

THORNTON TOWNSHIP SCHOOL TREASURER

SOUTH HOLLAND, ILLINOIS

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2017

THORNTON TOWNSHIP SCHOOL TREASURER

ANNUAL FINANCIAL STATEMENTS

JUNE 30, 2017

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THORNTON TOWNSHIP SCHOOL TREASURER

ANNUAL FINANCIAL STATEMENTS

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LEGACY

PROFESSIONALS LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Members of the Board of School Trustees of
Thornton Township School Treasurer

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the major fund, and the remaining fund information of Thornton Township School Treasurer (the School Treasurer) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Treasurer's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Treasurer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Treasurer'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 opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the major fund, and the aggregate remaining fund information of Thornton Township School Treasurer as of June 30, 2017, and the respective changes in financial position - modified cash basis for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School Treasurer's basic financial statements. The schedule of changes in assets and liabilities for the agency fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis, schedule of assets, liabilities and fund balance - all township school districts and joint agreement, and schedule of revenue, expenditures and changes in fund balance - all township school districts and joint agreement have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Legacy Professionals LLP

Chicago, Illinois

January 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

THORNTON TOWNSHIP SCHOOL TREASURER
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

JUNE 30, 2017

Introduction

Our discussion and analysis of Thornton Township School Treasurer's (the School Treasurer) financial performance provides an overview of the School Treasurer's financial activities for the fiscal year ended June 30, 2017. The intent of this management discussion and analysis is to show the School Treasurer's financial performance as a whole. Readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School Treasurer's financial performance.

The School Treasurer prepares its annual financial statements using the reporting model in Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The reporting model is a combination of both government-wide financial statements and fund financial statements. The financial statements contain three components:

- 1) Government-wide financial statements, including the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis, which provide an overview of the School Treasurer's finances,
- 2) Fund financial statements that provide a greater level of detail of revenue and expenditures and focus on how well the School Treasurer has performed in the most significant funds, and
- 3) Notes to the financial statements.

Government-Wide Financial Statements

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

The Statement of Net Position - Modified Cash Basis presents information on all of the School Treasurer's assets and liabilities reported on the modified cash basis of accounting, with the difference between the two 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 School Treasurer is improving or deteriorating.

Government-Wide Financial Statements (continued)

The Statement of Activities - Modified Cash Basis presents information showing how the net position of the School Treasurer changed during the most recent fiscal year. Since these financial statements are prepared on the modified cash basis of accounting, except for assets and liabilities which arise from cash transactions and for the recognition of depreciation, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

The government-wide financial statements can be found on pages 4 and 5 of this report.

Fund Financial Statements

The School Treasurer's fund financial statements, which begin on page 6, provide detailed information about the most significant funds - not the School Treasurer as a whole. A fund is a group of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The School Treasurer, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The School Treasurer is required to provide detailed information for its major funds. Major funds are defined as the General Fund and other funds, if any, other than fiduciary funds, where the assets, liabilities, revenues or expenditures of that fund are at least ten percent of the corresponding total for all funds of that category type. In the 2017 fiscal year, only the General Fund was considered major, as the School Treasurer has no other governmental funds.

The School Treasurer's fiduciary fund is an agency fund where assets equal liabilities, and it is separately stated in the fund financial statements.

The School Treasurer has no proprietary funds.

Governmental 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 provide a detailed view of the School Treasurer's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Treasurer's programs.

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. The relationship (or differences) between governmental activities (reported in the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis) and governmental funds is reconciled in the financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Treasurer's own programs.

The School Treasurer uses an agency fund to account for monies received and disbursed on behalf of the school districts and joint agreement within the jurisdiction of the Thornton Township School Treasurer.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

Supplementary Information

Supplementary information, which includes the fiduciary fund activity and financial information for all Thornton Township School Districts and Joint Agreement, begins on page 26 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School Treasurer, total net position was \$204,527 at June 30, 2017. In comparison, total net position was a deficit of \$(176,236) at June 30, 2016.

School Treasurer's Net Position (Modified Cash Basis)

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Assets:		
Cash and investments	\$ 200,513	\$ 123,835
Capital assets - net of accumulated depreciation	<u>4,014</u>	<u>6,601</u>
Total assets	<u>204,527</u>	<u>130,436</u>
Liabilities:		
Promissory note	<u>-</u>	<u>306,673</u>
Net position:		
Invested in capital assets	4,014	6,601
Unrestricted	<u>200,513</u>	<u>(182,837)</u>
Total net position	<u>\$ 204,527</u>	<u>\$ (176,236)</u>

Government-Wide Financial Analysis (continued)

A portion of the School Treasurer's net position reflects its investment in capital assets (leasehold improvements and office and computer equipment). The School Treasurer uses these capital assets to provide services to school districts and the joint agreement.

The balance of unrestricted net position may be used to meet the School Treasurer's ongoing obligations to its employees and creditors.

The total net position of the School Treasurer increased by \$380,763 for the year ended June 30, 2017 compared to a decrease of \$321,777 for the year ended June 30, 2016.

Governmental Activities

The key elements of the change in the School Treasurer's net position for the year ended June 30, 2017 are as follows; 2016 is also presented for the purpose of additional analysis.

