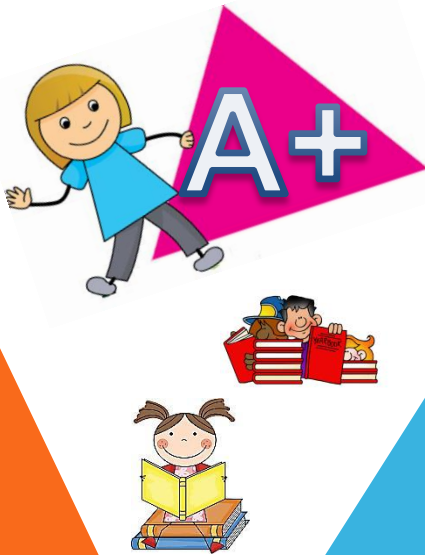




Waukegan Community
Unit School District 60
Waukegan, Illinois



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
Ended June 30, 2017

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2017

Waukegan Community Unit School District No. 60

Waukegan, Illinois

Prepared by the Business and Financial Services Department:

Mrs. Gwendolyn K. Polk, M.S. Ed., MBA, Associate Superintendent of
Business and Financial Services

Mr. Brian Luosa, M.S. Ed., CPA, Director of Business and Financial
Services

Dr. DeWayne Davis, Ed.D., CBO, Deputy Superintendent of Strategy and
Accountability

Ms. Theresa Plascencia, Superintendent

Mr. R. Michael Rodriguez, President
Waukegan Public Schools School Board of Education

2016-2017 Finance and Accounting Staff

Anderson Lattimore, Angela Williams, Susan McDonald, Ros Harrison, Kiara Pearson, Donna Cisneroz, Brenda Hernandez, Ryan Bennett, Maria Delos Reyes, Elizabeth Gilmore, Claritza Vega, Shannon Torres, Tanya Trevino, Kate Passanante, Renora Castleberry, Donna Salgado, Debra Alley, and the staff and members of the Human Resources, Information Technology and Transportation Departments.

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INTRODUCTORY SECTION

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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Waukegan Public Schools

Community Unit School District No. 60, Lake County, Illinois

Ms. Theresa Plascencia
Superintendent

November 16, 2017

Citizens of Waukegan Community Unit School District No. 60 and
Members of the Board of Education
Waukegan Community Unit School District No. 60
1201 North Sheridan Road
Waukegan, Illinois 60085

The Comprehensive Annual Financial Report of Waukegan Community Unit School District No. 60 (the "District"), Waukegan, Illinois, for the fiscal year ended June 30, 2017 is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured and reported by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs have been included. The District's financial statements conform to Generally Accepted Accounting Principles (GAAP).

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is divided into an Introductory Section, a Financial Section and a Statistical Section. The Introductory Section of the CAFR includes a table of contents, a Letter of Transmittal, an organizational chart, and a listing of District officers and officials. The Financial Section consists of the unmodified opinion on the financial statements from the independent auditors, Evans, Marshall, and Pease, P.C.; Management's Discussion and Analysis (MD&A) – a wide-ranging analysis with numerous graphs, schedules, etc. illustrating the financial results of the fiscal year just ended; the notes to the basic financial statements; any required supplementary information; and supplementary information. The statistical section, not a part of the District's basic financial statements, includes selected financial data and general information presented in tables on a multi-year basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The District

The District is located approximately thirty-five miles north of Chicago on the shores of Lake Michigan. Waukegan was first visited by Pere Marquette in 1673 and is one of the oldest communities in the State of Illinois. Dubbed Little Fort by the Potawatomi Tribe, the city incorporated in 1849 and had become the country seat. By the year 2004, Waukegan's population had increased to almost 90,000 and the diversification in heritage, vocation and religious background provide a wide variety of cultural history and current social interaction.

Waukegan Community Unit School District No. 60 is a unit district providing an education for grades pre-kindergarten through high school. Its 24 sites house a student body of approximately 16,500 students and multiple cultural and ethnic backgrounds provide both an opportunity and a challenge to the District's educators.

The District provides a full range of programs and services for all its students. These programs include elementary and secondary course offerings, including general and vocational curriculum. An extensive array of co-curricular and athletic activities is also offered to enhance the student's educational experience.

For the 2016-17 school year, the District employed over 2,000 people, including teachers, administrators, clerical workers, custodial workers, drivers, classroom assistants, health related individuals, and substitutes. These employees served approximately 16,500 students, with budgeted expenditures totaling \$217.99 million; of which capital projects and bond and interest payments total approximately \$18.32 million.

Reporting Entity

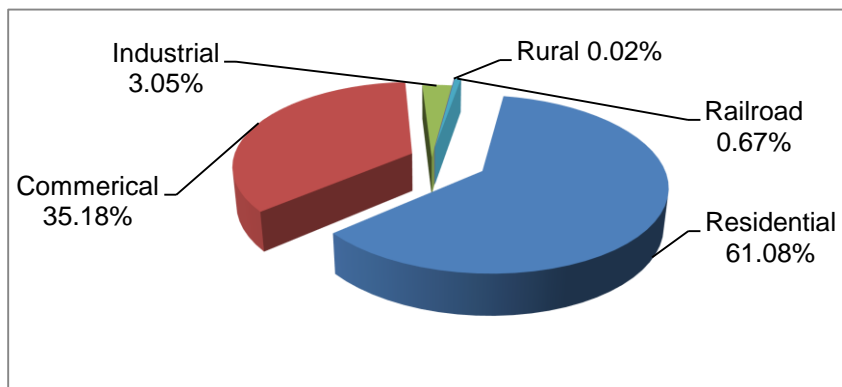
The District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14. This states “The Financial Reporting Entity” under which these financial statements are prepared will include all organizations, activities, functions, funds and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and either (1) the District’s ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The District does not have any component units that meet the above requirements.

The governing body consists of a seven member Board of Education elected from within the District’s boundaries for four-year overlapping terms. The Superintendent and staff administer run the day-to-day operations of the District. Based on the legislative authority codified in the *Illinois School Code*, the Board of Education has the following powers:

- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.
- The corporate power to sue and be sued in all courts.

Economic Condition and Outlook of Local Economy

The District has a mixed tax base including residential, commercial, industrial, rural and railroad properties within its boundaries. However, the majority of its tax base is residential (61.08%), which results in a large burden of tax revenues coming from homeowners instead of commercial and industrial property owners. The following table charts the percentage of taxable property by real property.



Historical and Projected Enrollment

The overriding District initiative is to provide excellent academic programming for all students while keeping pace with enrollment trends and maintaining reasonable class sizes. The following table charts the District’s enrollment for the last ten fiscal years:

Fiscal Year End	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Enrollment	16,938	16,957	16,548	16,328	16,152	16,600	16,732	16,892	16,684	16,478

Waukegan Community Unit School District No. 60 will likely experience minimal growth in student enrollment in the next five years. Current estimates project a modest reduction of approximately 50 students by the year 2018.

Facilities

Waukegan Community Unit School District No. 60 has twenty four school buildings that house the 16,684 students that attend its schools.

<u>Education Level</u>	<u>No. of Buildings</u>	<u>Enrollment</u>
Pre-K School	1	354
Elementary Schools	15	7,812
Middle Schools	5	3,699
High Schools	3	4,613
Totals	<u>24</u>	<u>16,478</u>

Age of School Buildings

<u>Education Level and School</u>	<u>Age</u>
Pre-K School	
Robbie M. Lightfoot	2014
Elementary Schools	
Washington	1926
Lyon Magnet School	1957
Glen Flora	1920
Whittier	1935
Clearview	1955
Greenwood	1925
Little Fort	1957
John S. Clark	1963
Oakdale	1939
Carman-Buckner	1939
Andrew Cooke Magnet School	1916
Glenwood	1958
Hyde Park	1953
H.R. McCall	1962
Middle Schools	
Robert Abbott	1924
Jack Benny	1961
Thomas Jefferson	1957
Miguel Juarez	1924
Daniel Webster	1956
High Schools	
Brookside Campus	1920
Washington Campus	1920
Alternative Optional Education Center	1962

District's Mission Statement

The Mission of Waukegan Community Unit School District No. 60 is primarily to educate students for the world of tomorrow. Through mobilization of the entire community, we will challenge, teach and inspire our students. We will provide the resources to serve each of our students, expecting excellence from all involved. We will deliver an exciting education in a safe learning environment that celebrates our diversity and similarities in a spirit of unity and respect.

