039	\$ 932,495	\$ 820,487	\$ 781,251
Contributions in relation to the contractually required contribution	<u>(454,586)</u>	<u>(1,028,260)</u>	<u>(933,110)</u>	<u>(865,234)</u>
Contribution deficiency (excess)	<u>\$ (115,547)</u>	<u>\$ (95,765)</u>	<u>\$ (112,623)</u>	<u>\$ (83,983)</u>
Covered-employee payroll	\$ 42,689,785	\$ 41,316,776	\$ 39,425,189	\$ 37,300,609
Contributions as a percentage of covered employee payroll	1.0649%	2.4887%	2.3668%	2.3196%

Notes to Schedule:

The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.50%	7.50%
Municipal bond index	3.58%	2.85%	3.73%	N/A
Single equivalent discount rate	7.00%	6.83%	7.47%	7.50%
Inflation rate	3.00%	2.50%	3.00%	3.00%
Projected salary increases	3.75% to 9.75% composite	3.25% to 9.25% varying by service	3.75% to 9.75% varying by service	5.75%

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
RETIREEES' HEALTH PLAN
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
AND RELATED RATIOS
Most Recent Fiscal Year

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 256,038
Interest	234,569
Difference between expected and actual experience	(246,451)
Changes of assumptions	(329,894)
Benefit payments, including refunds of member contributions	(883,290)
Other changes	<u>(213,744)</u>
Net change in total OPEB liability	(1,182,772)
Total OPEB liability - beginning	<u>8,313,086</u>
Total OPEB liability - ending	<u><u>\$ 7,130,314</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%
 Covered-employee payroll	 \$ 56,531,694
 District's total OPEB liability as a percentage of covered-employee payroll	 12.61%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

RETIREES' HEALTH PLAN SCHEDULE OF DISTRICT CONTRIBUTIONS Most Recent Fiscal Year

	<u>2018</u>
Actuarially determined contribution	N/A
Contributions in relation to the actuarially determined contribution	<u>N/A</u>
Contribution deficiency (excess)	<u>N/A</u>
Covered-employee payroll	\$ 56,531,694
Contributions as a percentage of covered-employee payroll	0.00%

Notes to Schedule:

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

There is no ADC or employer contribution in relation to ADC, as the total OPEB liability is currently an unfunded obligation. However, the District did make contributions from other District resources in the current year in the amount of \$883,290.

Valuation date:

Actuary valuations are as of June 30 of the fiscal year in which the net OPEB liability is reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Straight line
Remaining amortization period	9 years
Asset valuation method	Market value
Election at retirement	Certified Staff - 100%
	Clerical Employees - 100%
	Custodial & Maintenance Employees - 100%
	Other Employees - 20%
Salary increases	4.00%
Investment rate of return	N/A
Healthcare cost trend rate - initial	6.50% PPO, 5.50% HMO, 5.00% TRIP, 2.00% Dental
Healthcare cost trend rate - ultimate	5.00% PPO, 4.50% HMO, Constant trend rate for TRIP and Dental
Mortality	RP-2014 Employee Mortality Table, adjusted to match current IMRF experience

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
TEACHERS' HEALTH INSURANCE SECURITY FUND
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE COLLECTIVE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS
Most Recent Fiscal Year

	<u>2018</u>
District's proportion of the net OPEB liability	0.1797968936%
District's proportionate share of the net OPEB liability	\$ 46,656,514
State's proportionate share of the net OPEB liability	<u>61,271,596</u>
Total net OPEB liability	<u>\$ 107,928,110</u>
Covered-employee payroll	\$ 41,316,776
District's proportionate share of the net OPEB liability as a percentage of covered payroll	112.92%
Plan fiduciary net position as a percentage of the total pension liability	-0.17%
Contractually required contribution	\$ 375,670
Contributions in relation to the contractually required contribution	<u>(362,131)</u>
Contribution deficiency (excess)	<u>\$ 13,539</u>
Covered-employee payroll	\$ 41,316,776
Contributions as a percentage of covered employee payroll	0.8765%

Notes to Schedule:

The District implemented GASB 68 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	0.00%
Municipal bond index	3.56%
Single equivalent discount rate	3.56%
Inflation rate	2.75%
Healthcare cost trend rates - initial	Medicare - 8.00%
	Non-Medicare - 9.00%
Healthcare cost trend rates - ultimate	4.50%
Mortality	RP-2014 Tables

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 25,582,892	\$ 26,272,283	\$ 689,391	\$ 26,082,971
Special education levy	421,219	408,117	(13,102)	411,494
Corporate personal property replacement taxes	5,000,000	5,202,267	202,267	6,752,297
Summer school - tuition from pupils or parents (in state)	130,000	90,278	(39,722)	94,398
Adult tuition from pupils or parents (In State)	260,000	208,326	(51,674)	269,479
Investment income	650,000	556,032	(93,968)	518,314
Sales to pupils - lunch	181,851	173,751	(8,100)	178,190
Sales to pupils - breakfast	5,738	4,953	(785)	5,477
Sales to pupils - a la carte	291,224	321,071	29,847	286,099
Sales to adults	114,322	162,790	48,468	139,652
Other food service	6,000	7,804	1,804	9,670
Admissions - athletic	19,000	18,903	(97)	18,501
Admissions - other	10,000	10,052	52	9,724
Fees	500	3,217	2,717	6,844
Book store sales	355,700	490,507	134,807	653,850
Other pupil activity revenue	692,500	373,863	(318,637)	469,744
Rentals - other	15,600	-	(15,600)	-
Sales - regular textbook	-	10,276	10,276	18,123
Payments of surplus monies from TIF districts	-	64,426	64,426	636
Driver's education fees	-	1,575	1,575	3,600
Other local fees	744,100	-	(744,100)	-
Other	250,000	639,648	389,648	273,223
Total local sources	<u>34,730,646</u>	<u>35,020,139</u>	<u>289,493</u>	<u>36,202,286</u>
State sources				
Evidence Based Funding Formula	28,271,727	28,276,812	5,085	30,110,708
Special Education - Private Facility Tuition	318,483	1,252,637	934,154	1,307,108
Special Education - Extraordinary	301,000	301,000	-	1,202,517
Special Education - Personnel	237,595	237,596	1	954,695
Special Education - Summer School	64,173	64,172	(1)	-
CTE - Secondary program improvement	236,199	327,425	91,226	124,125
Bilingual Education - Downstate - TPI	94,363	337,450	243,087	55,885
State Free Lunch & Breakfast	14,000	47,917	33,917	13,947
Driver Education	24,000	16,169	(7,831)	27,449
Truant Alternative/Optional Education	-	125,000	125,000	125,000
Early Childhood - Block Grant	67,000	94,915	27,915	88,531
Other Restricted Revenue from State Sources	165,000	81,172	(83,828)	41,492
Total state sources	<u>29,793,540</u>	<u>31,162,265</u>	<u>1,368,725</u>	<u>34,051,457</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
National School Lunch Program	\$ 2,796,534	\$ 2,825,927	\$ 29,393	\$ 2,745,114
School Breakfast Program	279,538	308,242	28,704	290,123
Child Care Commodity/SFS 13-Adult Day Care	179,547	202,421	22,874	185,213
Fresh Fruit and Vegetable	-	93,301	93,301	89,174
Food Service - Other	14,000	259,438	245,438	304,069
Title I - Low Income	2,704,013	2,934,569	230,556	3,144,946
Federal - special education - IDEA - flow-through/low incident	2,815,434	907,554	(1,907,880)	1,358,666
Federal - Special Education - IDEA - Room & Board	28,252	551	(27,701)	28,252
CTE - Perkins - Title III E - Tech. Prep.	421,869	420,999	(870)	435,844
Title I - School Improvement (Part G)	500,000	-	(500,000)	-
Emergency Immigrant Assistance	10,459	5,407	(5,052)	5,052
Title III - English Language Acquisition	115,989	156,654	40,665	104,659
Title II - Teacher Quality	405,220	388,114	(17,106)	148,927
Medicaid Matching Funds - Administrative Outreach	165,000	242,283	77,283	178,242
Medicaid Matching Funds - Fee-For-Service Program	166,000	144,542	(21,458)	166,427
Other Restricted Grants Received from Federal Gove	55,077	685,819	630,742	2,338,453
Total federal sources	<u>10,656,932</u>	<u>9,575,821</u>	<u>(1,081,111)</u>	<u>11,523,161</u>
Total revenues	<u>75,181,118</u>	<u>75,758,225</u>	<u>577,107</u>	<u>81,776,904</u>

Expenditures

Instruction

Regular programs

Salaries	23,264,513	25,054,041	(1,789,528)	23,689,264
Employee benefits	6,709,148	5,794,928	914,220	5,383,470
Purchased services	104,129	71,491	32,638	34,992
Supplies and materials	815,955	897,164	(81,209)	527,929
Capital outlay	149,628	170,567	(20,939)	538,078
Other objects	29,995	15,970	14,025	13,957
Non-capitalized equipment	2,154	147	2,007	-
Total	<u>31,075,522</u>	<u>32,004,308</u>	<u>(928,786)</u>	<u>30,187,690</u>

Special education programs

Salaries	6,185,645	6,620,873	(435,228)	6,060,631
Employee benefits	1,537,748	1,634,000	(96,252)	1,575,016
Purchased services	433,000	112,303	320,697	219,993
Supplies and materials	125,000	33,872	91,128	79,764
Capital outlay	-	1,421	(1,421)	19,714
Other objects	2,000	-	2,000	-
Total	<u>8,283,393</u>	<u>8,402,469</u>	<u>(119,076)</u>	<u>7,955,118</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 1,635,565	\$ 369,583	\$ 1,265,982	\$ 634,690
Employee benefits	378,876	110,180	268,696	378,850
Purchased services	281,500	313,924	(32,424)	271,020
Supplies and materials	<u>206,796</u>	<u>1,239,131</u>	<u>(1,032,335)</u>	<u>1,219,595</u>
Total	<u>2,502,737</u>	<u>2,032,818</u>	<u>469,919</u>	<u>2,504,155</u>
Adult/continuing education programs				
Salaries	214,669	230,956	(16,287)	201,125
Employee benefits	2,500	5,706	(3,206)	2,592
Supplies and materials	<u>2,700</u>	<u>1,453</u>	<u>1,247</u>	<u>1,443</u>
Total	<u>219,869</u>	<u>238,115</u>	<u>(18,246)</u>	<u>205,160</u>
CTE programs				
Salaries	1,683,033	2,003,159	(320,126)	1,819,801
Employee benefits	375,585	441,763	(66,178)	399,246
Purchased services	40,490	111,142	(70,652)	41,982
Supplies and materials	208,372	284,653	(76,281)	216,202
Capital outlay	59,490	303,257	(243,767)	193,108
Other objects	6,400	3,800	2,600	3,840
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>1,209</u>
Total	<u>2,378,370</u>	<u>3,147,774</u>	<u>(769,404)</u>	<u>2,675,388</u>
Interscholastic programs				
Salaries	884,413	783,412	101,001	723,073
Employee benefits	27,897	37,251	(9,354)	32,032
Purchased services	325,900	258,080	67,820	229,871
Supplies and materials	355,917	386,534	(30,617)	184,467
Capital outlay	-	-	-	4,643
Other objects	<u>300</u>	<u>130</u>	<u>170</u>	<u>-</u>
Total	<u>1,594,427</u>	<u>1,465,407</u>	<u>129,020</u>	<u>1,174,086</u>
Summer school programs				
Salaries	338,663	293,095	45,568	271,044
Employee benefits	34,673	6,216	28,457	32,427
Supplies and materials	<u>-</u>	<u>3,643</u>	<u>(3,643)</u>	<u>938</u>
Total	<u>373,336</u>	<u>302,954</u>	<u>70,382</u>	<u>304,409</u>
Driver's education programs				
Salaries	18,279	14,881	3,398	17,575
Employee benefits	265	217	48	250
Purchased services	22,000	5,705	16,295	6,300
Supplies and materials	<u>11,295</u>	<u>399</u>	<u>10,896</u>	<u>3,324</u>
Total	<u>51,839</u>	<u>21,202</u>	<u>30,637</u>	<u>27,449</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Bilingual programs				
Salaries	\$ 805,084	\$ 800,768	\$ 4,316	\$ 753,217
Employee benefits	174,097	120,054	54,043	167,736
Supplies and materials	<u>29,588</u>	<u>298</u>	<u>29,290</u>	<u>3,362</u>
Total	<u>1,008,769</u>	<u>921,120</u>	<u>87,649</u>	<u>924,315</u>
Truant's alternative and optional programs				
Salaries	29,091	20,871	8,220	28,292
Employee benefits	20,634	287	20,347	362
Purchased services	1,700	686	1,014	384
Supplies and materials	20,494	12,362	8,132	9,728
Capital outlay	1,000	-	1,000	3,570
Non-capitalized equipment	<u>3,300</u>	<u>2,811</u>	<u>489</u>	<u>1,025</u>
Total	<u>76,219</u>	<u>37,017</u>	<u>39,202</u>	<u>43,361</u>
Special education programs K -12 - private tuition				
Other objects	<u>3,500,000</u>	<u>3,120,293</u>	<u>379,707</u>	<u>2,488,560</u>
Total	<u>3,500,000</u>	<u>3,120,293</u>	<u>379,707</u>	<u>2,488,560</u>
Total instruction	<u>51,064,481</u>	<u>51,693,477</u>	<u>(628,996)</u>	<u>48,489,691</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	2,073,136	2,046,435	26,701	1,999,611
Employee benefits	576,127	491,835	84,292	512,366
Purchased services	44,006	20,795	23,211	10,117
Supplies and materials	63,506	26,672	36,834	51,140
Capital outlay	<u>37,500</u>	<u>55,719</u>	<u>(18,219)</u>	<u>5,615</u>
Total	<u>2,794,275</u>	<u>2,641,456</u>	<u>152,819</u>	<u>2,578,849</u>
Guidance services				
Salaries	2,304,516	2,225,836	78,680	2,216,153
Employee benefits	555,874	470,840	85,034	533,255
Purchased services	18,900	27,620	(8,720)	29,857
Supplies and materials	8,700	13,253	(4,553)	18,454
Capital outlay	1,000	608	392	-
Other objects	<u>7,260</u>	<u>745</u>	<u>6,515</u>	<u>3,258</u>
Total	<u>2,896,250</u>	<u>2,738,902</u>	<u>157,348</u>	<u>2,800,977</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 424,140	\$ 441,741	\$ (17,601)	\$ 414,563
Employee benefits	133,193	125,937	7,256	114,182
Purchased services	203,385	397,636	(194,251)	362,197
Supplies and materials	7,272	6,821	451	7,828
Capital outlay	4,343	-	4,343	17,233
Other objects	1,000	-	1,000	750
Non-capitalized equipment	<u>955</u>	<u>1,331</u>	<u>(376)</u>	<u>-</u>
Total	<u>774,288</u>	<u>973,466</u>	<u>(199,178)</u>	<u>916,753</u>
Psychological services				
Salaries	334,289	330,455	3,834	321,431
Employee benefits	94,194	78,943	15,251	85,072
Supplies and materials	<u>-</u>	<u>2,821</u>	<u>(2,821)</u>	<u>2,933</u>
Total	<u>428,483</u>	<u>412,219</u>	<u>16,264</u>	<u>409,436</u>
Speech pathology and audiology services				
Salaries	218,703	223,164	(4,461)	210,291
Employee benefits	<u>58,394</u>	<u>54,914</u>	<u>3,480</u>	<u>54,447</u>
Total	<u>277,097</u>	<u>278,078</u>	<u>(981)</u>	<u>264,738</u>
Other support services - pupils				
Salaries	285,159	298,747	(13,588)	274,254
Employee benefits	11,049	14,294	(3,245)	13,691
Purchased services	800	-	800	17
Supplies and materials	4,480	1,060	3,420	1,186
Other objects	<u>1,310</u>	<u>1,095</u>	<u>215</u>	<u>1,175</u>
Total	<u>302,798</u>	<u>315,196</u>	<u>(12,398)</u>	<u>290,323</u>
Total pupils	<u>7,473,191</u>	<u>7,359,317</u>	<u>113,874</u>	<u>7,261,076</u>
Instructional staff				
Improvement of instructional services				
Salaries	2,090,613	1,810,643	279,970	2,197,547
Employee benefits	549,343	397,230	152,113	847,951
Purchased services	280,012	546,194	(266,182)	628,883
Supplies and materials	7,500	26,483	(18,983)	16,036
Capital outlay	-	221,734	(221,734)	-
Other objects	<u>2,500</u>	<u>70</u>	<u>2,430</u>	<u>1,667</u>
Total	<u>2,929,968</u>	<u>3,002,354</u>	<u>(72,386)</u>	<u>3,692,084</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Educational media services				
Salaries	\$ 561,878	\$ 511,611	\$ 50,267	\$ 527,608
Employee benefits	234,473	201,248	33,225	207,684
Purchased services	114,055	57,868	56,187	100,920
Supplies and materials	215,519	202,149	13,370	194,451
Capital outlay	-	-	-	1,564
Non-capitalized equipment	10,080	8,731	1,349	5,693
Total	1,136,005	981,607	154,398	1,037,920
Assessment and testing				
Salaries	98,296	10,346	87,950	94,843
Employee benefits	1,500	151	1,349	1,354
Purchased services	37,314	184,410	(147,096)	18,839
Supplies and materials	-	2,721	(2,721)	2,712
Total	137,110	197,628	(60,518)	117,748
Total instructional staff	4,203,083	4,181,589	21,494	4,847,752
General administration				
Board of education services				
Salaries	242,303	255,328	(13,025)	274,440
Employee benefits	64,977	46,883	18,094	67,021
Purchased services	455,100	321,961	133,139	284,337
Supplies and materials	15,400	2,326	13,074	5,815
Other objects	65,000	74,101	(9,101)	56,163
Non-capitalized equipment	-	30	(30)	-
Total	842,780	700,629	142,151	687,776
Executive administration services				
Salaries	600,064	422,895	177,169	550,464
Employee benefits	114,943	105,030	9,913	131,091
Purchased services	93,100	27,339	65,761	55,236
Supplies and materials	32,000	6,483	25,517	5,080
Capital outlay	6,000	-	6,000	-
Other objects	21,910	20,562	1,348	64,618
Total	868,017	582,309	285,708	806,489
Special area administration services				
Salaries	888,401	696,305	192,096	592,835
Employee benefits	167,950	154,882	13,068	152,260
Purchased services	10,250	6,835	3,415	7,246
Supplies and materials	-	23,308	(23,308)	151
Total	1,066,601	881,330	185,271	752,492
Total general administration	2,777,398	2,164,268	613,130	2,246,757