School Treasurer's Changes in Net Position (Modified Cash Basis)

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 1,911,594	\$ 1,180,037
Expenditures:		
Support services	1,528,244	1,499,331
Depreciation	2,587	2,483
Total expenditures	<u>1,530,831</u>	<u>1,501,814</u>
Change in net position	380,763	(321,777)
Net position - July 1	<u>(176,236)</u>	<u>145,541</u>
Net position - June 30	<u>\$ 204,527</u>	<u>\$ (176,236)</u>

General Fund Budgetary Highlights

The School Treasurer's budget is prepared on the modified cash basis method of accounting. The only budgeted fund is the General Fund.

The School Treasurer did not amend its budget for the year ended June 30, 2017. For the General Fund for the year ended June 30, 2017, the budgeted revenue was \$1,184,900 compared to actual revenue of \$1,911,594. Budgeted expenditures for 2017 were \$1,178,830 compared to actual expenditures of \$1,834,916. The budgeted revenue for 2016 was \$1,156,500 compared to actual revenue of \$1,180,037. Budgeted expenditures for 2016 were \$1,147,580 compared to actual expenditures of \$1,501,415.

Capital Assets

Capital assets at June 30, 2017 and 2016 are as follows:

School Treasurer's Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ -	\$ -
Computer equipment and software	3,063	5,016
Office furniture and equipment	<u>951</u>	<u>1,585</u>
Total net capital assets	<u>\$ 4,014</u>	<u>\$ 6,601</u>

Additional information on the School Treasurer's capital assets can be found in Note 4 to the financial statements.

Debt Administration

During the year ended June 30, 2016, the School Treasurer signed a promissory note for the financing of software subscription and licensing fees for a new accounting system. The promissory note was fully repaid as of June 30, 2017. Additional information on the School Treasurer's debt can be found in Note 10 to the financial statements.

Future of the School Treasurer

The School Treasurer looks forward to continuing to serve its member school districts and the joint agreement with its high quality of service.

Requests for Information

The financial report is designed to provide a general overview of the School Treasurer's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Thornton Township, Illinois, School Treasurer, 16106 South Park Avenue, South Holland, Illinois 60473.

THORNTON TOWNSHIP SCHOOL TREASURER

**STATEMENT OF NET POSITION
MODIFIED CASH BASIS**

JUNE 30, 2017

	Governmental <u>Activities</u>
ASSETS	
CASH AND INVESTMENTS	\$ <u>200,513</u>
CAPITAL ASSETS BEING DEPRECIATED	
Leasehold improvements	119,345
Computer equipment and software	76,511
Office furniture and equipment	<u>97,361</u>
Subtotal	293,217
Less accumulated depreciation	<u>(289,203)</u>
Net capital assets	<u>4,014</u>
Total assets	<u>204,527</u>
LIABILITIES AND NET POSITION	
LIABILITIES	-
NET POSITION	
Invested in capital assets	4,014
Unrestricted	<u>200,513</u>
Total net position	<u><u>\$ 204,527</u></u>

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS**

YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	Net (Expenses) Revenue and Changes in <u>Net Position</u> Total Governmental <u>Activities</u>
GOVERNMENTAL ACTIVITIES			
Support services	\$ (1,528,244)	\$ 1,865,951	\$ 337,707
Depreciation - unallocated	<u>(2,587)</u>	<u>-</u>	<u>(2,587)</u>
Total governmental activities	<u>\$ (1,530,831)</u>	<u>\$ 1,865,951</u>	335,120
GENERAL REVENUE			
Miscellaneous revenue			<u>45,643</u>
CHANGE IN NET POSITION			380,763
NET POSITION			
July 1, 2016			<u>(176,236)</u>
June 30, 2017			<u>\$ 204,527</u>

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**STATEMENT OF ASSETS AND FUND BALANCE
MODIFIED CASH BASIS**

**GOVERNMENTAL FUND
GENERAL FUND**

JUNE 30, 2017

ASSETS	
CASH AND INVESTMENTS	<u>\$ 200,513</u>
FUND BALANCE	
UNASSIGNED	<u>\$ 200,513</u>

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**RECONCILIATION OF TOTAL FUND BALANCE OF GOVERNMENTAL FUND
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

JUNE 30, 2017

TOTAL FUND BALANCE OF GOVERNMENTAL FUND (page 6) \$ 200,513

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES
IN THE STATEMENT OF NET POSITION ARE DIFFERENT
BECAUSE OF THE FOLLOWING:

Capital assets used in governmental activities are not
financial resources and therefore are not reported
in governmental funds. These assets consist of:

Capital assets being depreciated		
Leasehold improvements	\$ 119,345	
Computer equipment and software	76,511	
Office furniture and equipment	97,361	
Less accumulated depreciation	<u>(289,203)</u>	
Net capital assets		<u>4,014</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES (page 4) \$ 204,527