Goals

Superintendent – Academic/Performance

For fiscal year 2018 and beyond:

- STUDENT ACHIEVEMENT – To focus organizational improvement and align the District resources to ensure all students receive a world-class education that eliminates the achievement gap.
- COMMUNITY ENGAGEMENT – To ensure that all stakeholders are engaged, and have a voice in, the instructional institution of the District; which promotes transparency, trust, and collaborative relationships.
- ORGANIZATIONAL EFFECTIVENESS – To focus organizational efforts and align resources to support District schools and student achievement.
- INSTITUTIONAL ACCESS – To ensure that all students and staff are empowered and have access to a world-class educational system.
- SUPPORTIVE CLIMATE – To establish a positive and effective climate that cultivates a drive for excellence that promotes student achievement and fosters a premier District that is committed to the success of all students.
- Continue to improve and monitor the STRATEGIC PLAN.
- Continue to improve and monitor the MINORITY RECRUITMENT PLAN.
- Increasing the number of high school students earning college credit.
- Expanding kindergarten program.
- Organizational and administrative structure.
- Shifting dollars away from top-level administrators and toward the CLASSROOM.
- STRETCH GOALS – Improving academic indicators, including student academic achievement, attendance and the percent of high school freshmen on track to graduate, as well as reducing suspensions and expulsions that take students out of the classroom.

Finances

Remain as fiscally solvent as possible during the State budget crisis through careful spending and analysis of budget expenditures as well as aggressively pursue appropriate grant, foundation and partnership opportunities.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The independent auditor's report has been included in the financial section of this report.

Internal Control Structure

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. 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. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of the proper recording of financial data.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The Board of Education is responsible for adopting the annual budget. The preparation, adoption and action on the District's budget is a year-round process involving multiple levels of input and decision-making from staff members, administrators, and the Board of Education. Input from the public on how school tax dollars are spent is welcomed at Board meetings, public hearings and the Board's budget workshop. Spending decisions are guided by the following criteria:

- Goals and priorities of the Board of Education
- Requirements imposed upon the District by federal and state governments
- Types of programs being taught
- Number of employees
- Requirements to maintain and operate the District's schools and facilities
- Bus transportation and food services programs
- Employee collective bargaining agreements

While budgetary control is exercised at the fund level, management control is exercised at the object, or line item, level. All expenditures are approved by the Board of Education. An encumbrance system is used to measure the uncommitted budget item amount that is available at any time during the budget year. An obligation is made in the form of a purchase order. When it occurs, the appropriate budgetary account is reserved. All encumbrances lapse at year-end. All governmental funds have annual appropriated budgets, and are approved in accordance with the provisions of the Illinois State Statutes.

Long-Range Financial Planning

Waukegan Community Unit School District No. 60 annually develops a comprehensive, long-range financial projection that includes historical information and expected trends that will affect the District's finances. Variables included in the forecast include prior year actual financial data, current year budget information, tax levy extension projections including equalized assessed valuation predictions, student enrollment projections, student to teacher ratios, debt retirement schedules, consumer price index projections, and salary and benefit projections based on employee labor contracts.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, proportion of expenditures to revenue, days of cash on hand, percent of short-term borrowing needed, and fund balance as a percentage of next year's expenditures. However, with minimal increases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for the District. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenue.

Over the past several years, the District has implemented a budget review process to identify areas of operations for improvements in efficiencies. This on-going review has resulted in significant cost reductions. District finances are monitored through monthly financial reports to the Board of Education, the annual budget process, and long-range financial projections. As a result, the District intends to maintain a balanced budget that aligns resources to support the instructional program.

Relevant Financial Planning Factors

With the current housing and economic crisis that faces the nation, the District projects decreasing enrollment for the next few years. This trend will cause the District to carefully monitor and plan future operating and capital budgets. Potential EAV adjustments, coupled with low CPI increases, will have an impact on the District's budgets and tax rates for the next several years. The administration and Board of Education are dedicated to approving balanced budgets and to managing the District's tax rate by abating principal and interest payments during the years in which the EAV decline causes the tax rate to increase substantially.

Certificate of Excellence

ASBO International awarded a Certificate of Excellence in financial reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the tenth year that the District had received this prestigious award. In order to be awarded a Certificate of Excellence, 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.

Management's Discussion and Analysis

Provided in the financial section of this report, immediately following the independent auditor's report, is supplementary information entitled Management's Discussion and Analysis (MD&A). This MD&A is intended to be an easily readable and objective analysis of the school district's financial activities. It also contains a description of currently known facts, decisions, or conditions expected to have a significant effect on the future financial position and results of operations of the school district.

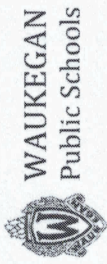
Acknowledgments

The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the business services department. We would like to express appreciation to all the members of the business services department who assisted in the timely closing of the District's financial records and the preparation of this report. We would like to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