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
School administration				
Office of the principal services				
Salaries	\$ 1,823,467	\$ 1,996,414	\$ (172,947)	\$ 1,769,419
Employee benefits	430,309	446,577	(16,268)	418,129
Purchased services	78,144	53,217	24,927	60,546
Supplies and materials	21,565	10,900	10,665	35,202
Capital outlay	5,000	61,259	(56,259)	35,758
Other objects	13,973	11,862	2,111	11,711
Non-capitalized equipment	-	8,750	(8,750)	-
Total	<u>2,372,458</u>	<u>2,588,979</u>	<u>(216,521)</u>	<u>2,330,765</u>
Total school administration	<u>2,372,458</u>	<u>2,588,979</u>	<u>(216,521)</u>	<u>2,330,765</u>
Business				
Direction of business support services				
Salaries	122,438	140,000	(17,562)	117,728
Employee benefits	<u>26,549</u>	<u>29,327</u>	<u>(2,778)</u>	<u>36,123</u>
Total	<u>148,987</u>	<u>169,327</u>	<u>(20,340)</u>	<u>153,851</u>
Fiscal services				
Salaries	576,640	523,762	52,878	508,118
Employee benefits	113,838	90,277	23,561	99,816
Purchased services	111,000	161,841	(50,841)	273,176
Supplies and materials	2,000	13,657	(11,657)	11,492
Capital outlay	2,500	-	2,500	-
Other objects	3,000	4,182	(1,182)	1,703
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,594</u>
Total	<u>813,978</u>	<u>793,719</u>	<u>20,259</u>	<u>896,899</u>
Operation and maintenance of plant services				
Purchased services	<u>-</u>	<u>311,021</u>	<u>(311,021)</u>	<u>-</u>
Total	<u>-</u>	<u>311,021</u>	<u>(311,021)</u>	<u>-</u>
Pupil transportation services				
Purchased services	-	-	-	1,861
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,786</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,647</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Food services				
Salaries	\$ 1,275,075	\$ 1,008,344	\$ 266,731	\$ 1,128,471
Employee benefits	602,402	257,370	345,032	286,325
Purchased services	283,432	570,166	(286,734)	586,496
Supplies and materials	500	1,329,724	(1,329,224)	1,343,639
Capital outlay	139,000	13,703	125,297	70,374
Other objects	2,000	3,203	(1,203)	-
Non-capitalized equipment	70,000	13,622	56,378	1,503
Total	2,372,409	3,196,132	(823,723)	3,416,808
Internal services				
Salaries	238,717	246,678	(7,961)	230,573
Employee benefits	55,237	48,204	7,033	47,909
Purchased services	-	66,813	(66,813)	(146,116)
Supplies and materials	-	62,496	(62,496)	112,684
Total	293,954	424,191	(130,237)	245,050
Total business	3,629,328	4,894,390	(1,265,062)	4,767,255
Central				
Direction of central support services				
Salaries	-	15,910	(15,910)	78,000
Employee benefits	-	-	-	620
Purchased services	-	-	-	297,178
Total	-	15,910	(15,910)	375,798
Information services				
Salaries	56,832	47,038	9,794	54,645
Employee benefits	22,689	17,576	5,113	19,821
Purchased services	204,600	124,311	80,289	172,845
Capital outlay	4,000	-	4,000	-
Total	288,121	188,925	99,196	247,311
Staff services				
Salaries	-	33,865	(33,865)	33,039
Employee benefits	-	3,800	(3,800)	7,721
Purchased services	-	1,134	(1,134)	1,288
Supplies and materials	-	33	(33)	230
Total	-	38,832	(38,832)	42,278

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Data processing services				
Salaries	\$ 486,835	\$ 560,848	\$ (74,013)	\$ 468,739
Employee benefits	162,264	167,935	(5,671)	138,687
Purchased services	875,260	1,560,676	(685,416)	1,508,609
Supplies and materials	-	113,192	(113,192)	41,498
Capital outlay	1,060,000	752,955	307,045	1,231,782
Non-capitalized equipment	-	-	-	250
Total	<u>2,584,359</u>	<u>3,155,606</u>	<u>(571,247)</u>	<u>3,389,565</u>
Total central	<u>2,872,480</u>	<u>3,399,273</u>	<u>(526,793)</u>	<u>4,054,952</u>
Other supporting services				
Salaries	30,000	44,125	(14,125)	302
Purchased services	631,250	809,708	(178,458)	795,960
Supplies and materials	-	3,038	(3,038)	6,766
Other objects	<u>5,000</u>	<u>918</u>	<u>4,082</u>	<u>4,120</u>
Total	<u>666,250</u>	<u>857,789</u>	<u>(191,539)</u>	<u>807,148</u>
Total support services	<u>23,994,188</u>	<u>25,445,605</u>	<u>(1,451,417)</u>	<u>26,315,705</u>
Community services				
Salaries	-	154,823	(154,823)	125,314
Employee benefits	-	40,770	(40,770)	33,055
Purchased services	-	88,327	(88,327)	82,395
Supplies and materials	-	<u>4,588</u>	<u>(4,588)</u>	<u>7,495</u>
Total community services	<u>-</u>	<u>288,508</u>	<u>(288,508)</u>	<u>248,259</u>
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	-	-	-	<u>2,800</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,800</u>
Payments for CTE programs				
Other objects	-	<u>26,788</u>	<u>(26,788)</u>	<u>6,694</u>
Total	<u>-</u>	<u>26,788</u>	<u>(26,788)</u>	<u>6,694</u>
Payments for special education programs - tuition				
Other objects	-	<u>793,026</u>	<u>(793,026)</u>	<u>835,695</u>
Total	<u>-</u>	<u>793,026</u>	<u>(793,026)</u>	<u>835,695</u>
Total payments to other districts and governmental units	<u>-</u>	<u>819,814</u>	<u>(819,814)</u>	<u>845,189</u>
Total expenditures	<u>75,058,669</u>	<u>78,247,404</u>	<u>(3,188,735)</u>	<u>75,898,844</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Excess (deficiency) of revenues over expenditures	\$ 122,449	(2,489,179)	\$ (2,611,628)	5,878,060
Other financing sources (uses)				
Principal on bonds sold	-	-	-	39,655,137
Permanent transfer from working cash fund - abatement	-	-	-	(39,655,137)
Transfer to debt service fund to pay principal on capital leases	-	-	-	(113,171)
Transfer to debt service fund to pay interest on capital leases	-	-	-	(2,311)
Total other financing sources (uses)	-	-	-	(115,482)
Net change in fund balance	<u>\$ 122,449</u>	(2,489,179)	<u>\$ (2,611,628)</u>	5,762,578
Fund balance, beginning of year		54,174,370		48,411,792
Fund balance, end of year		<u>\$ 51,685,191</u>		<u>\$ 54,174,370</u>

See Auditors' Report and Notes to Required Supplementary Information

(Concluded)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

OPERATIONS AND MAINTENANCE FUND

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

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 5,735,926	\$ 5,716,303	\$ (19,623)	\$ 5,829,026
Investment income	12,000	(74,691)	(86,691)	11,937
Rentals	46,300	22,248	(24,052)	47,718
Other	80,000	-	(80,000)	77,460
Total local sources	<u>5,874,226</u>	<u>5,663,860</u>	<u>(210,366)</u>	<u>5,966,141</u>
State sources				
Evidence Based Funding Formula	<u>8,274,760</u>	<u>25,894,875</u>	<u>17,620,115</u>	<u>13,400,000</u>
Total state sources	<u>8,274,760</u>	<u>25,894,875</u>	<u>17,620,115</u>	<u>13,400,000</u>
Total revenues	<u>14,148,986</u>	<u>31,558,735</u>	<u>17,409,749</u>	<u>19,366,141</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	25,000	140	24,860	21,735
Supplies and materials	20,000	758	19,242	-
Capital outlay	<u>2,060,000</u>	<u>15,118,848</u>	<u>(13,058,848)</u>	<u>3,878,259</u>
Total	<u>2,105,000</u>	<u>15,119,746</u>	<u>(13,014,746)</u>	<u>3,899,994</u>
Operation and maintenance of plant services				
Salaries	5,320,386	6,262,443	(942,057)	6,182,943
Employee benefits	1,542,619	1,277,220	265,399	1,320,336
Purchased services	1,373,750	2,702,877	(1,329,127)	1,465,620
Supplies and materials	2,987,518	2,054,527	932,991	2,147,509
Capital outlay	499,000	272,023	226,977	2,520,162
Non-capitalized equipment	30,500	9,727	20,773	7,644
Total	<u>11,753,773</u>	<u>12,578,817</u>	<u>(825,044)</u>	<u>13,644,214</u>
Total business	<u>13,858,773</u>	<u>27,698,563</u>	<u>(13,839,790)</u>	<u>17,544,208</u>
Other supporting services				
Purchased services	-	446,169	(446,169)	459,190
Other objects	<u>290,000</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
Total	<u>290,000</u>	<u>446,169</u>	<u>(156,169)</u>	<u>459,190</u>
Total support services	<u>14,148,773</u>	<u>28,144,732</u>	<u>(13,995,959)</u>	<u>18,003,398</u>
Total expenditures	<u>14,148,773</u>	<u>28,144,732</u>	<u>(13,995,959)</u>	<u>18,003,398</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**OPERATIONS AND MAINTENANCE FUND**