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS**

**GOVERNMENTAL FUND
GENERAL FUND**

YEAR ENDED JUNE 30, 2017

REVENUE	
Direct charges to school districts and joint agreement	\$ 1,494,426
Indirect fees	371,525
Miscellaneous income	<u>45,643</u>
Total revenue	<u>1,911,594</u>
EXPENDITURES	
Support services	
Treasurer and office salaries	591,269
Employee benefits	183,171
Purchased services	331,826
Supplies	38,923
Debt service	
Principal	306,672
Interest and fees	21,953
Software subscription, licensing and consulting fees	359,122
Other	<u>1,980</u>
Total expenditures	<u>1,834,916</u>
NET CHANGE IN FUND BALANCE	76,678
FUND BALANCE	
July 1, 2016	<u>123,835</u>
June 30, 2017	<u>\$ 200,513</u>

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND (page 8)	\$ 76,678
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AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE OF THE FOLLOWING:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts consist of:

Depreciation expense	(2,587)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Promissory note	<u>306,672</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 5)	<u>\$ 380,763</u>
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See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS**

MAJOR GOVERNMENTAL FUND

YEAR ENDED JUNE 30, 2017

	General Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUE			
Direct charges to school districts and joint agreement			
School districts			
West Harvey-Dixmoor Public School District 147	\$ 40,723	\$ 76,160	\$ 35,437
Dolton-Riverdale School District 148	61,746	115,479	53,733
Dolton School District 149	76,874	143,772	66,898
South Holland School District 150	24,764	46,315	21,551
South Holland School District 151	39,624	74,105	34,481
Harvey Public Schools District 152	68,176	127,504	59,328
Hazel Crest School District 152.5	29,078	54,382	25,304
Homewood School District 153	57,298	107,160	49,862
Thornton School District 154	8,099	15,147	7,048
Thornton Township High Schools District 205	237,330	443,857	206,527
Calumet Township Districts	130,400	173,117	42,717
Joint agreement			
Exceptional Children Have Opportunities (ECHO)	62,788	117,428	54,640
Total charges to school districts and joint agreement	836,900	1,494,426	657,526
Indirect fees	310,000	371,525	61,525
Miscellaneous revenue	38,000	45,643	7,643
Total revenue	1,184,900	1,911,594	726,694
EXPENDITURES			
Support services			
Treasurer and office salaries	542,760	591,269	48,509
Employee benefits	210,320	183,171	(27,149)
Purchased services	349,750	331,826	(17,924)
Supplies	56,500	38,923	(17,577)
Debt service			
Principal	-	306,672	306,672
Interest and fees	-	21,953	21,953
Software subscription, licensing and consulting fees	-	359,122	359,122
Other	19,500	1,980	(17,520)
Total expenditures	1,178,830	1,834,916	656,086
NET CHANGE IN FUND BALANCE	6,070	76,678	70,608
FUND BALANCE			
July 1, 2016	123,835	123,835	-
June 30, 2017	\$ 129,905	\$ 200,513	\$ 70,608

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

**STATEMENT OF ASSETS AND LIABILITIES
MODIFIED CASH BASIS**

**FIDUCIARY FUND
AGENCY FUND**

JUNE 30, 2017

ASSETS

CASH AND INVESTMENTS \$ 182,307,331

LIABILITIES

DUE TO SCHOOL DISTRICTS AND JOINT AGREEMENT:

West Harvey-Dixmoor Public School District 147	\$ 4,278,119
Dolton-Riverdale School District 148	17,360,934
Dolton School District 149	16,796,645
South Holland School District 150	9,634,227
South Holland School District 151	18,220,901
Harvey Public Schools District 152	16,764,009
Hazel Crest School District 152.5	9,750,949
Homewood School District 153	11,557,673
Thornton School District 154	357,625
Thornton Township High Schools District 205	71,829,853
ECHO Joint Agreement	<u>6,125,516</u>
Total due to school districts and joint agreement	182,676,451

UNALLOCATED DEPRECIATION IN FAIR MARKET VALUE OF INVESTMENTS (369,120)

Total liabilities \$ 182,307,331

See accompanying notes to financial statements.

THORNTON TOWNSHIP SCHOOL TREASURER

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Thornton Township School Treasurer (the School Treasurer) was established pursuant to Chapter 105, Article 8 of the Illinois Compiled Statutes to provide services to school districts within its jurisdiction. These services include collecting revenue, processing expenditures and investing funds as authorized by the specified school districts or joint agreement. The following school districts and joint agreement are under the jurisdiction of the School Treasurer:

West Harvey-Dixmoor Public School District 147	Harvey, Illinois
Dolton-Riverdale School District 148	Riverdale, Illinois
Dolton School District 149	Calumet City, Illinois
South Holland School District 150	South Holland, Illinois
South Holland School District 151	South Holland, Illinois
Harvey Public Schools District 152	Harvey, Illinois
Hazel Crest School District 152.5	Hazel Crest, Illinois
Homewood School District 153	Homewood, Illinois
Thornton School District 154	Thornton, Illinois
Thornton Township High Schools District 205	South Holland, Illinois
ECHO Joint Agreement	South Holland, Illinois

Financial Reporting Entity

Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government.

The School Treasurer has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the School Treasurer's financial statements. In addition, the School Treasurer is not aware of any entity which would exercise such oversight which would result in the School Treasurer being considered a component unit of that entity.