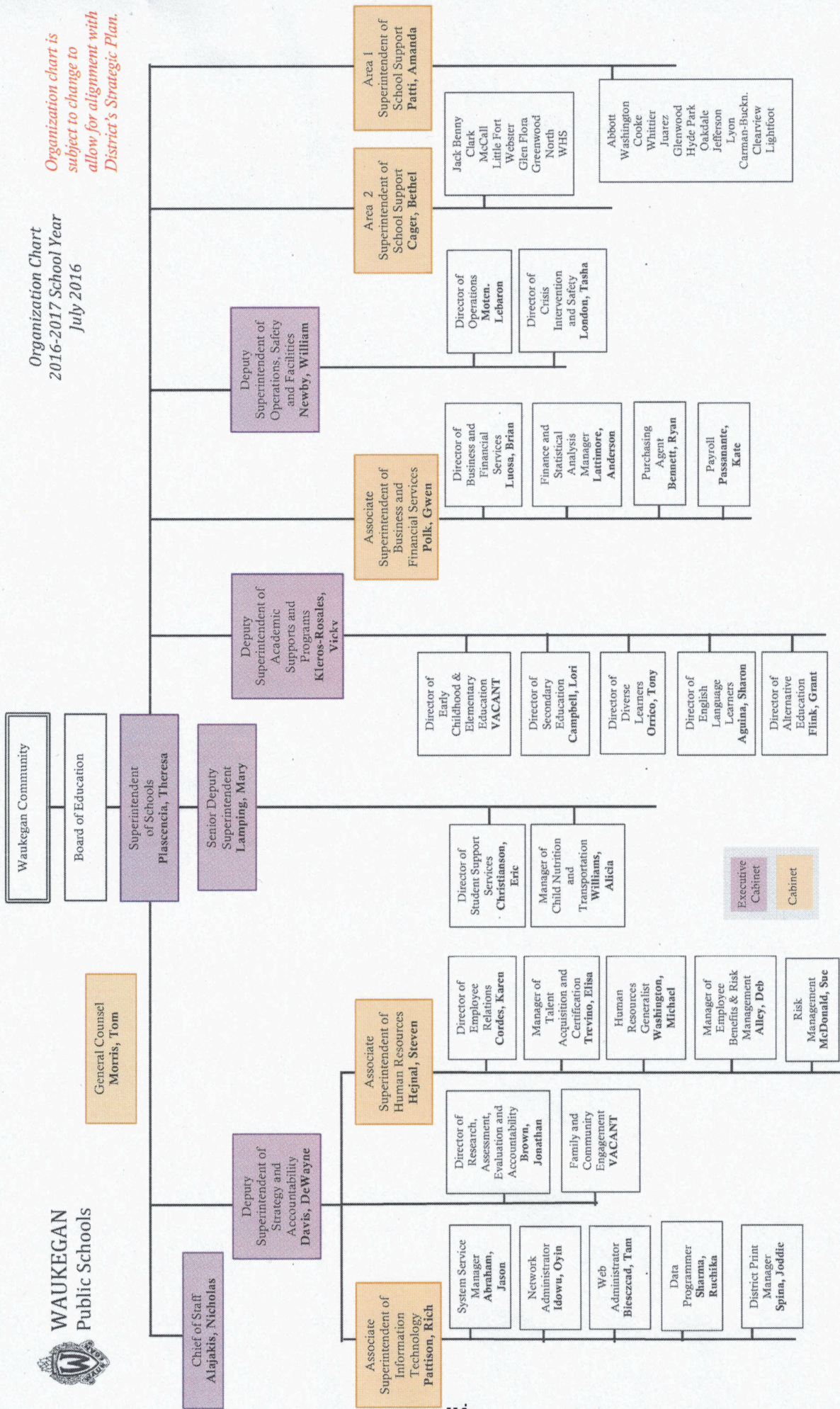
Theresa Plascencia

Theresa Plascencia
Superintendent of Schools



Organization Chart
2016-2017 School Year
July 2016

Organization chart is subject to change to allow for alignment with District's Strategic Plan.



**Waukegan Public Schools
District 60
Lincoln Center Administrative Building
1201 N. Sheridan, Waukegan, Illinois 60085**

Board of Education

Mr. R. Michael Rodriguez, President
Mr. Rick Riddle, Vice President
Ms. Anita M. Hanna
Mrs. June M. Maguire (Outgoing)
Mr. Miguel Rivera
Mrs. Victoria Torres (Outgoing)
Ms. Charlotte Callahan Wozniak
Mr. Jeffery McBride (Effective April 26, 2017)
Mr. Brandon Ewing (Effective April 26, 2017)

Superintendent's Cabinet

Ms. Theresa Plascencia, Superintendent of Schools
Mary L. Lamping, Ph.D., Senior Deputy Superintendent
DeWayne Davis, Ed. D., Deputy Superintendent of Strategy and Accountability
Vicky Kleros-Rosales, Deputy Superintendent of Academic Supports and Programs
William Newby, Ed. D., Deputy Superintendent of Operations, Safety and Facilities
Nicholas Alajakis, Chief of Staff/Public Information Officer
Bethel Cager, Ed.D, Area Superintendent of School Support
Amanda Patti, Area Superintendent of School Support
Rich Pattison, Associate Superintendent of Information Technology (Until 1/25/17)
Josue Cuevas, Ed.D, Executive Director of Information Technology (Effective 12/15/16)
Steve Hejnal, Associate Superintendent of Human Resources and Employee Relations
(Retired 11/30/16)
Angel Figueroa Interim Associate Superintendent of Human Resources and Employee
Relations (Effective 12/12/16)
Gwendolyn K. Polk, Associate Superintendent of Business and Financial Services

Officials Issuing Report

Ms. Theresa Plascencia, Superintendent of Schools
DeWayne Davis, Ed. D., Deputy Superintendent of Strategy and Accountability
Mrs. Gwendolyn K. Polk, Associate Superintendent of Business and Financial Services
Mr. Brian Luosa, Director of Business and Financial Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Waukegan Public Schools District 60

**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.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'. The signature is written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'John D. Musso'. The signature is written over a horizontal line.

John D. Musso, CAE
Executive Director

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FINANCIAL SECTION

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SINCE 1917

EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

1875 Hicks Road
Rolling Meadows, Illinois 60008

Telephone (847) 221-5700
Facsimile (847) 221-5701

INDEPENDENT AUDITOR'S REPORT

Board of Education
Waukegan Community Unit
School District No. 60
Waukegan, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waukegan Community Unit School District No. 60 (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District'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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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.

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 the District 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

Prior-Year Comparative Information

We have previously audited the District's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 27, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 the District's basic financial statements. The supplementary information, as listed in the table of contents, for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 recording 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 as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2017.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2016 (not presented herein), and have issued our report December 27, 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, as listed in the table of contents 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 as listed in the table of contents is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District'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 November 16, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Evans, Marshall & Pease, P.C.

Evans, Marshall & Pease, P.C.
Certified Public Accountants

November 16, 2017
Rolling Meadows, IL
(10)

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

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The discussion and analysis of Waukegan Community Unit School District No. 60's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal 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. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A").

Financial Highlights

- The District's financial status is impacted by tax cap limitations and the current state of the economy. Total net position increased \$3,314,807 or 7.26 percent over the course of the year.
- Property tax revenues (including personal property taxes) accounted for \$66,886,701 or 24.21 percent of total revenues.
- General state aid revenues accounted for \$99,089,810 or 35.86 percent of total revenues.
- Grants and contributions accounted for \$109,050,536, or 39.47 percent of total revenues.
- Instruction expenses accounted for \$173,948,152 or 63.72 percent of total expenses.
- Support services expenses accounted for \$90,467,818 or 33.14 percent of total expenses.
- The District partially refunded the 2010A and 2015A General Obligation Bonds and issued Series 2017 General Obligation Bond/Refunding Bonds in the amount of \$6,965,000.
- The District refunded and retired \$9,088,759 of bonds and the outstanding balance of bonds is \$68,396,189.
- The District did not issue any capital leases in Fiscal Year 2017.
- The District did not incur any short-term debt in Fiscal Year 2017.
- The District had \$272,980,149 in expenses related to governmental activities.

Overview of the Financial Statements

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

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

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

**Figure A-2
 Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as general fund	Instances in which District administers resources on behalf of someone else, such as student activity monies
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, but they can
Type of deferred inflows/outflows of resources information	All deferred inflows and outflows of resources, financial, short-term and long-term	Generally deferred outflows of resources to be used up and deferred inflows that come due during the year or soon thereafter; no capital or debt included	Not applicable
Type of inflow/outflow information	All revenues and expenses during the year, regardless of dates of actual cash transactions	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenditures are accounted for in the Statement of Activities regardless of when cash is received or disbursed. Both statements are prepared using the accrual basis of accounting.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating.

- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are all categorized as Governmental Activities. All of the District's basic services such as regular and special education, transportation and administration are included in the statements. The property tax extension and General State Aid are the two primary revenue sources financing these activities.

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are independent fiscal entities used to account for specific sources of funding and spending on particular programs. Some funds are required by state law such as Educational and Transportation and others the District establishes to manage and control monies for particular purposes. Capital Projects is an example.

The District's categories of funds:

- Governmental funds – most of the District's basic services are included in the governmental funds, which generally focus on: 1) how cash and other financial assets that can be readily converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship between them.
- Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance operations.
- The District maintains no proprietary funds.

Notes to the Financial Statements

The notes are an integral part of the financial statements and 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 operations presented to supplement the basic financial statements and progress in funding related to the Teachers' Retirement System, Illinois Municipal Retirement Fund, and Other Post Employment Benefits. The *Supplementary Information* provides additional analysis derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Financial Analysis of the District as a Whole

Figures A-3 and A-4 contain pertinent data for Fiscal Years 2017 and 2016 from the government-wide financial statements.

Statement of Net Position: The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2017 and 2016:

Figure A-3	Governmental Activities		% Increase (Decrease)
	2017	2016	
Assets:			
Current and other assets	\$ 88,576,211	\$ 84,829,505	4.42%
Capital assets	82,441,471	79,883,565	3.20%
Total Assets	171,017,682	164,713,070	3.83%
Deferred Outflows of Resources:			
Deferred charges on refunding	1,242,900	671,330	85.14%
Pensions	12,547,681	13,115,395	-4.33%
Total Deferred Outflows of Resources	13,790,581	13,786,725	0.03%
Liabilities:			
Other liabilities	7,154,444	5,291,792	35.20%
Noncurrent liabilities	120,637,114	121,738,868	-0.91%
Total Liabilities	127,791,558	127,030,660	0.60%
Deferred Inflows of Resources:			
Pensions	8,032,477	5,799,714	38.50%
Total Deferred Inflows of Resources	8,032,477	5,799,714	38.50%
Net Position:			
Net investment in capital assets	41,989,240	35,764,908	17.40%
Restricted	28,384,560	34,983,405	-18.86%
Unrestricted	(21,389,572)	(25,078,892)	-14.71%
Total Net Position	\$ 48,984,228	\$ 45,669,421	7.26%

Total Net Position: Please note that the amounts reported for governmental activities in the audit statement above are different from the governmental funds because (1) capital assets used in governmental activities are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including bonds payable and capital leases are not due in the current period and therefore not reported as liabilities in the funds. The result is that the total net position for governmental activities is \$48,984,228.