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

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Excess (deficiency) of revenues over expenditures	<u>\$ 213</u>	<u>3,414,003</u>	<u>\$ 3,413,790</u>	<u>1,362,743</u>
Other financing sources (uses)				
Transfer to debt service fund to pay principal on EPA loan	-	(49,036)	(49,036)	(44,987)
Transfer to debt service fund to pay interest on EPA loan	<u>-</u>	<u>(964)</u>	<u>(964)</u>	<u>(5,013)</u>
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ 213</u>	<u>3,364,003</u>	<u>\$ 3,363,790</u>	<u>1,312,743</u>
Fund balance, beginning of year		<u>2,282,694</u>		<u>969,951</u>
Fund balance, end of year		<u>\$ 5,646,697</u>		<u>\$ 2,282,694</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,034,312	\$ 1,122,365	\$ 88,053	\$ 1,054,256
Investment income	<u>1,900</u>	<u>35,734</u>	<u>33,834</u>	<u>4,411</u>
Total local sources	<u>1,036,212</u>	<u>1,158,099</u>	<u>121,887</u>	<u>1,058,667</u>
State sources				
Evidence Based Funding Formula	1,941,293	906,823	(1,034,470)	-
Transportation - Regular/Vocational	283	1,858	1,575	1,170
Transportation - Special Education	<u>533,394</u>	<u>2,125,987</u>	<u>1,592,593</u>	<u>2,226,473</u>
Total state sources	<u>2,474,970</u>	<u>3,034,668</u>	<u>559,698</u>	<u>2,227,643</u>
Total revenues	<u>3,511,182</u>	<u>4,192,767</u>	<u>681,585</u>	<u>3,286,310</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	70,033	32,299	37,734	69,540
Employee benefits	28,095	16,203	11,892	24,065
Purchased services	3,266,222	3,722,624	(456,402)	3,157,565
Supplies and materials	10,000	7,552	2,448	7,442
Other objects	<u>500</u>	<u>510</u>	<u>(10)</u>	<u>500</u>
Total	<u>3,374,850</u>	<u>3,779,188</u>	<u>(404,338)</u>	<u>3,259,112</u>
Total business	<u>3,374,850</u>	<u>3,779,188</u>	<u>(404,338)</u>	<u>3,259,112</u>
Total support services	<u>3,374,850</u>	<u>3,779,188</u>	<u>(404,338)</u>	<u>3,259,112</u>
Total expenditures	<u>3,374,850</u>	<u>3,779,188</u>	<u>(404,338)</u>	<u>3,259,112</u>
Net change in fund balance	<u>\$ 136,332</u>	413,579	<u>\$ 277,247</u>	27,198
Fund balance, beginning of year		<u>601,692</u>		<u>574,494</u>
Fund balance, end of year		<u>\$ 1,015,271</u>		<u>\$ 601,692</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL****FOR THE YEAR ENDED JUNE 30, 2018****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017**

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 2,655,388	\$ 1,340,208	\$ (1,315,180)	\$ 1,349,735
Social security/medicare only levy	-	1,337,973	1,337,973	1,345,123
Corporate personal property replacement taxes	-	225,000	225,000	600,000
Investment income	<u>9,100</u>	<u>10,704</u>	<u>1,604</u>	<u>10,325</u>
Total local sources	<u>2,664,488</u>	<u>2,913,885</u>	<u>249,397</u>	<u>3,305,183</u>
Total revenues	<u>2,664,488</u>	<u>2,913,885</u>	<u>249,397</u>	<u>3,305,183</u>
Expenditures				
Instruction				
Regular programs	593,125	363,629	229,496	340,439
Special education programs	206,349	324,368	(118,019)	316,551
Remedial and supplemental programs K - 12	11,677	18,877	(7,200)	15,246
Adult/continuing education programs	5,042	4,035	1,007	4,849
CTE programs	23,516	66,717	(43,201)	63,510
Interscholastic programs	30,219	32,255	(2,036)	29,054
Summer school programs	10,391	10,887	(496)	13,455
Driver's education programs	265	216	49	254
Bilingual programs	11,865	8,024	3,841	10,834
Truant's alternative and optional programs	<u>486</u>	<u>409</u>	<u>77</u>	<u>468</u>
Total instruction	<u>892,935</u>	<u>829,417</u>	<u>63,518</u>	<u>794,660</u>
Support services				
Pupils				
Attendance and social work services	169,752	173,215	(3,463)	163,226
Guidance services	52,344	52,352	(8)	50,338
Health services	81,215	83,670	(2,455)	78,660
Psychological services	477	4,700	(4,223)	4,594
Speech pathology and audiology services	3,108	3,158	(50)	2,988
Other support services - pupils	<u>12,210</u>	<u>12,805</u>	<u>(595)</u>	<u>11,741</u>
Total pupils	<u>319,106</u>	<u>329,900</u>	<u>(10,794)</u>	<u>311,547</u>
Instructional staff				
Improvement of instructional staff	88,303	58,996	29,307	74,501
Educational media services	61,232	54,281	6,951	60,615
Assessment and testing	<u>2,002</u>	<u>149</u>	<u>1,853</u>	<u>1,373</u>
Total instructional staff	<u>151,537</u>	<u>113,426</u>	<u>38,111</u>	<u>136,489</u>

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
General administration				
Board of education services	\$ 51,510	\$ 56,032	\$ (4,522)	\$ 51,659
Executive administration services	29,987	23,080	6,907	28,832
Special area administration services	41,059	53,953	(12,894)	46,969
Total general administration	122,556	133,065	(10,509)	127,460
School administration				
Office of the principal services	129,497	137,455	(7,958)	125,594
Total school administration	129,497	137,455	(7,958)	125,594
Business				
Direction of business support services	2,688	2,012	676	2,584
Fiscal services	101,962	100,422	1,540	98,040
Operations and maintenance of plant services	1,215,386	1,173,234	42,152	1,168,639
Pupil transportation services	13,119	6,346	6,773	12,615
Food services	229,336	187,181	42,155	207,706
Internal services	45,712	47,224	(1,512)	43,953
Total business	1,608,203	1,516,419	91,784	1,533,537
Central				
Direction of central support services	1,229	3,070	(1,841)	17,233
Information services	10,773	8,843	1,930	10,359
Staff services	-	484	(484)	427
Data processing services	94,368	107,722	(13,354)	90,859
Total central	106,370	120,119	(13,749)	118,878
Other supporting services	60,025	7,350	52,675	24
Total support services	2,497,294	2,357,734	139,560	2,353,529
Community services	11,399	29,118	(17,719)	24,166
Total expenditures	3,401,628	3,216,269	185,359	3,172,355
Net change in fund balance	\$ (737,140)	(302,384)	\$ 434,756	132,828
Fund balance, beginning of year		1,071,677		938,849
Fund balance, end of year		\$ 769,293		\$ 1,071,677

See Auditors' Report and Notes to Required Supplementary Information

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	<i>Revenues</i>	<i>Expenditures</i>
General Fund Budgetary Basis	\$ 75,758,225	\$ 78,247,404
To adjust for on-behalf payments received	33,159,525	-
To adjust for on-behalf payments made	-	33,159,525
General Fund GAAP Basis	<u>\$ 108,917,750</u>	<u>\$ 111,406,929</u>

Excess of Expenditures over Budget

For the year ended June 30, 2018, expenditures exceeded budget in the General Fund, Operations and Maintenance Fund, and Transportation Fund by \$3,188,735, \$14,334,721, and \$404,338, respectively which were all funded by additional financial resources received during fiscal year 2018 as well as by available fund balance.

See Auditors' Report

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 9,376,818	\$ 9,346,402	\$ (30,416)	\$ 9,404,948
Investment income	<u>4,500</u>	<u>19,727</u>	<u>15,227</u>	<u>5,228</u>
Total local sources	<u>9,381,318</u>	<u>9,366,129</u>	<u>(15,189)</u>	<u>9,410,176</u>
Federal sources				
Qualified School Construction Bond Credits	<u>-</u>	<u>2,165,396</u>	<u>2,165,396</u>	<u>-</u>
Total federal sources	<u>-</u>	<u>2,165,396</u>	<u>2,165,396</u>	<u>-</u>
Total revenues	<u>9,381,318</u>	<u>11,531,525</u>	<u>2,150,207</u>	<u>9,410,176</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	9,377,318	2,510,943	6,866,375	7,324
Principal payments on long term debt	<u>4,000</u>	<u>9,244,036</u>	<u>(9,240,036)</u>	<u>9,353,158</u>
Total	<u>9,381,318</u>	<u>11,754,979</u>	<u>(2,373,661)</u>	<u>9,360,482</u>
Other debt service				
Purchased services	<u>-</u>	<u>1,225</u>	<u>(1,225)</u>	<u>363,715</u>
Total	<u>-</u>	<u>1,225</u>	<u>(1,225)</u>	<u>363,715</u>
Total debt services	<u>9,381,318</u>	<u>11,756,204</u>	<u>(2,374,886)</u>	<u>9,724,197</u>
Total expenditures	<u>9,381,318</u>	<u>11,756,204</u>	<u>(2,374,886)</u>	<u>9,724,197</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(224,679)</u>	<u>(224,679)</u>	<u>(314,021)</u>
Other financing sources (uses)				
Principal on bonds sold	-	-	-	344,863
Transfer to debt service to pay principal on capital leases	-	-	-	113,171
Transfer to debt service to pay interest on capital leases	-	-	-	2,311
Transfer to debt service to pay principal on EPA loan	-	49,036	49,036	44,987
Transfer to debt service to pay interest on EPA loan	<u>-</u>	<u>964</u>	<u>964</u>	<u>5,013</u>
Total other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>510,345</u>
Net change in fund balance	<u>\$ -</u>	<u>(174,679)</u>	<u>\$ (174,679)</u>	<u>196,324</u>
Fund balance, beginning of year		<u>6,483,427</u>		<u>6,287,103</u>
Fund balance, end of year		<u>\$ 6,308,748</u>		<u>\$ 6,483,427</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**CAPITAL PROJECTS FUND**

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

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE WITH FINAL BUDGET	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ -	\$ 261,059	\$ 261,059	\$ -
Total local sources	-	261,059	261,059	-
Total revenues	-	261,059	261,059	-
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Capital outlay	30,363,323	3,273,558	27,089,765	810,641
Total	30,363,323	3,273,558	27,089,765	810,641
Total business	30,363,323	3,273,558	27,089,765	810,641
Total support services	30,363,323	3,273,558	27,089,765	810,641
Total expenditures	30,363,323	3,273,558	27,089,765	810,641
Excess (deficiency) of revenues over expenditures	(30,363,323)	(3,012,499)	27,350,824	(810,641)
Other financing sources (uses)				
Permanent transfer from working cash fund - abatement	-	-	-	39,655,137
Total other financing sources (uses)	-	-	-	39,655,137
Net change in fund balance	\$ (30,363,323)	(3,012,499)	\$ 27,350,824	38,844,496
Fund balance, beginning of year		38,844,496		-
Fund balance, end of year		\$ 35,831,997		\$ 38,844,496

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**FIRE PREVENTION AND LIFE SAFETY FUND**

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

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ -	\$ (1,884)	\$ (1,884)	\$ (3,359)
Investment income	<u>102</u>	<u>78,427</u>	<u>78,325</u>	<u>-</u>
Total local sources	<u>102</u>	<u>76,543</u>	<u>76,441</u>	<u>(3,359)</u>
Total revenues	<u>102</u>	<u>76,543</u>	<u>76,441</u>	<u>(3,359)</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Capital outlay	<u>9,404,135</u>	<u>978,711</u>	<u>8,425,424</u>	<u>595,865</u>
Total	<u>9,404,135</u>	<u>978,711</u>	<u>8,425,424</u>	<u>595,865</u>
Total business	<u>9,404,135</u>	<u>978,711</u>	<u>8,425,424</u>	<u>595,865</u>
Total support services	<u>9,404,135</u>	<u>978,711</u>	<u>8,425,424</u>	<u>595,865</u>
Total expenditures	<u>9,404,135</u>	<u>978,711</u>	<u>8,425,424</u>	<u>595,865</u>
Other financing sources (uses)				
Principal on bonds sold	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Net change in fund balance	<u>\$ (9,404,033)</u>	<u>(902,168)</u>	<u>\$ 8,501,865</u>	<u>9,400,776</u>
Fund balance, beginning of year		<u>12,056,298</u>		<u>2,655,522</u>
Fund balance, end of year		<u>\$ 11,154,130</u>		<u>\$ 12,056,298</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**GENERAL FUND****COMBINING BALANCE SHEET****AS OF JUNE 30, 2018**