The School Treasurer provides administration services to two school districts within the jurisdiction of the Calumet Township, Illinois, School Treasurer. Since the Board of School Trustees of the School Treasurer has no oversight responsibility over the two Calumet school districts, they are not included in the School Treasurer's reporting entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

The School Treasurer's financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, only current assets and current liabilities arising from cash transactions are included on the Statement of Net Position - Modified Cash Basis. Revenue is recognized when received rather than when earned and expenditures are recognized when paid rather than when the obligation is incurred. The government-wide financial statements also include activity related to the purchase, depreciation, and year end balances of capital assets as well as year end balances and activity related to long-term debt, if any. Differences between the government-wide financial statements and the fund financial statements are briefly explained in reconciliations included in the fund financial statements.

Basis of Presentation

The School Treasurer's basic financial statements consist of both the government-wide financial statements, including a Statement of Net Position - Modified Cash Basis and a Statement of Activities - Modified Cash Basis, and the fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis display information about the School Treasurer as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The Statement of Net Position - Modified Cash Basis presents the financial condition of the governmental activities of the School Treasurer at year end and includes all current assets and current liabilities arising from cash transactions, all capital assets net of accumulated depreciation, and long-term debt associated with the operation of the School Treasurer. The Statement of Activities - Modified Cash Basis presents a comparison between direct expenditures and program revenues for each program or function of the School Treasurer's governmental activities.

Direct expenditures are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue which is not classified as program revenue is presented as general revenue of the School Treasurer. The comparison of direct expenditures with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the School Treasurer.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements

The School Treasurer segregates transactions related to certain School Treasurer functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School Treasurer at this more detailed level. The focus of governmental fund financial statements is on major funds.

A major fund is defined as the School Treasurer's General Fund as well as any other fund where either the assets, liabilities, revenue or expenditures of that fund are at least ten percent of the corresponding total for all governmental funds since the School Treasurer has no enterprise funds. The School Treasurer has no other governmental funds. The Fiduciary Fund is reported at the fund financial statement level as a separate fund type and is not included in the government-wide financial statements.

Since capital assets and long-term debt are concerned only with the measurement of financial position as of the date of the end of the reporting period, neither asset nor liability is reported in fund financial statements. Both items are included in the government-wide financial statements.

Fund Accounting

The accounts of the School Treasurer are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, fund balance, revenues, and expenditures. The School Treasurer's resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified as governmental or fiduciary funds.

Governmental Fund

Governmental funds are those through which most governmental functions of the School Treasurer are financed. The acquisition, use, and balances of the School Treasurer's expendable financial resources and the related liabilities arising from cash transactions are accounted for through governmental funds.

The General Fund is the general operating fund of the School Treasurer. The General Fund accounts for all financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (continued)

Fiduciary Fund

Fiduciary funds are used to account for assets held by the School Treasurer in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency funds are used to account for the cash and investments held by the School Treasurer as an agent for the school districts and the joint agreement under its jurisdiction. These funds are custodial in nature and do not involve the measurement of results of operations.

Budgetary Data

The budget is prepared on the modified cash basis of accounting, which is the same basis used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with the Illinois Revised Statutes. The budget lapses at the end of each fiscal year. The School Treasurer does not utilize an encumbrance system.

Investments

Investments are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price). Effective June 30, 2017, the School Treasurer elected to report investments at fair value instead of historical cost to simplify required disclosures regarding investment risk. This change in accounting policy was not material to the financial statements.

Inventories

Inventories are not normally recorded using the modified cash basis of accounting. Additionally, the School Treasurer does not maintain inventories in amounts material to the financial statements.

Capital Assets

The School Treasurer's policy is to capitalize items with an acquisition cost greater than \$500. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is the School Treasurer's estimate of how long the asset is expected to meet service demands. In the government-wide financial statements, straight-line depreciation is used based on the following estimated useful lives:

Leasehold improvements	10 years
Computer equipment and software	5 years
Office furniture and equipment	7 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

In the government-wide Statement of Net Position - Modified Cash Basis, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

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

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the School Treasurer to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through January 30, 2018, which is the date the financial statements were available to be issued.

NOTE 2. CASH AND INVESTMENTS

The School Treasurer is the legal custodian for all participating school districts and joint agreements under its jurisdiction. Accounting records are maintained to separate the common cash and investment accounts by each participating entity. Investment income, which includes interest, dividends, and the gains and losses on sales and maturities of investments, is allocated to each participating entity monthly on a pro-rata basis. The unallocated appreciation (depreciation) in the fair market value of investments consists of unrealized gains and losses on investments and is not yet available to be allocated.

The School Treasurer may invest public funds according to Chapter 30, Section 235 of the Illinois Compiled Statutes. Allowable investments include the following:

- Securities guaranteed both as to principal and interest by the full faith and credit of the United States of America;
- Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies;
- Interest bearing savings accounts, certificates of deposit, time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- In limited circumstances, in short-term corporate obligations of corporations having assets exceeding 500 million dollars;
- Money market mutual funds that are both registered under the Investment Company Act of 1940 and the holdings of which are limited to securities guaranteed both as to principal and interest by the full faith and credit of the United States of America;
- Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district;
- Public Treasurers' Investment Pools created under Section 17 of the Illinois State Treasurer Act;
- Repurchase agreements of government securities.

