

COMPREHENSIVE ANNUAL FINANCIAL  
REPORT

OF

**ARLINGTON HEIGHTS SCHOOL  
DISTRICT 25**

**ARLINGTON HEIGHTS, ILLINOIS**

As of and for the Year Ended June 30, 2017

Officials Issuing Report

Ms. Stacey Mallek, Assistant Superintendent for Business

Department Issuing Report

Business Office

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## TABLE OF CONTENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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	<u><i>Page(s)</i></u>
<b><i>Introductory Section</i></b>	
Transmittal Letter	i - x
ASBO Certificate	xi
Organizational Chart	xii
Officers and Officials	xiii
<b><i>Financial Section</i></b>	
Independent Auditors' Report	1 - 3
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 11
<b>Basic Financial Statements</b>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	12
Statement of Activities	13
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	14 - 15
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17 - 18
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities - Agency Fund	20
Notes to Basic Financial Statements	21 - 46
<b>Required Supplementary Information</b>	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	47
Illinois Municipal Retirement Fund - Schedule of District Contributions	48
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	49
Schedule of Funding Progress For Retirees' Health Plan	50

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

---

### Page(s)

#### **Required Supplementary Information - (Continued)**

##### General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

General Fund - Non-GAAP Budgetary Basis	51 - 58
Operations and Maintenance Fund	59 - 60
Transportation Fund	61
Municipal Retirement/Social Security Fund	62 - 63
Notes to Required Supplementary Information	64

#### **Supplementary Information**

##### Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual

Debt Service Fund	65
Capital Projects Fund	66
Fire Prevention and Life Safety Fund	67
General Fund - Combining Balance Sheet	68
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	69
General Fund Accounts - <u>Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts - Non-GAAP Budgetary Basis	70 - 77
Tort Immunity and Judgment Accounts	78
Working Cash Accounts	79
Schedule of Changes in Assets and Liabilities - Agency Fund	80

#### **Statistical Section**

Net Position by Component	81 - 82
Changes in Net Position	83 - 84
Fund Balances of Governmental Funds	85 - 86
Governmental Funds Revenues	87 - 88
Governmental Funds Expenditures and Debt Service Ratio	89 - 90
Other Financing Sources and Uses and Net Change in Fund Balances	91 - 92
Assessed Valuation and Estimated Actual Value of Taxable Property	93
Property Tax Rates - All Direct and Overlapping Governments	94 - 95
Principal Property Taxpayers in the District	96

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

---

	<u><i>Page(s)</i></u>
<b><i>Statistical Section - (Continued)</i></b>	
Property Tax Levies and Collections	97
Ratio of Outstanding Debt by Type	98
Ratios of General Bonded Debt Outstanding	99
Computation of Direct and Overlapping Debt	100
Legal Debt Margin Information	101 - 102
Demographic and Economic Statistics	103
Principal Employers	104
Number of Employees by Type	105
Operating Indicators by Function	106 - 107
School Building Information	108 - 109



## **Arlington Heights School District 25**

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Administration Building • 1200 S. Dunton, Arlington Heights, IL 60005 • (847) 758-4880 • FAX (847) 758-4908

Stacey Mallek, Assistant Superintendent for Business

December 5, 2017

President and Members of the Board of Education and  
Citizens of Arlington Heights School District 25  
Arlington Heights, Illinois 60005

Dear Members of the Board of Education and Citizens,

The Comprehensive Annual Financial Report of Arlington Heights School District 25, Arlington Heights, Illinois, for the fiscal year ended June 30, 2017, is submitted herewith. Submittal of this report complies with the requirements of the Illinois School Code. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter for transmittal and should be read in conjunction with it.

The District is required to undergo an annual single audit as required by the U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditor's report on the internal control structure and compliance with applicable laws and regulations are, included in a separate report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the ASBO's Certificate of Excellence. The financial section includes the basic financial statements, individual fund financial statements and schedules, as well as the independent auditors' report on the basic financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for multiple years, demographics and other information.

This report includes all funds of the District. For all of the governmental fund types, the District reports on a modified accrual basis of accounting that is applied to the District's budget and accounting records. The notes to the financial statements expand upon the modified accrual basis, as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Baker Tilly Virchow Krause, LLP, Certified Public Accountants.

### **The Reporting Entity and Its Services**

The District is an elementary (EC – 8) school district in Wheeling Township, Illinois, which operates as a single district. Made up of seven elementary schools and two middle schools, the District's total student enrollment for 2016-17 was 5,524. The schools currently operating in the district are as follows:

<b>School</b>	<b>Year Built</b>
Dryden Elementary School	1952
Greenbrier Elementary School	1964
Ivy Hill Elementary School	1966
Olive-Mary Stitt Elementary School	1962
Patton Elementary School	1962
Westgate Elementary School	1962
Windsor Elementary School	1959
South Middle School	1997
Thomas Middle School	1964

Each elementary school hosts students in grades kindergarten through fifth, and each middle school hosts students in grades six through eighth. Additionally, Greenbrier Elementary school runs an early childhood program for students ages three to five. The governing body consists of a seven member Board of Education elected from within the District's boundaries. The District's boundaries consist of approximately 65% of Wheeling Township. Based on the legislative authority codified in *The Illinois School Code*, the Board of Education:

- a. has the corporate power to sue and be sued in all courts
- b. has the power to levy and collect taxes and to issue bonds
- c. can contract for appointed administrators, teachers, and other personnel as well as for goods and services
- d. holds title to all District property, and
- e. appoints the Treasurer who serves as legal custodian of all the District's funds,

The Board of Education entered into an Intergovernmental Agreement with Township High School District 214 on April 11, 1996 to provide the same services previously provided by the Wheeling Township School Trustees and School Treasurer. This agreement is ongoing unless the Board of Education of Arlington Heights School District 25 should elect to withdraw from the agreement.

The primary purpose of the Board of Education is to provide a superior education for a lifetime of learning. The District believes the following:

- all children can learn.
- learning is a lifelong process.
- effective teaching promotes the desire to learn.
- students learn in different ways and at different rates.
- learning is enhanced in a nurturing and collaborative environment.
- that respect for the worth and dignity of each individual is essential.
- the mastery of basic skills and the integration of higher-order thinking skills are essential elements of education.
- education is a responsibility shared among students, teachers, parents, families, support staff, and community members.
- that essential to a quality education is a well-trained, student-centered staff.
- parental involvement is important to student success.
- all students deserve a challenging and comprehensive curriculum that includes fine and applied arts and physical education.
- high expectations influence performance.
- students and all school personnel are expected to demonstrate trustworthiness, respect, individual responsibility, fairness, caring, citizenship, and ethical behavior.
- in a consistent district-wide curriculum delivered in a way that meets the individual needs of students.
- in a safe and secure school environment.
- in continuous improvement through planning processes that involve the students, teachers, parents, support staff, and community members.
- participatory long-term planning promotes the best use of the district's resources.
- effective communication is essential as part of the educational process.
- in providing timely and accurate information to all members of the community.
- the success of the district requires accountability on the part of students, teachers, parents, support staff, administration, and Board of Education.
- intellectual risk-taking results in learning for students and staff.
- promoting a student's positive self-esteem, attitude, and emotional well-being enhances learning.
- technology is an instructional tool that significantly impacts the educational process.
- rapidly changing technologies will challenge the current structure and process of education.
- diversity enriches our schools, community and society.

### **Economic Conditions**

With approximately 75,525 residents, Arlington Heights is one of the largest communities in Chicago's northwest suburban corridor, located only 25 miles from Chicago's business and entertainment resources. An upper middle class community with a median household income of \$81,059, Arlington Heights attracts both middle and upper management executives. The average resident is 42 years old. Over half the residents age 25 or older have completed four or more years of college. This data is based on the most recent data available (2011-2016).

The average single-family home sells for \$320,600. Helping to ensure these high property values are strict building and zoning ordinances as well as a frequently updated comprehensive plan that guides all land development in the Village.

What draws people to Arlington Heights in addition to opportunities for employment, are the excellent services provided by its schools, park district, and library. Many of the District's schools have received the Blue Ribbon Award for Excellence.

The community and all of its resources are committed to careful planning and thoughtful renewal. Economic conditions are quite stable.

### **Local District Economy**

Within the Village of Arlington Heights are six industrial areas and six large shopping centers. The industrial area has more than 300 firms. The shopping centers, in addition to many smaller strip-shopping areas, provide the District residents with ample opportunities to supply their needs.

Redevelopment plans for the Village have led to demolition of some older buildings to make room for new shopping areas and multifamily residential areas. The most current assessed valuation shows approximately 82% of the District's valuation to be residential, 17% commercial and, 1% industrial with minimal farmland and railroad valuations.

### **For The Future**

Since 1989, the District has renovated and added onto schools and has built a middle school. Classrooms were added to Windsor Elementary School during the 1999-2000 fiscal year and to Patton Elementary School for the 2005-2006 fiscal year. The District added two classrooms at Olive-Mary Stitt School and six classrooms at Dryden School for the 2007-2008 school year. Another six classrooms were added to Olive-Mary Stitt and ten classrooms to Ivy Hill schools in 2015-16. The Board of Education approved the addition of six classrooms at Windsor School and five classrooms at Thomas Middle School to be built during the 2016-17 school year, along with new/expanded gymnasiums, additional bathrooms, and expanded common spaces to accommodate continued growth. The District engaged Consulting Demographer, John Kasarda, in the fall of 2016 to develop enrollment projections. Future projected student enrollments based on a kindergarten trend projection model are as follows:

### **Projected Enrollment**

<b>Grade</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>24-25</b>	<b>25-26</b>
<b>K</b>	483	497	489	486	484	497	501	498	503
<b>1</b>	624	611	625	617	614	610	623	627	624
<b>2</b>	633	640	627	641	633	629	625	638	642
<b>3</b>	622	645	652	639	653	644	640	636	649
<b>4</b>	611	623	646	653	640	655	646	642	638
<b>5</b>	563	614	626	649	656	643	658	649	645
<b>6</b>	618	586	637	649	672	679	666	681	672
<b>7</b>	639	622	590	641	653	675	682	669	684
<b>8</b>	641	642	625	593	644	655	677	684	671
<b>Total</b>	5434	5480	5517	5568	5649	5687	5718	5724	5728



The District is making a concerted effort to communicate with the residents of Arlington Heights concerning its financial picture. In April of 2005, the community approved a Debt Service Extension Base referendum. This allowed the District to add additional space for educational programs, maintain its facilities and refinance outstanding debt that was being paid from operating funds. As of December 1, 2013, the District paid off all of the debt issued as promised to the taxpayers. During fiscal year 2015-16, the Board issued \$18 million in new debt to fund classroom additions at Ivy Hill and Olive-Mary Stitt Schools. In fiscal year 2016-17, the Board issued another \$32.3 million in debt to fund classroom additions at Thomas and Windsor Schools.

## **Strategic Vision**

As a result of a strategic planning process involving representatives of the community and District personnel, the Board of Education adopted the following “Strategic Vision 2020”:

### **Mission**

Arlington Heights School District 25 cultivates innovative learners within a nurturing and collaborative community to thrive in an ever-changing world.

### **Vision**

Embracing today – inspiring tomorrow.

## **Strategic Vision 20/20**

### **Broaden Best Practices**

- Increase technology access
- Align curriculum
- Explore how to address social/emotional needs
- Review options for high achievers
- Grow capacity for personalized learning
- Explore inclusion models
- Increase cultural awareness
- Communicate purposeful assessment plan
- Review progress reporting philosophy and tools
- Align EL practices across the district

### **Explore Program Expansion**

- Study options for world language at K-5
- Determine future Early Childhood location, expansion, and delivery model
- Explore options for full day Kindergarten
- Explore scheduling alternatives for students, school year, and staff development
- Continue to assess and refine staffing models and roles

### **Strengthen Community Relations**

- Improve/shift the “us” and “them” mentality
- Establish consistent communication routines with entire community
- Develop and build upon existing community partnerships

- Solidify positive reputation of teachers and teaching

### **Enhance Staff Support**

- Further cultivate the organizational health of D25
- Further promote the health and wellness of staff
- Evaluate staff retention and explore additional ways to retain staff
- Explore opportunities to further increase professional development time amongst staff members
- Evaluate programming for non-tenured staff
- Explore opportunities to expand the substitute pool
- Increase university clinical/student teaching partnerships

### **Maintain and Enhance High Quality Facilities**

- Establish process to annually evaluate district space needs
- Complete evaluation of safe and secure buildings
- Explore flexible learning spaces for innovation
- Increase energy efficiency

This Strategic Vision 20/20 was approved by the Board of Education on January 19, 2017.

## **Financial Overview**

As resources become scarcer and more segments of the community vie for their use, planning and sound fiscal policies become even more critical in providing the financial support needed for the District to fulfill its mission. Accordingly, five-year financial projections, Board budget sessions, and quarterly budget updates have been implemented to provide the Board with accurate financial information and the community the opportunity to participate in the discussion process. Although the District's five-year financial projections point toward continued overall financial strength, several key areas of concern are monitored for probable adverse impact on operations. Key areas of concern include property tax refunds, unfunded mandates, utility costs, growing special education and English Language Learners program needs, increasing health care costs, the pension crisis, the State financial condition, reductions in State funding, and the legislative debate over property tax freezes.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, expenditures to revenues ratio, and fund balance as a percentage of next year's expenditures. However, with minimal increases and probable decreases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for taxing districts, including District 25. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenues. Over the past several years, the District has made some positive financial achievement in the areas of energy utilization and tying salaries to the same inflation rate that property tax increases are tied to. District 25 also seeks out other revenue sources. Grants are actively sought, a District foundation has been created, and facilities not projected to be needed have been rented.

Prudent use of resources, sound fiscal practices, and a plan for programs and expenditures are essential components of the financial policies.

### **Relevant Financial Policies**

The Illinois School Code requires that public school districts approve an annual budget prior to the last day of the first quarter of the current fiscal year. The Board of Education of each district is further required to make these budgets available for public inspection at least 30 days, followed by a public hearing, prior to their adoption. The approved budgets must be filed with the Illinois State Board of Education within 30 days of their approval. The District budget is posted on the District's website. The Board is authorized by Illinois school law to transfer funds up to 10% within each fund in the budget. The budget may be amended through the last day of the fiscal year subject to the same requirements specified above. Budget planning begins no later than November by presenting a tentative tax levy to the Board of Education. The Certificate of Property Tax Levy must be filed with the Cook County Clerk by the last Tuesday in December. The District annually publishes a statement of affairs regarding the financial position of the District for the previous year by December 1 of each year.

The Board of Education maintains established budget and fund balance policies that outline parameters for the distribution of resources, provisions for safe and operational facilities, compliance with all applicable regulations, and continuous monitoring of efficiencies. Budgetary controls are in place to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end. Adequate fund balance level are maintained for operational and financial planning purposes, and a minimum fund balance level of 60% of the next year's budget expenditures is a goal of the Board. This level of fund balance represents approximately 6 months of operations plus a contingency. Fund balances are reported as of June 30 each year.

### **Internal Accounting and Budgetary Control**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that: (1) the cost of a control should not exceed the benefits likely to be derived; (2) the valuation costs and benefits require estimates and judgments by management.

The School Code of Illinois and the District's adopted policy require an annual audit by certified public accountants. The accounting firm of Baker Tilly Virchow Krause, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related U.S. Office of Management and Budget's Uniform Guidance. The auditors' report on basic financial statements is included in the financial section of this report.

As part of the audit of the District, the District's independent auditor considered the District's internal controls to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The auditor also performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. The results of the audit for the fiscal year ended June 30, 2017, are included.

*Single Audit.* As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

*Budgeting Controls.* In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for capital outlay funds.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a regular basis. This report compares each line item account balance to the annual budget with accumulation to the cost center, fund and total District levels. For example, the District maintains an encumbered accounting system as one technique in accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management.

*Property Taxes.* Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are equalized assessed valuation (EAV); levy extension and property tax rates.

The EAV results from a state multiplier, which is applied to base assessments in an attempt to equalize assessment practices of the County Assessors. The District's 2016 EAV of \$1,842,786,607 represents a 20% increase over the 2015 EAV amount. The EAV increase was a result of the triennial reassessment in Cook County and upswing in the housing market and economy as reflected in the equalized assessed values of all properties.

The Board of Education approves a levy in dollars to meet the District's operating needs for the fiscal year following the levy year. This levy is subject to the Property Tax Extension Limitation Act. This Act limits the increase in the levy extension to the Consumer Price Index or 5%, whichever is less.

Tax rates are determined by dividing the total EAV by the extended levy and are usually expressed as dollars and cents per \$100 of EAV. Extended levies are reduced, if necessary, to stay within the maximum rates established by law or by referendum and/or the limits allowed under the Property Tax Extension Limitation Act. Because levies are determined by a dollar amount, changes in tax rates are inversely proportional to changes in EAV.

Real Estate tax bills in Cook County, Illinois are payable in two installments, with the second payments falling due and payable after the close of the fiscal year. The first was due in March of 2017 and was fifty-five percent of the 2015 tax bill. The second installment is due in September after the close of the fiscal year and is the difference between the actual 2017 tax extension amount and the amount paid in the spring. The fall collections have historically been late. Tax collections are expected to exceed 98% of the extended levy. Following is a tax rate comparison for 2016 and the preceding two fiscal years.

<u>Fund Type</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General	2.6909	3.1356	3.0776
Special Revenue	.5060	.6595	.5840
Debt Service	.2120	.1803	.0000
Capital Projects	.0143	.0145	.0160
Total Tax Rate	<u>3.4232</u>	<u>3.9899</u>	<u>3.6776</u>

### **Independent Audit**

The School Code of Illinois and the District's adopted policy require an annual audit of the financial records of all funds of the District. The audit is done by independent certified public accountants that are selected by the District's Board of Education. This requirement has been complied with and the independent auditors' report has been included in this report.

### **Certificates of Excellence and Achievement**

The District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting, for the eleventh consecutive year.

In order to be awarded the ASBO Certificate of Excellence in Financial Reporting, the District published an easily readable and efficiently organized Comprehensive Annual Financial

Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Excellence in Financial Reporting is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements of the ASBO Certificate of Excellence. We are submitting it to ASBO International for consideration of the award.

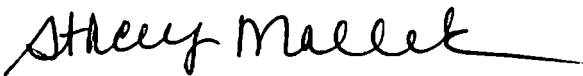
### **Closing Statement**

It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with a most meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2017.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report.

We would also like to extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey Mallek", with a long horizontal flourish extending to the right.