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 42,937,632	\$ 7,967,527	\$ 50,905,159
Receivables (net allowance for uncollectibles):			
Property taxes	14,070,323	-	14,070,323
Replacement taxes	924,732	-	924,732
Intergovernmental	2,172,018	-	2,172,018
Other	28,807	-	28,807
Inventory	110,632	-	110,632
Prepays	<u>340,325</u>	<u>-</u>	<u>340,325</u>
Total assets	<u>\$ 60,584,469</u>	<u>\$ 7,967,527</u>	<u>\$ 68,551,996</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 956,130	\$ -	\$ 956,130
Salaries and wages payable	75,264	-	75,264
Health claims payable	<u>1,267,600</u>	<u>-</u>	<u>1,267,600</u>
Total liabilities	<u>2,298,994</u>	<u>-</u>	<u>2,298,994</u>
Deferred inflows of resources			
Property taxes levied for future periods	14,070,323	-	14,070,323
Unavailable state and federal aid receivable	<u>497,488</u>	<u>-</u>	<u>497,488</u>
Total deferred inflows of resources	<u>14,567,811</u>	<u>-</u>	<u>14,567,811</u>
Fund balance			
Nonspendable	450,957	-	450,957
Unassigned	<u>43,266,707</u>	<u>7,967,527</u>	<u>51,234,234</u>
Total fund balance	<u>43,717,664</u>	<u>7,967,527</u>	<u>51,685,191</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 60,584,469</u>	<u>\$ 7,967,527</u>	<u>\$ 68,551,996</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**GENERAL FUND****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 26,680,400	\$ -	\$ 26,680,400
Corporate personal property replacement taxes	5,202,267	-	5,202,267
State aid	64,321,790	-	64,321,790
Federal aid	9,575,821	-	9,575,821
Investment income	525,639	30,393	556,032
Other	<u>2,581,440</u>	<u>-</u>	<u>2,581,440</u>
Total revenues	<u>108,887,357</u>	<u>30,393</u>	<u>108,917,750</u>
Expenditures			
Current:			
Instruction:			
Regular programs	31,833,741	-	31,833,741
Special programs	13,554,159	-	13,554,159
Other instructional programs	5,830,332	-	5,830,332
State retirement contributions	33,159,525	-	33,159,525
Support Services:			
Pupils	7,302,990	-	7,302,990
Instructional staff	3,959,855	-	3,959,855
General administration	2,164,268	-	2,164,268
School administration	2,527,720	-	2,527,720
Business	4,569,666	-	4,569,666
Operations and maintenance	311,021	-	311,021
Central	2,646,318	-	2,646,318
Other supporting services	857,789	-	857,789
Community services	288,508	-	288,508
Payments to other districts and gov't units	819,814	-	819,814
Capital outlay	<u>1,581,223</u>	<u>-</u>	<u>1,581,223</u>
Total expenditures	<u>111,406,929</u>	<u>-</u>	<u>111,406,929</u>
Net change in fund balance	(2,519,572)	30,393	(2,489,179)
Fund balance, beginning of year	<u>46,237,236</u>	<u>7,937,134</u>	<u>54,174,370</u>
Fund balance, end of year	<u>\$ 43,717,664</u>	<u>\$ 7,967,527</u>	<u>\$ 51,685,191</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 25,582,892	\$ 26,272,283	\$ 689,391	\$ 26,082,971
Special education levy	421,219	408,117	(13,102)	411,494
Corporate personal property replacement taxes	5,000,000	5,202,267	202,267	6,752,297
Summer school - tuition from pupils or parents (in state)	130,000	90,278	(39,722)	94,398
Adult tuition from pupils or parents (In State)	260,000	208,326	(51,674)	269,479
Investment income	600,000	525,639	(74,361)	462,619
Sales to pupils - lunch	181,851	173,751	(8,100)	178,190
Sales to pupils - breakfast	5,738	4,953	(785)	5,477
Sales to pupils - a la carte	291,224	321,071	29,847	286,099
Sales to adults	114,322	162,790	48,468	139,652
Other food service	6,000	7,804	1,804	9,670
Admissions - athletic	19,000	18,903	(97)	18,501
Admissions - other	10,000	10,052	52	9,724
Fees	500	3,217	2,717	6,844
Book store sales	355,700	490,507	134,807	653,850
Other pupil activity revenue	692,500	373,863	(318,637)	469,744
Rentals - other	15,600	-	(15,600)	-
Sales - regular textbook	-	10,276	10,276	18,123
Payments of surplus monies from TIF districts	-	64,426	64,426	636
Driver's education fees	-	1,575	1,575	3,600
Other local fees	744,100	-	(744,100)	-
Other	250,000	639,648	389,648	273,223
Total local sources	<u>34,680,646</u>	<u>34,989,746</u>	<u>309,100</u>	<u>36,146,591</u>
State sources				
Evidence Based Funding Formula	28,271,727	28,276,812	5,085	30,110,708
Special Education - Private Facility Tuition	318,483	1,252,637	934,154	1,307,108
Special Education - Extraordinary	301,000	301,000	-	1,202,517
Special Education - Personnel	237,595	237,596	1	954,695
Special Education - Summer School	64,173	64,172	(1)	-
CTE - Secondary program improvement	236,199	327,425	91,226	124,125
Bilingual Education - Downstate - TPI	94,363	337,450	243,087	55,885
State Free Lunch & Breakfast	14,000	47,917	33,917	13,947
Driver Education	24,000	16,169	(7,831)	27,449
Truant Alternative/Optional Education	-	125,000	125,000	125,000
Early Childhood - Block Grant	67,000	94,915	27,915	88,531
Other Restricted Revenue from State Sources	165,000	81,172	(83,828)	41,492
Total state sources	<u>29,793,540</u>	<u>31,162,265</u>	<u>1,368,725</u>	<u>34,051,457</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Federal sources				
National School Lunch Program	\$ 2,796,534	\$ 2,825,927	\$ 29,393	\$ 2,745,114
School Breakfast Program	279,538	308,242	28,704	290,123
Child Care Commodity/SFS 13-Adult Day Care	179,547	202,421	22,874	185,213
Fresh Fruit and Vegetable	-	93,301	93,301	89,174
Food Service - Other	14,000	259,438	245,438	304,069
Title I - Low Income	2,704,013	2,934,569	230,556	3,144,946
Federal - special education - IDEA - flow- through/low incident	2,815,434	907,554	(1,907,880)	1,358,666
Federal - Special Education - IDEA - Room & Board	28,252	551	(27,701)	28,252
CTE - Perkins - Title III E - Tech. Prep.	421,869	420,999	(870)	435,844
Title I - School Improvement (Part G)	500,000	-	(500,000)	-
Emergency Immigrant Assistance	10,459	5,407	(5,052)	5,052
Title III - English Language Acquisition	115,989	156,654	40,665	104,659
Title II - Teacher Quality	405,220	388,114	(17,106)	148,927
Medicaid Matching Funds - Administrative Outreach	165,000	242,283	77,283	178,242
Medicaid Matching Funds - Fee-For-Service Program	166,000	144,542	(21,458)	166,427
Other Restricted Grants Received from Federal Gove	55,077	685,819	630,742	2,338,453
Total federal sources	<u>10,656,932</u>	<u>9,575,821</u>	<u>(1,081,111)</u>	<u>11,523,161</u>
Total revenues	<u>75,131,118</u>	<u>75,727,832</u>	<u>596,714</u>	<u>81,721,209</u>

Expenditures

Instruction

Regular programs

Salaries	23,264,513	25,054,041	(1,789,528)	23,689,264
Employee benefits	6,709,148	5,794,928	914,220	5,383,470
Purchased services	104,129	71,491	32,638	34,992
Supplies and materials	815,955	897,164	(81,209)	527,929
Capital outlay	149,628	170,567	(20,939)	538,078
Other objects	29,995	15,970	14,025	13,957
Non-capitalized equipment	2,154	147	2,007	-
Total	<u>31,075,522</u>	<u>32,004,308</u>	<u>(928,786)</u>	<u>30,187,690</u>

Special education programs

Salaries	6,185,645	6,620,873	(435,228)	6,060,631
Employee benefits	1,537,748	1,634,000	(96,252)	1,575,016
Purchased services	433,000	112,303	320,697	219,993
Supplies and materials	125,000	33,872	91,128	79,764
Capital outlay	-	1,421	(1,421)	19,714
Other objects	2,000	-	2,000	-
Total	<u>8,283,393</u>	<u>8,402,469</u>	<u>(119,076)</u>	<u>7,955,118</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 1,635,565	\$ 369,583	\$ 1,265,982	\$ 634,690
Employee benefits	378,876	110,180	268,696	378,850
Purchased services	281,500	313,924	(32,424)	271,020
Supplies and materials	<u>206,796</u>	<u>1,239,131</u>	<u>(1,032,335)</u>	<u>1,219,595</u>
Total	<u>2,502,737</u>	<u>2,032,818</u>	<u>469,919</u>	<u>2,504,155</u>
Adult/continuing education programs				
Salaries	214,669	230,956	(16,287)	201,125
Employee benefits	2,500	5,706	(3,206)	2,592
Supplies and materials	<u>2,700</u>	<u>1,453</u>	<u>1,247</u>	<u>1,443</u>
Total	<u>219,869</u>	<u>238,115</u>	<u>(18,246)</u>	<u>205,160</u>
CTE programs				
Salaries	1,683,033	2,003,159	(320,126)	1,819,801
Employee benefits	375,585	441,763	(66,178)	399,246
Purchased services	40,490	111,142	(70,652)	41,982
Supplies and materials	208,372	284,653	(76,281)	216,202
Capital outlay	59,490	303,257	(243,767)	193,108
Other objects	6,400	3,800	2,600	3,840
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>1,209</u>
Total	<u>2,378,370</u>	<u>3,147,774</u>	<u>(769,404)</u>	<u>2,675,388</u>
Interscholastic programs				
Salaries	884,413	783,412	101,001	723,073
Employee benefits	27,897	37,251	(9,354)	32,032
Purchased services	325,900	258,080	67,820	229,871
Supplies and materials	355,917	386,534	(30,617)	184,467
Capital outlay	-	-	-	4,643
Other objects	<u>300</u>	<u>130</u>	<u>170</u>	<u>-</u>
Total	<u>1,594,427</u>	<u>1,465,407</u>	<u>129,020</u>	<u>1,174,086</u>
Summer school programs				
Salaries	338,663	293,095	45,568	271,044
Employee benefits	34,673	6,216	28,457	32,427
Supplies and materials	<u>-</u>	<u>3,643</u>	<u>(3,643)</u>	<u>938</u>
Total	<u>373,336</u>	<u>302,954</u>	<u>70,382</u>	<u>304,409</u>
Driver's education programs				
Salaries	18,279	14,881	3,398	17,575
Employee benefits	265	217	48	250
Purchased services	22,000	5,705	16,295	6,300
Supplies and materials	<u>11,295</u>	<u>399</u>	<u>10,896</u>	<u>3,324</u>
Total	<u>51,839</u>	<u>21,202</u>	<u>30,637</u>	<u>27,449</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Bilingual programs				
Salaries	\$ 805,084	\$ 800,768	\$ 4,316	\$ 753,217
Employee benefits	174,097	120,054	54,043	167,736
Supplies and materials	<u>29,588</u>	<u>298</u>	<u>29,290</u>	<u>3,362</u>
Total	<u>1,008,769</u>	<u>921,120</u>	<u>87,649</u>	<u>924,315</u>
Truant's alternative and optional programs				
Salaries	29,091	20,871	8,220	28,292
Employee benefits	20,634	287	20,347	362
Purchased services	1,700	686	1,014	384
Supplies and materials	20,494	12,362	8,132	9,728
Capital outlay	1,000	-	1,000	3,570
Non-capitalized equipment	<u>3,300</u>	<u>2,811</u>	<u>489</u>	<u>1,025</u>
Total	<u>76,219</u>	<u>37,017</u>	<u>39,202</u>	<u>43,361</u>
Special education programs K -12 - private tuition				
Other objects	<u>3,500,000</u>	<u>3,120,293</u>	<u>379,707</u>	<u>2,488,560</u>
Total	<u>3,500,000</u>	<u>3,120,293</u>	<u>379,707</u>	<u>2,488,560</u>
Total instruction	<u>51,064,481</u>	<u>51,693,477</u>	<u>(628,996)</u>	<u>48,489,691</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	2,073,136	2,046,435	26,701	1,999,611
Employee benefits	576,127	491,835	84,292	512,366
Purchased services	44,006	20,795	23,211	10,117
Supplies and materials	63,506	26,672	36,834	51,140
Capital outlay	<u>37,500</u>	<u>55,719</u>	<u>(18,219)</u>	<u>5,615</u>
Total	<u>2,794,275</u>	<u>2,641,456</u>	<u>152,819</u>	<u>2,578,849</u>
Guidance services				
Salaries	2,304,516	2,225,836	78,680	2,216,153
Employee benefits	555,874	470,840	85,034	533,255
Purchased services	18,900	27,620	(8,720)	29,857
Supplies and materials	8,700	13,253	(4,553)	18,454
Capital outlay	1,000	608	392	-
Other objects	<u>7,260</u>	<u>745</u>	<u>6,515</u>	<u>3,258</u>
Total	<u>2,896,250</u>	<u>2,738,902</u>	<u>157,348</u>	<u>2,800,977</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 424,140	\$ 441,741	\$ (17,601)	\$ 414,563
Employee benefits	133,193	125,937	7,256	114,182
Purchased services	203,385	397,636	(194,251)	362,197
Supplies and materials	7,272	6,821	451	7,828
Capital outlay	4,343	-	4,343	17,233
Other objects	1,000	-	1,000	750
Non-capitalized equipment	955	1,331	(376)	-
Total	774,288	973,466	(199,178)	916,753
Psychological services				
Salaries	334,289	330,455	3,834	321,431
Employee benefits	94,194	78,943	15,251	85,072
Supplies and materials	-	2,821	(2,821)	2,933
Total	428,483	412,219	16,264	409,436
Speech pathology and audiology services				
Salaries	218,703	223,164	(4,461)	210,291
Employee benefits	58,394	54,914	3,480	54,447
Total	277,097	278,078	(981)	264,738
Other support services - pupils				
Salaries	285,159	298,747	(13,588)	274,254
Employee benefits	11,049	14,294	(3,245)	13,691
Purchased services	800	-	800	17
Supplies and materials	4,480	1,060	3,420	1,186
Other objects	1,310	1,095	215	1,175
Total	302,798	315,196	(12,398)	290,323
Total pupils	7,473,191	7,359,317	113,874	7,261,076
Instructional staff				
Improvement of instructional services				
Salaries	2,090,613	1,810,643	279,970	2,197,547
Employee benefits	549,343	397,230	152,113	847,951
Purchased services	280,012	546,194	(266,182)	628,883
Supplies and materials	7,500	26,483	(18,983)	16,036
Capital outlay	-	221,734	(221,734)	-
Other objects	2,500	70	2,430	1,667
Total	2,929,968	3,002,354	(72,386)	3,692,084

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Educational media services				
Salaries	\$ 561,878	\$ 511,611	\$ 50,267	\$ 527,608
Employee benefits	234,473	201,248	33,225	207,684
Purchased services	114,055	57,868	56,187	100,920
Supplies and materials	215,519	202,149	13,370	194,451
Capital outlay	-	-	-	1,564
Non-capitalized equipment	10,080	8,731	1,349	5,693
Total	1,136,005	981,607	154,398	1,037,920
Assessment and testing				
Salaries	98,296	10,346	87,950	94,843
Employee benefits	1,500	151	1,349	1,354
Purchased services	37,314	184,410	(147,096)	18,839
Supplies and materials	-	2,721	(2,721)	2,712
Total	137,110	197,628	(60,518)	117,748
Total instructional staff	4,203,083	4,181,589	21,494	4,847,752
General administration				
Board of education services				
Salaries	242,303	255,328	(13,025)	274,440
Employee benefits	64,977	46,883	18,094	67,021
Purchased services	455,100	321,961	133,139	284,337
Supplies and materials	15,400	2,326	13,074	5,815
Other objects	65,000	74,101	(9,101)	56,163
Non-capitalized equipment	-	30	(30)	-
Total	842,780	700,629	142,151	687,776
Executive administration services				
Salaries	600,064	422,895	177,169	550,464
Employee benefits	114,943	105,030	9,913	131,091
Purchased services	93,100	27,339	65,761	55,236
Supplies and materials	32,000	6,483	25,517	5,080
Capital outlay	6,000	-	6,000	-
Other objects	21,910	20,562	1,348	64,618
Total	868,017	582,309	285,708	806,489
Special area administration services				
Salaries	888,401	696,305	192,096	592,835
Employee benefits	167,950	154,882	13,068	152,260
Purchased services	10,250	6,835	3,415	7,246
Supplies and materials	-	23,308	(23,308)	151
Total	1,066,601	881,330	185,271	752,492
Total general administration	2,777,398	2,164,268	613,130	2,246,757