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The components of cash and investments at June 30, 2017 are as follows:

Cash and investments:	
Per Statement of Net Position	\$ 200,513
Per Statement of Assets and Liabilities - Fiduciary Fund	<u>182,307,331</u>
Total cash and investments	<u>\$ 182,507,844</u>

For disclosure purposes, this amount consists of the following components at June 30, 2017:

Investments	
Short term investments	\$ 33,040,106
External investment pools	7,435,290
U.S. Government Agency obligations	83,793,333
U.S. Government obligations	3,358,213
Certificates of deposit	53,293,226
Corporate obligations	<u>502,366</u>
Total investments	181,422,534
Deposits with financial institutions	<u>1,085,310</u>
Total cash and investments	<u>\$ 182,507,844</u>

Custodial Credit Risk - Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the School Treasurer's deposits may not be returned to it. The School Treasurer does not have a deposit policy for custodial credit risk. The School Treasurer's deposits with financial institutions were exposed to custodial credit risk as follows:

Deposits with financial institutions - book balance	\$ 1,085,310
Deposits-in-transit	-
Outstanding checks	<u>22,507,298</u>
Deposits with financial institutions - bank balance	<u>\$ 23,592,608</u>

As of June 30, 2017, the School Treasurer's bank balances of \$23,592,608 were fully insured or collateralized.

NOTE 2. CASH AND INVESTMENTS (CONTINUED)**Interest Rate Risk - Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Investing is performed in accordance with investment policies adopted by the School Treasurer in compliance with State Statutes. The following table presents a summarization of the investments at June 30, 2017 using the segmented time distribution method:

Type of Investment	Fair Value	Maturity		
		Less Than 1 Year	1-5 Years	5-10 Years
Short term investments	\$ 33,040,106	\$ 33,040,106	\$ -	\$ -
External investment pools	7,435,290	7,435,290	-	-
U.S. Government Agency obligations	83,793,333	3,095,578	64,420,532	16,277,223
U.S. Government obligations	3,358,213	1,060,612	2,297,601	-
Certificates of deposit	53,293,226	25,268,235	28,024,991	-
Corporate obligations	502,366	502,366	-	-
Total investments	<u>\$ 181,422,534</u>	<u>\$ 70,402,187</u>	<u>\$ 94,743,124</u>	<u>\$ 16,277,223</u>

Credit Risk - Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with investment policies adopted by the School Treasurer in compliance with State Statutes. The following table presents a summarization of the School Treasurer's credit quality ratings of investments at June 30, 2017 valued by Moody's Investors Service, Standard & Poor's, and/or Fitch:

Type of Investment	Fair Value	Credit Quality Rating			
		Aaa/AAA	Aa/AA	Baa/BBB	Not Rated
Short term investments	\$ 33,040,106	\$ 21,729,727	\$ -	\$ -	\$ 11,310,379
External investment pools	7,435,290	7,435,290	-	-	-
U.S. Government Agency obligations	83,793,333	-	78,785,133	5,008,200	-
U.S. Government obligations	3,358,213	-	3,358,213	-	-
Certificates of deposit	53,293,226	-	-	-	53,293,226
Corporate obligations	502,366	-	502,366	-	-
Total investments	<u>\$ 181,422,534</u>	<u>\$ 29,165,017</u>	<u>\$ 82,645,712</u>	<u>\$ 5,008,200</u>	<u>\$ 64,603,605</u>

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72, *Fair Value Measurement and Application*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The School Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School Treasurer has the following recurring fair value measurements as of June 30, 2017:

		<u>Fair Value Measurements at 6/30/2017 Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments by fair value level				
Short term investments	\$ 33,040,106	\$ 21,701,968	\$ 11,338,138	\$ -
U.S. Government Agency obligations	83,793,333	-	83,793,333	-
U.S. Government obligations	3,358,213	3,358,213	-	-
Certificates of deposit	53,293,226	-	53,293,226	-
Corporate obligations	502,366	-	502,366	-
Total investments by fair value level	173,987,244	<u>\$ 25,060,181</u>	<u>\$ 148,927,063</u>	<u>\$ -</u>
Investments measured at net asset value				
External investment pools				
ISDLAF	197,399			
Illinois Institutional Investors Trust	4,406,025			
Illinois Funds	2,831,866			
Total investments at fair value	<u>\$ 181,422,534</u>			

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Measurements

Certain short term investments and U.S. government obligations are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of the year.

Level 2 Measurements

U.S. Government Agency and corporate obligations are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates. Certain short term investments and certificates of deposit are valued at cost which approximates their fair value.

The valuation methods for investments measured at net asset value (NAV) are presented on the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Eligible)</u>	<u>Redemption Notice Period</u>
Investments measured at net asset value				
ISDLAF	\$ 197,399	-	Daily	N/A
Illinois Institutional Investors Trust	4,406,025	-	Daily	N/A
Illinois Funds	<u>2,831,866</u>	-	Daily	N/A
Total	<u>\$ 7,435,290</u>			

The Illinois School District Liquid Asset Fund (ISDLAF) is an investment trust formed pursuant to the Illinois Compiled Statutes to invest available funds so as to enhance their investment opportunities pursuant to an investment program conducted in accordance with the Laws of the State of Illinois. ISDLAF is not registered with the SEC as an investment company. Investments are measured at a NAV of \$1.00 per share.