Stacey Mallek  
Assistant Superintendent for Business/CSBO



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Arlington Heights School District 25**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



**Anthony N. Dragona, Ed.D., RSBA**  
President

**John D. Musso, CAE**  
Executive Director

# Arlington Heights District 25

## Organization of Services

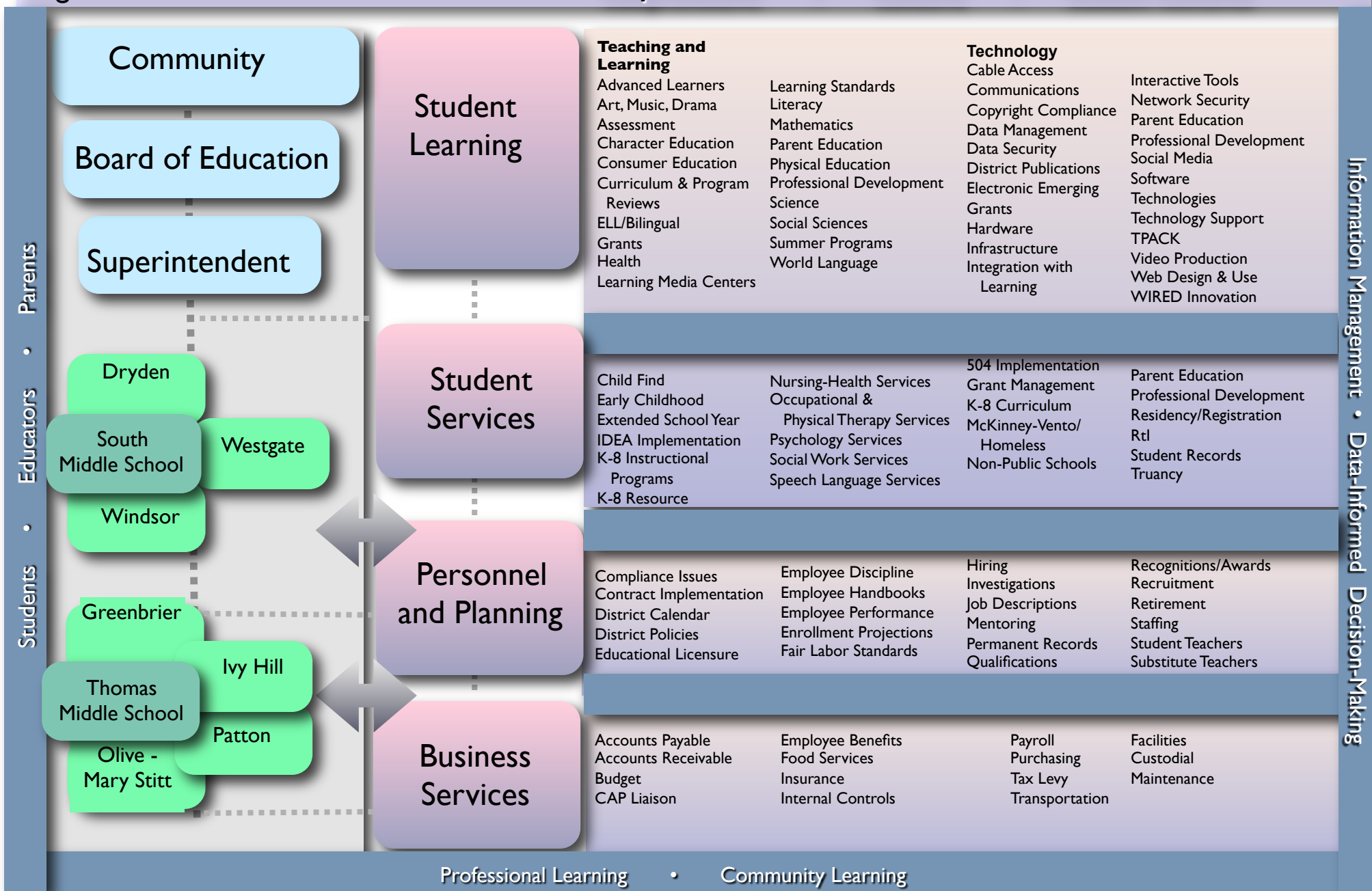


for Success & Understanding

Comprehensive

Cohesive

Student-Centered





## **Arlington Heights School District 25**

1200 S. Dunton Avenue  
Arlington Heights, IL 60005

### **Comprehensive Annual Financial Report Officers and Officials**

Fiscal Year Ended June 30, 2017

#### **Board of Education**

		<u>Term Expires</u>
David Page	President	2021
Brian Cerniglia	Vice President	2019
Erin Johannesen	Secretary	2021
Diana Chrissis	Member	2019
Anisha Ismail Patel	Member	2021
Rich Olejniczak	Member	2021
Charles W. Williams	Member	2019

#### **Treasurer**

Kay Waller      Accounting Supervisor Township High School District 214

#### **District Administration**

Dr. Lori Bein	Superintendent
Stacey Mallek	Assistant Superintendent for Business/CSBO
Jake Chung	Assistant Superintendent for Personnel & Planning
Aimee LeBlanc	Assistant Superintendent for Student Services
Dr. Eric Olson	Assistant Superintendent for Student Learning

#### **Principals**

Akemi Sessler	Dryden Elementary School
Donna Bingaman	Greenbrier Elementary School
Scott Kaese	Ivy Hill Elementary School
Rebecca Fitzpatrick	Olive-Mary Stitt Elementary School
Eric Larson	Patton Elementary School
Brad Carter	Westgate Elementary School
Shelley Fabrizio	Windsor Elementary School
Piper Boston	South Middle School
Brian Kaye	Thomas Middle School

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Arlington Heights School District 25  
Arlington Heights, 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 Arlington Heights School District 25, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Arlington Heights School District 25'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 Arlington Heights School District 25'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 Arlington Heights School District 25'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  
Arlington Heights School District 25

### ***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 Arlington Heights School District 25 as of June 30, 2017 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.

### ***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, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arlington Heights School District 25's basic financial statements. The supplementary information for the year ended June 30, 2017 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, 2017, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Arlington Heights School District 25 as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated December 2, 2016, 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, 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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, 2016.

To the Board of Education  
Arlington Heights School District 25

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arlington Heights School District 25's basic financial statements. The introductory section and statistical section 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2017 on our consideration of Arlington Heights School District 25'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 Arlington Heights School District 25's internal control over financial reporting and compliance.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 5, 2017

# **Arlington Heights School District 25**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2017**

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The discussion and analysis of Arlington Heights School District 25's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2017. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- > In total, net position decreased by \$4.4 from \$131.6 to \$127.2, mainly due to capital projects paid from revenues. This represents a 3% decrease from 2016.
- > General revenues accounted for \$66.5 in revenue or 62% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$40.0 or 38% of total revenues of \$106.5.
- > The District had \$110.9 in expenses related to government activities. However, only \$40.0 of these expenses were offset by program specific charges and grants.
- > The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$127.2 (net position). Of this amount, \$38.7 represents unrestricted net position, which may be used to meet the District's ongoing obligations.
- > The District issued \$32.3 in long-term debt to fund building additions at Thomas Middle and Windsor Elementary Schools. .
- > The Board of Education authorized the transfer of \$25,045,479 from the Operations and Maintenance Fund to the Capital Projects Fund to cover the remainder of the costs of the Ivy Hill and Olive-Mary Stitt building additions, part of the Thomas and Windsor building additions, and other capital projects. Of this, \$21,764,607 was covered by bond proceeds which were transferred from the Working Cash Fund into the Operations and Maintenance Fund.
- > The District achieved the designation of Financial Recognition status, the highest category of financial strength for the School District Financial Profile, from the Illinois State Board of Education for 2016.

#### **Overview of the Financial Statements**

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

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

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

# **Arlington Heights School District 25**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2017**

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#### *Government-wide financial statements*

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

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

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

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

#### *Fund financial statements*

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

# Arlington Heights School District 25

## Management's Discussion and Analysis (Unaudited)

### As of and for the Year Ended June 30, 2017

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The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

#### *Notes to basic financial statements*

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

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension benefits.

### Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2017, than it was the year before, decreasing 3% to \$127.2.

<b>Table 1</b>		
<b>Condensed Statements of Net Position</b>		
<b>(in millions of dollars)</b>		
	<u><b>2016</b></u>	<u><b>2017</b></u>
<b>Assets:</b>		
Current and other assets	\$ 105.5	\$ 115.4
Capital Assets	<u>94.9</u>	<u>112.9</u>
Total assets	<u>200.4</u>	<u>228.3</u>
Total deferred outflows of resources	<u>4.3</u>	<u>4.9</u>
<b>Liabilities:</b>		
Current liabilities	14.1	15.4
Long-term liabilities outstanding	<u>28.8</u>	<u>60.4</u>
Total liabilities	<u>42.9</u>	<u>75.8</u>
Total deferred inflows of resources	<u>30.2</u>	<u>30.2</u>
<b>Net position:</b>		
Net investment in capital assets	81.3	81.2
Restricted	6.5	7.3
Unrestricted	<u>43.8</u>	<u>38.7</u>
Total net position	<u>\$ 131.6</u>	<u>\$ 127.2</u>

**Arlington Heights School District 25**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2017**

Expenses in the governmental activities of the District of \$110.9 exceeded revenues by \$4.4. This was attributable primarily to the non-capitalizable portion of projects scheduled for the year. Additionally, the District spent over \$650,000 for the creative arts curriculum adoption and about \$432,000 to provide one-to-one Chromebook access to middle school students.

<b>Table 2</b> <b>Changes in Net Position</b> <b>(in millions of dollars)</b>		
	<u><b>2016</b></u>	<u><b>2017</b></u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 4.0	\$ 4.0
Operating grants & contributions	26.2	36.0
<i>General revenues:</i>		
Taxes	59.1	63.4
General state aid	2.3	2.4
Other	0.4	0.7
Total revenues	<u>92.0</u>	<u>106.5</u>
<b>Expenses:</b>		
Instruction	64.0	74.9
Pupil & instructional staff services	9.1	11.4
Administration & business	7.2	7.5
Transportation	2.3	2.4
Operations & maintenance	11.4	10.5
Other	3.6	4.2
Total expenses	<u>97.6</u>	<u>110.9</u>
Excess (deficiency) of revenues over expenses before special items	<u>(5.6)</u>	<u>(4.4)</u>
<b>Increase in net position</b>	<u>(5.6)</u>	<u>(4.4)</u>
<b>Net position, beginning</b>	<u>137.2</u>	<u>131.6</u>
<b>Net position, ending</b>	<u><u>\$ 131.6</u></u>	<u><u>\$ 127.2</u></u>

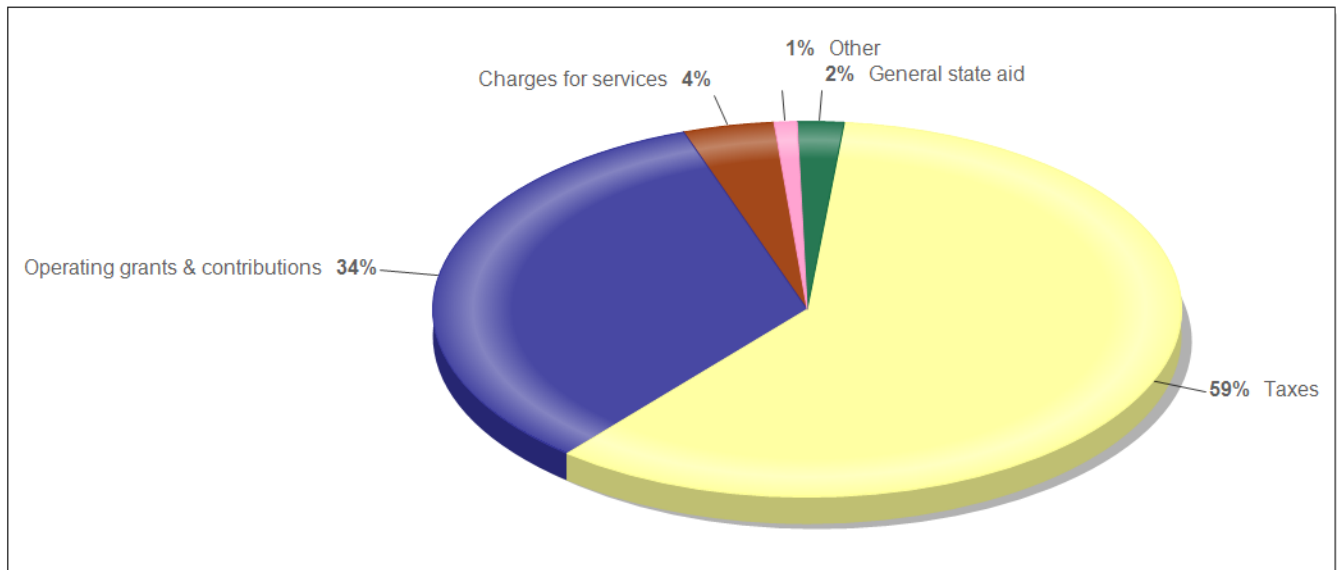
Property taxes accounted for the largest portion of the District's revenues, contributing 59% (83% if you exclude the State retirement contributions). The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$110.9, mainly related to instructing and caring for the students and student transportation at 80%.



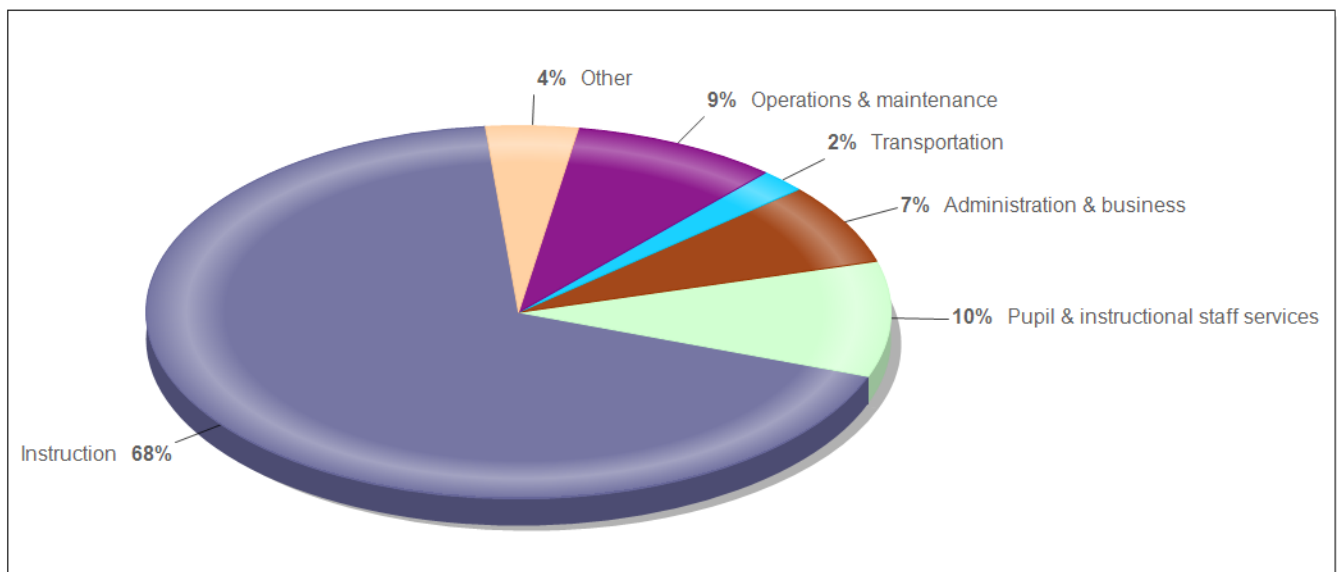
**Arlington Heights School District 25**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the Year Ended June 30, 2017**

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**District-Wide Revenues by Source**



**District-Wide Expenses by Function**



**Financial Analysis of the District's Funds**

The District's Governmental Funds balance increased from \$61.1 to \$69.4, mainly as a result of bond proceeds not spent by the end of the fiscal year.

# **Arlington Heights School District 25**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2017**

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The District understands the structural deficit with school funding, and therefore, controls costs in the present to minimize the use of fund balances to fund on-going expenditures. The strong financial performance of the District is also reflected in the governmental funds. The District's Governmental Funds reported fiscal combined fund balances of \$69.4. This is an increase of \$8.3 from last year's ending fund balance of \$61.1; however, \$15.6 in unspent bond proceeds is sitting in the Working Cash Accounts to cover the remaining costs related to the building additions at Thomas Middle School and Windsor Elementary School. Taking out the bond proceeds, the fund balance decreased closer to \$7.3, which is attributable to the \$5.6 spent on the Ivy Hill and Olive-Mary Stitt building additions where the bond proceeds were received the prior fiscal year, and other planned capital projects that were paid for from general revenues thereby reducing fund balances.

The Debt Service Fund represents the property taxes received for and debt service payment on the outstanding bond issues. The first full year of property taxes on the \$18 million bond issue and the first half year of property taxes on the \$32.3 million bond issue were received, where the first payment on the \$32.3 million bonds will be interest only in December of 2017.

The increase in the Fire Prevention and Life Safety Fund is a result of taxes levied for life safety projects identified in the 10-year life safety survey. The first project to be paid from these funds will be the replacement of the Greenbrier Roof in the summer of 2018.

#### **General Fund Budgetary Highlights**

The 2016-17 budget was adopted by the Board of Education in September 2016. The District's adopted budget for the General Fund (Education Accounts, Tort Accounts, and Working Cash Accounts) anticipated a budget deficit of about \$2.4, while the actual report for the year shows a surplus of \$7.8, or a difference of \$10.2. This was mainly due to selling \$8.1 less in bonds than budgeted offset by transferring \$16.5 less than budgeted from the Working Cash Accounts to the Operations and Maintenance funds for building additions paid for during the fiscal year, for a positive impact of \$8.4 on fund balance (the balance due on the building additions will be paid as work is completed in fiscal year 2017-18). Taking this into account, the fund balance difference from budget is closer to \$1.8, which is attributable primarily to unspent contingency funds of approximately \$600,000, typical unspent Education Accounts expenditures of about 1.2% of budget, and revenues that also exceeded budget.

Total revenues in the General Fund reflect a \$0.4 million over budget condition, primarily due to \$0.3 in federal special education IDEA room and board reimbursements not anticipated in the budget.

# Arlington Heights School District 25

## Management's Discussion and Analysis (Unaudited)

### As of and for the Year Ended June 30, 2017

#### Capital Assets and Debt Administration

##### *Capital assets*

By the end of 2017, the District had compiled a total investment of \$173.2 (112.9 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.5. More detailed information about capital assets can be found in Note 5 of the basic financial statements.

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <b>(in millions of dollars)</b>		
	<u><b>2016</b></u>	<u><b>2017</b></u>
Land and Construction in Progress	\$ 14.7	\$ 14.2
Buildings	77.0	95.2
Equipment and vehicles	<u>3.2</u>	<u>3.5</u>
Total	<u><u>\$ 94.9</u></u>	<u><u>\$ 112.9</u></u>

##### *Long-term debt*

The District retired \$2.7 in bonds and issued \$32.3 in bonds in 2017. Capital leases and other were reduced by \$0.4. At the end of fiscal 2017, the District had a debt margin of \$84.8. More detailed information on long-term debt can be found in Note 6 of the basic financial statements.

<b>Table 4</b> <b>Outstanding Long-Term Debt</b> <b>(in millions of dollars)</b>		
	<u><b>2016</b></u>	<u><b>2017</b></u>
General Obligation Bonds	\$ 18.2	\$ 47.8
Net pension liability	10.2	12.3
Capital leases and other	<u>0.4</u>	<u>0.3</u>
Total	<u><u>\$ 28.8</u></u>	<u><u>\$ 60.4</u></u>

#### Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

Property tax growth for the District is limited under the Property Tax Extension Limitation Law. For the 2017 levy, property tax increases will be limited to CPI of 2.1% plus new property growth. The 10 year average CPI is trending downward, from an average of 2.4% a few years ago to an average of 1.8% currently. Limited revenue growth year-over-year will put a strain on future budgets.

The Illinois State legislature continues to debate limiting property tax increases even further, with proposals to freeze property taxes at current levels for different lengths of time. Eliminating the ability of the district to access any additional property taxes for an extended period of time would have a significant impact on the District's five-year forecast.

# **Arlington Heights School District 25**

## **Management's Discussion and Analysis (Unaudited)**

### **As of and for the Year Ended June 30, 2017**

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A collective bargaining agreement with the Arlington Teachers' Association is in place through August of 2020. The District also has a collective bargaining agreement with the custodial/maintenance union through June 30, 2018. These agreements provide some stability in the District's largest expense.

Enrollment is increasing. In the past two years, the District has added classrooms at Ivy Hill, Olive-Mary Stitt, Thomas and Windsor Schools. Another classroom addition is planned at Greenbrier School to begin in 2017-18.

Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System. The State of Illinois still continues to debate the cost of pensions and the need for funding reforms to address an increasing unfunded liability in the system. Employers are mandated to contribute 0.58% of all creditable earnings to the Teachers' Retirement System. Due to the complexities of the pension system and various funding reform options discussed in the legislature, additional employer contributions may be a future consideration.

The legislature eliminated the "Early Retirement Option" under the Teachers' Retirement System as of June 30, 2016. This may cause teachers to work longer at higher salaries, which would impact the District's long term salary costs.

#### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Stacey Mallek  
Arlington Heights School District 25  
1200 South Dunton  
Arlington Heights, Illinois 60005

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2017

	GOVERNMENTAL ACTIVITIES
<b>Assets</b>	
Cash and investments	\$ 82,646,134
Receivables (net of allowance for uncollectibles):	
Interest	130,941
Property taxes	29,379,702
Replacement taxes	164,861
Intergovernmental	2,814,069
Other	172,640
Prepaid items	30,689
Capital assets:	
Land	1,060,199
Construction in progress	13,158,051
Depreciable buildings, property and equipment, net	<u>98,727,657</u>
Total assets	<u>228,284,943</u>
<b>Deferred outflows of resources</b>	
Deferred outflows related to pension	<u>4,872,349</u>
Total deferred outflows of resources	<u>4,872,349</u>
<b>Liabilities</b>	
Accounts payable	5,904,172
Salaries and wages payable	6,929,021
Payroll deductions payable	6,470
Other current liabilities	1,453,177
Health claims payable	1,062,038
Long-term liabilities:	
Other long-term liabilities - due within one year	2,257,461
Other long-term liabilities - due after one year	<u>58,156,613</u>
Total liabilities	<u>75,768,952</u>
<b>Deferred inflows of resources</b>	
Property taxes levied for a future period	29,379,702
Deferred inflows related to pension	<u>796,224</u>
Total deferred inflows of resources	<u>30,175,926</u>
<b>Net position</b>	
Net investment in capital assets	81,240,280
Restricted for:	
Tort immunity	232,785
Operations and maintenance	3,418,063
Student transportation	1,539,600
Retirement benefits	1,374
Debt service	1,280,280
Capital projects	809,380
Unrestricted	<u>38,690,652</u>
Total net position	<u>\$ 127,212,414</u>

See Notes to Basic Financial Statements

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND
				GOVERNMENTAL
				CHANGES IN NET POSITION
<b>Governmental activities</b>				
Instruction:				
Regular programs	\$ 29,015,739	\$ 906,606	\$ 127,377	\$ (27,981,756)
Special programs	13,502,465	113,660	4,164,904	(9,223,901)
Other instructional programs	2,618,128	69,725	184,344	(2,364,059)
State retirement contributions	29,819,470	-	29,819,470	-
Support Services:				
Pupils	5,051,215	-	-	(5,051,215)
Instructional staff	6,369,894	-	110,017	(6,259,877)
General administration	1,622,450	-	-	(1,622,450)
School administration	3,523,989	-	-	(3,523,989)
Business	2,346,508	1,827,536	295,532	(223,440)
Transportation	2,420,169	81,382	1,327,143	(1,011,644)
Operations and maintenance	10,523,261	1,016,033	-	(9,507,228)
Central	2,236,659	-	-	(2,236,659)
Other supporting services	337,607	-	-	(337,607)
Community services	665,243	-	-	(665,243)
Interest and fees	914,349	-	-	(914,349)
Total governmental activities	\$ 110,967,146	\$ 4,014,942	\$ 36,028,787	(70,923,417)

### General revenues:

#### Taxes:

Real estate taxes, levied for general purposes	48,913,488
Real estate taxes, levied for specific purposes	9,967,098
Real estate taxes, levied for debt service	3,383,531
Personal property replacement taxes	1,163,522
State aid-formula grants	2,360,022
Investment income	618,278
Miscellaneous	<u>100,648</u>

Total general revenues 66,506,587

Change in net position (4,416,830)

Net position, beginning of year 131,629,244

Net position, end of year \$ 127,212,414

See Notes to Basic Financial Statements

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GOVERNMENTAL FUNDS

### BALANCE SHEET

AS OF JUNE 30, 2017

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2016

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Assets</b>				
Cash and investments	\$ 68,226,292	\$ 4,896,537	\$ 1,263,619	\$ 1,754,060
Receivables (net allowance for uncollectibles):				
Interest	113,003	8,880	1,765	3,256
Property taxes	23,263,248	2,677,066	499,114	998,228
Replacement taxes	-	164,861	-	-
Intergovernmental	2,149,076	-	664,993	-
Other	-	172,640	-	-
Prepaid items	30,689	-	-	-
<b>Total assets</b>	<u>\$ 93,782,308</u>	<u>\$ 7,919,984</u>	<u>\$ 2,429,491</u>	<u>\$ 2,755,544</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 353,253	\$ 371,648	\$ 390,777	\$ -
Salaries and wages payable	6,929,021	-	-	-
Payroll deductions payable	6,440	30	-	-
Other current liabilities	-	1,453,177	-	-
Unearned revenue	-	-	-	-
Health claims payable	1,062,038	-	-	-
<b>Total liabilities</b>	<u>8,350,752</u>	<u>1,824,855</u>	<u>390,777</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for a future period	23,263,248	2,677,066	499,114	998,228
Unavailable state and federal aid receivable	835,935	-	332,495	-
<b>Total deferred inflows of resources</b>	<u>24,099,183</u>	<u>2,677,066</u>	<u>831,609</u>	<u>998,228</u>
<b>Fund balance</b>				
Nonspendable	30,689	-	-	-
Restricted	202,096	3,418,063	1,207,105	1,757,316
Unassigned	61,099,588	-	-	-
<b>Total fund balance (deficit)</b>	<u>61,332,373</u>	<u>3,418,063</u>	<u>1,207,105</u>	<u>1,757,316</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 93,782,308</u>	<u>\$ 7,919,984</u>	<u>\$ 2,429,491</u>	<u>\$ 2,755,544</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2017	2016
\$ 1,277,908	\$ 4,419,838	\$ 807,880	\$ 82,646,134	\$ 74,037,372
2,372	165	1,500	130,941	70,220
1,819,536	-	122,510	29,379,702	29,159,839
-	-	-	164,861	170,089
-	-	-	2,814,069	1,948,345
-	-	-	172,640	135,056
-	-	-	30,689	30,689
<u>\$ 3,099,816</u>	<u>\$ 4,420,003</u>	<u>\$ 931,890</u>	<u>\$ 115,339,036</u>	<u>\$ 105,551,610</u>

\$ -	\$ 4,788,494	\$ -	\$ 5,904,172	\$ 4,556,956
-	-	-	6,929,021	7,089,994
-	-	-	6,470	5,587
-	-	-	1,453,177	1,256,766
-	-	-	-	120,160
-	-	-	1,062,038	1,091,839
-	4,788,494	-	15,354,878	14,121,302

1,819,536	-	122,510	29,379,702	29,159,839
-	-	-	1,168,430	1,185,303
<u>1,819,536</u>	<u>-</u>	<u>122,510</u>	<u>30,548,132</u>	<u>30,345,142</u>

-	-	-	30,689	30,689
1,280,280	-	809,380	8,674,240	8,123,815
-	(368,491)	-	60,731,097	52,930,662
<u>1,280,280</u>	<u>(368,491)</u>	<u>809,380</u>	<u>69,436,026</u>	<u>61,085,166</u>

<u>\$ 3,099,816</u>	<u>\$ 4,420,003</u>	<u>\$ 931,890</u>	<u>\$ 115,339,036</u>	<u>\$ 105,551,610</u>
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**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017

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Total fund balances - governmental funds		\$ 69,436,026
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.		112,945,907
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.		1,168,430
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		4,872,349
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(796,224)
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, 2017 are:		
Bonds payable	\$ (42,205,000)	
Unamortized bond premium	(5,581,097)	
Other post retirement benefits obligation	(12,916)	
Net pension liability	(12,314,306)	
Capital leases	(83,264)	
Compensated absences	<u>(217,491)</u>	
		<u>(60,414,074)</u>
Net position of governmental activities		<u>\$ 127,212,414</u>

See Notes to Basic Financial Statements

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
<b>Revenues</b>				
Property taxes	\$ 49,264,630	\$ 6,307,269	\$ 978,542	\$ 2,086,455
Corporate personal property replacement taxes	-	1,143,522	-	20,000
State aid	34,599,749	-	1,322,333	-
Federal aid	2,468,169	-	15,431	-
Investment income	535,532	50,415	-	14,932
Other	2,681,796	1,313,644	83,420	78
Total revenues	<u>89,549,876</u>	<u>8,814,850</u>	<u>2,399,726</u>	<u>2,121,465</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	26,200,893	-	-	269,534
Special programs	10,603,757	-	-	592,026
Other instructional programs	2,543,873	-	-	42,836
State retirement contributions	29,819,470	-	-	-
Support Services:				
Pupils	4,844,926	-	-	118,287
Instructional staff	6,062,208	-	-	187,816
General administration	1,536,072	-	-	41,558
School administration	3,240,496	-	-	149,162
Business	2,110,154	-	-	151,983
Transportation	-	-	2,407,765	7,302
Operations and maintenance	-	5,122,198	-	398,820
Central	1,315,670	-	-	60,971
Other supporting services	-	230,160	-	-
Community services	591,838	-	-	45,053
Payments to other districts and gov't units	1,972,798	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>1,058,522</u>	<u>120,769</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>91,900,677</u>	<u>5,473,127</u>	<u>2,407,765</u>	<u>2,065,348</u>
Excess (deficiency) of revenues over expenditures	<u>(2,350,801)</u>	<u>3,341,723</u>	<u>(8,039)</u>	<u>56,117</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	21,764,607	-	-
Transfers (out)	(21,804,939)	(25,045,479)	-	-
Principal on bonds sold	27,650,000	-	-	-
Premium on bonds sold	4,290,248	-	-	-
Total other financing sources (uses)	<u>10,135,309</u>	<u>(3,280,872)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,784,508	60,851	(8,039)	56,117
Fund balance (deficit), beginning of year	<u>53,547,865</u>	<u>3,357,212</u>	<u>1,215,144</u>	<u>1,701,199</u>
Fund balance (deficit), end of year	<u>\$ 61,332,373</u>	<u>\$ 3,418,063</u>	<u>\$ 1,207,105</u>	<u>\$ 1,757,316</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2017	2016
\$ 3,383,531	\$ -	\$ 243,690	\$ 62,264,117	\$ 58,260,369
-	-	-	1,163,522	824,522
-	-	-	35,922,082	24,795,971
-	-	-	2,483,600	2,482,145
12,004	67	5,328	618,278	384,149
-	36,652	-	4,115,590	4,040,435
<u>3,395,535</u>	<u>36,719</u>	<u>249,018</u>	<u>106,567,189</u>	<u>90,787,591</u>
-	-	-	26,470,427	26,074,062
-	-	-	11,195,783	10,997,971
-	-	-	2,586,709	2,653,470
-	-	-	29,819,470	19,809,071
-	-	-	4,963,213	4,791,003
-	-	-	6,250,024	5,609,716
-	-	-	1,577,630	1,338,017
-	-	-	3,389,658	3,339,080
-	-	-	2,262,137	2,355,106
-	-	-	2,415,067	2,279,062
-	4,676,101	-	10,197,119	9,093,893
-	-	-	1,376,641	1,355,222
-	-	-	230,160	395,923
-	-	-	636,891	654,904
-	-	-	1,972,798	1,894,168
2,255,874	-	-	2,255,874	34,354
1,384,683	-	-	1,384,683	604,917
-	20,343,376	-	21,522,667	16,559,411
<u>3,640,557</u>	<u>25,019,477</u>	<u>-</u>	<u>130,506,951</u>	<u>109,839,350</u>
<u>(245,022)</u>	<u>(24,982,758)</u>	<u>249,018</u>	<u>(23,939,762)</u>	<u>(19,051,759)</u>
40,332	25,045,479	-	46,850,418	31,630,139
-	-	-	(46,850,418)	(31,630,139)
-	-	-	27,650,000	16,775,000
350,374	-	-	4,640,622	1,595,197
<u>390,706</u>	<u>25,045,479</u>	<u>-</u>	<u>32,290,622</u>	<u>18,370,197</u>
145,684	62,721	249,018	8,350,860	(681,562)
<u>1,134,596</u>	<u>(431,212)</u>	<u>560,362</u>	<u>61,085,166</u>	<u>61,766,728</u>
<u>\$ 1,280,280</u>	<u>\$ (368,491)</u>	<u>\$ 809,380</u>	<u>\$ 69,436,026</u>	<u>\$ 61,085,166</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
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, 2017

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Net change in fund balances - total governmental funds	\$ 8,350,860
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 in the current period.	18,166,023
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.	(36,958)
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.	(16,873)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current proceeds from long-term financing arrangements exceeded current year principal payments.	(25,394,126)
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.	(4,170,288)
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:	
Compensated absences	\$ 531
OPEB	(1,378)
Net pension liability	(2,097,418)
Deferred outflows of resources due to pensions	535,305
Deferred inflows of resources due to pensions	<u>247,492</u>
	<u>(1,315,468)</u>
Change in net position of governmental activities	<u>\$ (4,416,830)</u>

See Notes to Basic Financial Statements

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**AGENCY FUND**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017

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	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
<b>Assets</b>	
Cash and investments	\$ 354,517
Total assets	<u>\$ 354,517</u>
<b>Liabilities</b>	
Due to student groups	\$ 267,976
Due to employees	<u>86,541</u>
Total liabilities	<u>\$ 354,517</u>

See Notes to Basic Financial Statements

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Arlington Heights School District 25 (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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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#### 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.

*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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

*Capital Projects Fund* - accounts for construction projects and renovations financed through bond proceeds or transfers from other funds for such purpose.

*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 Fund* - 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.



## **ARLINGTON HEIGHTS SCHOOL DISTRICT 25**

### **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

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#### **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 "loans 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 2016 levy resolution was approved during the November 17, 2016 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 2016 and 2015 tax levies were 0.7% and 0.8%, 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 2016 property tax levy is recognized as a receivable in fiscal 2017, net of estimated uncollectible amounts approximating 2% and less amounts already received. The District considers that the first installment of the 2016 levy is to be used to finance operations in fiscal 2017. The District has determined that the second installment of the 2016 levy is to be used to finance operations in fiscal 2018 and has 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 assets 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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

#### *Capital Assets*

Capital assets, which include land, construction in progress, buildings, building improvements, equipment, and vehicles, 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 \$500 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 estimated fair 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	50
Building improvements	20-50
Vehicles	8
Machinery & Equipment	5-20

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*

Employees who work a twelve month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 10 days may be carried over into the next year. Maintenance employees are awarded vacation time on July 1 in the year following the year in which they earned the vacation time.

All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the Arlington Teachers' Association. Unused sick leave days accumulate to a maximum of 340 days. Employees are not compensated for accumulated sick days upon retirement.

Educational support personnel receive 15 sick days per year, which accumulate to a maximum of 255 days. The District does not reimburse employees for unused sick days remaining upon termination of employment.

#### *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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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.

##### *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, pre-paid 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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

*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. The Board of Education has declared that the Superintendent or the Assistant Superintendent for Business may assign amounts for a specific purpose. 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.

*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 in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

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

The nonspendable fund balances in the General Fund is comprised of \$30,689 for prepaid items. The restricted fund balance in the General Fund is comprised of \$202,096 for tort immunity. The remaining restricted fund balances are for the purpose of the respective funds 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, 2016, 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, 2017, expenditures exceeded budget in the Debt Service Fund by \$827,907. The excess was caused by issuance costs and interest related to the new debt issuance and is offset by debt proceeds and available fund balance.

##### **Deficit Fund Equity**

The Capital Projects Fund had a deficit fund balance of \$368,491 as of June 30, 2017. District management expects to fund this deficit through the transfer of funds from the Operations and Maintenance Fund that will be made within the next year.

## **ARLINGTON HEIGHTS SCHOOL DISTRICT 25**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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### **NOTE 3 - DEPOSITS AND INVESTMENTS**

#### **Cash & Investments under the custody of the Township Treasurer**

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

Cash and investments, other than any student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Wheeling Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The weighted average maturity of all marketable pooled investments held by the Treasurer was 1.02 years at June 30, 2017. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2017, the fair value of all investments held by the Treasurer's office was \$312,287,470 and the fair value of the District's proportionate share of the pool was \$82,646,134.

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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### NOTE 3 - DEPOSITS AND INVESTMENTS - (CONTINUED)

#### Cash & Investments in the custody of the District

Deposits of the student activity accounts, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 354,517	\$ 368,744
Total	<u>\$ 354,517</u>	<u>\$ 368,744</u>

*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, 2017, the bank balance of the District's deposit with financial institutions totaled \$368,744; of this amount, \$118,744 was uncollateralized and uninsured.

### NOTE 4 - INTERFUND TRANSFERS

During the year, the Board transferred \$21,764,607 of funds through a partial abatement of the General Fund (Working Cash Accounts) to the Operations and Maintenance Fund to fund construction projects.

Also, during the year, the Board transferred \$40,332 from the General Fund (Educational Accounts) to the Debt Service Fund for the payment of principal and interest on outstanding capital leases.

Also, during the year, the Board transferred \$25,045,479 from the Operations and Maintenance Fund to the Capital Projects Fund for various projects throughout the year.

State law allows for the above transfers.

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

## NOTE 5 - CAPITAL ASSETS

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

	<i><b>Beginning Balance</b></i>	<i><b>Increases</b></i>	<i><b>Decreases</b></i>	<i><b>Ending Balance</b></i>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 1,060,199	\$ -	\$ -	\$ 1,060,199
Construction in progress	<u>13,509,815</u>	<u>19,873,965</u>	<u>20,225,729</u>	<u>13,158,051</u>
Total capital assets not being depreciated	<u>14,570,014</u>	<u>19,873,965</u>	<u>20,225,729</u>	<u>14,218,250</u>
<b><u>Capital assets being depreciated:</u></b>				
Buildings	111,927,784	16,218,414	-	128,146,198
Building improvements	13,485,731	4,654,178	8,108	18,131,801
Equipment	11,681,831	1,146,432	488,725	12,339,538
Vehicles	<u>448,602</u>	<u>43,379</u>	<u>111,881</u>	<u>380,100</u>
Total capital assets being depreciated	<u>137,543,948</u>	<u>22,062,403</u>	<u>608,714</u>	<u>158,997,637</u>
<b><u>Less Accumulated Depreciation for:</u></b>				
Buildings	45,157,710	2,158,210	-	47,315,920
Building improvements	3,284,510	487,816	68	3,772,258
Equipment	8,559,291	863,529	459,807	8,963,013
Vehicles	<u>295,609</u>	<u>35,061</u>	<u>111,881</u>	<u>218,789</u>
Total accumulated depreciation	<u>57,297,120</u>	<u>3,544,616</u>	<u>571,756</u>	<u>60,269,980</u>
Net capital assets being depreciated	<u>80,246,828</u>	<u>18,517,787</u>	<u>36,958</u>	<u>98,727,657</u>
Net governmental activities capital assets	<u>\$ 94,816,842</u>	<u>\$ 38,391,752</u>	<u>\$ 20,262,687</u>	<u>\$ 112,945,907</u>

Depreciation expense, including amounts deleted from accumulated depreciation and adjustments, was recognized in the operating activities of the District as follows:

<i><b>Governmental Activities</b></i>	<i><b>Depreciation</b></i>
Regular programs	\$ 2,374,893
Operations and maintenance	248,123
Central	815,262
Other supporting services	<u>106,338</u>
Total depreciation expense - governmental activities	<u>\$ 3,544,616</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

## NOTE 6 - 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, 2017:

	<b><i>Beginning Balance</i></b>	<b><i>Additions</i></b>	<b><i>Deletions</i></b>	<b><i>Ending Balance</i></b>	<b><i>Due Within One Year</i></b>
General obligation bonds	\$ 16,775,000	\$ 27,650,000	\$ 2,220,000	\$ 42,205,000	\$ 2,220,000
Unamortized premium	<u>1,410,809</u>	<u>4,640,622</u>	<u>470,334</u>	<u>5,581,097</u>	<u>-</u>
Total bonds payable	<u>18,185,809</u>	<u>32,290,622</u>	<u>2,690,334</u>	<u>47,786,097</u>	<u>2,220,000</u>
Capital leases	119,138	-	35,874	83,264	37,461
Net pension liability	10,216,888	5,546,621	3,449,203	12,314,306	-
OPEB	11,538	11,434	10,056	12,916	-
Compensated absences	<u>218,022</u>	<u>303,862</u>	<u>304,393</u>	<u>217,491</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 28,751,395</u>	<u>\$ 38,152,539</u>	<u>\$ 6,489,860</u>	<u>\$ 60,414,074</u>	<u>\$ 2,257,461</u>

The obligations for the compensated absences and other-post retirement benefits will be repaid from the General Fund. The obligation for the net pension liability will be paid from the General Fund and the Municipal Retirement / Social Security Fund.

*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:

<b><i>Purpose</i></b>	<b><i>Interest Rates</i></b>	<b><i>Original Indebtedness</i></b>	<b><i>Carrying Amount</i></b>
Series 2015 GO Limited School Bonds dated July 29, 2015 are due in annual installments through December 15, 2022	2.00% - 4.00%	\$ 9,050,000	\$ 7,880,000
Series 2016 GO Limited School Bonds dated March 16, 2016 are due in annual installments through December 15, 2022	1.54% - 5.00%	7,725,000	6,675,000
Series 2017 GO Limited School Bonds dated February 16, 2017 are due in annual installments through December 15, 2033	3.75% - 5.00%	<u>27,650,000</u>	<u>27,650,000</u>
Total		<u>\$ 44,425,000</u>	<u>\$ 42,205,000</u>



**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**NOTE 6 - 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>
2018	\$ 2,220,000	\$ 1,879,737	\$ 4,099,737
2019	2,285,000	1,803,337	4,088,337
2020	2,365,000	1,716,562	4,081,562
2021	2,460,000	1,623,062	4,083,062
2022	2,550,000	1,522,512	4,072,512
2023 - 2027	10,985,000	6,088,955	17,073,955
2028 - 2032	12,720,000	3,307,500	16,027,500
2033 - 2034	<u>6,620,000</u>	<u>335,000</u>	<u>6,955,000</u>
Total	<u>\$ 42,205,000</u>	<u>\$ 18,276,665</u>	<u>\$ 60,481,665</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2017, the statutory debt limit for the District was \$127,152,276, providing a debt margin of \$84,864,012.

*Capital Leases.* The District has entered into a lease agreement as lessee for financing the acquisition of \$181,660 of copy machines. The leases require monthly installment payments of 48 consecutive months. Accumulated amortization on the equipment is \$98,396 as of June 30, 2017. Amortization expense related to the equipment for fiscal year 2016 is included in depreciation expense. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. As of June 30, 2017, \$181,660 of amounts included in capital assets were acquired via capital leases. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

	<i>Amount</i>
2018	\$ 40,332
2019	40,332
2020	<u>6,722</u>
Total minimum lease payments	87,386
Less: amount representing interest	<u>(4,122)</u>
Present value of minimum lease payments	<u>\$ 83,264</u>

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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#### NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee 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 pools: SSCIP and IPR. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years. There were no settlements in excess of the insurance coverage in any of the past three fiscal years.

The District is self-insured for medical 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 \$105,000 per employee or 125 percent of the expected claims in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2017, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$1,062,038. 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, 2016 and June 30, 2017, 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 2016	<u>\$ 725,038</u>	<u>\$ 6,871,512</u>	<u>\$ 6,504,711</u>	<u>\$ 1,091,839</u>
Fiscal Year 2017	<u>\$ 1,091,839</u>	<u>\$ 6,398,204</u>	<u>\$ 6,428,005</u>	<u>\$ 1,062,038</u>

#### NOTE 8 - JOINT AGREEMENTS

The District is a member of the Northwest Suburban Special Education Organization, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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### NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

#### Teachers' Health Insurance Security

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

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

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

*On Behalf Contributions to 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 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$426,689, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2016 and June 30, 2015 were 1.07 and 1.02 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$403,464 and \$372,088, respectively.