Restricted Net Position: A portion of the District's total net position is considered restricted. The District's restricted net position results from portions of governmental funds that are restricted, committed, or assigned, or in any other way limit the availability of fund resources for future use. The Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Tort, Debt Service, and Fire Prevention and Safety Funds are special revenue funds; by law, funds held in a special revenue fund are restricted to the purpose of the fund.

Waukegan Community Unit School District No. 60
Management's Discussion and Analysis
For the Year Ended June 30, 2017

The funds have a restricted balance as follows: Operations and Maintenance Fund, \$4,500,078; Transportation Fund, \$9,302,283; Municipal Retirement/Social Security Fund, \$3,879,620; Tort Fund, \$262,735; Debt Service Fund, \$9,911,587; and Fire Prevention and Safety Fund, \$528,257. The District's total restricted net position at the end of the fiscal year totaled \$28,384,560. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

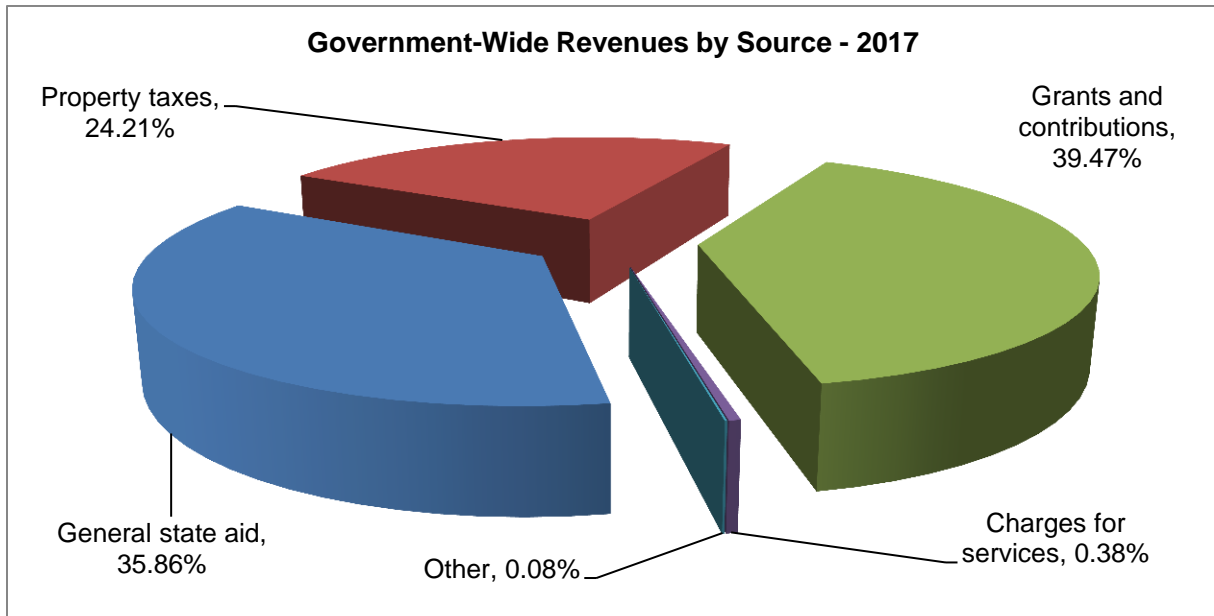
Changes in Net Position from Operating Results: The following is a summary of the District's changes in net position for the year ending June 30, 2017 and 2016:

	Governmental Activities		% Increase (Decrease)
	2017	2016	
Revenues:			
Program revenues			
Charges for services	\$ 1,046,314	\$ 2,383,052	-56.09%
Operating grants and contributions	108,712,852	87,728,359	23.92%
Capital grants and contributions	337,684	54,009	525.24%
General revenues			
Personal property replacement taxes	7,340,677	6,646,258	10.45%
Property taxes, levied for general purposes	49,950,489	49,396,031	1.12%
Property taxes, levied for debt service	9,595,535	9,298,223	3.20%
General state aid	99,089,810	95,338,757	3.93%
Unrestricted investment earnings	6,474	12,749	-49.22%
Other	215,121	14,628	1370.61%
Total Revenues	<u>276,294,956</u>	<u>250,872,066</u>	<u>10.13%</u>
Expenses:			
Instruction	173,948,152	151,138,859	15.09%
Support services	90,467,818	88,686,014	2.01%
Community services	955,062	1,155,437	-17.34%
Payments to other districts and gov't units	201,301	10,736	1775.01%
Interest and other on long-term debt	3,105,671	3,149,733	-1.40%
Depreciation - unallocated	4,302,145	5,119,756	-15.97%
Total Expenses	<u>272,980,149</u>	<u>249,260,535</u>	<u>9.52%</u>
Increase in Net Position	3,314,807	1,611,531	105.69%
Net Position, Beginning	<u>45,669,421</u>	<u>44,057,890</u>	
Net Position, Ending	<u><u>48,984,228</u></u>	<u><u>45,669,421</u></u>	

Changes in Net Position: The District's net position increased by \$3,314,807 to \$48,984,228 in fiscal year 2017. Net position in fiscal year 2016 totaled \$45,669,421. Revenues increased by 10.13%, while expenses increased by 9.52% in comparison to the previous year. The net effect is that the increase of net position is 105.69% higher than the increase in net position from the prior year.

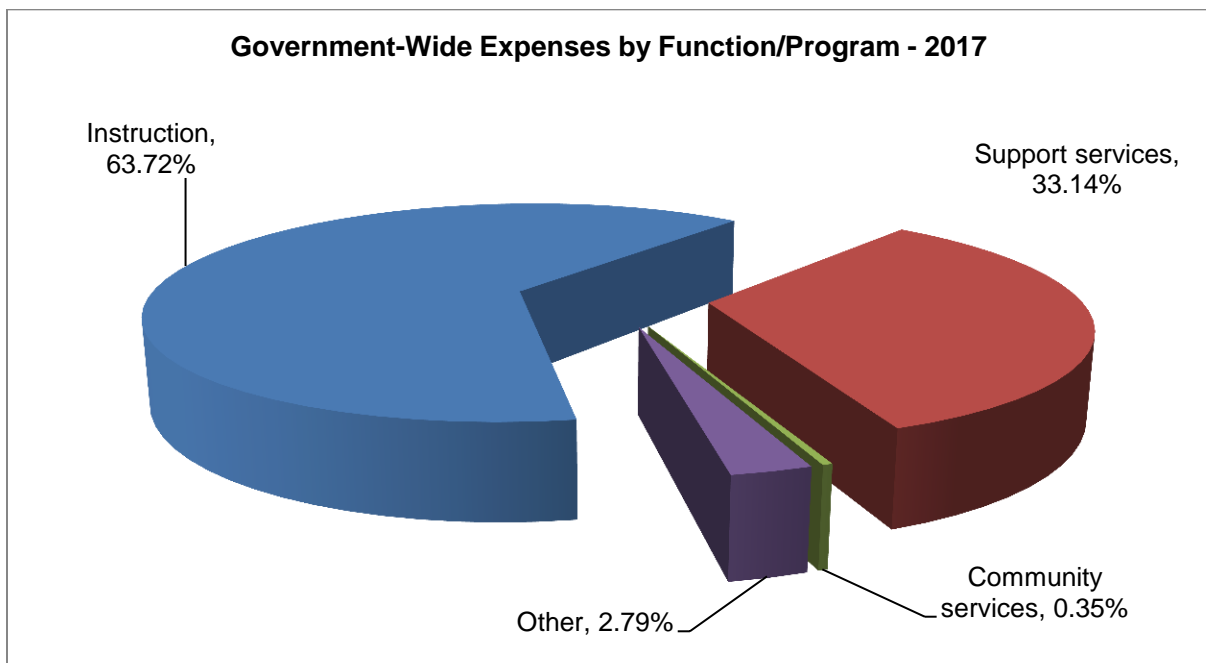
Revenues by Source: The District's total revenues were \$276,294,956, which is an increase of \$25,422,890 or 10.13% in comparison to the previous year. Operating grants and contributions of \$108,712,852 constituted a majority of the District's revenues (39.35%) and are an increase of 23.92% over last year. See the following chart for additional information (Figure A-5).