The Illinois Institutional Investors Trust (IIIT) is an investment trust formed pursuant to the Illinois Compiled Statutes for the purpose of allowing various public agencies to jointly invest funds in accordance with the Laws of the State of Illinois. IIIT is not registered with the SEC as an investment company. Investments are measured at a NAV of \$1.00 per share.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer that allows governments within the State to pool their funds for investment purposes. The investment pool is not registered with the SEC as an investment company. Investments are measured at a NAV of \$1.00 per share.

NOTE 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets during the year ended June 30, 2017 is as follows:

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2017</u>
Leasehold improvements	\$ 119,345	\$ -	\$ -	\$ 119,345
Computer equipment and software	80,135	-	(3,624)	76,511
Office furniture and equipment	<u>97,361</u>	<u>-</u>	<u>-</u>	<u>97,361</u>
Total	<u>296,841</u>	<u>\$ -</u>	<u>\$ (3,624)</u>	<u>293,217</u>
Less accumulated depreciation for:				
Leasehold improvements	119,345	\$ -	\$ -	119,345
Computer equipment and software	75,119	1,953	(3,624)	73,448
Office furniture and equipment	<u>95,776</u>	<u>634</u>	<u>-</u>	<u>96,410</u>
Total accumulated depreciation	<u>290,240</u>	<u>\$ 2,587</u>	<u>\$ (3,624)</u>	<u>289,203</u>
Capital assets - net	<u>\$ 6,601</u>			<u>\$ 4,014</u>

NOTE 5. FUND BALANCES

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources.

Nonspendable fund balance - Includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance - Refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can be used only for specific purposes because of a formal action (resolution or ordinance) by the School Treasurer's highest level of decision-making authority, the Board of School Trustees.

Assigned fund balance - Amounts that are constrained by the School Treasurer's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the School Treasurer's Board of School Trustees or by an official to whom that authority has been given.

NOTE 5. FUND BALANCES (CONTINUED)

Unassigned fund balance - The residual classification for amounts in the General Fund.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified. The School Treasurer's fund balance at June 30, 2017 is unassigned.

NOTE 6. RETIREMENT FUND

Illinois Municipal Retirement System

Plan Description

The School Treasurer's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The School Treasurer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by State Statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The School Treasurer's IMRF members participate in the Regular Plan.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

NOTE 6. RETIREMENT FUND (CONTINUED)

Illinois Municipal Retirement System (continued)

Benefits Provided (continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3 percent of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Contributions

As set by State Statute, the School Treasurer's Regular Plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of their own employees. The School Treasurer's annual contribution rate was 13.96 percent for calendar year 2016 and 12.20 percent for 2017. For the fiscal year ended June 30, 2017, the School Treasurer contributed \$69,483 to the plan. The School Treasurer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by State Statute.

NOTE 7. LEASES

On November 30, 2010, the School Treasurer entered into a noncancellable 10 year operating lease for an office facility for the period of May 1, 2010 through April 30, 2020. Lease payments are made on a monthly basis.

Annual rental commitments under this lease agreement are as follows:

Year ending June 30,	
2018	\$ 56,027
2019	57,705
2020	49,281
	<u>\$ 163,013</u>

Rent expense for the year ended June 30, 2017 was \$54,413.

NOTE 8. RISK MANAGEMENT

The School Treasurer carries commercial insurance for all risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

NOTE 9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The following fund had expenditures over budget for the year ended June 30, 2017:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
General Fund	<u>\$ 1,834,916</u>	<u>\$ 1,178,830</u>	<u>\$ 656,086</u>

NOTE 10. PROMISSORY NOTE

On June 23, 2016, the School Treasurer executed a promissory note with a maximum principal outstanding amount of \$669,490 for the purpose of financing software subscription and licensing fees for a new accounting system. The promissory note had a maturity date of June 22, 2021 with interest paid monthly on the outstanding principal balance at a rate equal to the 1 month London Interbank Offered Rate (LIBOR) plus 250 basis points. As of June 30, 2016, the School Treasurer had drawn \$306,672 from the bank. As of June 30, 2017, the School Treasurer had fully repaid the promissory note principal along with interest and fees of \$21,953.

SUPPLEMENTARY INFORMATION

THORNTON TOWNSHIP SCHOOL TREASURER
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
MODIFIED CASH BASIS

FIDUCIARY FUND
AGENCY FUND

YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
CASH AND INVESTMENTS	\$ 155,705,649	\$ 375,131,144	\$ 348,529,462	\$ 182,307,331
LIABILITIES				
DUE TO SCHOOL DISTRICTS AND JOINT AGREEMENT	\$ 154,987,113	\$ 376,218,800	\$ 348,529,462	\$ 182,676,451
UNALLOCATED APPRECIATION (DEPRECIATION) IN FAIR MARKET VALUE OF INVESTMENTS	<u>718,536</u>	<u>-</u>	<u>1,087,656</u>	<u>(369,120)</u>
TOTAL LIABILITIES	<u>\$ 155,705,649</u>	<u>\$ 376,218,800</u>	<u>\$ 349,617,118</u>	<u>\$ 182,307,331</u>