*Employer Contributions to THIS Fund.* The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.84 percent during the year ended June 30, 2017 and 0.80 and 0.76 percent during the years ended June 30, 2016 and 2015, respectively. For the years ended June 30, 2017, 2016 and 2015 the District paid \$320,016, \$301,655 and \$277,242 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

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." Prior reports are available under "Healthcare and Family Services."

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

#### Retirees' Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan"). The District does not allow retirees and/or their spouses to access the District's group health insurance plan during retirement, except under two specific laws: the Consolidated Omnibus Budget Reconciliation Act (COBRA) or Public Act 86-1444. In accordance with federal COBRA legislation, the District must allow a covered employee to continue his or her health insurance for a minimum 18 months after employment ends. Public Act 86-1444 amends the Illinois Insurance Code to require Illinois Municipal Retirement Fund (IMRF) employees who offer health insurance to their active employees to offer the same health insurance to retirees at the same premium rate for active employees. If a retiree elects to leave the Retirees' Health Plan, he/she may not return to the plan in a future year.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), retirees contribute the same premium amount as active employees plus 2% COBRA administration fee. Under Public Act 86-1444, retirees are responsible to contribute the full premium toward the cost of their insurance. There is not an additional administrative charge allowed under this act. Retirees may also access dental and life insurance benefits on a "direct pay" basis. Currently, the District contributes 87.9 percent to the postemployment benefits for retirees.

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

Annual required contribution	\$ 11,385
Interest on net OPEB obligation	296
Adjustment to annual required contribution	<u>(247)</u>
Annual OPEB cost	11,434
Contributions made	<u>(10,056)</u>
Increase in net OPEB obligation (asset)	1,378
Net OPEB Obligation (Asset) - Beginning of Year	<u>11,538</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 12,916</u></u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2017 and the two preceding years are as follows:

<i><b>Fiscal Year Ended</b></i>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
June 30, 2017	\$ 11,434	87.95 %	\$ 12,916
June 30, 2016	11,434	87.95 %	11,538
June 30, 2015	11,434	87.95 %	10,160

The funded status of the Retirees' Health Plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 244,094
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 244,094</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 39,340,716
UAAL as a percentage of covered payroll	0.62%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

In the June 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent after 4 years. Both rates include a 3 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017 is 30 years.

#### **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 <http://trsil.org/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

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

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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#### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

*On Behalf Contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$29,819,470 in pension contributions from the State of Illinois.

*2.2 Formula Contributions.* Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$220,964, and are deferred because they were paid after the June 30, 2016 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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2017, were \$120,928, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

*Early Retirement Option.* Contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$255,716 to TRS for District ERO contributions for retirements that occurred before July 1, 2016.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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#### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*Salary increases over 6 percent.* The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2017, the District paid \$2,571 to TRS for employer contributions due on salary increases in excess of 6 percent.

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

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

District's proportionate share of the collective net pension liability	\$ 6,505,851
State's proportionate share of the collective net pension liability associated with the District	<u>299,296,918</u>
Total	<u>\$ 305,802,769</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016 and 2015, the District's proportion was 0.00824193 percent and 0.00610587 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, 2016 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%.

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

*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.



## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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#### 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.40 %	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 %

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

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

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

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

## NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 7,956,920	\$ 6,505,851	\$ 5,320,713

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2017, the District recognized pension expense of \$856,026 and on-behalf revenue of \$29,819,470 for support provided by the state. At June 30, 2017, 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	\$ 48,105	\$ 4,412
Net difference between projected and actual earnings on pension plan investments	183,802	-
Assumption changes	558,756	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,133,133	637,039
District contributions subsequent to the measurement date	<u>341,891</u>	<u>-</u>
Total	<u>\$ 2,265,687</u>	<u>\$ 641,451</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 net pension liability for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,282,345) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 176,784
2019	176,784
2020	387,662
2021	457,166
2022	<u>83,949</u>
Total	<u>\$ 1,282,345</u>

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

#### 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](http://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.

*Plan Membership.* At December 31, 2016, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	261
Inactive, non-retired members	257
Active members	269
Total	<u><u>787</u></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 2016 was 12.04 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.

## ARLINGTON HEIGHTS SCHOOL DISTRICT 25

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

#### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*Net Pension Liability/(Asset).* The net pension liability/(asset) was measured as of December 31, 2016, 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, 2016 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-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*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	38.00 %	8.30 %	6.85 %
International equities	17.00 %	8.45 %	6.75 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	6.90 %	5.75 %
Alternatives	9.00 %		
Private equity		12.45 %	7.35 %
Hedge funds		5.35 %	5.25 %
Commodities		4.25 %	2.65 %
Cash equivalents	1.00 %	2.25 %	2.25 %

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

### NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)

*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, 2015 measurement date was 7.46%. 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	\$ 49,309,182	\$ 44,091,823	\$ 39,764,348
Plan fiduciary net position	<u>38,283,368</u>	<u>38,283,368</u>	<u>38,283,368</u>
Net pension liability/(asset)	<u>\$ 11,025,814</u>	<u>\$ 5,808,455</u>	<u>\$ 1,480,980</u>

*Changes in Net Pension Liability/(Asset).* The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2016 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2015	\$ 42,450,268	\$ 36,233,337	\$ 6,216,931
Service cost	866,048	-	866,048
Interest on total pension liability	3,120,202	-	3,120,202
Differences between expected and actual experience of the total pension liability	(35,527)	-	(35,527)
Change of assumptions	(194,112)	-	(194,112)
Benefit payments, including refunds of employee contributions	(2,115,056)	(2,115,056)	-
Contributions - employer	-	943,309	(943,309)
Contributions - employee	-	348,069	(348,069)
Net investment income	-	2,489,530	(2,489,530)
Other (net transfer)	-	384,179	(384,179)
Balances at December 31, 2016	<u>\$ 44,091,823</u>	<u>\$ 38,283,368</u>	<u>\$ 5,808,455</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**

NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

**NOTE 10 - RETIREMENT SYSTEMS - (CONTINUED)**

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2017, the District recognized pension expense of \$1,942,226. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 102,479	\$ 23,945
Assumption changes	82,632	130,828
Net difference between projected and actual earnings on pension plan investments	1,890,133	-
Contributions subsequent to the measurement date	<u>531,445</u>	<u>-</u>
Total	<u>\$ 2,606,689</u>	<u>\$ 154,773</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 net pension liability/(asset) for the year ending June 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,920,471) will be recognized in pension expense as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2017	\$ 750,208
2018	582,867
2019	545,099
2020	<u>42,297</u>
Total	<u>\$ 1,920,471</u>

**NOTE 11 - OPERATING LEASES**

The District leases space at two schools to tenants under noncancelable operating leases that expire between March 2018 and June 2032. 93% of one school is leased, with an associated cost of \$1,668,625 and related accumulated depreciation of \$140,892. 98% of another school is leased, with an associated cost of \$4,178,556 and related accumulated depreciation of \$2,976,175. At June 30, 2017, minimum future rentals are as follows:

	<i>Amount</i>
2018	\$ 661,589
2019	355,328
2020	355,328
2021	355,328
2022	355,328
2023 - 2027	1,776,642
2028 - 2032	<u>97,975</u>
Total	<u>\$ 3,957,518</u>

## **ARLINGTON HEIGHTS SCHOOL DISTRICT 25**

### **NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

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#### **NOTE 12 - CONSTRUCTION COMMITMENTS**

As of June 30, 2017, the District is committed to approximately \$14,050,474 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 13 - STATE AND FEDERAL AID CONTINGENCIES**

The District leases space at two schools to tenants under noncancelable operating leases that expire between March 2018 and June 2032. 93% of one school is leased, with an associated cost of \$1,668,625 and related accumulated depreciation of \$140,892. 98% of another school is leased, with an associated cost of \$4,178,556 and related accumulated depreciation of \$2,976,175. At June 30, 2017, minimum future rentals are as follows:

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, 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*, and GASB Statement No. 87, *Leases*. Application of these standards may restate portions of these financial statements.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Three Most Recent Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>			
Service cost	\$ 866,048	\$ 869,695	\$ 915,435
Interest	3,120,202	2,969,300	2,690,242
Differences between expected and actual experience	(35,527)	265,732	347,151
Changes of assumptions	(194,112)	94,426	1,806,494
Benefit payments, including refunds of member contributions	<u>(2,115,056)</u>	<u>(2,021,132)</u>	<u>(1,798,506)</u>
<b>Net change in total pension liability</b>	1,641,555	2,178,021	3,960,816
<b>Total pension liability - beginning</b>	<u>42,450,268</u>	<u>40,272,247</u>	<u>36,311,431</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 44,091,823</u>	<u>\$ 42,450,268</u>	<u>\$ 40,272,247</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 943,309	\$ 896,167	\$ 916,975
Employee contributions	348,069	348,858	346,070
Net investment income	2,489,530	180,413	2,091,460
Benefit payments, including refunds of member contributions	(2,115,056)	(2,021,132)	(1,798,506)
Other (net transfer)	<u>384,179</u>	<u>358,469</u>	<u>360,607</u>
<b>Net change in plan fiduciary net position</b>	2,050,031	(237,225)	1,916,606
<b>Plan fiduciary net position - beginning</b>	<u>36,233,337</u>	<u>36,470,562</u>	<u>34,553,956</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 38,283,368</u>	<u>\$ 36,233,337</u>	<u>\$ 36,470,562</u>
<b>Employer's net pension liability - ending (a) - (b)</b>	<u>\$ 5,808,455</u>	<u>\$ 6,216,931</u>	<u>\$ 3,801,685</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.83%	85.35%	90.56%
<b>Covered-employee payroll</b>	\$ 7,734,843	\$ 7,633,456	\$ 7,603,446
<b>Employer's net pension liability as a percentage of covered-employee payroll</b>	75.09%	81.44%	50.00%

**Notes to Schedule:**

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



# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Three Most Recent Fiscal Years

	2017	2016	2015
Actuarially determined contribution	\$ 931,275	\$ 896,168	\$ 909,982
Contributions in relation to the actuarially determined contribution	(943,309)	(896,167)	(916,975)
Contribution deficiency (excess)	<u>\$ (12,034)</u>	<u>\$ 1</u>	<u>\$ (6,993)</u>
Covered-employee payroll	\$ 7,734,843	\$ 7,633,456	\$ 7,545,460
Contributions as a percentage of covered-employee payroll	12.20%	11.74%	12.15%

### 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	27 years
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	experience

### Other information:

There were no benefit changes during the year.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**TEACHERS' RETIREMENT SYSTEM**  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS  
Three Most Recent Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00824193%	0.00610587%	0.00687866%
District's proportionate share of the net pension liability	\$ 6,505,851	\$ 3,999,957	\$ 4,186,232
State's proportionate share of the net pension liability	<u>299,296,918</u>	<u>236,860,466</u>	<u>219,714,441</u>
Total net pension liability	<u>\$ 305,802,769</u>	<u>\$ 240,860,423</u>	<u>\$ 223,900,673</u>
Covered-employee payroll	\$ 38,097,188	\$ 37,706,879	\$ 36,479,215
District's proportionate share of the net pension liability as a percentage of covered payroll	17.08%	10.61%	11.48%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%
Contractually required contribution	\$ 341,892	\$ 319,213	\$ 213,361
Contributions in relation to the contractually required contribution	<u>(341,892)</u>	<u>(319,213)</u>	<u>(213,361)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.8974%	0.8466%	0.5849%

**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%	7.50%	7.50%
Municipal bond index	2.85%	3.73%	N/A
Single equivalent discount rate	6.83%	7.47%	7.50%
Inflation rate	2.50%	3.00%	3.00%
Projected salary increases	3.25% to 9.25%	3.75% to 9.75%	5.75%
	varying by service	varying by service	

See Auditors' Report and Notes to Required Supplementary Information

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN**  
**AS OF JUNE 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/14	\$ -	\$ 244,094	\$ 244,094	N/A	\$ 39,340,716	0.62%
7/1/12	-	116,704	116,704	N/A	40,888,389	0.29%
7/1/10	-	116,704	116,704	N/A	-	N/A%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. As such, only one year's information is applicable.

See Auditors' Report and Notes to Required Supplementary Information

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016				
	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 48,950,409	\$ 48,157,731	\$ (792,678)	\$ 46,374,078
Tort immunity levy	348,338	351,142	2,804	314,595
Special education levy	593,340	755,757	162,417	796,686
Regular tuition from pupils or parents (in state)	120,000	80,591	(39,409)	101,988
Summer school - tuition from pupils or parents (in state)	70,000	69,725	(275)	89,348
Special education - tuition from pupils or parents (in state)	100,000	113,660	13,660	146,637
Investment income	206,800	535,532	328,732	323,616
Sales to pupils - lunch	655,000	728,875	73,875	676,181
Sales to pupils - breakfast	2,000	1,270	(730)	3,189
Sales to pupils - other	310,000	341,811	31,811	335,885
Sales to adults	8,000	14,538	6,538	13,654
Other food service	668,000	741,042	73,042	763,602
Fees	101,200	54,264	(46,936)	59,865
Rentals - regular textbook	305,600	304,754	(846)	310,710
Refund of prior years' expenditures	-	43,220	43,220	41,205
Payments of surplus monies from TIF districts	-	54,145	54,145	-
Other	117,300	133,901	16,601	126,042
Total local sources	52,555,987	52,481,958	(74,029)	50,477,281
<b>State sources</b>				
General state aid	2,171,220	2,360,022	188,802	2,278,082
Special education - private facility tuition	300,652	313,136	12,484	244,583
Special education - extraordinary	623,600	642,582	18,982	502,949
Special education - personnel	1,359,672	1,403,406	43,734	1,038,887
Special education - summer school	6,500	-	(6,500)	7,174
Bilingual education - downstate - TPI	219,211	60,239	(158,972)	80,884
State free lunch & breakfast	1,500	894	(606)	1,177
Other restricted revenue from state sources	3,500	-	(3,500)	3,170
Total state sources	4,685,855	4,780,279	94,424	4,156,906
<b>Federal sources</b>				
National school lunch program	240,000	282,819	42,819	257,017
School breakfast program	4,000	8,098	4,098	11,578
Title I - Low income	261,308	331,215	69,907	348,635
Federal - special education - preschool flow- through	46,712	27,063	(19,649)	46,670
Federal - special education - IDEA - flow- through/low incident	1,101,373	1,140,365	38,992	1,101,274
Federal - special education - IDEA - room & board	50,000	365,948	315,948	207,443
Emergency immigrant assistance	23,358	12,850	(10,508)	4,855
Title III - English language acquisition	41,979	15,902	(26,077)	54,993

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Title II - Teacher quality	\$ 120,948	\$ 110,017	\$ (10,931)	\$ 94,303
Medicaid matching funds - administrative outreach	110,000	32,160	(77,840)	144,121
Medicaid matching funds - fee-for-service program	90,000	27,205	(62,795)	88,491
Other restricted revenue from federal sources	-	114,527	114,527	111,054
Total federal sources	<u>2,089,678</u>	<u>2,468,169</u>	<u>378,491</u>	<u>2,470,434</u>
Total revenues	<u>59,331,520</u>	<u>59,730,406</u>	<u>398,886</u>	<u>57,104,621</u>

### Expenditures

#### Instruction

#### Regular programs

Salaries	21,654,080	21,129,065	525,015	21,119,909
Employee benefits	3,110,140	3,443,085	(332,945)	3,244,194
Purchased services	364,496	240,042	124,454	354,401
Supplies and materials	1,489,484	1,300,898	188,586	1,008,838
Capital outlay	166,568	186,179	(19,611)	152,615
Other objects	35,180	39,355	(4,175)	42,148
Non-capitalized equipment	45,000	-	45,000	-
Termination benefits	-	48,448	(48,448)	34,642
Total	<u>26,864,948</u>	<u>26,387,072</u>	<u>477,876</u>	<u>25,956,747</u>

#### Special education programs

Salaries	6,896,740	6,699,266	197,474	6,763,206
Employee benefits	1,380,810	1,418,877	(38,067)	1,397,178
Purchased services	20,950	31,970	(11,020)	28,851
Supplies and materials	223,985	161,012	62,973	137,092
Capital outlay	17,500	25,640	(8,140)	10,427
Total	<u>8,539,985</u>	<u>8,336,765</u>	<u>203,220</u>	<u>8,336,754</u>

#### Special education programs Pre-K

Salaries	718,600	718,884	(284)	636,203
Employee benefits	69,190	75,740	(6,550)	66,441
Purchased services	4,300	283	4,017	2,893
Supplies and materials	11,000	6,377	4,623	10,650
Total	<u>803,090</u>	<u>801,284</u>	<u>1,806</u>	<u>716,187</u>

#### Remedial and supplemental programs K-12

Salaries	572,210	574,256	(2,046)	314,299
Employee benefits	129,256	138,613	(9,357)	116,989
Supplies and materials	-	-	-	26,338
Total	<u>701,466</u>	<u>712,869</u>	<u>(11,403)</u>	<u>457,626</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Interscholastic programs</b>				
Salaries	\$ 150,320	\$ 149,490	\$ 830	\$ 136,499
Employee benefits	2,300	2,039	261	1,706
Purchased services	11,366	11,667	(301)	11,466
Supplies and materials	3,750	4,331	(581)	3,473
Capital outlay	-	525	(525)	-
Other objects	6,945	4,153	2,792	4,165
Total	174,681	172,205	2,476	157,309
<b>Summer school programs</b>				
Salaries	200,000	231,015	(31,015)	229,323
Employee benefits	2,700	5,371	(2,671)	1,976
Purchased services	4,000	5,733	(1,733)	3,564
Supplies and materials	12,000	12,320	(320)	7,291
Total	218,700	254,439	(35,739)	242,154
<b>Gifted programs</b>				
Salaries	734,020	710,492	23,528	654,844
Employee benefits	73,110	58,842	14,268	68,413
Supplies and materials	1,080	1,110	(30)	899
Capital outlay	9,776	-	9,776	-
Total	817,986	770,444	47,542	724,156
<b>Bilingual programs</b>				
Salaries	1,185,080	1,135,147	49,933	1,259,127
Employee benefits	190,969	180,321	10,648	183,065
Purchased services	17,000	11,867	5,133	15,031
Supplies and materials	42,624	19,975	22,649	20,825
Total	1,435,673	1,347,310	88,363	1,478,048
<b>Pre - K programs - private tuition</b>				
Other objects	-	-	-	5,472
Total	-	-	-	5,472
<b>Special education programs K-12 - private tuition</b>				
Other objects	681,113	778,479	(97,366)	902,372
Total	681,113	778,479	(97,366)	902,372
Total instruction	40,237,642	39,560,867	676,775	38,976,825

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	\$ 1,160,130	\$ 1,142,618	\$ 17,512	\$ 1,146,941
Employee benefits	147,820	130,059	17,761	138,689
Purchased services	750	335	415	294
Supplies and materials	2,500	2,202	298	1,096
Total	1,311,200	1,275,214	35,986	1,287,020
<b>Health services</b>				
Salaries	550,802	543,811	6,991	532,575
Employee benefits	49,550	90,749	(41,199)	48,709
Purchased services	3,000	20,873	(17,873)	15,969
Supplies and materials	14,000	12,711	1,289	10,628
Total	617,352	668,144	(50,792)	607,881
<b>Psychological services</b>				
Salaries	700,780	609,757	91,023	595,444
Employee benefits	79,900	62,908	16,992	74,390
Purchased services	11,100	43,956	(32,856)	4,964
Supplies and materials	4,000	5,155	(1,155)	3,158
Total	795,780	721,776	74,004	677,956
<b>Speech pathology and audiology services</b>				
Salaries	1,470,360	1,460,126	10,234	1,421,929
Employee benefits	230,590	223,548	7,042	206,222
Purchased services	30,900	21,305	9,595	33,631
Supplies and materials	13,400	11,205	2,195	12,649
Total	1,745,250	1,716,184	29,066	1,674,431
<b>Other support services - pupils</b>				
Salaries	409,780	423,940	(14,160)	383,965
Employee benefits	3,900	3,639	261	3,103
Purchased services	10,000	7,674	2,326	25,763
Supplies and materials	36,599	28,355	8,244	26,609
Total	460,279	463,608	(3,329)	439,440
Total pupils	4,929,861	4,844,926	84,935	4,686,728