Figure A-5



Expenses by Function/Program: Total expenses were \$272,980,149, which is an increase of \$23,719,614 or 9.52% in comparison to the previous year. Instruction expenses of \$173,948,152 constituted a majority of the District's expenses (63.72%) and are an increase of 15.09% over last year. See the following chart for additional information (Figure A-6).

Figure A-6



Financial Analysis of the District's Funds

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds are at a healthy level for the year ended June 30, 2017.

All District funds are considered major. As the District closed the year, its governmental funds reported a combined fund balance of \$82,048,813, which was an increase of \$1,899,010 compared to the previous year ending fund balance of \$80,149,803.

General Fund (Educational and Working Cash Accounts)

- Fund balance increased by \$8,947,226, resulting in an ending fund balance of \$58,467,837.
- On June 28, 2017, the District issued \$5,740,000 in General Obligation Bonds.
- The District continues to monitor expenses and streamline efficiency, which has resulted in consecutive years of positive fund balance growth.

Operations and Maintenance Fund

- Fund balance decreased by \$3,412,976, resulting in an ending fund balance of \$4,500,078.
- The District transferred in \$3,000,000 from the Transportation Fund to cover revenue shortfall.
- The District made Capital Outlay expenditures in the amount of \$4,816,168.

Transportation Fund

- Fund balance decreased by \$1,590,697, resulting in an ending fund balance of \$9,302,283.
- Before the Board approved a transfer to the Operations and Maintenance Fund in the amount of \$3,000,000, the Transportation Fund had an excess of revenues over expenditures of \$1,409,303.

Municipal Retirement/Social Security Fund

- Fund balance increased by \$882,239 resulting in an ending fund balance of \$3,879,620.
- Revenues increased by \$1,207,320, with a major source being that the District allocated \$800,000 of General state aid to the fund in the current year.

Tort Fund

- Fund balance decreased by \$1,604,201, resulting in an ending fund balance of \$262,735.
- This is the second year where the District reported a significant loss, with a net change in fund balance decrease of \$1,861,111 in the prior year.
- Property tax revenue increased by \$231,320, but risk management and claim service salaries also increased by \$295,887.

Debt Service Fund

- Fund balance increased by \$150,389, resulting in an ending fund balance of \$10,028,511.
- On June 28, 2017, the District issued \$1,225,000 in Refunding Bonds.

Capital Projects Fund

- Fund balance decreased by \$464,327, resulting in an ending in a deficit fund balance of (\$4,920,508).

Fire Prevention and Safety Fund

- Fund balance decreased by \$1,008,643, resulting in an ending fund balance of \$528,257.
- The District had capital outlay expenditures for facilities acquisition and construction services in the amount of \$1,453,320, which is \$694,829 more than the previous fiscal year.

General Fund Budgetary Highlights

The General Fund includes the Educational and Working Cash Accounts. The District's original and final budget anticipated that expenditures would exceed revenues by \$7,080,536. The District actually had expenditures that exceeded revenues by \$2,772,630, a positive variance of \$4,307,906.

Additional General Fund budgetary highlights:

Revenues

- The actual General Fund property tax revenues, including personal property replacement taxes, of \$36,034,121 were \$2,619,373 higher than the original/final budget amount of \$33,414,748.
- The original and final budget passed had General State Aid revenues budgeted at \$97,700,000 and actual revenues of \$96,789,810. The District allocated \$1,500,000 to the Operations and Maintenance Fund and \$800,000 to the Municipal Retirement/Social Security Fund.
- The original and final budget for special education state grants was \$5,708,179. Actual revenues during the fiscal year were \$5,845,773. The District collected \$7,309,423 in the previous year.
- The Food Service Program, a significant federal revenue item, was budgeted at \$6,563,235. Actual revenues during the fiscal year were \$8,819,419.
- Federal special education revenues were budgeted at \$4,182,444, with actual revenues of \$3,620,337.

Expenditures

- The actual General Fund instruction expenditures of \$172,562,823 were \$65,968,507 higher than the original and final budget amount of \$106,594,316.
- Recorded in the instruction expenditures are state on-behalf retirement expenditures of \$70,488,511, which is \$24,204,126 higher than the prior year. The District does not budget for this amount, because there is offsetting revenue of the same amount.
- The original and final budget passed had support services expenditures budgeted at \$61,788,339 and actual expenditures of \$60,930,350.

- The original and final budget passed had community services expenditures budgeted at \$1,485,807 and actual expenditures of \$871,246.
- The payments to other districts and gov't units were budgeted at \$52,477. Actual expenditures during the fiscal year were \$201,301.
- Capital outlay expenditures were budgeted at \$975,018, with actual expenditures of \$280,415.

Capital Asset and Debt Administration

Capital Assets: Figure A-7 illustrates capital assets, net of depreciation. By the end of 2017, the District had invested \$82,441,471 in a broad range of capital assets, including school buildings, building improvements, equipment and vehicles. This amount represents a net increase of \$2,557,906 from the prior year. (More detailed information about capital assets can be found in Note 4 to the financial statements.)

Figure A-7

Governmental Activities	2017	2016	% Increase (Decrease)
Land	\$ 1,518,042	\$ 1,518,042	0.00%
Construction in progress	953,700	491,444	94.06%
Buildings	26,869,348	28,128,594	-4.48%
Improvements	50,512,638	47,327,808	6.73%
Equipment and vehicles	2,587,743	2,417,677	7.03%
Total	\$ 82,441,471	\$ 79,883,565	3.20%

Long-Term Obligations: At year-end, the District had \$120,599,546 in bonds and other long-term debt outstanding as shown in Figure A-8. The bonds include accreted interest. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

Figure A-8

Governmental Activities	2017	2016	% Increase (Decrease)
Bonds	\$ 68,396,189	\$ 68,626,550	-0.34%
Unamortized premium	1,748,417	1,306,984	33.77%
Capital leases	259,964	535,438	-51.45%
Compensated absences	323,586	286,018	13.13%
Pensions	39,560,831	41,070,317	-3.68%
Other post employment benefits	10,348,127	9,913,561	4.38%
Total	\$ 120,637,114	\$ 121,738,868	-0.91%

Factors Bearing on the District's Future

With the State of Illinois, there continues to be a material risk that future funding formula legislation will impact the District negatively. Legislation has been introduced in recent years to modify the school funding system. Several of these scenarios and pieces of legislation would reduce State revenue to the District.

Other factors bearing on the District's future include Health Care Reform, Pension Reform and a possible Property Tax Freeze. With respect to Health Care Reform, in June 2012, the Supreme Court upheld the "individual mandate" provided under the Patient Protection and Affordable Care Act (PPACA) on the basis that the mandate is a constitutional exercise of power of Congress to tax. Therefore, employers will need to continue to comply with the Act, including several upcoming requirements that affect health plans. The District continues to work to comply with PPACA.

In addition, legislators are continuing to discuss shifting a portion of the State's pension cost to school districts. In 2014, the General Assembly proposed a solution to alter pension benefits for current employees and retirees. The legislation was deemed to be unconstitutional and was never implemented. Although this legislation failed, it is likely that alternate legislation will be written that will shift costs for the pension system from the State to school districts.

The persistent climate of the State's economy is a continual concern. With the State prorating General State Aid for the past years, the State's ability to properly fund education is more questionable now than at any time in recent years.