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
School administration				
Office of the principal services				
Salaries	\$ 1,823,467	\$ 1,996,414	\$ (172,947)	\$ 1,769,419
Employee benefits	430,309	446,577	(16,268)	418,129
Purchased services	78,144	53,217	24,927	60,546
Supplies and materials	21,565	10,900	10,665	35,202
Capital outlay	5,000	61,259	(56,259)	35,758
Other objects	13,973	11,862	2,111	11,711
Non-capitalized equipment	-	8,750	(8,750)	-
Total	<u>2,372,458</u>	<u>2,588,979</u>	<u>(216,521)</u>	<u>2,330,765</u>
Total school administration	<u>2,372,458</u>	<u>2,588,979</u>	<u>(216,521)</u>	<u>2,330,765</u>
Business				
Direction of business support services				
Salaries	122,438	140,000	(17,562)	117,728
Employee benefits	<u>26,549</u>	<u>29,327</u>	<u>(2,778)</u>	<u>36,123</u>
Total	<u>148,987</u>	<u>169,327</u>	<u>(20,340)</u>	<u>153,851</u>
Fiscal services				
Salaries	576,640	523,762	52,878	508,118
Employee benefits	113,838	90,277	23,561	99,816
Purchased services	111,000	161,841	(50,841)	273,176
Supplies and materials	2,000	13,657	(11,657)	11,492
Capital outlay	2,500	-	2,500	-
Other objects	3,000	4,182	(1,182)	1,703
Non-capitalized equipment	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,594</u>
Total	<u>813,978</u>	<u>793,719</u>	<u>20,259</u>	<u>896,899</u>
Operation and maintenance of plant services				
Purchased services	<u>-</u>	<u>311,021</u>	<u>(311,021)</u>	<u>-</u>
Total	<u>-</u>	<u>311,021</u>	<u>(311,021)</u>	<u>-</u>
Pupil transportation services				
Purchased services	-	-	-	1,861
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,786</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,647</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Food services				
Salaries	\$ 1,275,075	\$ 1,008,344	\$ 266,731	\$ 1,128,471
Employee benefits	602,402	257,370	345,032	286,325
Purchased services	283,432	570,166	(286,734)	586,496
Supplies and materials	500	1,329,724	(1,329,224)	1,343,639
Capital outlay	139,000	13,703	125,297	70,374
Other objects	2,000	3,203	(1,203)	-
Non-capitalized equipment	70,000	13,622	56,378	1,503
Total	<u>2,372,409</u>	<u>3,196,132</u>	<u>(823,723)</u>	<u>3,416,808</u>
Internal services				
Salaries	238,717	246,678	(7,961)	230,573
Employee benefits	55,237	48,204	7,033	47,909
Purchased services	-	66,813	(66,813)	(146,116)
Supplies and materials	-	62,496	(62,496)	112,684
Total	<u>293,954</u>	<u>424,191</u>	<u>(130,237)</u>	<u>245,050</u>
Total business	<u>3,629,328</u>	<u>4,894,390</u>	<u>(1,265,062)</u>	<u>4,767,255</u>
Central				
Direction of central support services				
Salaries	-	15,910	(15,910)	78,000
Employee benefits	-	-	-	620
Purchased services	-	-	-	297,178
Total	<u>-</u>	<u>15,910</u>	<u>(15,910)</u>	<u>375,798</u>
Information services				
Salaries	56,832	47,038	9,794	54,645
Employee benefits	22,689	17,576	5,113	19,821
Purchased services	204,600	124,311	80,289	172,845
Capital outlay	4,000	-	4,000	-
Total	<u>288,121</u>	<u>188,925</u>	<u>99,196</u>	<u>247,311</u>
Staff services				
Salaries	-	33,865	(33,865)	33,039
Employee benefits	-	3,800	(3,800)	7,721
Purchased services	-	1,134	(1,134)	1,288
Supplies and materials	-	33	(33)	230
Total	<u>-</u>	<u>38,832</u>	<u>(38,832)</u>	<u>42,278</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Data processing services				
Salaries	\$ 486,835	\$ 560,848	\$ (74,013)	\$ 468,739
Employee benefits	162,264	167,935	(5,671)	138,687
Purchased services	875,260	1,560,676	(685,416)	1,508,609
Supplies and materials	-	113,192	(113,192)	41,498
Capital outlay	1,060,000	752,955	307,045	1,231,782
Non-capitalized equipment	-	-	-	250
Total	<u>2,584,359</u>	<u>3,155,606</u>	<u>(571,247)</u>	<u>3,389,565</u>
Total central	<u>2,872,480</u>	<u>3,399,273</u>	<u>(526,793)</u>	<u>4,054,952</u>
Other supporting services				
Salaries	30,000	44,125	(14,125)	302
Purchased services	631,250	809,708	(178,458)	795,960
Supplies and materials	-	3,038	(3,038)	6,766
Other objects	5,000	918	4,082	4,120
Total	<u>666,250</u>	<u>857,789</u>	<u>(191,539)</u>	<u>807,148</u>
Total support services	<u>23,994,188</u>	<u>25,445,605</u>	<u>(1,451,417)</u>	<u>26,315,705</u>
Community services				
Salaries	-	154,823	(154,823)	125,314
Employee benefits	-	40,770	(40,770)	33,055
Purchased services	-	88,327	(88,327)	82,395
Supplies and materials	-	4,588	(4,588)	7,495
Total community services	<u>-</u>	<u>288,508</u>	<u>(288,508)</u>	<u>248,259</u>
Payments to other districts and governmental units				
Payments for regular programs				
Purchased services	-	-	-	2,800
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,800</u>
Payments for CTE programs				
Other objects	-	26,788	(26,788)	6,694
Total	<u>-</u>	<u>26,788</u>	<u>(26,788)</u>	<u>6,694</u>
Payments for special education programs - tuition				
Other objects	-	793,026	(793,026)	835,695
Total	<u>-</u>	<u>793,026</u>	<u>(793,026)</u>	<u>835,695</u>
Total payments to other districts and governmental units	<u>-</u>	<u>819,814</u>	<u>(819,814)</u>	<u>845,189</u>
Total expenditures	<u>75,058,669</u>	<u>78,247,404</u>	<u>(3,188,735)</u>	<u>75,898,844</u>

(Continued)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Excess (deficiency) of revenues over expenditures	\$ 72,449	(2,519,572)	\$ (2,592,021)	5,822,365
Other financing sources (uses)				
Transfer to debt service fund to pay principal on capital leases	-	-	-	(113,171)
Transfer to debt service fund to pay interest on capital leases	-	-	-	(2,311)
Total other financing sources (uses)	-	-	-	(115,482)
Net change in fund balance	\$ 72,449	(2,519,572)	\$ (2,592,021)	5,706,883
Fund balance, beginning of year		46,237,236		40,530,353
Fund balance, end of year		\$ 43,717,664		\$ 46,237,236

(Concluded)

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	ORIGINAL AND FINAL BUDGET	2018 ACTUAL	VARIANCE WITH FINAL BUDGET	2017 ACTUAL
Revenues				
Local sources				
Investment income	\$ 50,000	\$ 30,393	\$ (19,607)	\$ 55,695
Total local sources	50,000	30,393	(19,607)	55,695
Total revenues	50,000	30,393	(19,607)	55,695
Expenditures				
Total expenditures	-	-	-	-
Other financing sources (uses)				
Principal on bonds sold	-	-	-	39,655,137
Permanent transfer from working cash fund - abatement	-	-	-	(39,655,137)
Net change in fund balance	\$ 50,000	30,393	\$ (19,607)	55,695
Fund balance, beginning of year		7,937,134		7,881,439
Fund balance, end of year		\$ 7,967,527		\$ 7,937,134

J. STERLING MORTON HIGH SCHOOL DISTRICT 201**OPERATING COST AND TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>7,085</u>	<u>7,072</u>
Operating Costs:		
Educational	\$ 78,247,404	\$ 75,898,844
Operations and maintenance	28,144,732	18,003,398
Debt service	11,756,204	9,724,197
Transportation	3,779,188	3,259,112
Municipal retirement/social security	<u>3,216,269</u>	<u>3,172,355</u>
Subtotal	<u>125,143,797</u>	<u>110,057,906</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	3,120,293	2,488,560
Adult education	242,150	210,009
Summer school	313,841	317,864
Capital outlay	16,972,094	8,572,646
Non-capitalized equipment	45,149	19,918
Debt principal retired	9,244,036	9,353,158
Community services	317,626	272,425
Payments to other districts & governmental units	<u>819,814</u>	<u>845,189</u>
Subtotal	<u>31,075,003</u>	<u>22,079,769</u>
Operating costs	<u>\$ 94,068,794</u>	<u>\$ 87,978,137</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 13,278</u>	<u>\$ 12,440</u>
Tuition Charge		
Operating Costs	\$ 94,068,794	\$ 87,978,137
Less - revenues from specific programs, such as special education or lunch programs	<u>21,669,335</u>	<u>19,446,614</u>
Net operating costs	72,399,459	68,531,523
Depreciation allowance	<u>5,902,595</u>	<u>5,483,919</u>
Allowable Tuition Costs	<u>\$ 78,302,053</u>	<u>\$ 74,015,442</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 11,052</u>	<u>\$ 10,466</u>

J. STERLING MORTON HIGH SCHOOLS DISTRICT 201**AGENCY FUND - STUDENT ACTIVITY ACCOUNTS****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
Assets				
Cash and Investments	<u>\$ 929,414</u>	<u>\$ 814,846</u>	<u>\$ 817,527</u>	<u>\$ 926,733</u>
Total assets	<u>\$ 929,414</u>	<u>\$ 814,846</u>	<u>\$ 817,527</u>	<u>\$ 926,733</u>
Liabilities				
Due to activity fund organizations:				
District Office	\$ 485,471	\$ 303,856	\$ 329,465	\$ 459,862
Morton East	191,858	248,215	220,559	219,514
Morton West	229,800	20,206	18,330	231,676
Freshmen Center	<u>22,285</u>	<u>242,569</u>	<u>249,173</u>	<u>15,681</u>
Total liabilities	<u>929,414</u>	<u>814,846</u>	<u>817,527</u>	<u>926,733</u>
Total Activity Accounts	<u>\$ 929,414</u>	<u>\$ 814,846</u>	<u>\$ 817,527</u>	<u>\$ 926,733</u>

Statistical Section

The part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Page

Financial Trends

94 - 101

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

102 - 107

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

108 - 112

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

113 - 116

These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.

Operating Information

117 - 121

These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**NET POSITION BY COMPONENT****LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014
Governmental activities					
Net investment in capital assets	\$ 100,817,910	\$ 88,663,321	\$ 82,907,613	\$ 77,475,998	\$ 70,893,937
Restricted	8,104,045	8,356,536	9,755,050	8,856,602	9,843,189
Unrestricted	<u>(76,592,382)</u>	<u>(23,616,459)</u>	<u>(33,027,575)</u>	<u>(38,791,327)</u>	<u>(35,816,718)</u>
Total governmental activities net position	<u>\$ 32,329,573</u>	<u>\$ 73,403,398</u>	<u>\$ 59,635,088</u>	<u>\$ 47,541,273</u>	<u>\$ 44,920,408</u>

Note: Amounts are as originally reported and have not been adjusted for restatements attributable to the implementation of various GASB pronouncements.

Source of Information: District Records

2013	2012	2011	2010	2009
\$ 65,124,681	\$ 64,372,629	\$ 58,640,092	\$ 57,368,295	\$ 44,743,143
9,672,732	9,253,577	8,676,643	13,179,338	12,870,395
<u>(40,895,871)</u>	<u>(26,908,952)</u>	<u>(30,222,985)</u>	<u>(49,263,655)</u>	<u>(29,989,602)</u>
<u>\$ 33,901,542</u>	<u>\$ 46,717,254</u>	<u>\$ 37,093,750</u>	<u>\$ 21,283,978</u>	<u>\$ 27,623,936</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Expenses				
Instruction:				
Regular programs	\$ 36,858,138	\$ 33,178,545	\$ 33,615,215	\$ 29,479,389
Special programs	15,526,182	14,734,292	14,533,039	13,318,024
Other instructional programs	6,162,096	5,410,783	5,210,917	4,661,423
State retirement contributions	33,159,525	30,799,388	19,122,886	22,567,450
Support services:				
Pupils	7,994,603	7,833,545	7,569,307	7,337,446
Instructional staff	5,118,881	4,922,383	4,835,915	4,807,616
General administration	2,533,958	3,200,419	2,418,910	1,957,785
School administration	4,707,847	2,547,076	2,431,157	2,305,537
Business	5,230,014	5,599,793	5,060,848	5,045,886
Transportation	3,917,493	3,456,475	3,015,933	3,496,900
Operations and maintenance	15,396,214	14,002,319	13,060,773	12,840,545
Central	2,901,996	3,079,919	2,650,080	2,205,583
Other supporting services	1,327,796	923,478	609,834	208,175
Community services	343,766	278,346	345,267	320,293
Payments to other districts and gov't units - excluding special education	26,788	9,494	35,981	37,716
Interest and fees	6,204,620	4,488,897	4,189,745	4,427,638
Total expenses	\$ 147,409,917	\$ 134,465,152	\$ 118,705,807	\$ 115,017,406
Program Revenues				
Charges for services				
Instruction:				
Regular programs	\$ 1,546,466	\$ 1,527,469	\$ 1,070,163	\$ 803,423
Other instructional programs	300,179	367,477	347,886	301,973
Support services:				
Business	670,369	619,088	631,824	683,524
Operations and maintenance	22,248	47,718	91,152	101,351
Other	-	-	-	-
Operating grants and contributions	47,044,119	48,624,826	37,682,319	39,909,912
Capital grants and contributions	2,179,387	158,834	-	-
Total program revenues	\$ 51,762,768	\$ 51,345,412	\$ 39,823,344	\$ 41,800,183
Net (expense)/revenue	\$ (95,647,149)	\$ (83,119,740)	\$ (78,882,463)	\$ (73,217,223)
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 26,680,400	\$ 26,494,465	\$ 25,038,738	\$ 24,438,199
Real estate taxes, levied for specific purposes	9,514,965	9,574,781	10,571,376	9,842,721
Real estate taxes, levied for debt service	9,346,402	9,404,948	9,281,278	9,255,730
Personal property replacement taxes	5,427,267	7,352,297	5,210,151	6,520,552
State aid-formula grants	55,078,510	43,510,708	40,659,477	37,147,286
Federal Medicaid reimbursement	-	-	-	-
Investment earnings	886,992	550,215	154,801	137,644
Miscellaneous	64,426	636	60,457	39,606
Total general revenues	\$ 106,998,962	\$ 96,888,050	\$ 90,976,278	\$ 87,381,738
Change in net position	\$ 11,351,813	\$ 13,768,310	\$ 12,093,815	\$ 14,164,515

Source of Information: District Records

Note: District aggregated information differently for fiscal years 2014 through 2018 when compared to prior years.