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	\$ 1,771,783	\$ 1,726,895	\$ 44,888	\$ 1,757,999
Employee benefits	232,020	233,082	(1,062)	224,404
Purchased services	151,635	210,504	(58,869)	251,979
Supplies and materials	159,161	161,564	(2,403)	185,351
Capital outlay	-	-	-	11,295
Other objects	4,000	503	3,497	485
Total	2,318,599	2,332,548	(13,949)	2,431,513
<b>Educational media services</b>				
Salaries	1,587,700	1,599,401	(11,701)	1,608,306
Employee benefits	307,370	312,739	(5,369)	290,621
Purchased services	330,242	296,147	34,095	268,115
Supplies and materials	1,088,469	1,247,279	(158,810)	620,116
Capital outlay	969,500	793,053	176,447	956,176
Total	4,283,281	4,248,619	34,662	3,743,334
<b>Assessment and testing</b>				
Salaries	89,325	88,302	1,023	78,984
Employee benefits	23,250	23,130	120	21,575
Purchased services	1,400	409	991	1,670
Supplies and materials	155,500	162,253	(6,753)	101,905
Total	269,475	274,094	(4,619)	204,134
Total instructional staff	6,871,355	6,855,261	16,094	6,378,981
<b>General administration</b>				
<b>Board of education services</b>				
Purchased services	201,670	185,939	15,731	115,687
Supplies and materials	3,000	353	2,647	522
Other objects	12,950	12,512	438	12,937
Total	217,620	198,804	18,816	129,146
<b>Executive administration services</b>				
Salaries	318,940	322,276	(3,336)	317,347
Employee benefits	36,040	37,446	(1,406)	38,352
Purchased services	14,200	6,134	8,066	45,267
Supplies and materials	4,450	4,147	303	646
Other objects	7,330	6,315	1,015	2,808
Total	380,960	376,318	4,642	404,420

See Auditors' Report and Notes to Required Supplementary Information

(Continued)



# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Special area administration services</b>				
Salaries	\$ 504,420	\$ 501,429	\$ 2,991	\$ 482,747
Employee benefits	91,110	90,063	1,047	87,155
Purchased services	36,100	14,240	21,860	27,010
Supplies and materials	500	904	(404)	1,007
Other objects	800	499	301	718
Total	632,930	607,135	25,795	598,637
<b>Tort immunity services</b>				
Purchased services	400,000	353,815	46,185	364,547
Total	400,000	353,815	46,185	364,547
Total general administration	1,631,510	1,536,072	95,438	1,496,750
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	2,595,670	2,595,572	98	2,555,470
Employee benefits	568,180	578,215	(10,035)	569,250
Purchased services	29,760	25,760	4,000	24,244
Supplies and materials	41,537	40,949	588	41,555
Total	3,235,147	3,240,496	(5,349)	3,190,519
Total school administration	3,235,147	3,240,496	(5,349)	3,190,519
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	250,890	250,890	-	246,107
Employee benefits	55,790	55,352	438	54,710
Purchased services	6,700	3,165	3,535	3,372
Other objects	1,130	1,085	45	1,085
Total	314,510	310,492	4,018	305,274
<b>Fiscal services</b>				
Salaries	171,190	163,177	8,013	159,807
Employee benefits	13,880	11,799	2,081	14,017
Purchased services	156,150	97,535	58,615	105,915
Supplies and materials	80,700	31,221	49,479	62,835
Capital outlay	5,000	967	4,033	26,960
Total	426,920	304,699	122,221	369,534

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Food services</b>				
Salaries	\$ 647,500	\$ 642,779	\$ 4,721	\$ 665,677
Employee benefits	71,630	33,967	37,663	65,517
Purchased services	32,375	28,889	3,486	26,948
Supplies and materials	634,500	674,122	(39,622)	718,990
Capital outlay	<u>35,000</u>	<u>52,158</u>	<u>(17,158)</u>	<u>17,671</u>
Total	<u>1,421,005</u>	<u>1,431,915</u>	<u>(10,910)</u>	<u>1,494,803</u>
<b>Internal services</b>				
Purchased services	112,240	75,685	36,555	74,918
Supplies and materials	-	40,488	(40,488)	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>686</u>
Total	<u>112,240</u>	<u>116,173</u>	<u>(3,933)</u>	<u>75,604</u>
Total business	<u>2,274,675</u>	<u>2,163,279</u>	<u>111,396</u>	<u>2,245,215</u>
<b>Central</b>				
<b>Information services</b>				
Salaries	68,340	68,340	-	67,000
Employee benefits	8,580	8,475	105	8,157
Purchased services	13,000	22,349	(9,349)	10,046
Supplies and materials	<u>4,200</u>	<u>489</u>	<u>3,711</u>	<u>6,715</u>
Total	<u>94,120</u>	<u>99,653</u>	<u>(5,533)</u>	<u>91,918</u>
<b>Staff services</b>				
Salaries	1,005,790	1,015,631	(9,841)	962,385
Employee benefits	102,570	88,948	13,622	100,047
Purchased services	99,559	57,009	42,550	78,527
Supplies and materials	54,900	43,471	11,429	49,388
Capital outlay	-	-	-	1,854
Other objects	<u>13,720</u>	<u>10,958</u>	<u>2,762</u>	<u>14,474</u>
Total	<u>1,276,539</u>	<u>1,216,017</u>	<u>60,522</u>	<u>1,206,675</u>
Total central	<u>1,370,659</u>	<u>1,315,670</u>	<u>54,989</u>	<u>1,298,593</u>
Total support services	<u>20,313,207</u>	<u>19,955,704</u>	<u>357,503</u>	<u>19,296,786</u>
<b>Community services</b>				
Salaries	292,230	274,701	17,529	284,311
Employee benefits	37,249	31,240	6,009	32,684
Supplies and materials	<u>300,000</u>	<u>285,897</u>	<u>14,103</u>	<u>292,349</u>
Total community services	<u>629,479</u>	<u>591,838</u>	<u>37,641</u>	<u>609,344</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Payments to other districts and governmental units</b>				
<b>Payments for regular programs</b>				
Other objects	\$ -	\$ 13,409	\$ (13,409)	\$ -
Total	-	13,409	(13,409)	-
<b>Payments for special education programs</b>				
Other objects	128,390	120,974	7,416	115,928
Total	128,390	120,974	7,416	115,928
<b>Payments for special education programs - tuition</b>				
Other objects	2,018,720	1,838,415	180,305	1,778,240
Total	2,018,720	1,838,415	180,305	1,778,240
Total payments to other districts and governmental units	2,147,110	1,972,798	174,312	1,894,168
<b>Provision for contingencies</b>	100,000	-	100,000	-
Total expenditures	63,427,438	62,081,207	1,346,231	60,777,123
Excess (deficiency) of revenues over expenditures	(4,095,918)	(2,350,801)	1,745,117	(3,672,502)
<b>Other financing sources (uses)</b>				
Principal on bonds sold	40,000,000	27,650,000	(12,350,000)	16,775,000
Premium on bonds sold	-	4,290,248	4,290,248	1,225,000
Permanent transfer from working cash accounts - abatement	(38,267,607)	(21,764,607)	16,503,000	(12,435,393)
Transfer to debt service fund to pay principal on capital leases	-	(35,874)	(35,874)	(34,354)
Transfer to debt service fund to pay interest on capital leases	-	(4,458)	(4,458)	(5,978)
Total other financing sources (uses)	1,732,393	10,135,309	8,402,916	5,524,275
Net change in fund balance	\$ (2,363,525)	7,784,508	\$ 10,148,033	1,851,773
Fund balance, beginning of year		53,547,865		51,696,092
Fund balance, end of year		\$ 61,332,373		\$ 53,547,865

See Auditors' Report and Notes to Required Supplementary Information

(Concluded)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 6,237,093	\$ 6,307,269	\$ 70,176	\$ 6,246,519
Corporate personal property replacement taxes	823,567	1,143,522	319,955	804,522
Investment income	25,600	50,415	24,815	40,632
Rentals	956,600	1,016,033	59,433	983,808
Impact fees from municipal or county governments	-	3,000	3,000	2,200
Refund of prior years' expenditures	-	-	-	8,339
Other local fees	6,500	10,135	3,635	8,915
Other	115,000	284,476	169,476	240,784
Total local sources	8,164,360	8,814,850	650,490	8,335,719
Total revenues	8,164,360	8,814,850	650,490	8,335,719
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Purchased services	156,398	182,003	(25,605)	175,916
Total	156,398	182,003	(25,605)	175,916
<b>Operation and maintenance of plant services</b>				
Salaries	2,469,050	2,288,843	180,207	2,226,533
Employee benefits	374,020	392,320	(18,300)	353,007
Purchased services	1,081,075	1,119,353	(38,278)	1,039,571
Supplies and materials	1,130,600	1,129,399	1,201	1,029,624
Capital outlay	162,250	120,769	41,481	96,697
Termination benefits	-	10,280	(10,280)	10,810
Total	5,216,995	5,060,964	156,031	4,756,242
Total business	5,373,393	5,242,967	130,426	4,932,158
<b>Other supporting services</b>				
Purchased services	210,000	230,160	(20,160)	197,950
Total	210,000	230,160	(20,160)	197,950
Total support services	5,583,393	5,473,127	110,266	5,130,108
Total expenditures	5,583,393	5,473,127	110,266	5,130,108
Excess (deficiency) of revenues over expenditures	2,580,967	3,341,723	760,756	3,205,611

See Auditors' Report and Notes to Required Supplementary Information

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****OPERATIONS AND MAINTENANCE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Other financing sources (uses)</b>				
Permanent transfer from working cash accounts - abatement	\$ 38,267,607	\$ 21,764,607	\$ (16,503,000)	\$ 12,435,393
Transfer to capital projects fund	<u>(40,344,696)</u>	<u>(25,045,479)</u>	<u>15,299,217</u>	<u>(19,154,414)</u>
Total other financing sources (uses)	<u>(2,077,089)</u>	<u>(3,280,872)</u>	<u>(1,203,783)</u>	<u>(6,719,021)</u>
Net change in fund balance	<u>\$ 503,878</u>	60,851	<u>\$ (443,027)</u>	(3,513,410)
Fund balance, beginning of year		<u>3,357,212</u>		<u>6,870,622</u>
Fund balance, end of year		<u>\$ 3,418,063</u>		<u>\$ 3,357,212</u>

See Auditors' Report and Notes to Required Supplementary Information

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 1,043,766	\$ 978,542	\$ (65,224)	\$ 777,107
Regular transportation fees from pupils or parents (in state)	16,000	20,852	4,852	27,261
Regular transportation fees from co-curricular act (in state)	30,000	60,530	30,530	60,519
Investment income	5,000	-	(5,000)	6,281
Refund of prior years' expenditures	-	205	205	-
Other	-	1,833	1,833	3,677
Total local sources	<u>1,094,766</u>	<u>1,061,962</u>	<u>(32,804)</u>	<u>874,845</u>
<b>State sources</b>				
Transportation - regular/vocational	21,928	15,597	(6,331)	11,636
Transportation - special education	<u>1,429,522</u>	<u>1,306,736</u>	<u>(122,786)</u>	<u>818,358</u>
Total state sources	<u>1,451,450</u>	<u>1,322,333</u>	<u>(129,117)</u>	<u>829,994</u>
<b>Federal sources</b>				
Title III - English language acquisition	<u>15,500</u>	<u>15,431</u>	<u>(69)</u>	<u>11,711</u>
Total federal sources	<u>15,500</u>	<u>15,431</u>	<u>(69)</u>	<u>11,711</u>
Total revenues	<u>2,561,716</u>	<u>2,399,726</u>	<u>(161,990)</u>	<u>1,716,550</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Business</b>				
<b>Pupil transportation services</b>				
Salaries	44,400	44,435	(35)	43,919
Employee benefits	13,210	12,908	302	12,609
Purchased services	2,296,515	2,279,500	17,015	2,201,937
Supplies and materials	<u>72,000</u>	<u>70,922</u>	<u>1,078</u>	<u>13,324</u>
Total	<u>2,426,125</u>	<u>2,407,765</u>	<u>18,360</u>	<u>2,271,789</u>
Total business	<u>2,426,125</u>	<u>2,407,765</u>	<u>18,360</u>	<u>2,271,789</u>
Total support services	<u>2,426,125</u>	<u>2,407,765</u>	<u>18,360</u>	<u>2,271,789</u>
Total expenditures	<u>2,426,125</u>	<u>2,407,765</u>	<u>18,360</u>	<u>2,271,789</u>
Net change in fund balance	<u>\$ 135,591</u>	(8,039)	<u>\$ (143,630)</u>	(555,239)
Fund balance, beginning of year		1,215,144		<u>1,770,383</u>
Fund balance, end of year		<u>\$ 1,207,105</u>		<u>\$ 1,215,144</u>

See Auditors' Report and Notes to Required Supplementary Information

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 904,294	\$ 910,172	\$ 5,878	\$ 916,019
Social security/medicare only levy	1,192,494	1,176,283	(16,211)	1,196,519
Corporate personal property replacement taxes	20,000	20,000	-	20,000
Investment income	6,800	14,932	8,132	9,767
Refund of prior years' expenditures	-	78	78	-
Total local sources	<u>2,123,588</u>	<u>2,121,465</u>	<u>(2,123)</u>	<u>2,142,305</u>
Total revenues	<u>2,123,588</u>	<u>2,121,465</u>	<u>(2,123)</u>	<u>2,142,305</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	307,200	269,534	37,666	269,930
Pre-K programs	13,300	-	13,300	-
Special education programs	550,500	540,160	10,340	547,722
Special education programs Pre-K	45,700	44,516	1,184	43,729
Remedial and supplemental programs K - 12	8,800	7,350	1,450	4,008
Interscholastic programs	3,300	3,217	83	3,280
Summer school programs	12,700	12,071	629	13,475
Gifted programs	9,800	8,862	938	8,029
Bilingual programs	<u>29,100</u>	<u>18,686</u>	<u>10,414</u>	<u>21,547</u>
Total instruction	<u>980,400</u>	<u>904,396</u>	<u>76,004</u>	<u>911,720</u>
<b>Support services</b>				
<b>Pupils</b>				
Attendance and social work services	17,350	14,174	3,176	14,297
Health services	52,900	59,515	(6,615)	47,578
Psychological services	10,200	8,307	1,893	7,989
Speech pathology and audiology services	16,900	18,316	(1,416)	17,822
Other support services - pupils	<u>25,100</u>	<u>17,975</u>	<u>7,125</u>	<u>16,589</u>
Total pupils	<u>122,450</u>	<u>118,287</u>	<u>4,163</u>	<u>104,275</u>
<b>Instructional staff</b>				
Improvement of instructional staff	41,270	35,647	5,623	39,241
Educational media services	159,600	151,098	8,502	157,988
Assessment and testing	<u>1,300</u>	<u>1,071</u>	<u>229</u>	<u>977</u>
Total instructional staff	<u>202,170</u>	<u>187,816</u>	<u>14,354</u>	<u>198,206</u>
<b>General administration</b>				
Executive administration services	19,300	20,526	(1,226)	19,362
Special area administration services	<u>22,000</u>	<u>21,032</u>	<u>968</u>	<u>19,878</u>
Total general administration	<u>41,300</u>	<u>41,558</u>	<u>(258)</u>	<u>39,240</u>

See Auditors' Report and Notes to Required Supplementary Information

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>School administration</b>				
Office of the principal services	\$ 160,400	\$ 149,162	\$ 11,238	\$ 148,561
Total school administration	<u>160,400</u>	<u>149,162</u>	<u>11,238</u>	<u>148,561</u>
<b>Business</b>				
Direction of business support services	17,800	17,418	382	17,099
Fiscal services	30,700	31,241	(541)	30,943
Operations and maintenance of plant services	442,700	398,820	43,880	397,282
Pupil transportation services	8,700	7,302	1,398	7,273
Food services	<u>113,400</u>	<u>103,324</u>	<u>10,076</u>	<u>107,166</u>
Total business	<u>613,300</u>	<u>558,105</u>	<u>55,195</u>	<u>559,763</u>
<b>Central</b>				
Information services	13,600	13,280	320	13,044
Staff services	<u>53,600</u>	<u>47,691</u>	<u>5,909</u>	<u>45,439</u>
Total central	<u>67,200</u>	<u>60,971</u>	<u>6,229</u>	<u>58,483</u>
Total support services	<u>1,206,820</u>	<u>1,115,899</u>	<u>90,921</u>	<u>1,108,528</u>
<b>Community services</b>	<u>46,400</u>	<u>45,053</u>	<u>1,347</u>	<u>45,560</u>
Total expenditures	<u>2,233,620</u>	<u>2,065,348</u>	<u>168,272</u>	<u>2,065,808</u>
Net change in fund balance	<u>\$ (110,032)</u>	56,117	<u>\$ 166,149</u>	76,497
Fund balance, beginning of year		<u>1,701,199</u>		<u>1,624,702</u>
Fund balance, end of year		<u>\$ 1,757,316</u>		<u>\$ 1,701,199</u>

See Auditors' Report and Notes to Required Supplementary Information



# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

### 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><b>Revenues</b></i>	<i><b>Expenditures</b></i>
General Fund Budgetary Basis	\$ 59,730,406	\$ 62,081,207
To adjust for on-behalf payments received	29,819,470	-
To adjust for on-behalf payments made	-	29,819,470
General Fund GAAP Basis	<u>\$ 89,549,876</u>	<u>\$ 91,900,677</u>

See Auditors' Report

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 2,835,878	\$ 3,383,531	\$ 547,653	\$ 1,407,392
Investment income	<u>4,600</u>	<u>12,004</u>	<u>7,404</u>	<u>1,336</u>
Total local sources	<u>2,840,478</u>	<u>3,395,535</u>	<u>555,057</u>	<u>1,408,728</u>
Total revenues	<u>2,840,478</u>	<u>3,395,535</u>	<u>555,057</u>	<u>1,408,728</u>
<b>Expenditures</b>				
<b>Debt services</b>				
<b>Payments on long term debt</b>				
Interest on long term debt	592,650	1,045,775	(453,125)	356,357
Principal payments on long term debt	<u>2,220,000</u>	<u>2,255,874</u>	<u>(35,874)</u>	<u>34,354</u>
Total	<u>2,812,650</u>	<u>3,301,649</u>	<u>(488,999)</u>	<u>390,711</u>
<b>Other debt service</b>				
Other objects	<u>-</u>	<u>338,908</u>	<u>(338,908)</u>	<u>248,560</u>
Total	<u>-</u>	<u>338,908</u>	<u>(338,908)</u>	<u>248,560</u>
Total debt services	<u>2,812,650</u>	<u>3,640,557</u>	<u>(827,907)</u>	<u>639,271</u>
Total expenditures	<u>2,812,650</u>	<u>3,640,557</u>	<u>(827,907)</u>	<u>639,271</u>
Excess (deficiency) of revenues over expenditures	<u>27,828</u>	<u>(245,022)</u>	<u>(272,850)</u>	<u>769,457</u>
<b>Other financing sources (uses)</b>				
Premium on bonds sold	-	350,374	350,374	370,197
Transfer to debt service to pay principal on capital leases	-	35,874	35,874	34,354
Transfer to debt service to pay interest on capital leases	<u>-</u>	<u>4,458</u>	<u>4,458</u>	<u>5,978</u>
Total other financing sources (uses)	<u>-</u>	<u>390,706</u>	<u>390,706</u>	<u>410,529</u>
Net change in fund balance	<u>\$ 27,828</u>	145,684	<u>\$ 117,856</u>	1,179,986
Fund balance (deficit), beginning of year		<u>1,134,596</u>		<u>(45,390)</u>
Fund balance, end of year		<u>\$ 1,280,280</u>		<u>\$ 1,134,596</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ -	\$ 67	\$ 67	\$ 7
Other	<u>24,266</u>	<u>36,652</u>	<u>12,386</u>	<u>36,626</u>
Total local sources	<u>24,266</u>	<u>36,719</u>	<u>12,453</u>	<u>36,633</u>
Total revenues	<u>24,266</u>	<u>36,719</u>	<u>12,453</u>	<u>36,633</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Purchased services	5,497,285	4,662,117	835,168	3,846,914
Supplies and materials	42,875	13,984	28,891	11,936
Capital outlay	34,892,124	20,343,376	14,548,748	15,285,030
Other objects	<u>4,700</u>	<u>-</u>	<u>4,700</u>	<u>2,300</u>
Total	<u>40,436,984</u>	<u>25,019,477</u>	<u>15,417,507</u>	<u>19,146,180</u>
Total business	<u>40,436,984</u>	<u>25,019,477</u>	<u>15,417,507</u>	<u>19,146,180</u>
Total support services	<u>40,436,984</u>	<u>25,019,477</u>	<u>15,417,507</u>	<u>19,146,180</u>
Total expenditures	<u>40,436,984</u>	<u>25,019,477</u>	<u>15,417,507</u>	<u>19,146,180</u>
Excess (deficiency) of revenues over expenditures	<u>(40,412,718)</u>	<u>(24,982,758)</u>	<u>15,429,960</u>	<u>(19,109,547)</u>
<b>Other financing sources (uses)</b>				
Transfer to capital projects fund	<u>40,344,696</u>	<u>25,045,479</u>	<u>(15,299,217)</u>	<u>19,154,414</u>
Total other financing sources (uses)	<u>40,344,696</u>	<u>25,045,479</u>	<u>(15,299,217)</u>	<u>19,154,414</u>
Net change in fund balance	<u>\$ (68,022)</u>	<u>62,721</u>	<u>\$ 130,743</u>	<u>44,867</u>
Fund balance (deficit), beginning of year		<u>(431,212)</u>		<u>(476,079)</u>
Fund balance (deficit), end of year		<u>\$ (368,491)</u>		<u>\$ (431,212)</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****FIRE PREVENTION AND LIFE SAFETY FUND**