Cost increases exceeding the general rate of inflation continue to be expected for the District relative to healthcare obligations for fiscal year 2018 and beyond. These costs represent a significant portion of the District's budget and their rate of increase is a concern to Administration and the Board of Education.

Other information related to the District's property taxes:

- Property tax receipts are the most significant source of revenues for school districts in the State of Illinois. The maximum a district can increase its tax receipts on a year-to-year basis is 5% or the increase in the Consumer Price Index (CPI), whichever is less. The District's revenues from property taxes in Fiscal Year 2016 were \$59,546,024, a \$851,770 increase from the prior year.
- In addition to the CPI increase, the tax base of the taxing district is an important component in determining district revenues. In general, a declining tax base will allow an increased overall tax rate. However, if in any given year the tax rate for a specific fund is at its maximum, a declining tax base the following year will result in lower revenue amounts. The Educational Account tax rates, both Education and Special Education, were at 4.00 percent and 0.80 percent for the Tax Year 2016 property tax extension and with an Equalized Assessed Valuation (i.e., tax base) of \$560,125,351.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, investors 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 any questions about this report or require additional information, contact the Administration Office/Lincoln Center, Waukegan Public Schools District 60, 1201 N. Sheridan Road, Waukegan, Illinois 60085.

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BASIC FINANCIAL STATEMENTS

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
STATEMENT OF NET POSITION
JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	TOTAL 2017 ACTUAL	TOTAL 2016 ACTUAL
ASSETS		
Cash	\$ 46,287,021	\$ 48,714,924
Receivables, net of allowances	42,038,489	35,873,179
Prepaid items	250,701	241,402
Capital assets not being depreciated:		
Land	1,518,042	1,518,042
Construction in progress	953,700	491,444
Capital assets, net of accumulated depreciation:		
Buildings	26,869,348	28,128,594
Improvements	50,512,638	47,327,808
Equipment and vehicles	2,587,743	2,417,677
Total Assets	171,017,682	164,713,070
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	1,242,900	671,330
Pensions	12,547,681	13,115,395
Total Deferred Outflows of Resources	13,790,581	13,786,725
LIABILITIES		
Accounts payable	5,931,310	3,577,017
Insurance payable	585,303	1,095,242
Payroll deductions and withholdings	10,785	7,302
Other payables	-	141
Accrued interest payable	116,924	101,968
Illinois municipal retirement payable	510,122	510,122
Noncurrent liabilities:		
Due within one year	8,953,416	8,933,317
Due in more than one year	111,683,698	112,805,551
Total Liabilities	127,791,558	127,030,660
DEFERRED INFLOWS OF RESOURCES		
Pensions	8,032,477	5,799,714
Total Deferred Inflows of Resources	8,032,477	5,799,714
NET POSITION		
Net investment in capital assets	41,989,240	35,764,908
Restricted for:		
Operations and maintenance	4,500,078	7,913,054
Transportation	9,302,283	10,892,980
Municipal retirement/social security	3,879,620	2,997,381
Tort	262,735	1,866,936
Debt service	9,911,587	9,776,154
Fire prevention and safety	528,257	1,536,900
Unrestricted	(21,389,572)	(25,078,892)
Total Net Position	\$ 48,984,228	\$ 45,669,421

The accompanying notes to the financial statements are an integral part of this statement.

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			TOTAL 2017 ACTUAL	TOTAL 2016 ACTUAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
Governmental Activities:						
Instruction	\$ 173,948,152	\$ 702,137	\$ 93,075,289	\$ -	\$ (80,170,726)	\$ (77,427,796)
Support services	90,467,818	344,177	15,637,563	337,684	(74,148,394)	(72,231,657)
Community services	955,062	-	-	-	(955,062)	(1,155,437)
Payments to other districts and gov't units	201,301	-	-	-	(201,301)	(10,736)
Interest and other on long-term debt	3,105,671	-	-	-	(3,105,671)	(3,149,733)
Depreciation - unallocated*	4,302,145	-	-	-	(4,302,145)	(5,119,756)
Total Governmental Activities	\$ 272,980,149	\$ 1,046,314	\$ 108,712,852	\$ 337,684	(162,883,299)	(159,095,115)
GENERAL REVENUES:						
Taxes:						
Personal property replacement taxes					7,340,677	6,646,258
Property taxes, levied for general purposes					49,950,489	49,396,031
Property taxes, levied for debt service					9,595,535	9,298,223
General state aid					99,089,810	95,338,757
Unrestricted earnings on investments					6,474	12,749
Other					215,121	14,628
Total General Revenues					166,198,106	160,706,646
CHANGES IN NET POSITION					3,314,807	1,611,531
NET POSITION, JULY 1, 2016					45,669,421	44,057,890
NET POSITION, JUNE 30, 2017					\$ 48,984,228	\$ 45,669,421

* This amount excludes direct depreciation expenses of the various programs.

The accompanying notes to the financial statements are an integral part of this statement.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2017
 WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
ASSETS				
Cash	\$ 31,988,627	\$ 2,937,600	\$ 4,609,460	\$ 669,038
Property taxes receivable, net of allowance for uncollectibles	14,328,175	2,295,928	3,192,187	3,210,582
Personal property replacement taxes receivable	1,159,902	-	-	-
Grants receivable	9,025,454	-	3,044,622	-
Prepaid items	-	-	-	-
Interfund receivables	5,254,926	4,456,181	-	-
Total Assets	61,757,084	\$ 9,689,709	\$ 10,846,269	\$ 3,879,620
LIABILITIES				
Accounts payable	\$ 2,693,668	\$ 641,964	\$ 1,543,986	\$ -
Insurance payable	585,303	-	-	-
Payroll deductions and withholdings	10,276	-	-	-
Other payables	-	-	-	-
Interfund payables	-	4,547,667	-	-
Total Liabilities	3,289,247	5,189,631	1,543,986	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	4,500,078	9,302,283	3,879,620
Assigned	10,775,236	-	-	-
Unassigned	47,692,601	-	-	-
Total Fund Balances	58,467,837	4,500,078	9,302,283	3,879,620
Total Liabilities and Fund Balances	\$ 61,757,084	\$ 9,689,709	\$ 10,846,269	\$ 3,879,620

The accompanying notes to the financial statements are an integral part of this statement.

<u>Tort Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Fire Prevention and Safety Fund</u>	<u>Total 2017 Actual</u>	<u>Total 2016 Actual</u>
\$ -	5,385,750	\$ -	\$ 696,546	\$ 46,287,021	\$ 48,714,924
832,754	4,642,761	-	306,124	28,808,511	28,744,234
-	-	-	-	1,159,902	1,196,651
-	-	-	-	12,070,076	5,932,294
250,701	-	-	-	250,701	241,402
-	-	-	-	9,711,107	9,003,848
<u>\$ 1,083,455</u>	<u>\$ 10,028,511</u>	<u>\$ -</u>	<u>\$ 1,002,670</u>	<u>\$ 98,287,318</u>	<u>\$ 93,833,353</u>
\$ 112,952	\$ -	\$ 464,327	\$ 474,413	\$ 5,931,310	\$ 3,577,017
-	-	-	-	585,303	1,095,242
509	-	-	-	10,785	7,302
-	-	-	-	-	141
707,259	-	4,456,181	-	9,711,107	9,003,848
<u>820,720</u>	<u>-</u>	<u>4,920,508</u>	<u>474,413</u>	<u>16,238,505</u>	<u>13,683,550</u>
250,701	-	-	-	250,701	241,402
12,034	10,028,511	-	528,257	28,250,783	34,843,971
-	-	-	-	10,775,236	7,666,466
-	-	(4,920,508)	-	42,772,093	37,397,964
<u>262,735</u>	<u>10,028,511</u>	<u>(4,920,508)</u>	<u>528,257</u>	<u>82,048,813</u>	<u>80,149,803</u>
<u>\$ 1,083,455</u>	<u>\$ 10,028,511</u>	<u>\$ -</u>	<u>\$ 1,002,670</u>	<u>\$ 98,287,318</u>	<u>\$ 93,833,353</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances - governmental funds (Exhibit C) \$ 82,048,813

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

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets:		
Land	\$ 1,518,042	
Construction in progress	953,700	
Buildings	68,082,713	
Improvements	64,499,630	
Equipment and vehicles	11,104,903	
	<u>146,158,988</u>	
Accumulated depreciation	<u>(63,717,517)</u>	82,441,471

Deferred charges included in the Statement of Net Position are not available to pay for current period revenues and, therefore, is not recognized in the governmental funds funds balance sheet.