2014	2013	2012	2011	2010	2009
\$ 32,209,779	\$ 40,056,603	\$ 43,950,117	\$ 43,543,304	\$ 45,839,828	\$ 35,506,727
12,877,911	11,469,318	10,248,130	15,992,179	13,871,762	13,646,452
4,758,764	4,910,920	5,852,209	936,964	3,918,525	4,590,376
13,505,305	-	-	-	-	-
7,497,424	7,425,862	5,971,774	5,948,820	5,926,067	6,313,227
4,114,956	4,101,633	4,221,857	2,516,264	2,634,026	2,315,546
1,756,258	1,703,753	1,700,663	1,752,128	1,371,944	2,097,396
2,219,376	2,234,213	2,002,459	1,951,217	2,224,374	2,859,073
5,507,285	4,739,495	5,630,427	6,166,698	5,376,908	5,722,374
3,159,852	3,477,394	3,595,525	3,361,030	2,920,439	2,496,884
12,060,837	13,172,461	12,212,693	10,933,498	10,188,107	11,571,176
1,910,659	1,284,400	104,893	1,029,143	1,130,022	1,341,619
1,334,603	1,455,462	1,911,751	1,081,710	1,223,183	991,534
289,783	-	-	-	-	-
138,798	-	-	-	-	-
4,653,702	4,868,499	4,908,317	725,445	5,655,441	5,779,209
<u>\$ 107,995,292</u>	<u>\$ 100,900,013</u>	<u>\$ 102,310,815</u>	<u>\$ 95,938,400</u>	<u>\$ 102,280,626</u>	<u>\$ 95,231,593</u>
\$ 1,222,024	\$ 2,459,155	\$ 1,061,660	\$ 1,221,347	\$ 981,055	\$ 1,111,589
378,624	-	-	-	-	-
840,106	896,441	1,008,450	1,944,223	2,113,122	2,304,348
81,952	76,498	64,374	63,300	37,050	44,265
-	-	1,419,548	735,430	-	-
30,114,127	25,383,170	24,643,116	27,713,879	21,621,187	18,646,339
148,000	2,041,567	2,960,697	-	-	-
<u>\$ 32,784,833</u>	<u>\$ 30,856,831</u>	<u>\$ 31,157,845</u>	<u>\$ 31,678,179</u>	<u>\$ 24,752,414</u>	<u>\$ 22,106,541</u>
<u>\$ (75,210,459)</u>	<u>\$ (70,043,182)</u>	<u>\$ (71,152,970)</u>	<u>\$ (64,260,221)</u>	<u>\$ (77,528,212)</u>	<u>\$ (73,125,052)</u>
\$ 23,919,446	\$ 28,585,409	\$ 29,083,104	\$ 26,387,338	\$ 27,408,897	\$ 27,447,900
10,565,125	4,385,031	3,791,022	4,351,000	3,580,715	3,119,627
9,360,364	8,993,119	9,460,799	9,254,374	9,477,658	9,131,114
6,065,527	-	-	-	-	-
36,195,725	34,010,276	32,280,783	32,448,996	24,072,708	26,952,448
-	345,307	496,703	497,182	415,224	329,722
117,484	106,142	116,083	177,282	356,031	609,878
5,654	6,316,300	5,547,980	6,953,821	5,877,021	6,384,633
<u>\$ 86,229,325</u>	<u>\$ 82,741,584</u>	<u>\$ 80,776,474</u>	<u>\$ 80,069,993</u>	<u>\$ 71,188,254</u>	<u>\$ 73,975,322</u>
<u>\$ 11,018,866</u>	<u>\$ 12,698,402</u>	<u>\$ 9,623,504</u>	<u>\$ 15,809,772</u>	<u>\$ (6,339,958)</u>	<u>\$ 850,270</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	450,957	400,206	470,969	605,246
Unassigned	<u>51,234,234</u>	<u>53,774,164</u>	<u>47,940,823</u>	<u>47,265,710</u>
Total general fund	<u>\$ 51,685,191</u>	<u>\$ 54,174,370</u>	<u>\$ 48,411,792</u>	<u>\$ 47,870,956</u>
All other governmental funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Debt service fund	-	-	-	-
Special revenue funds	-	-	-	-
Nonspendable, reported in:				
Debt service fund	-	-	9,621	-
Special revenue funds	701,282	255,786	194,264	258,765
Restricted, reported in:				
Special revenue funds	769,293	1,094,525	938,849	781,202
Debt service fund	6,308,748	6,483,427	6,277,482	6,198,298
Capital projects funds	46,986,127	50,900,794	2,655,522	2,658,304
Assigned, reported in:				
Special revenue funds	5,960,686	2,605,752	1,350,181	1,302,558
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 60,726,136</u>	<u>\$ 61,340,284</u>	<u>\$ 11,425,919</u>	<u>\$ 11,199,127</u>

NOTE: GASB 54 was implemented as of June 30, 2011. Prior years are not adjusted.

Source of information: Fiscal years 2009 - 2018 Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 227,388	\$ 194,629
-	-	-	-	22,793,351	25,533,411
535,383	115,232	199,367	201,967	-	-
<u>45,497,522</u>	<u>46,042,817</u>	<u>40,042,639</u>	<u>38,003,609</u>	<u>-</u>	<u>-</u>
<u>\$ 46,032,905</u>	<u>\$ 46,158,049</u>	<u>\$ 40,242,006</u>	<u>\$ 38,205,576</u>	<u>\$ 23,020,739</u>	<u>\$ 25,728,040</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,327,634	\$ 7,501,216
-	-	-	-	5,897,682	5,197,113
-	-	-	-	7,591,915	2,721,807
-	-	-	-	-	-
-	-	-	-	-	-
1,044,629	1,045,977	860,385	507,042	-	-
6,137,302	5,971,527	5,978,397	5,985,256	-	-
2,661,258	2,655,228	2,414,795	2,184,345	-	-
920,028	-	-	-	-	-
-	(188,385)	(646,621)	(359,250)	-	-
<u>-</u>	<u>-</u>	<u>(1,861,635)</u>	<u>(25,266)</u>	<u>-</u>	<u>-</u>
<u>\$ 10,763,217</u>	<u>\$ 9,484,347</u>	<u>\$ 6,745,321</u>	<u>\$ 8,292,127</u>	<u>\$ 15,817,231</u>	<u>\$ 15,420,136</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Revenues				
Local Sources				
Taxes	\$ 50,969,034	\$ 52,826,491	\$ 50,101,543	\$ 50,057,202
Earnings on investments	886,992	550,215	154,801	137,644
Other local sources	<u>2,603,688</u>	<u>2,562,388</u>	<u>2,201,482</u>	<u>1,929,877</u>
Total local sources	<u>54,459,714</u>	<u>55,939,094</u>	<u>52,457,826</u>	<u>52,124,723</u>
State sources	93,251,333	80,478,488	65,029,204	66,723,666
Federal sources	<u>11,741,217</u>	<u>11,523,161</u>	<u>11,713,269</u>	<u>10,333,532</u>
Total Revenues	<u>\$ 159,452,264</u>	<u>\$ 147,940,743</u>	<u>\$ 129,200,299</u>	<u>\$ 129,181,921</u>
Expenditures				
Current:				
Instruction	\$ 84,101,196	\$ 79,324,626	\$ 67,649,839	\$ 66,480,680
Supporting services	44,336,388	42,118,211	40,667,849	40,033,096
Community services	317,626	272,425	337,879	315,655
Nonprogrammed charges	819,814	845,189	938,128	992,336
Debt service				
Principal	9,244,036	9,353,158	9,346,659	9,340,458
Interest and other	2,512,168	371,039	13,797	19,998
Capital outlay	<u>21,224,363</u>	<u>9,979,152</u>	<u>9,478,520</u>	<u>9,725,737</u>
Total expenditures	<u>162,555,591</u>	<u>142,263,800</u>	<u>128,432,671</u>	<u>126,907,960</u>
Excess (deficiency) of revenue over expenditures	(3,103,327)	5,676,943	767,628	2,273,961
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	-
Proceeds from issuance of debt	-	50,000,000	-	-
Principal on capital lease proceeds	-	-	-	-
Transfers in	50,000	39,820,619	165,456	165,456
Transfers out	(50,000)	(39,820,619)	(165,456)	(165,456)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>50,000,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,103,327)</u>	<u>55,676,943</u>	<u>767,628</u>	<u>2,273,961</u>
Debt service as a percentage of noncapital expenditures	8.31%	7.33%	7.29%	7.99%

Source of information: Fiscal years 2009 - 2018 Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 49,910,462	\$ 42,938,858	\$ 42,239,027	\$ 40,164,833	\$ 42,223,133	\$ 38,855,607
117,484	106,142	116,083	177,282	356,031	609,878
<u>2,528,360</u>	<u>8,807,399</u>	<u>9,102,012</u>	<u>10,343,390</u>	<u>9,008,248</u>	<u>9,844,835</u>
<u>52,556,306</u>	<u>51,852,399</u>	<u>51,457,122</u>	<u>50,685,505</u>	<u>51,587,412</u>	<u>49,310,320</u>
56,901,240	54,068,462	51,693,831	49,785,958	37,876,068	33,609,937
<u>9,556,612</u>	<u>7,677,554</u>	<u>8,687,468</u>	<u>11,448,830</u>	<u>13,065,980</u>	<u>11,611,572</u>
<u>\$ 119,014,158</u>	<u>\$ 113,598,415</u>	<u>\$ 111,838,421</u>	<u>\$ 111,920,293</u>	<u>\$ 102,529,460</u>	<u>\$ 94,531,829</u>
\$ 59,960,159	\$ 52,598,186	\$ 58,223,679	\$ 57,149,042	\$ 61,564,405	\$ 51,133,318
38,615,960	41,938,722	42,760,354	36,443,226	32,983,632	35,098,833
289,783	101,058	120,961	117,012	108,162	83,227
1,240,958	944,923	1,234,816	911,698	938,467	548,243
9,334,527	5,518,979	4,591,987	4,273,133	4,661,696	5,281,648
25,939	3,841,478	4,653,013	4,971,867	4,583,304	3,963,352
<u>8,393,106</u>	<u>-</u>	<u>289,632</u>	<u>394,582</u>	<u>-</u>	<u>1,177,716</u>
<u>117,860,432</u>	<u>104,943,346</u>	<u>111,874,442</u>	<u>104,260,560</u>	<u>104,839,666</u>	<u>97,286,337</u>
1,153,726	8,655,069	(36,021)	7,659,733	(2,310,206)	(2,754,508)
-	-	-	-	-	398,767
-	-	-	-	-	-
-	-	525,645	-	-	-
165,456	165,457	-	50,000	50,000	-
(165,456)	(165,457)	-	(50,000)	(50,000)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>525,645</u>	<u>-</u>	<u>-</u>	<u>398,767</u>
<u>1,153,726</u>	<u>8,655,069</u>	<u>489,624</u>	<u>7,659,733</u>	<u>(2,310,206)</u>	<u>(2,355,741)</u>
8.55%	8.92%	8.29%	8.90%	8.82%	9.62%

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

LEVY YEAR		EQUALIZED ASSESSED VALUE		INCREASE (DECREASE) OVER PREVIOUS YEAR		PERCENTAGE INCREASE (DECREASE) OVER PREVIOUS YEAR		ESTIMATED ACTUAL VALUE
2017	\$	1,721,823,048	\$	279,550,072		19.38%	\$	5,165,469,144
2016		1,442,272,976		48,421,027		3.47%		4,326,818,928
2015		1,393,851,949		(40,999,179)		-2.86%		4,181,555,847
2014		1,434,851,128		(103,347,206)		-6.72%		4,304,553,384
2013		1,538,198,334		(102,698,227)		-6.26%		4,614,595,002
2012		1,640,896,561		(142,807,563)		-8.01%		4,922,689,683
2011		1,783,704,124		(521,694,761)		-22.63%		5,351,112,372
2010		2,305,398,885		37,434,851		1.65%		6,916,196,655
2009		2,267,964,034		(11,105,932)		-0.49%		6,803,892,102
2008		2,279,069,966		303,478,407		15.36%		6,837,209,898

Tax Levy Year		Real Estate		Railroad		Air Pollution		Total EAV
2017	\$	1,694,424,793	\$	27,394,270	\$	3,985	\$	1,721,823,048
2016		1,415,297,496		26,971,080		4,400		1,442,272,976
2015		1,368,096,911		25,750,151		4,887		1,393,851,949
2014		1,409,370,465		25,475,596		5,067		1,434,851,128
2013		1,512,937,886		25,254,915		5,533		1,538,198,334
2012		1,616,287,421		24,603,475		5,665		1,640,896,561
2011		1,762,403,000		21,293,561		7,563		1,783,704,124
2010		2,285,857,019		19,534,030		7,836		2,305,398,885
2009		2,251,198,094		16,757,916		8,024		2,267,964,034
2008		2,263,853,901		15,207,631		8,434		2,279,069,966

Source: Cook County Levy, Rate, and Extension Reports for the years 2008 to 2017.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2017	2016	2015	2014	2013
OVERLAPPING GOVERNMENT:					
County of Cook	0.496	0.533	0.552	0.568	0.560
Forest Preserve District	0.062	0.063	0.069	0.069	0.069
Suburban TB Sanitarium	-	-	-	-	-
Consolidated Elections	0.031	-	0.034	-	0.031
Town of Berwyn	0.052	0.060	0.061	0.059	0.053
General Assistance - Berwyn	0.045	0.052	0.053	0.051	0.046
Metropolitan Water Reclamation District	0.402	0.406	0.426	0.430	0.417
Community College #527	0.583	0.680	0.698	0.670	0.613
City of Berwyn	4.012	4.723	4.901	4.533	3.990
City of Berwyn Library Fund	0.476	0.576	0.577	0.555	0.476
Public Health - Berwyn	0.087	0.102	0.105	0.103	0.095
Mental Health - Berwyn	0.077	0.092	0.092	0.087	0.076
School District #98	3.346	4.049	4.134	3.971	3.639
North Berwyn Park District	0.416	0.502	0.513	0.492	0.455
Total overlapping rate (note)	10.0850	11.8380	12.2150	11.5880	10.5200
DIRECT DEBT:					
Morton S.D. #201	2.875	3.251	3.339	3.216	2.954
Representative Tax Rate	12.960	15.089	15.554	14.804	13.474
OTHER:					
Berwyn Park District	0.381	0.443	0.456	0.438	0.396
School District #100	5.076	4.490	4.568	4.265	3.919
Town of Cicero	6.029	0.320	6.315	5.760	5.183
General Assistance - Cicero	0.024	0.041	0.049	0.047	0.062
Clyde Park District	0.460	0.530	0.542	0.556	0.545
Cicero Library Fund	0.279	0.394	0.338	0.351	0.322
Mental Health - Cicero	0.093	0.122	0.120	0.104	0.096
School District #99	4.111	4.717	5.238	4.998	4.670
Town of Lyons	0.063	0.067	0.070	0.068	0.068
Road and Bridges - Lyons	0.040	0.047	0.049	0.048	0.048
General Assistance - Lyons	-	0.003	0.003	0.003	0.003
Des Plaines Valley Mosquito	0.015	0.017	0.017	0.016	0.016
Mental Health - Lyons	0.090	0.110	0.115	0.112	0.112
School District #103	5.062	5.796	5.924	5.418	5.293
Village of Lyons	2.123	2.454	2.503	2.416	2.204
Village of Lyons Library	0.388	0.459	0.468	0.449	0.402
Town of Stickney	0.297	0.320	0.293	0.283	0.277
Road and Bridge - Stickney Twp.	0.073	0.082	0.084	0.080	0.074
General Assistance - Stickney	0.016	0.020	0.020	0.026	0.023
Stickney - Forest View Library	0.478	0.543	0.489	0.470	0.441
Public Health - Stickney	0.222	0.248	0.274	0.276	0.262
Village of Stickney	3.116	3.712	3.721	3.646	3.326

*Tax rates are expressed in dollars per one hundred of assessed valuations.