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 247,638	\$ 243,690	\$ (3,948)	\$ 231,454
Investment income	<u>2,300</u>	<u>5,328</u>	<u>3,028</u>	<u>2,510</u>
Total local sources	<u>249,938</u>	<u>249,018</u>	<u>(920)</u>	<u>233,964</u>
Total revenues	<u>249,938</u>	<u>249,018</u>	<u>(920)</u>	<u>233,964</u>
<b>Expenditures</b>				
<b>Support services</b>				
<b>Business</b>				
<b>Facilities acquisition and construction service</b>				
Capital outlay	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Total	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Total business	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Total support services	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Total expenditures	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (450,062)</u>	249,018	<u>\$ 699,080</u>	233,964
Fund balance, beginning of year		<u>560,362</u>		<u>326,398</u>
Fund balance, end of year		<u>\$ 809,380</u>		<u>\$ 560,362</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

### COMBINING BALANCE SHEET

AS OF JUNE 30, 2017

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Assets</b>				
Cash	\$ 45,169,553	\$ 201,749	\$ 22,854,990	\$ 68,226,292
Receivables (net allowance for uncollectibles):				
Interest	70,067	377	42,559	113,003
Property taxes	23,087,969	175,279	-	23,263,248
Intergovernmental	2,149,076	-	-	2,149,076
Prepaid items	-	30,689	-	30,689
Total assets	<u>\$ 70,476,665</u>	<u>\$ 408,094</u>	<u>\$ 22,897,549</u>	<u>\$ 93,782,308</u>
<b>Liabilities, deferred inflows of resources, and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 353,223	\$ 30	\$ -	\$ 353,253
Salaries and wages payable	6,929,021	-	-	6,929,021
Payroll deductions payable	6,440	-	-	6,440
Health claims payable	<u>1,062,038</u>	<u>-</u>	<u>-</u>	<u>1,062,038</u>
Total liabilities	<u>8,350,722</u>	<u>30</u>	<u>-</u>	<u>8,350,752</u>
<b>Deferred inflows of resources</b>				
Property taxes levied for a future period	23,087,969	175,279	-	23,263,248
Unavailable state and federal aid receivable	<u>835,935</u>	<u>-</u>	<u>-</u>	<u>835,935</u>
Total deferred inflows of resources	<u>23,923,904</u>	<u>175,279</u>	<u>-</u>	<u>24,099,183</u>
<b>Fund balance</b>				
Nonspendable	-	30,689	-	30,689
Restricted	-	202,096	-	202,096
Unassigned	<u>38,202,039</u>	<u>-</u>	<u>22,897,549</u>	<u>61,099,588</u>
Total fund balance	<u>38,202,039</u>	<u>232,785</u>	<u>22,897,549</u>	<u>61,332,373</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 70,476,665</u>	<u>\$ 408,094</u>	<u>\$ 22,897,549</u>	<u>\$ 93,782,308</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## GENERAL FUND

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
<b>Revenues</b>				
Property taxes	\$ 48,913,488	\$ 351,142	\$ -	\$ 49,264,630
State aid	34,599,749	-	-	34,599,749
Federal aid	2,468,169	-	-	2,468,169
Investment income	349,333	1,416	184,783	535,532
Other	<u>2,657,918</u>	<u>23,878</u>	<u>-</u>	<u>2,681,796</u>
Total revenues	<u>88,988,657</u>	<u>376,436</u>	<u>184,783</u>	<u>89,549,876</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	26,200,893	-	-	26,200,893
Special programs	10,603,757	-	-	10,603,757
Other instructional programs	2,543,873	-	-	2,543,873
State retirement contributions	29,819,470	-	-	29,819,470
Support Services:				
Pupils	4,844,926	-	-	4,844,926
Instructional staff	6,062,208	-	-	6,062,208
General administration	1,206,430	329,642	-	1,536,072
School administration	3,240,496	-	-	3,240,496
Business	2,110,154	-	-	2,110,154
Central	1,315,670	-	-	1,315,670
Community services	591,838	-	-	591,838
Payments to other districts and gov't units	1,972,798	-	-	1,972,798
Capital outlay	<u>1,058,522</u>	<u>-</u>	<u>-</u>	<u>1,058,522</u>
Total expenditures	<u>91,571,035</u>	<u>329,642</u>	<u>-</u>	<u>91,900,677</u>
Excess (deficiency) of revenues over expenditures	<u>(2,582,378)</u>	<u>46,794</u>	<u>184,783</u>	<u>(2,350,801)</u>
<b>Other financing sources (uses)</b>				
Transfers (out)	(40,332)	-	(21,764,607)	(21,804,939)
Principal on bonds sold	-	-	27,650,000	27,650,000
Premium on bonds sold	<u>-</u>	<u>-</u>	<u>4,290,248</u>	<u>4,290,248</u>
Total other financing sources (uses)	<u>(40,332)</u>	<u>-</u>	<u>10,175,641</u>	<u>10,135,309</u>
Net change in fund balance	(2,622,710)	46,794	10,360,424	7,784,508
Fund balance, beginning of year	<u>40,824,749</u>	<u>185,991</u>	<u>12,537,125</u>	<u>53,547,865</u>
Fund balance, end of year	<u>\$ 38,202,039</u>	<u>\$ 232,785</u>	<u>\$ 22,897,549</u>	<u>\$ 61,332,373</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 48,950,409	\$ 48,157,731	\$ (792,678)	\$ 46,374,078
Special education levy	593,340	755,757	162,417	796,686
Regular tuition from pupils or parents (in state)	120,000	80,591	(39,409)	101,988
Summer school - tuition from pupils or parents (in state)	70,000	69,725	(275)	89,348
Special education - tuition from pupils or parents (in state)	100,000	113,660	13,660	146,637
Investment income	155,500	349,333	193,833	225,582
Sales to pupils - lunch	655,000	728,875	73,875	676,181
Sales to pupils - breakfast	2,000	1,270	(730)	3,189
Sales to pupils - other	310,000	341,811	31,811	335,885
Sales to adults	8,000	14,538	6,538	13,654
Other food service	668,000	741,042	73,042	763,602
Fees	101,200	54,264	(46,936)	59,865
Rentals - regular textbook	305,600	304,754	(846)	310,710
Refund of prior years' expenditures	-	19,342	19,342	24,726
Payments of surplus monies from TIF districts	-	54,145	54,145	-
Other	117,300	133,901	16,601	126,042
Total local sources	52,156,349	51,920,739	(235,610)	50,048,173
<b>State sources</b>				
General state aid	2,171,220	2,360,022	188,802	2,278,082
Special education - private facility tuition	300,652	313,136	12,484	244,583
Special education - extraordinary	623,600	642,582	18,982	502,949
Special education - personnel	1,359,672	1,403,406	43,734	1,038,887
Special education - summer school	6,500	-	(6,500)	7,174
Bilingual education - downstate - TPI	219,211	60,239	(158,972)	80,884
State free lunch & breakfast	1,500	894	(606)	1,177
Other restricted revenue from state sources	3,500	-	(3,500)	3,170
Total state sources	4,685,855	4,780,279	94,424	4,156,906
<b>Federal sources</b>				
National school lunch program	240,000	282,819	42,819	257,017
School breakfast program	4,000	8,098	4,098	11,578
Title I - Low income	261,308	331,215	69,907	348,635
Federal - special education - preschool flow- through	46,712	27,063	(19,649)	46,670
Federal - special education - IDEA - flow- through/low incident	1,101,373	1,140,365	38,992	1,101,274
Federal - special education - IDEA - room & board	50,000	365,948	315,948	207,443
Emergency immigrant assistance	23,358	12,850	(10,508)	4,855
Title III - English language acquisition	41,979	15,902	(26,077)	54,993

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Title II - Teacher quality	\$ 120,948	\$ 110,017	\$ (10,931)	\$ 94,303
Medicaid matching funds - administrative outreach	110,000	32,160	(77,840)	144,121
Medicaid matching funds - fee-for-service program	90,000	27,205	(62,795)	88,491
Other restricted revenue from federal sources	-	114,527	114,527	111,054
Total federal sources	<u>2,089,678</u>	<u>2,468,169</u>	<u>378,491</u>	<u>2,470,434</u>
Total revenues	<u>58,931,882</u>	<u>59,169,187</u>	<u>237,305</u>	<u>56,675,513</u>
<b>Expenditures</b>				
<b>Instruction</b>				
<b>Regular programs</b>				
Salaries	21,654,080	21,129,065	525,015	21,119,909
Employee benefits	3,110,140	3,443,085	(332,945)	3,244,194
Purchased services	364,496	240,042	124,454	354,401
Supplies and materials	1,489,484	1,300,898	188,586	1,008,838
Capital outlay	166,568	186,179	(19,611)	152,615
Other objects	35,180	39,355	(4,175)	42,148
Non-capitalized equipment	45,000	-	45,000	-
Termination benefits	-	48,448	(48,448)	34,642
Total	<u>26,864,948</u>	<u>26,387,072</u>	<u>477,876</u>	<u>25,956,747</u>
<b>Special education programs</b>				
Salaries	6,896,740	6,699,266	197,474	6,763,206
Employee benefits	1,380,810	1,418,877	(38,067)	1,397,178
Purchased services	20,950	31,970	(11,020)	28,851
Supplies and materials	223,985	161,012	62,973	137,092
Capital outlay	17,500	25,640	(8,140)	10,427
Total	<u>8,539,985</u>	<u>8,336,765</u>	<u>203,220</u>	<u>8,336,754</u>
<b>Special education programs Pre-K</b>				
Salaries	718,600	718,884	(284)	636,203
Employee benefits	69,190	75,740	(6,550)	66,441
Purchased services	4,300	283	4,017	2,893
Supplies and materials	11,000	6,377	4,623	10,650
Total	<u>803,090</u>	<u>801,284</u>	<u>1,806</u>	<u>716,187</u>
<b>Remedial and supplemental programs K - 12</b>				
Salaries	572,210	574,256	(2,046)	314,299
Employee benefits	129,256	138,613	(9,357)	116,989
Supplies and materials	-	-	-	26,338
Total	<u>701,466</u>	<u>712,869</u>	<u>(11,403)</u>	<u>457,626</u>

(Continued)



# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Interscholastic programs</b>				
Salaries	\$ 150,320	\$ 149,490	\$ 830	\$ 136,499
Employee benefits	2,300	2,039	261	1,706
Purchased services	11,366	11,667	(301)	11,466
Supplies and materials	3,750	4,331	(581)	3,473
Capital outlay	-	525	(525)	-
Other objects	6,945	4,153	2,792	4,165
Total	174,681	172,205	2,476	157,309
<b>Summer school programs</b>				
Salaries	200,000	231,015	(31,015)	229,323
Employee benefits	2,700	5,371	(2,671)	1,976
Purchased services	4,000	5,733	(1,733)	3,564
Supplies and materials	12,000	12,320	(320)	7,291
Total	218,700	254,439	(35,739)	242,154
<b>Gifted programs</b>				
Salaries	734,020	710,492	23,528	654,844
Employee benefits	73,110	58,842	14,268	68,413
Supplies and materials	1,080	1,110	(30)	899
Capital outlay	9,776	-	9,776	-
Total	817,986	770,444	47,542	724,156
<b>Bilingual programs</b>				
Salaries	1,185,080	1,135,147	49,933	1,259,127
Employee benefits	190,969	180,321	10,648	183,065
Purchased services	17,000	11,867	5,133	15,031
Supplies and materials	42,624	19,975	22,649	20,825
Total	1,435,673	1,347,310	88,363	1,478,048
<b>Pre - K programs - private tuition</b>				
Other objects	-	-	-	5,472
Total	-	-	-	5,472
<b>Special education programs K -12 - private tuition</b>				
Other objects	681,113	778,479	(97,366)	902,372
Total	681,113	778,479	(97,366)	902,372
Total instruction	40,237,642	39,560,867	676,775	38,976,825

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017		VARIANCE WITH FINAL BUDGET	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	\$ 1,160,130	\$ 1,142,618	\$ 17,512	\$ 1,146,941
Employee benefits	147,820	130,059	17,761	138,689
Purchased services	750	335	415	294
Supplies and materials	2,500	2,202	298	1,096
Total	1,311,200	1,275,214	35,986	1,287,020
<b>Health services</b>				
Salaries	550,802	543,811	6,991	532,575
Employee benefits	49,550	90,749	(41,199)	48,709
Purchased services	3,000	20,873	(17,873)	15,969
Supplies and materials	14,000	12,711	1,289	10,628
Total	617,352	668,144	(50,792)	607,881
<b>Psychological services</b>				
Salaries	700,780	609,757	91,023	595,444
Employee benefits	79,900	62,908	16,992	74,390
Purchased services	11,100	43,956	(32,856)	4,964
Supplies and materials	4,000	5,155	(1,155)	3,158
Total	795,780	721,776	74,004	677,956
<b>Speech pathology and audiology services</b>				
Salaries	1,470,360	1,460,126	10,234	1,421,929
Employee benefits	230,590	223,548	7,042	206,222
Purchased services	30,900	21,305	9,595	33,631
Supplies and materials	13,400	11,205	2,195	12,649
Total	1,745,250	1,716,184	29,066	1,674,431
<b>Other support services - pupils</b>				
Salaries	409,780	423,940	(14,160)	383,965
Employee benefits	3,900	3,639	261	3,103
Purchased services	10,000	7,674	2,326	25,763
Supplies and materials	36,599	28,355	8,244	26,609
Total	460,279	463,608	(3,329)	439,440
Total pupils	4,929,861	4,844,926	84,935	4,686,728

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2016 ACTUAL
<b>Instructional staff</b>				
<b>Improvement of instructional services</b>				
Salaries	\$ 1,771,783	\$ 1,726,895	\$ 44,888	\$ 1,757,999
Employee benefits	232,020	233,082	(1,062)	224,404
Purchased services	151,635	210,504	(58,869)	251,979
Supplies and materials	159,161	161,564	(2,403)	185,351
Capital outlay	-	-	-	11,295
Other objects	4,000	503	3,497	485
Total	2,318,599	2,332,548	(13,949)	2,431,513
<b>Educational media services</b>				
Salaries	1,587,700	1,599,401	(11,701)	1,608,306
Employee benefits	307,370	312,739	(5,369)	290,621
Purchased services	330,242	296,147	34,095	268,115
Supplies and materials	1,088,469	1,247,279	(158,810)	620,116
Capital outlay	969,500	793,053	176,447	956,176
Total	4,283,281	4,248,619	34,662	3,743,334
<b>Assessment and testing</b>				
Salaries	89,325	88,302	1,023	78,984
Employee benefits	23,250	23,130	120	21,575
Purchased services	1,400	409	991	1,670
Supplies and materials	155,500	162,253	(6,753)	101,905
Total	269,475	274,094	(4,619)	204,134
Total instructional staff	6,871,355	6,855,261	16,094	6,378,981
<b>General administration</b>				
<b>Board of education services</b>				
Purchased services	201,670	185,939	15,731	115,687
Supplies and materials	3,000	353	2,647	522
Other objects	12,950	12,512	438	12,937
Total	217,620	198,804	18,816	129,146
<b>Executive administration services</b>				
Salaries	318,940	322,276	(3,336)	317,347
Employee benefits	36,040	37,446	(1,406)	38,352
Purchased services	14,200	6,134	8,066	45,267
Supplies and materials	4,450	4,147	303	646
Other objects	7,330	6,315	1,015	2,808
Total	380,960	376,318	4,642	404,420

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Special area administration services</b>				
Salaries	\$ 504,420	\$ 501,429	\$ 2,991	\$ 482,747
Employee benefits	91,110	90,063	1,047	87,155
Purchased services	36,100	14,240	21,860	27,010
Supplies and materials	500	904	(404)	1,007
Other objects	800	499	301	718
Total	<u>632,930</u>	<u>607,135</u>	<u>25,795</u>	<u>598,637</u>
<b>Tort immunity services</b>				
Purchased services	<u>40,000</u>	<u>24,173</u>	<u>15,827</u>	<u>7,127</u>
Total	<u>40,000</u>	<u>24,173</u>	<u>15,827</u>	<u>7,127</u>
Total general administration	<u>1,271,510</u>	<u>1,206,430</u>	<u>65,080</u>	<u>1,139,330</u>
<b>School administration</b>				
<b>Office of the principal services</b>				
Salaries	2,595,670	2,595,572	98	2,555,470
Employee benefits	568,180	578,215	(10,035)	569,250
Purchased services	29,760	25,760	4,000	24,244
Supplies and materials	41,537	40,949	588	41,555
Total	<u>3,235,147</u>	<u>3,240,496</u>	<u>(5,349)</u>	<u>3,190,519</u>
Total school administration	<u>3,235,147</u>	<u>3,240,496</u>	<u>(5,349)</u>	<u>3,190,519</u>
<b>Business</b>				
<b>Direction of business support services</b>				
Salaries	250,890	250,890	-	246,107
Employee benefits	55,790	55,352	438	54,710
Purchased services	6,700	3,165	3,535	3,372
Other objects	1,130	1,085	45	1,085
Total	<u>314,510</u>	<u>310,492</u>	<u>4,018</u>	<u>305,274</u>
<b>Fiscal services</b>				
Salaries	171,190	163,177	8,013	159,807
Employee benefits	13,880	11,799	2,081	14,017
Purchased services	156,150	97,535	58,615	105,915
Supplies and materials	80,700	31,221	49,479	62,835
Capital outlay	5,000	967	4,033	26,960
Total	<u>426,920</u>	<u>304,699</u>	<u>122,221</u>	<u>369,534</u>

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Food services</b>				
Salaries	\$ 647,500	\$ 642,779	\$ 4,721	\$ 665,677
Employee benefits	71,630	33,967	37,663	65,517
Purchased services	32,375	28,889	3,486	26,948
Supplies and materials	634,500	674,122	(39,622)	718,990
Capital outlay	<u>35,000</u>	<u>52,158</u>	<u>(17,158)</u>	<u>17,671</u>
Total	<u>1,421,005</u>	<u>1,431,915</u>	<u>(10,910)</u>	<u>1,494,803</u>
<b>Internal services</b>				
Purchased services	112,240	75,685	36,555	74,918
Supplies and materials	-	40,488	(40,488)	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>686</u>
Total	<u>112,240</u>	<u>116,173</u>	<u>(3,933)</u>	<u>75,604</u>
Total business	<u>2,274,675</u>	<u>2,163,279</u>	<u>111,396</u>	<u>2,245,215</u>
<b>Central</b>				
<b>Information services</b>				
Salaries	68,340	68,340	-	67,000
Employee benefits	8,580	8,475	105	8,157
Purchased services	13,000	22,349	(9,349)	10,046
Supplies and materials	<u>4,200</u>	<u>489</u>	<u>3,711</u>	<u>6,715</u>
Total	<u>94,120</u>	<u>99,653</u>	<u>(5,533)</u>	<u>91,918</u>
<b>Staff services</b>				
Salaries	1,005,790	1,015,631	(9,841)	962,385
Employee benefits	102,570	88,948	13,622	100,047
Purchased services	99,559	61,254	38,305	78,527
Supplies and materials	54,900	50,539	4,361	49,388
Capital outlay	-	-	-	1,854
Other objects	<u>13,720</u>	<u>(355)</u>	<u>14,075</u>	<u>14,474</u>
Total	<u>1,276,539</u>	<u>1,216,017</u>	<u>60,522</u>	<u>1,206,675</u>
Total central	<u>1,370,659</u>	<u>1,315,670</u>	<u>54,989</u>	<u>1,298,593</u>
Total support services	<u>19,953,207</u>	<u>19,626,062</u>	<u>327,145</u>	<u>18,939,366</u>
<b>Community services</b>				
Salaries	292,230	274,701	17,529	284,311
Employee benefits	37,249	31,240	6,009	32,684
Supplies and materials	<u>300,000</u>	<u>285,897</u>	<u>14,103</u>	<u>292,349</u>
Total community services	<u>629,479</u>	<u>591,838</u>	<u>37,641</u>	<u>609,344</u>

(Continued)

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## EDUCATIONAL ACCOUNTS

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Payments to other districts and governmental units</b>				
<b>Payments for regular programs</b>				
Other objects	\$ -	\$ 13,409	\$ (13,409)	\$ -
Total	-	13,409	(13,409)	-
<b>Payments for special education programs</b>				
Other objects	128,390	120,974	7,416	115,928
Total	128,390	120,974	7,416	115,928
<b>Payments for special education programs - tuition</b>				
Other objects	2,018,720	1,838,415	180,305	1,778,240
Total	2,018,720	1,838,415	180,305	1,778,240
Total payments to other districts and governmental units	2,147,110	1,972,798	174,312	1,894,168
<b>Provision for contingencies</b>	100,000	-	100,000	-
Total expenditures	63,067,438	61,751,565	1,315,873	60,419,703
Excess (deficiency) of revenues over expenditures	(4,135,556)	(2,582,378)	1,553,178	(3,744,190)
<b>Other financing sources (uses)</b>				
Transfer to debt service fund to pay principal on capital leases	-	(35,874)	(35,874)	(34,354)
Transfer to debt service fund to pay interest on capital leases	-	(4,458)	(4,458)	(5,978)
Total other financing sources (uses)	-	(40,332)	(40,332)	(40,332)
Net change in fund balance	\$ (4,135,556)	(2,622,710)	\$ 1,512,846	(3,784,522)
Fund balance, beginning of year		40,824,749		44,609,271
Fund balance, end of year		\$ 38,202,039		\$ 40,824,749