THORNTON TOWNSHIP SCHOOL TREASURER

**SCHEDULE OF ASSETS, LIABILITIES AND
FUND BALANCE**

ALL TOWNSHIP SCHOOL DISTRICTS AND JOINT AGREEMENT

JUNE 30, 2017

	<u>Total</u>	<u>District No. 147</u>	<u>District No. 148</u>	<u>District No. 149</u>	<u>District No. 150</u>	<u>District No. 151</u>	<u>District No. 152</u>	<u>District No. 152.5</u>	<u>District No. 153</u>	<u>District No. 154</u>	<u>District No. 205</u>	<u>ECHO Joint Agreement</u>
ASSETS												
CASH AND INVESTMENTS												
Deposit with Treasurer's Office	\$ 182,676,451	\$ 4,278,119	\$ 17,360,934	\$ 16,796,645	\$ 9,634,227	\$ 18,220,901	\$ 16,764,009	\$ 9,750,949	\$ 11,557,673	\$ 357,625	\$ 71,829,853	\$ 6,125,516
Taxes receivable	7,404,959	-	-	7,404,959	-	-	-	-	-	-	-	-
Interfund receivables	6,806,763	137,520	2,802,714	-	-	-	-	-	-	-	3,866,529	-
Other receivables	3,615,259	-	-	3,615,259	-	-	-	-	-	-	-	-
Other current assets	382,464	-	-	382,464	-	-	-	-	-	-	-	-
Deposit with entity	<u>6,802,062</u>	<u>23,922</u>	<u>17,906</u>	<u>100,902</u>	<u>362,254</u>	<u>26,265</u>	<u>16,584</u>	<u>224,576</u>	<u>160,090</u>	<u>36,674</u>	<u>561,946</u>	<u>5,270,943</u>
Total assets	<u>\$ 207,687,958</u>	<u>\$ 4,439,561</u>	<u>\$ 20,181,554</u>	<u>\$ 28,300,229</u>	<u>\$ 9,996,481</u>	<u>\$ 18,247,166</u>	<u>\$ 16,780,593</u>	<u>\$ 9,975,525</u>	<u>\$ 11,717,763</u>	<u>\$ 394,299</u>	<u>\$ 76,258,328</u>	<u>\$ 11,396,459</u>
LIABILITIES AND FUND BALANCE												
LIABILITIES												
Payroll withholdings (prepaid)	\$ 226,314	\$ -	\$ (29,944)	\$ (2,164)	\$ 5,567	\$ (7,768)	\$ (74,009)	\$ (105,821)	\$ 175,605	\$ 26,897	\$ -	\$ 237,951
Interfund payables	6,806,763	137,520	2,802,714	-	-	-	-	-	-	-	3,866,529	-
Other payables	2,448,015	-	-	2,448,015	-	-	-	-	-	-	-	-
Salaries and benefits payable	253,895	-	-	253,895	-	-	-	-	-	-	-	-
Deferred revenues and other current liabilities	8,815,110	-	-	9,023,034	-	-	-	-	-	-	(207,924)	-
Due to student activity groups	<u>727,174</u>	<u>18,423</u>	<u>-</u>	<u>95,904</u>	<u>19,629</u>	<u>8,732</u>	<u>11,585</u>	<u>14,625</u>	<u>134,505</u>	<u>33,650</u>	<u>390,121</u>	<u>-</u>
Total liabilities	<u>19,277,271</u>	<u>155,943</u>	<u>2,772,770</u>	<u>11,818,684</u>	<u>25,196</u>	<u>964</u>	<u>(62,424)</u>	<u>(91,196)</u>	<u>310,110</u>	<u>60,547</u>	<u>4,048,726</u>	<u>237,951</u>
FUND BALANCE	<u>188,410,687</u>	<u>4,283,618</u>	<u>17,408,784</u>	<u>16,481,545</u>	<u>9,971,285</u>	<u>18,246,202</u>	<u>16,843,017</u>	<u>10,066,721</u>	<u>11,407,653</u>	<u>333,752</u>	<u>72,209,602</u>	<u>11,158,508</u>
Total liabilities and fund balance	<u>\$ 207,687,958</u>	<u>\$ 4,439,561</u>	<u>\$ 20,181,554</u>	<u>\$ 28,300,229</u>	<u>\$ 9,996,481</u>	<u>\$ 18,247,166</u>	<u>\$ 16,780,593</u>	<u>\$ 9,975,525</u>	<u>\$ 11,717,763</u>	<u>\$ 394,299</u>	<u>\$ 76,258,328</u>	<u>\$ 11,396,459</u>

All districts and the joint agreement, except for District No. 149, are reported on the modified cash basis of accounting.