The other overlapping districts noted above may be included within a taxpayer's property tax bill, depending on location within the district.

Source of information: Cook County Clerk's office.

2012	2011	2010	2009	2008
0.531	0.462	0.423	0.394	0.415
0.063	0.058	0.051	0.049	0.051
-	-	-	-	-
-	0.025	-	0.021	-
0.048	0.042	0.032	0.032	0.031
0.042	0.037	0.028	0.026	0.025
0.370	0.320	0.274	0.261	0.252
0.556	0.504	0.392	0.393	0.389
3.369	2.984	2.310	2.278	1.937
0.448	0.396	0.319	0.281	0.280
0.089	0.078	0.060	0.061	0.059
0.070	0.063	0.048	0.046	0.046
3.346	3.582	2.836	2.814	2.949
0.355	0.371	0.288	0.286	0.286
9.2870	8.9220	7.0610	6.9420	6.7200
2.732	2.454	1.858	1.848	1.835
12.019	11.376	8.919	8.790	8.555
0.374	0.316	0.307	0.307	0.300
3.645	3.197	2.499	2.492	2.443
4.522	4.566	3.388	3.344	3.243
0.068	0.051	0.037	0.036	0.030
0.505	0.458	0.333	0.308	0.289
0.289	0.231	0.166	0.161	0.156
0.100	0.077	0.063	0.062	0.060
4.302	3.874	2.799	2.786	2.704
0.063	0.059	0.048	0.047	0.046
0.044	0.041	0.033	0.033	0.032
0.003	0.003	0.002	0.002	0.002
0.015	0.014	0.011	0.011	0.012
0.103	0.095	0.078	0.076	0.074
4.856	4.367	3.377	3.287	3.263
2.039	1.832	1.382	1.634	1.419
0.373	0.334	0.252	0.243	0.298
0.250	0.231	0.195	0.181	0.180
0.067	0.059	0.048	0.045	0.043
0.020	0.017	0.014	0.015	0.009
0.499	0.450	0.348	0.338	0.327
0.240	0.180	0.180	0.180	0.164
3.052	2.768	2.128	2.118	1.894

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2017 EQUALIZED ASSESSED VALUATION *	Rank	PERCENTAGE OF TOTAL 2016 EQUALIZED ASSESSED VALUATION (1)
Macneal Hospital	\$ 19,052,908	1	1.1%
Hawthorne Wrks Ste 316	12,840,542	2	0.7%
DiMucci Companies, Cierco Marketplace	12,405,577	3	0.7%
Cermak Plaza Associate	10,830,911	4	0.6%
Chill LL LCc Lyons	10,516,089	5	0.6%
Wal-Mart Real Estate	10,475,550	6	0.6%
Thomas Carey Heirs	10,426,411	7	0.6%
Target Proptax T 732	6,861,788	8	0.4%
Wirtz Beverage Illinois	6,801,621	9	0.4%
Berwyn Gateway Ptnr L, IL, Berwyn Towne Square	6,713,868	10	0.4%
	<u>\$ 106,925,265</u>		<u>6.2%</u>

(1) 2017 total equalized assessed valuation is \$1,721,823,048.

TAXPAYER	2009 EQUALIZED ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL 2009 EQUALIZED ASSESSED VALUATION
McNeal Hospital Finance	\$ 32,966,120	1	1.45%
Hawthorne Works Center LTD.	18,476,289	2	0.81%
Cermak Plaza Association	16,102,949	3	0.71%
Individual	14,903,032	4	0.65%
DiMucci Companies	13,036,004	5	0.57%
United States Cold Storage	9,981,725	6	0.44%
Heartland Bank	9,612,758	7	0.42%
Target Property Tax T732	9,576,056	8	0.42%
Thomson Tax and Accounting	9,017,959	9	0.40%
Home Depot	7,418,260	10	0.33%
	<u>\$ 141,091,152</u>		<u>6.20%</u>

Source of information: Cook County Clerk's Office and June 30, 2009 CAFR

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN LEVY YEARS

	2017	2016	2015	2014	2013
Rates extended:					
Educational	1.6108	1.8533	1.9048	1.7459	1.5971
Special education	0.0247	0.0293	0.0301	0.0296	0.0271
Operations and maintenance	0.3463	0.4178	0.4242	0.4856	0.4442
Tort immunity	0.0000	0.0000	0.0000	0.0000	0.0000
Transportation	0.0722	0.0747	0.0773	0.0759	0.0694
Illinois municipal retirement/Social security	0.1634	0.1934	0.1964	0.1930	0.1766
Bond and interest	0.6571	0.6822	0.7059	0.6857	0.6396
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000
Total rates extended	<u>2.8745</u>	<u>3.2507</u>	<u>3.3387</u>	<u>3.2157</u> #	<u>2.9540</u>
Property tax extensions:					
Educational	\$ 27,735,125	\$ 26,729,645	\$ 26,550,091	\$ 25,051,065	\$ 24,556,565
Special education	425,290	422,585	419,549	424,715	416,851
Operations and maintenance	5,962,673	6,025,816	5,912,719	6,967,637	6,832,676
Tort immunity	-	-	-	-	-
Transportation	1,243,156	1,077,377	1,077,447	1,089,052	1,067,509
Illinois municipal retirement/Social security	2,813,458	2,789,354	2,737,524	2,769,262	2,716,458
Bond and interest	11,313,752	9,838,650	9,838,650	9,838,650	9,838,650
Life Safety	-	-	-	-	-
Total levies extended	<u>\$ 49,493,454</u>	<u>\$ 46,883,427</u>	<u>\$ 46,535,980</u>	<u>\$ 46,140,381</u>	<u>\$ 45,428,709</u>
Current year collections	23,216,114	22,568,454	22,432,444	21,832,435	21,893,735
Subsequent collections	-	22,335,512	22,485,843	22,378,175	21,762,964
Total collections	<u>\$ 23,216,114</u>	<u>\$ 44,903,966</u>	<u>\$ 44,918,287</u>	<u>\$ 44,210,610</u>	<u>\$ 43,656,699</u>
Percentage of extensions collected - current year collections	46.91%	48.14%	48.20%	47.32%	48.19%
Percentage of extensions collected - subsequent year collections	<u>0.00%</u>	<u>47.64%</u>	<u>48.32%</u>	<u>48.50%</u>	<u>47.91%</u>
Percentage of extensions collected - total	<u>46.91%</u>	<u>95.78%</u>	<u>96.52%</u>	<u>95.82%</u>	<u>96.10%</u>

Source of Information: Cook County Levy, Rate and Extension Reports for 2008 - 2017.

2012	2011	2010	2009	2008
1.4373	1.2546	0.9435	0.9464	0.9627
0.0249	0.0222	0.0167	0.0168	0.0166
0.4093	0.3650	0.2745	0.2753	0.2804
0.0000	0.0000	0.0000	0.0000	0.0000
0.0640	0.0571	0.0429	0.0430	0.0329
0.1968	0.1755	0.1320	0.1323	0.1106
0.5996	0.5516	0.4268	0.4338	0.4317
0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0272	0.0209	0.0000	0.0000
<u>2.7319</u>	<u>2.4532</u>	<u>1.8573</u>	<u>1.8476</u>	<u>1.8349</u>
\$ 23,584,606	\$ 22,378,351	\$ 21,751,438	\$ 21,464,054	\$ 21,940,177
408,583	395,982	385,001	380,298	379,038
6,716,189	6,510,520	6,328,319	6,244,227	6,391,524
-	-	-	1	1
1,050,173	1,018,495	989,016	974,999	750,000
3,229,284	3,130,400	3,043,125	3,000,092	2,522,668
9,838,650	9,838,650	9,838,650	9,838,650	9,838,650
-	485,167	481,828	-	-
<u>\$ 44,827,485</u>	<u>\$ 43,757,565</u>	<u>\$ 42,817,377</u>	<u>\$ 41,902,321</u>	<u>\$ 41,822,058</u>
21,666,948	21,572,327	20,912,293	20,703,666	18,366,839
22,036,163	20,852,281	19,991,172	19,365,952	21,446,494
<u>\$ 43,703,111</u>	<u>\$ 42,424,608</u>	<u>\$ 40,903,465</u>	<u>\$ 40,069,618</u>	<u>\$ 39,813,333</u>
48.33%	49.30%	48.84%	49.41%	43.92%
<u>49.16%</u>	<u>47.65%</u>	<u>46.69%</u>	<u>46.22%</u>	<u>51.28%</u>
<u>97.49%</u>	<u>96.95%</u>	<u>95.53%</u>	<u>95.63%</u>	<u>95.20%</u>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

YEAR	QUALIFIED SCHOOL CONSTRUCTION BONDS	CAPITAL APPRECIATION BONDS	CAPITAL LEASES & LOANS	TOTAL	TOTAL DEBT PER CAPITA	PERCENTAGE OF TOTAL DEBT TO PERSONAL INCOME
2018	\$ 50,000,000	\$ 53,101,460	\$ -	\$ 103,101,460	\$ 650	2.02%
2017	50,000,000	58,028,145	49,036	108,077,181	676	2.18%
2016	-	62,298,614	207,194	62,505,808	393	0.77%
2015	-	67,125,462	358,853	67,484,315	424	0.87%
2014	-	71,320,617	504,312	71,824,929	454	0.93%
2013	-	75,295,648	643,839	75,939,487	480	1.02%
2012	-	47,398,367	777,629	48,175,996	302	0.67%
2011	-	51,956,272	286,066	52,242,338	329	0.73%
2010	-	56,196,359	319,112	56,515,471	384	0.83%
2009	-	60,826,676	350,491	61,177,167	415	0.89%

Source of Information: Annual Financial Statements

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
RATIOS OF GENERAL BONDED DEBT OUTSTANDING TO EQUALIZED ASSESSED VALUATION
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	EQUALIZED ASSESSED VALUATION	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUATION	ESTIMATED POPULATION		GENERAL OBLIGATION BONDED DEBT PER CAPITA	PERCENTAGE OF GENERAL OBLIGATION BONDED DEBT TO PERSONAL INCOME
2018	\$ 103,101,460	\$ 1,721,823,048	5.99%	158,671	**+	\$ 650	2.02%
2017	108,028,145	1,442,272,976	7.49%	159,927	**+	675	1.58%
2016	62,298,614	1,442,272,976	1.98%	158,990	**+	179	0.35%
2015	67,125,462	1,434,851,128	2.32%	159,291	**	209	0.43%
2014	71,320,617	1,538,198,334	2.83%	158,280	**	275	0.56%
2013	75,295,648	1,640,896,561	2.56%	158,190	***	266	0.57%
2012	47,398,367	1,783,704,124	2.66%	159,418	**	297	0.66%
2011	51,956,272	2,305,398,885	2.25%	158,720	*	327	0.72%
2010	56,196,359	2,267,964,034	2.48%	147,312		381	0.83%
2009	60,826,676	2,279,069,966	2.67%	147,312		413	0.89%

Source of Information: Annual Financial Statements 2009-2018, Census Bureau

* 2010 U.S. Census Bureau

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and an increase of 0.057% from 2013 to 2014.