(Concluded)

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****TORT IMMUNITY AND JUDGMENT ACCOUNTS**

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

FOR THE YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	2017			2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
Tort immunity levy	\$ 348,338	\$ 351,142	\$ 2,804	\$ 314,595
Investment income	800	1,416	616	854
Refund of prior years' expenditures	-	23,878	23,878	16,479
Total local sources	<u>349,138</u>	<u>376,436</u>	<u>27,298</u>	<u>331,928</u>
Total revenues	<u>349,138</u>	<u>376,436</u>	<u>27,298</u>	<u>331,928</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>General administration</b>				
<b>Workers' compensation or workers' occupational disease act payments</b>				
Purchased services	<u>360,000</u>	<u>329,642</u>	<u>30,358</u>	<u>357,420</u>
Total	<u>360,000</u>	<u>329,642</u>	<u>30,358</u>	<u>357,420</u>
Total general administration	<u>360,000</u>	<u>329,642</u>	<u>30,358</u>	<u>357,420</u>
Total expenditures	<u>360,000</u>	<u>329,642</u>	<u>30,358</u>	<u>357,420</u>
Net change in fund balance	<u>\$ (10,862)</u>	46,794	<u>\$ 57,656</u>	(25,492)
Fund balance, beginning of year		<u>185,991</u>		<u>211,483</u>
Fund balance, end of year		<u>\$ 232,785</u>		<u>\$ 185,991</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL AND FINAL BUDGET	2017 ACTUAL	VARIANCE WITH FINAL BUDGET	2016 ACTUAL
<b>Revenues</b>				
<b>Local sources</b>				
Investment income	\$ 50,500	\$ 184,783	\$ 134,283	\$ 97,180
Total local sources	50,500	184,783	134,283	97,180
Total revenues	50,500	184,783	134,283	97,180
<b>Expenditures</b>				
Total expenditures	-	-	-	-
Net change in fund balance	50,500	184,783	134,283	97,180
<b>Other financing sources (uses)</b>				
Principal on bonds sold	40,000,000	27,650,000	(12,350,000)	16,775,000
Premium on bonds sold	-	4,290,248	4,290,248	1,225,000
Permanent transfer from working cash accounts - abatement	(38,267,607)	(21,764,607)	16,503,000	(12,435,393)
Total other financing sources (uses)	1,732,393	10,175,641	8,443,248	5,564,607
Net change in fund balance	\$ 1,782,893	10,360,424	\$ 8,577,531	5,661,787
Fund balance, beginning of year		12,537,125		6,875,338
Fund balance, end of year		\$ 22,897,549		\$ 12,537,125



**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****AGENCY FUND****SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

	BALANCE JUNE 30, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
<b>Assets</b>				
Cash	<u>\$ 409,776</u>	<u>\$ 794,672</u>	<u>\$ 849,931</u>	<u>\$ 354,517</u>
Total assets	<u>\$ 409,776</u>	<u>\$ 794,672</u>	<u>\$ 849,931</u>	<u>\$ 354,517</u>
<b>Liabilities</b>				
Due to student groups - activity funds	<u>\$ 272,310</u>	<u>\$ 552,395</u>	<u>\$ 556,729</u>	<u>\$ 267,976</u>
Due to employees - flexible spending account	<u>137,466</u>	<u>242,277</u>	<u>293,202</u>	<u>86,541</u>
Total liabilities	<u>\$ 409,776</u>	<u>\$ 794,672</u>	<u>\$ 849,931</u>	<u>\$ 354,517</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	81
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	93
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	98
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.	
<b>Demographic and Economic Information</b>	103
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
<b>Operating Information</b>	106
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.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

	2017	2016	2015*	2014
<b>Governmental activities</b>				
Net investment in capital assets	\$ 81,240,280	\$ 81,324,939	\$ 81,899,779	\$ 81,445,563
Restricted	7,281,482	6,453,305	9,048,455	11,352,549
Unrestricted	<u>38,690,652</u>	<u>43,851,000</u>	<u>46,220,462</u>	<u>54,875,379</u>
Total governmental activities net position	<u>\$ 127,212,414</u>	<u>\$ 131,629,244</u>	<u>\$ 137,168,696</u>	<u>\$ 147,673,491</u>

\*The District implemented GASB 68 and 71 in 2015.

Amounts in prior years have not been adjusted.

2013	2012	2011	2010	2009	2008
\$ 76,558,426	\$ 72,194,161	\$ 67,179,282	\$ 63,532,991	\$ 54,602,552	\$ 39,989,857
13,090,807	12,811,200	5,863,906	6,318,095	7,842,981	7,841,567
<u>54,800,925</u>	<u>53,616,633</u>	<u>61,139,228</u>	<u>58,687,324</u>	<u>56,338,333</u>	<u>60,378,082</u>
<u>\$ 144,450,158</u>	<u>\$ 138,621,994</u>	<u>\$ 134,182,416</u>	<u>\$ 128,538,410</u>	<u>\$ 118,783,866</u>	<u>\$ 108,209,506</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2017	2016	2015#	2014
<b>Expenses</b>				
Instruction:				
Regular programs	\$ 29,015,739	\$ 28,298,413	\$ 28,663,135	\$ 26,919,025
Special programs	13,502,465	13,220,613	11,955,481	11,968,909
Other instructional programs	2,618,128	2,642,202	2,627,459	2,608,247
State retirement contributions	29,819,470	19,809,071	18,061,433	12,918,267
Support services:				
Pupils	5,051,215	4,794,026	4,714,078	4,607,560
Instructional staff	6,369,894	4,316,232	5,450,030	4,960,482
General administration	1,622,450	1,557,535	1,343,474	1,312,889
School administration	3,523,989	3,272,930	3,088,709	3,132,584
Business	2,346,508	2,406,340	2,422,037	2,251,402
Transportation	2,420,169	2,283,172	2,283,712	2,150,608
Operations and maintenance	10,523,261	11,358,697	5,862,344	6,591,693
Central and other	2,236,659	2,136,785	1,834,261	1,791,412
Other supporting services	337,607	300,970	417,246	469,953
Community services	665,243	686,047	603,473	615,293
Payments to other districts and gov't units	-	-	-	-
Nonprogrammed charges	-	-	-	-
Interest and fees	914,349	420,529	5,442	98,616
<b>Total expenses</b>	<b>\$ 110,967,146</b>	<b>\$ 97,503,562</b>	<b>\$ 89,332,314</b>	<b>\$ 82,396,940</b>
<b>Program Revenues</b>				
Charges for services:				
Instruction*	\$ 1,092,898	\$ 1,124,592	\$ 1,124,273	\$ 996,096
Support services*	2,924,951	2,864,099	2,795,524	2,749,077
Operating grants and contributions	-	-	-	-
Instruction*	34,296,095	24,650,172	22,185,658	16,956,544
Support services*	1,732,692	1,526,381	1,687,328	1,509,273
Capital grants and contributions	-	-	-	-
<b>Total program revenues</b>	<b>\$ 40,046,636</b>	<b>\$ 30,165,244</b>	<b>\$ 27,792,783</b>	<b>\$ 22,210,990</b>
<b>Net (expense)/revenue</b>	<b>\$ (70,920,510)</b>	<b>\$ (67,338,318)</b>	<b>\$ (61,539,531)</b>	<b>\$ (60,185,950)</b>
<b>General revenues</b>				
Taxes:				
Real estate taxes, levied for general purposes	\$ 48,913,488	\$ 47,170,764	\$ 44,478,828	\$ 47,988,958
Real estate taxes, levied for specific purposes	9,967,098	9,682,213	8,845,214	9,653,164
Real estate taxes, levied for debt service	3,383,531	1,407,392	(42,815)	2,493,089
Personal property replacement taxes	1,163,522	824,522	1,031,896	959,888
Unrestricted grants and contributions	2,360,022	2,278,082	2,137,771	2,073,027
Investment earnings	616,942	384,149	229,205	203,324
Miscellaneous	99,077	51,744	147,829	37,833
<b>Total general revenues</b>	<b>\$ 66,503,680</b>	<b>\$ 61,798,866</b>	<b>\$ 56,827,928</b>	<b>\$ 63,409,283</b>
<b>Change in net position</b>	<b>\$ (4,416,830)</b>	<b>\$ (5,539,452)</b>	<b>\$ (4,711,603)</b>	<b>\$ 3,223,333</b>

NOTE: \* Information prior to 2012 is not available

#The District implemented GASB 68 and 71 in 2015.

Amounts in prior years have not been adjusted.

2013	2012	2011	2010	2009	2008
\$ 25,511,002	\$ 25,607,333	\$ 22,325,897	\$ 23,802,870	\$ 22,532,296	\$ 20,665,110
10,780,199	10,379,098	8,404,462	8,826,609	8,021,378	7,502,458
2,427,583	2,212,870	4,842,590	3,041,262	3,232,429	1,760,888
9,984,364	8,573,755	7,934,736	8,022,134	5,607,110	4,139,852
4,402,573	4,252,148	4,048,759	3,633,769	3,430,394	3,201,995
5,005,589	4,795,013	5,224,305	5,636,145	4,901,783	5,376,031
1,604,607	1,668,816	1,347,151	1,350,947	1,724,353	1,189,361
3,174,416	3,145,892	3,283,749	3,190,837	3,088,493	2,870,305
2,093,047	2,494,810	1,276,302	1,974,980	2,053,358	2,540,315
1,987,469	1,920,596	1,517,949	2,037,335	1,602,246	1,971,821
5,643,826	5,516,852	5,795,017	4,854,686	4,949,474	4,877,287
1,912,515	1,949,986	1,621,861	1,554,972	1,435,455	1,138,175
-	-	-	-	-	-
559,319	553,810	244,144	219,599	258,487	213,482
-	11,562	-	-	-	-
-	-	207,621	436,488	88,278	842,870
249,074	483,159	906,552	1,227,027	1,651,805	1,538,130
<u>\$ 75,335,583</u>	<u>\$ 73,565,700</u>	<u>\$ 68,981,095</u>	<u>\$ 69,809,660</u>	<u>\$ 64,577,339</u>	<u>\$ 59,828,080</u>
\$ -	\$ -	\$ 3,161,422	\$ 3,185,475	\$ 3,462,179	\$ 3,000,025
1,079,348	1,044,620	-	-	-	-
2,726,699	2,686,853	-	-	-	-
-	-	13,757,207	10,266,275	10,576,779	10,939,006
13,671,002	12,583,471	-	-	-	-
1,459,200	1,055,593	-	-	-	-
-	-	-	-	-	165,101
<u>\$ 18,936,249</u>	<u>\$ 17,370,537</u>	<u>\$ 16,918,629</u>	<u>\$ 13,451,750</u>	<u>\$ 14,038,958</u>	<u>\$ 14,104,132</u>
<u>\$ (56,399,334)</u>	<u>\$ (56,195,163)</u>	<u>\$ (52,062,466)</u>	<u>\$ (56,357,910)</u>	<u>\$ (50,538,381)</u>	<u>\$ (45,723,948)</u>
\$ 45,505,806	\$ 45,844,312	\$ 42,757,403	\$ 47,053,517	\$ 40,220,343	\$ 44,194,863
8,149,848	6,603,218	5,845,346	7,177,688	7,176,535	1,237,121
5,323,903	5,433,933	5,185,579	7,809,607	8,765,912	8,349,503
948,877	928,679	1,009,510	778,451	962,248	1,100,001
1,972,777	2,094,284	2,171,697	2,054,834	2,006,709	1,958,119
241,586	(328,920)	302,390	925,090	1,632,837	2,739,678
84,701	59,235	434,547	313,267	348,157	328,929
<u>\$ 62,227,498</u>	<u>\$ 60,634,741</u>	<u>\$ 57,706,472</u>	<u>\$ 66,112,454</u>	<u>\$ 61,112,741</u>	<u>\$ 59,908,214</u>
<u>\$ 5,828,164</u>	<u>\$ 4,439,578</u>	<u>\$ 5,644,006</u>	<u>\$ 9,754,544</u>	<u>\$ 10,574,360</u>	<u>\$ 14,184,266</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	30,689	30,689	35,294	35,294	40,363
Restricted	202,096	155,302	180,794	145,874	87,713
Unassigned	<u>61,099,588</u>	<u>53,361,874</u>	<u>51,480,004</u>	<u>56,547,661</u>	<u>55,330,664</u>
Total general fund	<u>\$ 61,332,373</u>	<u>\$ 53,547,865</u>	<u>\$ 51,696,092</u>	<u>\$ 56,728,829</u>	<u>\$ 55,458,740</u>
<b>All other governmental funds</b>					
Unreserved, reported in:					
Debt service fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Unassigned, reported in:					
Debt service fund	-	-	(45,390)	(806,164)	-
Capital projects fund	(368,491)	(431,212)	(476,079)	(374,854)	-
Restricted, reported in:					
Debt service fund	-	-	-	-	1,970,893
Special revenue funds	8,472,144	7,968,513	10,585,601	10,820,901	10,763,122
Capital projects fund	-	-	-	348,581	248,953
Nonspendable, reported in:					
Special revenue funds	<u>-</u>	<u>-</u>	<u>6,504</u>	<u>6,504</u>	<u>6,504</u>
Total all other governmental funds	<u>\$ 8,103,653</u>	<u>\$ 7,537,301</u>	<u>\$ 10,070,636</u>	<u>\$ 9,994,968</u>	<u>\$ 12,989,472</u>
Total Governmental Funds	<u>\$ 69,436,026</u>	<u>\$ 61,085,166</u>	<u>\$ 61,766,728</u>	<u>\$ 66,723,797</u>	<u>\$ 68,448,212</u>

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

2012	2011	2010	2009	2008
\$ -	\$ -	\$ 87,968	\$ 94,235	\$ 167,805
-	-	40,581,799	33,522,737	30,968,742
135,199	135,418	-	-	-
60,059	50,697	-	-	-
<u>53,176,748</u>	<u>51,799,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 53,372,006</u>	<u>\$ 51,985,523</u>	<u>\$ 40,669,767</u>	<u>\$ 33,616,972</u>	<u>\$ 31,136,547</u>
\$ -	\$ -	\$ 2,753,750	\$ 4,146,966	\$ 4,391,560
-	-	21,731,456	23,288,174	28,601,040
-	-	33,276	82,424	278,524
-	-	-	-	-
-	(37,897)	-	-	-
2,068,027	2,291,126	-	-	-
10,621,838	13,100,459	-	-	-
66,196	-	-	-	-
<u>32,626</u>	<u>39,646</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 12,788,687</u>	<u>\$ 15,393,334</u>	<u>\$ 24,518,482</u>	<u>\$ 27,517,564</u>	<u>\$ 33,271,124</u>
<u>\$ 66,160,693</u>	<u>\$ 67,378,857</u>	<u>\$ 65,188,249</u>	<u>\$ 61,134,536</u>	<u>\$ 64,407,671</u>



**ARLINGTON HEIGHTS SCHOOL DISTRICT 25****GOVERNMENTAL FUNDS REVENUES**

LAST TEN FISCAL YEARS

	2017	2016	2015	2014
<b>Local Sources</b>				
Property taxes	\$ 62,264,117	\$ 58,260,369	\$ 53,271,605	\$ 60,128,314
Replacement taxes	1,163,522	824,522	1,031,896	959,888
Earnings on investments	618,278	384,149	229,205	203,324
Other local sources	<u>4,115,590</u>	<u>4,040,435</u>	<u>4,077,248</u>	<u>3,789,903</u>
Total local sources	<u>68,161,507</u>	<u>63,509,475</u>	<u>58,609,954</u>	<u>65,081,429</u>
<b>State sources</b>	<u>35,922,082</u>	<u>24,795,971</u>	<u>24,048,227</u>	<u>18,646,660</u>
<b>Federal sources</b>	<u>2,483,600</u>	<u>2,482,145</u>	<u>2,076,554</u>	<u>1,844,567</u>
Total	<u>\$ 106,567,189</u>	<u>\$ 90,787,591</u>	<u>\$ 84,734,735</u>	<u>\$ 85,572,656</u>

2013	2012	2011	2010	2009	2008
\$ 58,970,899	\$ 57,873,914	\$ 53,788,328	\$ 62,040,812	\$ 56,162,790	\$ 53,781,487
948,877	928,679	1,009,510	778,451	962,248	1,100,001
241,586	(328,920)	302,390	925,090	1,632,837	2,739,678
<u>3,899,406</u>	<u>3,798,257</u>	<u>3,462,020</u>	<u>3,417,273</u>	<u>3,814,886</u>	<u>3,192,762</u>
<u>64,060,768</u>	<u>62,271,930</u>	<u>58,562,248</u>	<u>67,161,626</u>	<u>62,572,761</u>	<u>60,813,928</u>
<u>16,148,919</u>	<u>12,972,844</u>	<u>13,264,411</u>	<u>12,764,852</u>	<u>10,991,751</u>	<u>10,029,826</u>
<u>1,661,653</u>	<u>1,977,720</u>	<u>2,798,442</u>	<u>2,831,060</u>	<u>2,126,269</u>	<u>1,208,214</u>
<u>\$ 81,871,340</u>	<u>\$ 77,222,494</u>	<u>\$ 74,625,101</u>	<u>\$ 82,757,538</u>	<u>\$ 75,690,781</u>	<u>\$ 72,051,968</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**

	2017	2016	2015	2014
<b>Current:</b>				
Instruction				
Regular programs	\$ 26,470,427	\$ 26,074,062	\$ 25,439,076	\$ 24,112,196
Special programs	11,195,783	10,997,971	10,311,380	10,061,217
Other instructional programs	2,586,709	2,653,470	2,628,076	2,588,383
State retirement contributions	<u>29,819,470</u>	<u>19,809,071</u>	<u>18,061,433</u>	<u>12,918,267</u>
Total instruction	<u>70,072,389</u>	<u>59,534,574</u>	<u>56,439,965</u>	<u>49,680,063</u>
Supporting Services				
Pupils	4,963,213	4,791,003	4,713,389	4,607,560
Instructional staff	6,250,024	5,609,716	5,433,028	4,960,482
General administration	1,577,630	1,535,990	1,344,197	1,312,889
School administration	3,389,658	3,339,080	3,182,314	3,126,967
Business	2,262,137	2,355,106	2,410,322	2,223,128
Transportation	2,415,067	2,279,062	2,283,072	2,150,608
Operations and maintenance	10,197,119	9,093,893	6,315,440	6,421,905
Central	1,376,641	1,355,222	1,332,782	1,293,814
Other supporting services	230,160	197,950	310,208	365,040
Community services	636,891	654,904	600,785	615,293
Nonprogrammed charges	<u>1,972,798</u>	<u>1,894,168</u>	<u>1,798,364</u>	<u>1,862,046</u>
Total supporting services	<u>35,271,338</u>	<u>33,106,094</u>	<u>29,723,901</u>	<u>28,939,732</u>
<b>Other:</b>				
Debt service:				
Principal	2,255,874	34,354	28,168	5,120,000
Interest	1,384,683	604,917	5,442	153,107
Capital outlay	<u>21,522,667</u>	<u>16,559,411</u>	<u>3,494,328</u>	<u>3,585,829</u>
Total Other	<u>25,163,224</u>	<u>17,198,682</u>	<u>3,527,938</u>	<u>8,858,936</u>
 Total	 <u>\$ 130,506,951</u>	 <u>\$ 109,839,350</u>	 <u>\$ 89,691,804</u>	 <u>\$ 87,478,731</u>
 <b>Debt service as a percentage of noncapital expenditures</b>	 3.34%	 0.69%	 0.04%	 6.29%

2013	2012	2011	2010	2009	2008
\$ 22,686,596	\$ 22,415,974	\$ 19,753,207	\$ 21,450,621	\$ 20,265,649	\$ 19,129,598
9,367,091	8,818,368	7,155,948	7,533,065	6,663,875	7,476,522
2,427,583	2,211,284	4,843,209	3,083,056	3,232,429	1,760,888
9,984,364	8,573,755	7,934,736	8,022,134	5,607,110	4,139,852
<u>44,465,634</u>	<u>42,019,381</u>	<u>39,687,100</u>	<u>40,088,876</u>	<u>35,769,063</u>	<u>32,506,860</u>
4,402,573	4,252,148	4,048,759	3,633,769	3,430,394	3,196,010
5,005,589	4,795,013	5,224,305	5,451,561	4,936,439	4,340,609
1,604,607	1,668,816	1,347,151	1,350,947	1,724,353	1,180,471
3,157,041	3,117,324	3,283,749	3,190,837	3,088,493	2,866,703
2,093,047	2,195,148	2,026,760	1,974,980	2,255,039	2,426,779
1,987,469	1,920,596	1,517,949	2,037,335	1,602,246	1,971,775
5,655,507	5,236,075	5,042,663	5,178,139	5,578,657	5,865,605
1,319,738	1,274,807	1,112,114	1,153,820	1,055,551	1,135,762
-	-	-	-	-	-
559,319	553,810	244,144	219,599	258,487	213,482
1,373,175	1,472,420	1,455,516	1,251,750	1,357,503	842,870
<u>27,158,065</u>	<u>26,486,157</u>	<u>25,303,110</u>	<u>25,442,737</u>	<u>25,287,162</u>	<u>24,040,066</u>
5,045,958	5,036,141	4,790,488	8,043,675	7,522,115	6,445,000
373,403	615,821	864,147	1,177,379	1,578,936	1,734,900
2,540,761	4,283,158	1,789,648	3,951,159	8,806,640	4,418,119
<u>7,960,122</u>	<u>9,935,120</u>	<u>7,444,283</u>	<u>13,172,213</u>	<u>17,907,691</u>	<u>12,598,019</u>
<u>\$ 79,583,821</u>	<u>\$ 78,440,658</u>	<u>\$ 72,434,493</u>	<u>\$ 78,703,826</u>	<u>\$ 78,963,916</u>	<u>\$ 69,144,945</u>
7.03%	7.62%	8.00%	12.34%	12.97%	12.64%