THORNTON TOWNSHIP SCHOOL TREASURER

**SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE**

ALL TOWNSHIP SCHOOL DISTRICTS AND JOINT AGREEMENT

YEAR ENDED JUNE 30, 2017

	<u>Total</u>	<u>District No. 147</u>	<u>District No. 148</u>	<u>District No. 149</u>	<u>District No. 150</u>	<u>District No. 151</u>	<u>District No. 152</u>	<u>District No. 152.5</u>	<u>District No. 153</u>	<u>District No. 154</u>	<u>District No. 205</u>	<u>ECHO Joint Agreement</u>
REVENUE												
Local receipts	\$ 179,635,337	\$ 4,540,268	\$ 12,799,081	\$ 14,720,229	\$ 8,164,049	\$ 12,710,607	\$ 4,148,923	\$ 6,709,541	\$ 17,545,500	\$ 2,070,449	\$ 72,174,025	\$ 24,052,665
Flow-through receipts	2,185,067	-	-	-	-	-	-	-	-	-	-	2,185,067
Revenue from state sources	135,737,926	10,817,164	18,585,315	22,350,719	2,333,129	9,036,720	19,472,653	9,796,043	6,093,200	366,798	34,625,857	2,260,328
Revenue from federal sources	32,361,627	2,107,140	3,888,140	4,964,558	905,107	2,742,763	3,543,370	1,625,538	1,008,939	263,204	7,098,683	4,214,185
State on-behalf contributions to TRS/THIS	82,499,879	4,865,807	6,047,773	13,978,804	2,099,768	6,418,194	4,355,957	1,927,124	4,482,756	631,183	33,263,188	4,429,325
Total revenue	<u>432,419,836</u>	<u>22,330,379</u>	<u>41,320,309</u>	<u>56,014,310</u>	<u>13,502,053</u>	<u>30,908,284</u>	<u>31,520,903</u>	<u>20,058,246</u>	<u>29,130,395</u>	<u>3,331,634</u>	<u>147,161,753</u>	<u>37,141,570</u>
EXPENDITURES												
Instruction	152,092,074	7,008,629	16,295,639	17,719,162	4,958,774	10,692,607	11,601,905	4,398,093	12,672,550	1,845,866	49,430,281	15,468,568
Support services	152,358,628	9,388,265	13,239,398	19,787,872	4,726,245	9,693,102	16,340,693	10,684,825	10,262,922	1,129,162	44,604,154	12,501,990
Community services	5,471,451	223,871	475,660	562,246	6,644	72,558	504,434	11,663	41,960	1,759	708,430	2,862,226
Nonprogrammed charges	25,011,410	1,168,707	2,724,691	2,095,962	868,960	1,940,150	1,146,823	621,180	279,654	282,764	9,689,189	4,193,330
Debt service	51,938,516	889,364	2,830,521	1,363,045	411,938	1,086,200	-	1,489,397	3,127,453	172,347	40,208,066	360,185
State on-behalf contributions to TRS/THIS	82,499,879	4,865,807	6,047,773	13,978,804	2,099,768	6,418,194	4,355,957	1,927,124	4,482,756	631,183	33,263,188	4,429,325
Total expenditures	<u>469,371,958</u>	<u>23,544,643</u>	<u>41,613,682</u>	<u>55,507,091</u>	<u>13,072,329</u>	<u>29,902,811</u>	<u>33,949,812</u>	<u>19,132,282</u>	<u>30,867,295</u>	<u>4,063,081</u>	<u>177,903,308</u>	<u>39,815,624</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(36,952,122)</u>	<u>(1,214,264)</u>	<u>(293,373)</u>	<u>507,219</u>	<u>429,724</u>	<u>1,005,473</u>	<u>(2,428,909)</u>	<u>925,964</u>	<u>(1,736,900)</u>	<u>(731,447)</u>	<u>(30,741,555)</u>	<u>(2,674,054)</u>
OTHER FINANCING SOURCES (USES)												
Operating transfers in	6,795,549	-	2,600,000	-	-	2,350,000	-	465,750	1,000,000	379,799	-	-
Operating transfers (out)	(6,795,549)	-	(2,600,000)	-	-	(2,350,000)	-	(465,750)	(1,000,000)	(379,799)	-	-
Other	70,076,053	-	-	-	-	-	-	-	4,922,271	52,010	65,101,772	-
Net other financing sources	<u>70,076,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,922,271</u>	<u>52,010</u>	<u>65,101,772</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	33,123,931	(1,214,264)	(293,373)	507,219	429,724	1,005,473	(2,428,909)	925,964	3,185,371	(679,437)	34,360,217	(2,674,054)
FUND BALANCE												
July 1, 2016	<u>155,286,756</u>	<u>5,497,882</u>	<u>17,702,157</u>	<u>15,974,326</u>	<u>9,541,561</u>	<u>17,240,729</u>	<u>19,271,926</u>	<u>9,140,757</u>	<u>8,222,282</u>	<u>1,013,189</u>	<u>37,849,385</u>	<u>13,832,562</u>
June 30, 2017	<u>\$ 188,410,687</u>	<u>\$ 4,283,618</u>	<u>\$ 17,408,784</u>	<u>\$ 16,481,545</u>	<u>\$ 9,971,285</u>	<u>\$ 18,246,202</u>	<u>\$ 16,843,017</u>	<u>\$ 10,066,721</u>	<u>\$ 11,407,653</u>	<u>\$ 333,752</u>	<u>\$ 72,209,602</u>	<u>\$ 11,158,508</u>

All districts and the joint agreement, except for District No. 149, are reported on the modified cash basis of accounting.