**+The Census Bureau has reported an decrease in the population of the communities in the District from 2010 to 2015 by approximately .19%

***U.S. Census Bureau American FactFinder reports the estimated 2012 population of the District to be 158,190.

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2018

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
Cook County	3,085,186,750 (3)	1.13%	\$ 34,739,203
Cook County Forest Preserve	150,960,000	1.13%	1,699,810
Lyons Township	1,895,000	4.70%	89,065
Metropolitan Water Reclamation District	2,480,560,091 (1)	1.15%	28,476,830
City of Berwyn	157,290,000	100.00%	157,290,000
Town of Cicero	67,465,000 (4)	100.00%	67,465,000
Village of Forest View	970,000	42.96%	416,731
Village of Lyons	4,205,000 (3)(5)	95.29%	4,006,776
Village of McCook	37,015,000 (5)	28.18%	10,430,457
Village of Stickney	7,585,000	100.00%	7,585,000
Berwyn Park District	2,015,000	100.00%	2,015,000
Central Stickney Park District	1,056,000	2.05%	21,616
Clyde Park District	675,000	100.00%	675,000
Hawthorne Park District	172,830 (3)	100.00%	172,830
McCook Park District	511,000	28.37%	144,986
North Berwyn Park District	466,565 (3)	100.00%	466,565
McCook Public Library District	- (3)	28.37%	-
Stickney Forest View Public Library District	1,125,000	55.33%	622,429
School District #99	51,305,000 (5)	100.00%	51,305,000
School District #100	34,735,000	100.00%	34,735,000
School District #103	6,922,073 (2)	71.00%	4,914,949
School District #104	26,780,000	3.33%	890,435
Morton Community College District No. 527	2,995,000	100.00%	2,995,000
Total indirect debt			\$ 411,157,682
Direct Debt:			
J. Sterling Morton High School District # 201	69,752,644 (2)	100.00%	\$ 69,752,644
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 480,910,326</u>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(4) Includes self-supporting debt

(5) Excludes outstanding debt certificates, leases, self-supporting debt, and/or installment contracts

Sources: Offices of the Cook County Clerk, Cook County Comptroller, and the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Valuation	<u>\$ 1,721,823,048</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 118,805,790
Total Debt Outstanding	69,752,644
Less: Exempted Debt	<u>-</u>
Net Subject to 6.9% Limit	<u>69,752,644</u>
Total Debt Margin	<u>\$ 49,053,146</u>

	2018	2017	2016	2015
Debt Limit	\$ 118,805,790	\$ 99,516,835	\$ 96,175,785	\$ 99,004,728
Total Net Debt Applicable to Limit	<u>69,752,644</u>	<u>73,716,374</u>	<u>28,012,352</u>	<u>32,596,853</u>
Legal Debt Margin	<u>\$ 49,053,146</u>	<u>\$ 25,800,461</u>	<u>\$ 68,163,433</u>	<u>\$ 66,407,875</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59%	74%	29%	33%

Source of Information: 2009 - 2018 Annual Financial Statements

2014	2013	2012	2011	2010	2009
\$ 106,135,685	\$ 113,221,863	\$ 123,075,585	\$ 159,072,523	\$ 156,489,518	\$ 157,255,828
<u>37,471,441</u>	<u>36,041,651</u>	<u>41,419,970</u>	<u>45,971,016</u>	<u>50,298,677</u>	<u>55,629,563</u>
<u>\$ 68,664,244</u>	<u>\$ 77,180,212</u>	<u>\$ 81,655,615</u>	<u>\$ 113,101,507</u>	<u>\$ 106,190,841</u>	<u>\$ 101,626,265</u>
35%	32%	34%	29%	32%	35%

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

YEAR	POPULATION		PERSONAL INCOME (<i>thousands of dollars</i>)	COOK COUNTY PER CAPITA PERSONAL INCOME		ANNUAL UNEMPLOYMENT RATE (COOK COUNTY)
2017	158,671	nces	\$ 5,105,874	\$32,179	+	5.2%
2016	159,927	**+	4,959,816	31,013	+	6.2%
2015	158,990	**+	8,153,007	51,280	+	6.1%
2014	159,291	**	7,746,698	48,943	+	9.6%
2013	158,280	**	7,746,698	48,943	+	9.6%
2012	158,190	***	7,424,964	46,937	+	9.3%
2011	159,418	**	7,223,389	45,311		10.4%
2010	158,720	*	7,191,761	45,311		10.5%
2009	147,312		6,800,069	46,161		10.3%
2008	147,312		6,846,325	46,475		6.5%

Sources:

+US Census QuickFacts Per Capita Income in past 12 months (in 2016 dollars), 2012-2016

* 2010 U.S. Census Bureau (for J. Sterling Morton High School District #201)
GCT-PL2 Population and Housing Occupancy Status: 2010 - State - School District
2010 Census Redistricting Data (Public Law 94-1717) Summary File

**The Census Bureau has reported an increase in the population of the communities in the District from 2010 to 2011 by approximately .44% and by .057% from 2012 to 2013

**+The Census Bureau has reported an decrease in the population of the communities in the District from 2010 to 2015 by approximately .19%

*** U.S. Census Bureau's American FactFinder Results, 2012 American Community Survey - 1 Year Estimates

2002-2009 Population for Berwyn, Cicero, Forest View, Lyons, McCook and Stickney provided by
Population Division, U.S. Census Bureau.

Per capita personal income for Cook County provided by Regional Economic Information
System, Bureau of Economic Analysis, U.S. Department of Commerce.
Per Capita Personal Income of \$46,937 is for 2011, most recent available at printing of this statement.

Unemployment rate provided by the Illinois Department of Employment Security,
Labor Market Information Unit website: <http://lmi.ides.state.il.us/laus/laushis.htm>

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2018				
EMPLOYER	EMPLOYEES	DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT*
MacNeal Hospital & Health Services	1,800	(2)	1	2.597%
Wirtz Beverage Illinois, LLC	1,000	(2)	2	1.443%
Morton East & West High Schools	768	(3)	3	1.108%
Hawthorne Race Course	500	(4)	4	0.721%
LBP Manufacturing, Inc. (Levin Bros. Paper/Terrace Paper C	500	(1)	4	0.721%
Morton College	383	(3)	5	0.553%
USF Holland, Inc.	340	(2)	6	0.491%
Walmart Supercenter	335	(4)	7	0.483%
Campagna-Turano Bakery	300	(1)	8	0.433%
Fontanini Italian Meats	270	(1)	9	0.390%
Saporito Finishing Co.	250	(1)	10	0.361%
	<u>6,446</u>			<u>9.30%</u>

* The estimated number of persons employed in the District in 2017 per IDES was 69,308

2009				
EMPLOYER	EMPLOYEES	DATA SOURCE	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
MacNeal Hospital	2,200	(6)	1	N/A^
A&R Janitorial Services	1,800	(6)	2	N/A^
USF Holland, Inc.	500	(6)	3	N/A^
Brad Foote Gear Works, Inc.	450	(6)	4	N/A^
Meade Electric	400	(6)	5	N/A^
Terrace Paper Co., Inc.	400	(6)	6	N/A^
Turano Baking Co.	300	(6)	7	N/A^
Groot Industries, Inc.	250	(6)	8	N/A^
Morton College	250	(6)	9	N/A^
Tru Vue, Inc.	250	(6)	10	N/A^
	<u>6,800</u>			<u>0.000%</u>

^Percentage of total employment not available

Data Sources

(1) 2018 Illinois Manufacturers Directory

(2) 2018 Illinois Services Directory

(3) Employer Official Website and/or Financial Reports

(4) referenceUSA.com

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Instructional services:				
Regular programs				
Teachers	338.0	333.0	337.0	331.0
Clerical	-	-	-	-
Special programs				
Administrators	4.0	3.0	3.0	3.0
Teachers	57.0	55.0	53.0	50.0
Teaching assistants/clerical	56.0	55.0	49.0	54.0
Other programs				
Administrators	1.0	1.0	1.0	1.0
Teachers	12.0	12.0	8.0	8.0
Teaching assistants/clerical	11.0	11.0	10.0	10.0
Support services:				
Pupil support services				
Dean of students/administrators	9.0	9.0	9.0	9.0
Guidance counselors	25.0	25.0	25.0	25.0
Psychologists	5.0	5.0	5.0	5.0
Speech pathologists	3.0	3.0	3.0	3.0
Clerical	43.0	43.0	43.0	43.0
Instructional staff services				
Administrators	6.0	6.0	6.0	6.0
Testing facilitator	-	-	-	-
Teachers	-	-	-	-
Librarians	3.0	3.0	3.0	3.0
Clerical/aides	-	-	-	-
General administration services				
Treasurer	1.0	1.0	1.0	1.0
Superintendent/asst. superintendents	3.0	3.0	3.0	2.0
Special area administration	3.0	3.0	3.0	3.0
Clerical	8.0	8.0	8.0	8.0
School administration services				
Principals and assistant principals	11.0	11.0	11.0	11.0
Clerical	9.0	9.0	9.0	9.0
Business services				
Direction of business services	1.0	1.0	1.0	1.0
Fiscal services	14.0	14.0	14.0	14.0
Food service	25.0	25.0	25.0	25.0
Operations and maintenance of facilities				
Director/clerical	2.0	2.0	2.0	2.0
Engineers/custodial/maintenance	65.0	65.0	61.0	61.0
Security	47.0	47.0	64.0	53.0
Transportation services				
Bus drivers	1.0	1.0	1.0	1.0
Central services				
Information services	-	-	-	-
Data processing services	10.0	10.0	10.0	10.0
Total employees	773.0	764.0	768.0	752.0

Source: District records - full time equivalents.

	2014	2013	2012	2011	2010	2009
	304.3	299.0	300.0	334.0	369.0	324.2
	-	-	-	-	-	-
	3.0	3.0	3.0	3.0	3.0	-
	52.5	55.0	57.0	58.0	68.0	59.0
	62.0	68.0	70.0	70.0	63.0	63.0
	1.0	1.0	1.0	1.0	-	-
	9.0	9.0	9.0	9.0	68.0	53.2
	12.0	7.0	6.0	6.0	26.0	26.0
	11.0	9.0	9.0	9.0	9.0	9.0
	27.0	27.0	24.0	26.0	28.0	27.0
	5.0	5.0	4.0	4.0	4.0	3.0
	3.0	3.0	3.0	3.0	3.0	3.0
	43.0	41.0	34.0	34.0	34.0	33.5
	6.0	6.0	5.0	5.0	5.0	7.8
	-	-	-	-	-	-
	-	-	-	-	-	-
	3.0	3.0	3.0	3.0	5.0	5.0
	-	-	9.0	9.0	13.0	13.0
	1.0	1.0	1.0	1.0	1.0	1.2
	2.0	2.0	2.0	2.0	3.0	1.0
	3.0	3.0	1.0	1.0	7.0	6.3
	8.0	9.0	9.0	9.0	9.0	9.0
	11.0	11.0	11.0	11.0	12.0	17.0
	9.0	10.0	13.0	13.0	17.0	17.5
	1.0	1.0	1.0	1.0	1.0	1.8
	14.0	14.0	18.0	18.0	18.0	18.0
	20.0	21.0	20.0	25.0	25.0	25.0
	2.0	2.0	2.0	2.0	2.0	2.0
	63.0	71.0	71.0	71.0	71.0	70.0
	57.5	54.0	51.0	47.0	47.0	47.0
	2.0	2.0	2.0	2.0	2.0	2.0
	-	-	-	-	-	1.0
	10.0	9.0	10.0	10.0	10.0	12.0
#	753.3	754.0	758.0	796.0	932.0	866.5

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**OPERATING INDICATORS BY PROGRAM**

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Instruction				
Enrollment				
Regular Education	7,802	7,840	7,562	7,354
Special Education	992	958	937	945
Total Enrollment	8,794	8,798	8,499	8,299
Percentage of limited English proficient	14.2%	18.0%	10.4%	11.2%
Pupil support services				
Percentage of students with disabilities	11.1%	10.6%	11.3%	11.3%
School Administration				
Student attendance rate	90.3%	93.0%	91.1%	88.5%
Fiscal Services				
Purchase orders processed	2,838	2,923	3,023	2,897
W-2's issued	1,102	1,122	1,105	1,145
Maintenance				
District square footage maintained by custodians and maintenance staff	1,354,175	1,354,175	1,354,175	1,354,175
District acreage maintained by grounds staff	69	69	69	69

Source of information: District records

2014	2013	2012	2011	2010	2009
7,452	7,347	7,309	7,730	7,414	7,392
850	843	1,035	823	992	1,018
8,302	8,190	8,344	8,553	8,406	8,410
9.9%	10.0%	10.0%	6.3%	5.6%	5.4%
10.2%	10.3%	12.4%	9.7%	11.8%	12.1%
90.8%	89.0%	86.9%	86.9%	84.8%	90.5%
2,974	4,211	3,931	4,099	4,600	4,700
1,129	1,138	1,200	1,200	1,214	1,226
1,354,175	1,354,175	1,354,175	1,345,425	1,345,425	1,345,425
69	69	69	69	69	69

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201**SCHOOL BUILDING INFORMATION**

LAST TEN FISCAL YEARS

	2018	2017	2016	2015
<hr/>				
Morton East				
Grounds area (acres)	12.75	12.75	12.75	12.75
Buildings (square feet)	639,997	639,997	639,997	639,997
Available capacity (students)	3,300	3,300	3,300	3,300
Enrollment (students housed)	3,427	3,427	3,427	3,427
Morton West				
Grounds area (acres)	41.60	41.60	41.60	41.60
Buildings (square feet)	471,868	471,868	471,868	471,868
Available capacity (students)	3,000	3,000	3,000	3,000
Enrollment (students housed)	3,577	3,577	3,577	3,577
Morton Freshman Center (2004)				
Grounds area (acres)	14.17	14.17	14.17	14.17
Buildings (square feet)	213,030	213,030	213,030	213,030
Available capacity (students)	1,500	1,500	1,500	1,500
Enrollment (students housed)	1,233	1,233	1,233	1,233
Morton Alternative School (2008)				
Grounds area (acres)	3.06	3.06	3.06	3.06
Buildings (square feet)	20,530	20,530	20,530	20,530
Available capacity (students)	126	126	126	126
Enrollment (students housed)	84	84	84	84
Morton Alternative School (leased)				
Enrollment (students housed)	n/a	n/a	n/a	n/a

2014	2013	2012	2011	2010	2009
12.75	12.75	12.75	12.75	12.75	12.75
639,997	639,997	639,997	639,997	639,997	639,997
3,300	3,300	3,300	3,300	3,300	3,300
3,394	3,352	3,220	3,220	3,220	3,539
41.60	41.60	41.60	41.60	41.60	41.60
471,868	471,868	471,868	471,868	471,868	471,868
3,000	3,000	3,000	3,000	3,000	3,000
3,479	3,379	3,892	3,892	3,892	3,501
14.17	14.17	14.17	14.17	14.17	14.17
213,030	213,030	213,030	213,030	213,030	213,030
1,500	1,500	1,500	1,500	1,500	1,500
1,225	1,244	1,337	1,337	1,337	1,260
3.06	3.06	3.06	3.06	3.06	3.06
20,530	20,530	20,530	20,530	20,530	20,530
126	126	126	126	126	126
85	110	104	104	104	76
n/a	n/a	n/a	n/a	n/a	n/a

J. STERLING MORTON HIGH SCHOOL DISTRICT NO. 201
OPERATING STATISTICS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	OPERATING COST (1)	AVERAGE DAILY ATTENDANCE	NET OPERATING COST PER PUPIL	PERCENTAGE CHANGE
2018	\$ 94,068,794	7,084.63	\$ 13,278	6.73%
2017	87,978,137	7,071.72	12,441	3.63%
2016	86,084,864	7,170.75	12,005	6.38%
2015	80,157,499	7,102.78	11,285	-3.73%
2014	81,205,790	6,927.29	11,723	2.48%
2013	81,283,635	7,105.76	11,439	-4.16%
2012	83,921,425	7,031.00	11,936	3.46%
2011	83,340,492	7,223.83	11,537	-9.93%
2010	84,671,293	6,610.30	12,809	18.52%
2009	80,587,998	7,456.42	10,808	4.77%

(1) Total operating expenses

Source of Information: 2009 - 2018 Annual Financial Statements and Annual Financial Reports