Deferred charges on refunding	1,242,900	
Pensions	<u>12,547,681</u>	13,790,581

Certain revenues receivable by the District and recognized in the governmental funds balance sheet do not provide current financial resources and are deferred in the Statement of Net Position.

Pensions		(8,032,477)
----------	--	-------------

Long-term liabilities (e.g. bonds payable and capital leases payable) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. In addition, interest relating to long-term liabilities is not recorded in the governmental funds until due. All liabilities, both current and long-term are reported in the Statement of Net Position.

Balances as of June 30, 2017 are as follows:

Illinois municipal retirement payable	(510,122)	
Interest payable	(116,924)	
Bonds payable	(68,396,189)	
Capital leases payable	(259,964)	
Unamortized bond premium	(1,748,417)	
Pensions	(39,560,831)	
Other post employment benefits (OPEB)	(10,348,127)	
Compensated absences	<u>(323,586)</u>	<u>(121,264,160)</u>

Total net position - governmental activities (Exhibit A) \$ 48,984,228

The accompanying notes to the financial statements are an integral part of this statement.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
REVENUES:				
Local Sources:				
General tax levy	\$ 24,546,342	\$ 4,743,147	\$ 6,617,281	\$ 3,315,399
Special education levy	5,059,357	-	-	-
FICA/Medicare levy	-	-	-	3,316,477
Personal property replacement taxes	7,330,677	-	-	10,000
Regular - tuition	542	-	-	-
Summer school - tuition	108,352	-	-	-
Earnings on investments	5,671	803	-	-
Food services	299,144	-	-	-
District/School activity income	165,522	-	-	-
Textbooks	313,349	-	-	-
Rentals	44,058	-	-	-
Contributions and donations	975	-	-	-
Refund of prior years' expenditures	214,682	439	-	-
Other local sources	62,531	30,207	21,283	-
State Sources:				
General state aid	96,789,810	1,500,000	-	800,000
Special education	7,895,292	-	-	-
Career and technical education	17,361	-	-	-
Bilingual education	1,603,477	-	-	-
State free lunch and breakfast	66,594	-	-	-
Driver education	68,339	-	-	-
Transportation aid	-	-	6,089,899	-
Truant alternative/optional education	71,406	-	-	-
Early childhood block grant	3,514,844	-	-	-
Other state sources	67,405	337,684	-	-
On behalf payments - State of Illinois	70,488,511	-	-	-
Federal Sources:				
Food service	8,624,867	-	-	-
Title I - low income	4,286,167	-	-	-
Special education	3,218,231	-	-	-
Career and technical education	79,877	-	-	-
Title III - immigrant education program	4,009	-	-	-
Title III - language inst. program	466,684	-	-	-
Title II - teacher quality	365,770	-	-	-
Medicaid administrative outreach	603,324	-	-	-
Medicaid matching fee-for-service	252,879	-	-	-
Other federal sources	927,916	-	-	-
Total Revenues	237,563,965	6,612,280	12,728,463	7,441,876

Tort Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total 2017 Actual	Total 2016 Actual
\$ 1,720,137	\$ 9,595,535	\$ -	\$ 632,349	\$ 51,170,190	\$ 51,208,462
-	-	-	-	5,059,357	4,509,757
-	-	-	-	3,316,477	2,976,035
-	-	-	-	7,340,677	6,646,258
-	-	-	-	542	-
-	-	-	-	108,352	129,021
-	-	-	-	6,474	12,749
-	-	-	-	299,144	152,816
-	-	-	-	165,522	221,138
-	-	-	-	313,349	527,295
-	-	-	-	44,058	24,690
-	-	-	-	975	124,260
-	-	-	-	215,121	14,628
-	351	-	-	114,372	1,203,832
-	-	-	-	99,089,810	95,338,757
-	-	-	-	7,895,292	7,213,229
-	-	-	-	17,361	42,552
-	-	-	-	1,603,477	898,594
-	-	-	-	66,594	88,824
-	-	-	-	68,339	74,068
-	-	-	-	6,089,899	5,965,273
-	-	-	-	71,406	71,406
-	-	-	-	3,514,844	3,556,599
-	-	-	-	405,089	70,374
-	-	-	-	70,488,511	46,284,385
-	-	-	-	8,624,867	8,840,916
-	-	-	-	4,286,167	6,999,761
-	-	-	-	3,218,231	3,890,597
-	-	-	-	79,877	61,823
-	-	-	-	4,009	40,813
-	-	-	-	466,684	710,121
-	-	-	-	365,770	457,490
-	-	-	-	603,324	563,051
-	-	-	-	252,879	640,518
-	-	-	-	927,916	1,311,974
<u>1,720,137</u>	<u>9,595,886</u>	<u>-</u>	<u>632,349</u>	<u>276,294,956</u>	<u>250,872,066</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
EXPENDITURES				
Current:				
Instruction	\$ 172,521,750	\$ -	\$ -	\$ 2,311,251
Support services	60,733,730	8,197,872	11,319,160	4,008,205
Community services	904,106	-	-	50,956
Payments to other districts and gov't units	201,301	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Capital Outlay	175,103	4,816,168	-	-
Total Expenditures	<u>234,535,990</u>	<u>13,014,040</u>	<u>11,319,160</u>	<u>6,370,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,027,975</u>	<u>(6,401,760)</u>	<u>1,409,303</u>	<u>1,071,464</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000,000	-	-
Transfers out	(299,051)	(11,216)	(3,000,000)	(189,225)
Bonds issued	5,740,000	-	-	-
Premium on bonds issued	478,302	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,919,251</u>	<u>2,988,784</u>	<u>(3,000,000)</u>	<u>(189,225)</u>
NET CHANGES IN FUND BALANCES	8,947,226	(3,412,976)	(1,590,697)	882,239
FUND BALANCE, BEGINNING	<u>49,520,611</u>	<u>7,913,054</u>	<u>10,892,980</u>	<u>2,997,381</u>
FUND BALANCE, ENDING	<u>\$ 58,467,837</u>	<u>\$ 4,500,078</u>	<u>\$ 9,302,283</u>	<u>\$ 3,879,620</u>

The accompanying notes to the financial statements are an integral part of this statement.

Tort Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total 2017 Actual	Total 2016 Actual
\$ -	\$ -	\$ -	\$ -	\$ 174,833,001	\$ 151,193,881
3,324,338	-	48,867	187,672	87,819,844	84,881,316
-	-	-	-	955,062	1,155,437
-	-	-	-	201,301	10,736
-	4,032,289	-	-	4,032,289	3,272,711
-	5,808,263	-	-	5,808,263	6,071,427
-	165,508	-	-	165,508	254,831
-	-	415,460	1,453,320	6,860,051	4,287,344
<u>3,324,338</u>	<u>10,006,060</u>	<u>464,327</u>	<u>1,640,992</u>	<u>280,675,319</u>	<u>251,127,683</u>
<u>(1,604,201)</u>	<u>(410,174)</u>	<u>(464,327)</u>	<u>(1,008,643)</u>	<u>(4,380,363)</u>	<u>(255,617)</u>
-	499,492	-	-	3,499,492	3,680,342
-	-	-	-	(3,499,492)	(3,680,342)
-	-	-	-	5,740,000	7,000,000
-	-	-	-	478,302	-
-	1,225,000	-	-	1,225,000	9,130,000
-	160,982	-	-	160,982	977,838
-	(1,324,911)	-	-	(1,324,911)	(9,926,111)
-	560,563	-	-	6,279,373	7,181,727
(1,604,201)	150,389	(464,327)	(1,008,643)	1,899,010	6,926,110
<u>1,866,936</u>	<u>9,878,122</u>	<u>(4,456,181)</u>	<u>1,536,900</u>	<u>80,149,803</u>	<u>73,223,693</u>
<u>\$ 262,735</u>	<u>\$ 10,028,511</u>	<u>\$ (4,920,508)</u>	<u>\$ 528,257</u>	<u>\$ 82,048,813</u>	<u>\$ 80,149,803</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
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

Total net change in fund balances-governmental funds (Exhibit D) \$ 1,899,010

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

When capital assets that are to be used in governmental activities are purchased, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.