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES**  
**LAST TEN FISCAL YEARS**

	2017	2015	2014	2013	2012
<b>Excess of revenues over (under) expenditures</b>	\$ (23,939,762)	\$ (19,051,759)	\$ (4,957,069)	\$ (1,906,075)	\$ 2,287,519
<b>Other financing sources (uses)</b>					
General long-term debt issued	27,650,000	16,775,000	-	-	-
Premium on bonds sold	4,640,622	1,595,197	-	-	-
Capital lease value	-	-	-	181,660	-
Transfers in	46,850,418	31,630,139	3,814,552	0	8,000
Transfers out	<u>(46,850,418)</u>	<u>(31,630,139)</u>	<u>(3,814,552)</u>	<u>-</u>	<u>(8,000)</u>
Total	<u>32,290,622</u>	<u>18,370,197</u>	<u>-</u>	<u>181,660</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 8,350,860</u>	<u>\$ (681,562)</u>	<u>\$ (4,957,069)</u>	<u>\$ (1,724,415)</u>	<u>\$ 2,287,519</u>

2011	2010	2009	2008	2007
\$ (1,218,164)	\$ 2,190,608	\$ 4,053,712	\$ (3,273,135)	\$ 2,907,023
-	-	-	-	5,770,000
-	-	-	-	-
-	-	-	-	323,226
266,261	88,294	606,901	12,130,552	3,272,314
<u>(266,261)</u>	<u>(88,294)</u>	<u>(606,901)</u>	<u>(12,130,552)</u>	<u>(3,272,314)</u>
-	-	-	-	6,093,226
<u>\$ (1,218,164)</u>	<u>\$ 2,190,608</u>	<u>\$ 4,053,712</u>	<u>\$ (3,273,135)</u>	<u>\$ 9,000,249</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 LAST TEN FISCAL YEARS

LEVY YEAR	ASSESSED VALUATION					TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE
	RESIDENTIAL	FARMS	COMMERCIAL	INDUSTRIAL	RAILROAD		
2016	\$ 1,541,379,848	\$ 26,485	\$ 291,408,485	\$ 8,768,378	\$ 1,203,411	\$ 1,842,786,607	\$ 5,528,359,821
2015	1,258,651,381	22,503	265,596,751	8,458,946	1,182,948	1,533,912,529	4,601,737,587
2014	1,286,271,803	22,982	270,207,702	8,537,799	987,950	1,566,028,236	4,698,084,708
2013	1,225,191,821		275,774,212	42,554,968	949,072	1,544,470,073	4,633,410,219
2012	1,432,255,225		301,051,221	41,541,630	772,137	1,775,620,213	5,326,860,639
2011	1,545,361,840		315,879,445	41,824,944	685,447	1,903,751,676	5,711,255,028
2010	1,637,910,787		371,807,291	53,033,542	647,112	2,063,398,732	6,190,196,196
2009	1,802,833,985		386,057,940	54,243,854	523,321	2,243,659,100	6,730,977,300
2008	1,656,938,154		379,232,180	64,165,989	439,004	2,100,775,327	6,302,325,981
2007	N/A		N/A	N/A	N/A	1,947,173,834	5,841,521,502

**Source:** Cook County Clerk

**Note:** The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

\*\* 2015 levy year was the most recent information available as of report issuance.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012
<b>District direct rates</b>					
Total direct	\$ 3.4240	\$ 3.9900	\$ 3.6780	\$ 3.6590	\$ 3.4160
<b>Overlapping rates</b>					
County of Cook	0.5330	0.5520	0.5680	0.5600	0.5310
Cook County Forest Preserve District	0.0630	0.0690	0.0690	0.0690	0.0630
Consolidated Elections	0.0000	0.0340	0.0000	0.0310	0.0000
Wheeling Township	0.0410	0.0550	0.0520	0.0560	0.0520
Wheeling Twp General Assistance	0.0080	0.0100	0.0100	0.0100	0.0090
Wheeling Twp Road & Bridge	0.0140	0.0200	0.0190	0.0190	0.0160
Metro Water Reclamation District of Chicago	0.4060	0.4260	0.4300	0.4170	0.3700
Northwest Mosquito Abatement District	0.0100	0.0110	0.0130	0.0130	0.0110
Village of Arlington Heights & Library Fund	1.6650	1.9250	1.8160	1.8180	1.5320
Arlington Heights Park District	0.4880	0.6260	0.6360	0.6330	0.5450
Arlington Heights High School #214	2.5270	2.8810	2.7760	2.7680	2.3240
Harper Comm College #512	0.4160	0.4660	0.4510	0.4440	0.3730
Suburban TB Sanitarium	-	-	-	-	-
Total direct and overlapping rate	\$ 9.5950	\$ 11.0650	\$ 10.5180	\$ 10.4970	\$ 9.2420

**Source:** Cook County Clerk

**Note:** Tax rates are per \$100 of assessed value.



2011	2010	2009	2008	2007
<u>\$ 3.1010</u>	<u>\$ 2.8130</u>	<u>\$ 2.5100</u>	<u>\$ 2.8070</u>	<u>\$ 2.8900</u>
0.4620	0.4230	0.3940	0.4150	0.4460
0.0580	0.0510	0.0490	0.0510	0.0530
0.0250	0.0000	0.0210	0.0000	0.0120
0.0480	0.0430	0.0390	0.0380	0.0380
0.0090	0.0050	0.0090	0.0090	0.0090
0.0150	0.0140	0.0120	0.0120	0.0120
0.3200	0.2740	0.2610	0.2520	0.2630
0.0100	0.0090	0.0080	0.0080	0.0080
1.3850	1.2540	1.1080	1.0720	1.1340
0.4960	0.4500	0.3920	0.3790	0.4040
2.0670	1.8390	1.6360	1.5870	1.6210
0.3340	0.2950	0.2580	0.2560	0.2600
-	-	-	-	-
<u>\$ 8.3300</u>	<u>\$ 7.4700</u>	<u>\$ 6.6970</u>	<u>\$ 6.8860</u>	<u>\$ 7.1500</u>

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT LEVY YEAR AND NINE YEARS AGO

TAXPAYER	2016 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2016 EQUALIZED ASSESSED VALUATION
Luther Village	\$32,224,491	1.75%
Town & Country Chicago	19,888,996	1.08%
Amcap Northpoint LLC	18,769,672	1.02%
New Plan Excel Prop Tr	15,051,169	0.82%
Stonebridge Real Est	13,450,354	0.73%
John Hancock Life Ins	12,896,650	0.70%
WBCMT 2007 C33 Evgrn A	10,978,835	0.60%
Northwest Com Hospital	10,588,353	0.57%
Sptmrt Properties Trus	10,416,991	0.57%
Robin Realty Mgt	9,635,972	0.52%
	<u>\$ 153,901,483</u>	<u>8.35%</u>

Includes parcels with 2016 EAVs of \$100,000 and over.

**Source:** Cook County Clerk

Taxpayer	2007 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2007 EQUALIZED ASSESSED VALUATION
Luther Village	\$ 37,744,358	2.30%
Town & Country Mall	27,514,477	1.68%
Northpoint & Arlington Heights Freed	26,926,878	1.64%
New Plan Excel Prop	18,181,701	1.11%
DBSI Arlington Town Square	16,650,497	1.02%
Avalon Bay Communities	15,973,715	0.97%
Robin Realty Development	14,568,421	0.89%
Sunrise Tax Dept.	10,372,090	0.63%
The Pointe Properties	10,010,502	0.61%
SBC/Ameritech	8,933,933	0.55%
Total	<u>\$ 186,876,572</u>	<u>11.41%</u>

**Source:** Cook County Clerk Assessor's Office

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

LEVY YEAR	TAXES LEVIED FOR THE LEVY YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE				
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY			
2016	\$	63,080,314	\$	32,439,004	51.42%	\$	-	\$	32,439,004	51.42%
2015		61,202,077		30,818,197	50.35%		29,879,572		60,697,769	99.18%
2014		57,591,809		29,524,638	51.27%		27,257,368		56,782,006	98.59%
2013		56,502,889		31,876,442	56.42%		23,697,409		55,573,851	98.36%
2012		60,646,018		31,057,458	51.21%		28,432,112		59,489,570	98.09%
2011		59,027,139		30,563,740	51.78%		27,369,585		57,933,325	98.15%
2010		58,027,938		29,393,451	50.65%		27,698,422		57,091,873	98.39%
2009		56,300,925		30,713,241	54.55%		24,264,057		54,977,298	97.65%
2008		58,963,859		26,909,408	45.64%		31,442,037		58,351,445	98.96%
2007		56,261,420		25,955,145	46.13%		29,213,062		55,168,207	98.06%

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2017	\$ 42,205,000	\$ 83,264	\$ 42,288,264	1.31%	\$ 560
2016	16,775,000	119,138	16,894,138	0.52%	224
2015	-	153,492	153,492	0.00%	2
2014	-	181,660	181,660	0.01%	2
2013	5,120,000	-	5,120,000	0.17%	67
2012	10,165,000	958	10,165,958	0.33%	135
2011	15,190,000	12,099	15,202,099	0.50%	201
2010	19,970,000	22,587	19,992,587	0.66%	260
2009	27,980,000	56,262	28,036,262	1.09%	376
2008	35,350,000	208,377	35,558,377	1.38%	483

**Note:** See Demographic and Economic Statistics table for personal and population data.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2017	\$ 42,205,000	\$ 1,280,280	\$ 40,924,720	0.89%	\$ 542
2016	16,775,000	1,134,596	15,640,404	0.33%	207
2015	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2013	5,120,000	-	5,120,000	0.10%	67
2012	10,165,000	-	10,165,000	0.18%	134
2011	15,190,000	-	15,190,000	0.25%	201
2010	19,970,000	-	19,970,000	0.30%	266
2009	27,980,000	-	27,980,000	0.44%	364
2008	35,350,000	-	35,350,000	0.61%	459

**Note:** See Demographic and Economic Statistics table for personal and population data.

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
JUNE 30, 2017

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
<b>Overlapping debt:</b>			
<b>County</b>			
Cook County	3,213,141,750	1.287%	\$41,346,715
Cook County Forest Preserve	159,440,240	1.287%	2,051,677
Metro Water Reclamation District of Chicago	2,583,922,748	1.312%	33,892,093
<b>School Districts</b>			
High School District 214	39,490,000	21.571%	8,518,286
Harper Community College 512	153,255,000	10.530%	16,137,684
<b>Park Districts</b>			
Arlington Heights Park District	18,485,000	63.679%	11,770,994
Mt. Prospect Park District	6,780,000	3.466%	234,987
Prospect Heights Park District	569,310	3.402%	19,368
<b>Municipalities</b>			
Village of Arlington Heights	62,225,000	61.548%	38,297,981
Village of Mount Prospect	42,595,000	2.994%	1,275,207
City of Prospect Heights	11,430,000	1.201%	137,218
City of Rolling Meadows	7,455,000	0.646%	48,193
Total overlapping debt			153,730,404
<b>Direct debt:</b>			
School District Number 25	42,205,000	100.000%	42,205,000
Total Direct and Overlapping Debt			<u>\$ 195,935,404</u>

Source: Office of the County Clerk, Cook County, IL

NOTE: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

### Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Valuation	\$ 1,842,786,607
Debt Limit - 6.9% of Assessed Valuation	\$ 127,152,276
Total Debt Outstanding	\$ 42,288,264
Less: Exempted Debt	\$ -
Net Subject to 6.9% Limit	\$ 42,288,264
Total Debt Margin	<u>\$ 84,864,012</u>

	2017	2016	2015	2014
Debt Limit	\$ 127,152,276	\$ 105,839,965	\$ 108,055,948	\$ 106,568,435
Total Net Debt Applicable to Limit	<u>42,288,264</u>	<u>16,894,138</u>	<u>153,492</u>	<u>181,660</u>
Legal Debt Margin	<u>\$ 84,864,012</u>	<u>\$ 88,945,827</u>	<u>\$ 107,902,456</u>	<u>\$ 106,386,775</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.3%	16.0%	0.1%	0.2%

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Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 122,517,795	\$ 131,358,866	\$ 142,374,513	\$ 154,812,478	\$ 144,953,498	\$ 134,354,995
<u>5,120,000</u>	<u>10,165,958</u>	<u>15,202,099</u>	<u>19,992,587</u>	<u>28,036,262</u>	<u>35,350,000</u>
<u>\$ 117,397,795</u>	<u>\$ 121,192,908</u>	<u>\$ 127,172,414</u>	<u>\$ 134,819,891</u>	<u>\$ 116,917,236</u>	<u>\$ 99,004,995</u>
4.2%	7.7%	10.7%	12.9%	19.3%	26.3%



**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 LAST TEN FISCAL YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	UNEMPLOYMENT RATE
2017	75,525	\$ 3,226,805,625	\$ 42,725 (1d)	4.60%
2016	75,926	3,188,436,444	41,994 (1c)	4.30%
2015	76,024	3,055,328,536	40,189 (1b)	6.40%
2014	76,006	3,089,263,870	40,645 (1a)	6.60%
2013	75,763	3,079,387,135	40,645	6.60%
2012	75,388	3,036,402,476	40,277	7.20%
2011	75,101	3,024,842,977	40,277	7.40%
2010	76,943	2,580,975,992	33,544	7.60%
2009	76,943	2,580,975,992	33,544	4.30%
2008	76,943	2,580,975,992	33,544	3.50%

**SOURCE OF INFORMATION:**

(1) U.S. Bureau of the Census Quick Facts, information is for the Village of Arlington Heights, IL

(1a) Per capita income in past 12 months (2012 dollars), 2008-2012

(1b) Per capita income in past 12 months (2013 dollars), 2009-2013

(1c) Per capita income in past 12 months (2014 dollars), 2010-2014

(1d) Per capita income in past 12 months (2015 dollars), 2011-2015

(2) Illinois Department of Employment Security

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

		2017		
EMPLOYER		APPROXIMATE NUMBER OF EMPLOYEES	DATA SOURCE	PERCENT OF TOTAL EMPLOYMENT
Northwest Community Hospital	Hospital	4000	(2)	10.1%
Arlington Heights High School District 214	Public High Schools	1670	(4)	4.2%
Clearbrook	Non-Profit Organization for the Disabled	900	(4)	2.3%
Arlington International Race Track	Recreation	845	(3)	2.1%
School District 25	Public Schools - Grades K-8	823	(4)	2.1%
Paylocity Holding Corp.	Payroll & HR Software	800	(1)	2.0%
Amita / Alexian Brothers Health System	Health Care Medical Services	600	(2)	1.5%
Paddock Publications, Inc. (HQ)	Newspaper Publishing	550	(1)	1.4%
Level 3 Communications, LLC	Data & Voice Communication Services	500	(2)	1.3%
Village of Arlington Heights	Local Government	430	(4)	1.1%
Pace Suburban Bus	Transit Provider	300	(3)	0.8%

The Illinois Department of Employment Security reports that the number of employed in the Village in 2016 is 39,485

- (1) 2017 Illinois Manufacturers Directory
- (2) 2017 Illinois Services Directory
- (3) ReferenceUSA.com database
- (4) Official Employer Website / Financial Records
- (7) June 30, 2008 CAFR

2008			
EMPLOYER	NUMBER OF EMPLOYEES	SOURCE	PERCENTAGE OF TOTAL EQUALIZED ASSESSED VALUE
Arlington Park Racecourse (seasonal)	4,500	(5)	24.32%
Northwest Community Healthcare	4,000	(5)	21.62%
Motorola	3,000	(5)	16.21%
Broadwing Communications, LLC	2,000	(5)	10.81%
Township High School District 214	1,706	(5)	9.22%
GTSS	1,000	(5)	5.40%
Arlington Heights School District 25	682	(5)	3.69%
Lutheran Home Services	598	(5)	3.23%
Paddock Publications	550	(5)	2.97%
Village of Arlington Heights	469	(5)	2.53%

**Source:** Illinois Manufacturers Director, Illinois Service Directory and internet searches

# ARLINGTON HEIGHTS SCHOOL DISTRICT 25

## NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2016 - 2017	2015 - 2016	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010	2008 - 2009	2007 - 2008
<b>Administration:</b>										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	4	4	4	3	3	3	3	3	3	4
District Administrators	12	12	12	9	7	5	5	5	5	5
Principals and assistants	<u>20</u>	<u>20</u>	<u>20</u>	<u>18</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>15</u>
Total administration	<u>37</u>	<u>37</u>	<u>37</u>	<u>31</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>25</u>
<b>Teachers:</b>										
Elementary	184	182	182	183	186	181	173	168	168	168
Middle school	116	113	113	112	111	109	105	110	111	111
District Instruction Support	96	88	88	82	81	82	82	86	84	84
Special education and bilingual	<u>72</u>	<u>77</u>	<u>77</u>	<u>83</u>	<u>79</u>	<u>67</u>	<u>64</u>	<u>59</u>	<u>54</u>	<u>52</u>
Total teachers	<u>468</u>	<u>460</u>	<u>460</u>	<u>460</u>	<u>457</u>	<u>439</u>	<u>424</u>	<u>423</u>	<u>417</u>	<u>415</u>
<b>Other supporting staff:</b>										
Cafeteria	63	58	58	59	49	29	45	39	27	27
Clerical and Aides, Playground Supervisor	197	197	197	196	192	192	197	197	197	197
Maintenance, custodians and warehouse and crossing guards	<u>69</u>	<u>71</u>	<u>71</u>	<u>74</u>	<u>78</u>	<u>64</u>	<u>54</u>	<u>50</u>	<u>48</u>	<u>48</u>
Total support staff	<u>329</u>	<u>326</u>	<u>326</u>	<u>329</u>	<u>319</u>	<u>285</u>	<u>296</u>	<u>286</u>	<u>272</u>	<u>272</u>
Total staff	<u>834</u>	<u>823</u>	<u>823</u>	<u>820</u>	<u>804</u>	<u>750</u>	<u>746</u>	<u>735</u>	<u>715</u>	<u>712</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

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FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	EXPENSES	PER CAPITA TUITION CHARGE
2017	5,006	\$ 69,417,758	\$ 13,866	-0.5%	\$ 81,147,676	\$ 16,209
2016	4,859	67,695,756	13,933	10.5%	77,594,591	15,970
2015	4,962	62,572,837	12,610	0.1%	57,145,480	11,517
2014	4,860	61,257,274	12,604	5.0%	56,243,555	11,573
2013	4,852	58,228,272	12,001	0.0%	52,880,003	10,899
2012	4,737	56,837,743	11,999	5.7%	52,973,805	11,183
2011	4,722	53,608,714	11,353	-4.7%	47,795,073	10,122
2010	4,683	55,788,010	11,913	2.3%	49,845,430	10,644
2009	4,630	53,928,313	11,648	1.9%	47,981,979	10,363
2008	4,623	52,824,283	11,426	7.0%	47,327,942	10,237

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PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO	PERCENTAGE OF STUDENTS RECEIVING FREE OR REDUCED PRICE- MEALS
1.5%	468	11.0	14%
38.7%	460	11.0	14%
-0.5%	460	11.0	14%
6.2%	457	11.0	10%
-2.5%	439	11.0	10%
10.5%	424	11.2	10%
-4.9%	423	12.3	9%
2.7%	417	12.5	7%
1.2%	415	12.3	7%
7.9%	412	12.3	4%

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25**  
**SCHOOL BUILDING INFORMATION**  
 LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012
Elementary						
Buildings	7	7	7	7	7	7
Square Feet	484,167	446,817	446,817	446,817	446,817	446,817
Capacity (Students)	4,829	4,454	4,454	4,454	4,454	4,454
Enrollment	3,670	3,620	3,610	3,428	3,443	3,443
Middle						
Buildings	2	2	2	2	2	2
Square Feet	270,013	270,013	270,013	270,013	270,013	270,013
Capacity (Students)	1,892	1,892	1,892	1,892	1,892	1,892
Enrollment	1,854	1,778	1,788	1,795	1,719	1,719
Other						
Buildings	3	3	3	3	3	3
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A
Athletics						
Play grounds	7	7	7	7	7	7

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2011	2010	2009	2008
7	7	7	7
446,817	446,817	446,817	446,817
4,454	4,454	4,454	4,454
3,360	3,226	3,206	3,350
2	2	2	2
270,013	270,013	270,013	270,013
1,892	1,892	1,892	1,892
1,742	1,773	1,777	1,737
3	3	3	3
N/A	N/A	N/A	N/A
7	7	7	7