Depreciation expense	\$ (4,302,145)	
Capital outlay over capitalization limits	<u>6,860,051</u>	2,557,906

The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds	(5,740,000)	
Refunding bonds	(1,225,000)	
Deferred charges on refunding	706,374	
Premium on bonds issued	(478,302)	
Premium on refunding bonds issued	<u>(160,982)</u>	(6,897,910)

Repayment of debt principal is reported as an expenditure in governmental funds and thus, has the effect of reducing fund balance because current financial resources have been used. In the government-wide statements, however, the principal reduces the liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities. The District's debt was reduced by principal payments made to debt holders.

Advanced refunding of bond principal	628,759	
Principal payments made	<u>8,735,474</u>	9,364,233

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

These expenses include:

Accretion on capital appreciation bonds	(1,893,398)	
Amortization of deferred interest on refunding of bonds	(134,804)	
Amortization of bond premium	197,851	
Pensions	(1,290,991)	
Other post employment benefits (OPEB)	(434,566)	
Compensated absences	<u>(37,568)</u>	(3,593,476)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest is recognized as the interest accrues, regardless of when it is due.

(14,956)

Change in net position of governmental activities (Exhibit B) \$ 3,314,807

The accompanying notes to the financial statements are an integral part of this statement.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	<u>\$ 1,405,523</u>	<u>\$ 1,282,280</u>
Total Assets	<u><u>\$ 1,405,523</u></u>	<u><u>\$ 1,282,280</u></u>
LIABILITIES		
Due to student activity fund organizations	<u>\$ 1,405,523</u>	<u>\$ 1,282,280</u>
Total Liabilities	<u><u>\$ 1,405,523</u></u>	<u><u>\$ 1,282,280</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Waukegan Community Unit School District No. 60 (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

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

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

B. Basis of Presentation – Fund Accounting

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the District. The effect of interfund activity has been removed from these statements.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District does not have any proprietary funds.

The funds of the District are described below:

Governmental Funds

General Fund – The General Fund which consists of the legally mandated Educational Account and Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for revenues and expenditures which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds. Included in the Educational Account is the District’s food service operation. The food service operating is a self-supporting activity; however, measurement of profit and loss is not an objective. This method of reporting is required for reports filed with the ISBE.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Special Revenue Funds – Special Revenue Funds, which includes the Operations and Maintenance Fund, the Transportation Fund, the Municipal Retirement/Social Security Fund and the Tort Fund, are used to account for the proceeds of specified revenue sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

Capital Projects Funds – The Capital Project Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund, are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for authorized fire prevention and safety projects.

Fiduciary Fund Types (not included in government-wide statements)

Agency Funds – The Agency Funds (Student Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Major and Non-major Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered major by the District, or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The District has classified all funds as major:

General Fund – See above for description.

Operations and Maintenance Fund – A Special Revenue Fund to account for expenses paid for repair and maintenance of District property. Revenue consists primarily of local revenues.

Transportation Fund – A Special Revenue Fund to account for activity relating to student transportation to and from school. Revenues consist primarily of property taxes and state transportation grants.

Municipal Retirement/Social Security Fund – A Special Revenue Fund to account 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. Revenues consist primarily of property taxes and personal property replacement taxes.

Tort Fund – A Special Revenue Fund to account for the portion of the District's tax levy restricted for tort immunity expenditures in accordance with the *Illinois Compiled Statutes*.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Debt Service Fund – A Debt Service Fund used to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs.

Capital Projects Fund – A Capital Projects fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities.

Fire Prevention and Safety Fund – A Capital Projects fund used to account for financial resources to be used for activity relating to fire prevention and safety capital projects.

Equity / Net Position Classifications

Equity is classified as net position 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 any unspent debt proceeds.

Restricted net position – Consists of net position with constraints placed on their 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 do 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 as they are needed.

Governmental Fund Balance Reporting

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned.

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The nonspendable fund balance consists of the Tort Fund prepaid items (\$250,701).

Restricted – The restricted balance classification refers to amounts that are subject to restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are by definition restricted for those specified purposes. The restricted fund balance consists of the Operations and Maintenance Fund by statute (\$4,500,078), the Transportation Fund by statute (\$9,302,283), the Municipal Retirement/Social Security Fund by statute (\$3,879,620), the Tort Fund by statute (\$12,034), the Debt Service Fund by statute (\$10,028,511), and the Fire Prevention and Safety Fund by statute (\$528,257), totaling \$28,250,783. The District has several revenue sources received within different funds that fall into these categories:

- Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. As of June 30, 2017, expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- State grants – proceeds from state grants and the related expenditures have been included in the Educational Account and the Transportation Fund. At June 30, 2017, expenditures exceeded revenues from state grants, resulting in no restricted fund balance.
- Federal grants – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2017, expenditures exceeded revenues from federal grants, resulting in no restricted fund balance.
- Social Security – revenues and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2017, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit that amount. The formal action required to modify, rescind or commit fund balance is by formal resolution of the school board to allocate funds to a specific project. There are no committed fund balance designations.

Assigned – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education may assign amounts for specific purposes. Assignments may take place after the end of the reporting period. The assigned fund balance is the General Fund insurance cash of \$10,775,236.

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance consists of the General Fund (\$47,692,601) and the Capital Projects Fund negative fund balance (\$4,920,508), totaling \$42,772,093.

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

C. Measurement Focus/Basis of Accounting

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

The governmental fund financial statements use the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Agency funds are also presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements and governmental funds are presented on the modified accrual basis of accounting, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual: i.e. both measurable and available. Measurable means the amount of the transaction can be determined and available means due and collectible within the current period or 60 days after year-end to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payment to be made in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs is used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Those revenues susceptible to accrual are property taxes, replacement taxes, interest revenue and intergovernmental revenues. Grant funds are considered earned to the extent of expenditures made under the grant provisions. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash as they are not generally measurable until actually received. Amounts reported as program revenues include: 1) charges for services (i.e. student and parental fees as well as payments from other governments for services rendered), 2) operating grants and contributions (i.e. state and federal grant monies received for specific programs), and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Cash and Deposits

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and certificates of deposits.

E. Investments

Investments are stated at fair value. Changes in fair value are included as earnings on investments. The District has no investments as of June 30, 2017.

F. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. Receivables

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. Major receivable balances are shown on the exhibits. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

H. Property Taxes

The District must file its tax levy ordinance by the last Tuesday in December of each year. The 2016 levy was passed on December 13, 2016. The 2015 levy was passed on November 10, 2015. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Lake County Assessor is responsible for the assessment of all taxable real property within Lake County except for certain railroad property which is assessed directly by the State. The County is reassessed every four years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Lake County Collector/Treasurer who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about June 1 and September 1 during the following year. Substantial collections are received by the District in June and September.

In the governmental-wide financial statements revenue is recognized based on the period that the levy is intended to finance. Based upon collection histories, the District has provided an allowance for uncollectible real property taxes equal to 1.0% of the current extension. All property taxes receivable over one year old have been written off.

I. Program Revenues

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

J. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in the order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year-end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

K. Capital Assets

In the governmental-wide financial statements, capital outlay expenditures are accounted for as capital assets. All capital outlay expenditures which exceed a capitalization threshold of \$5,000 per asset are capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2002, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20-50 years, equipment 10 years, and transportation equipment 5 years. Land and construction in progress are not depreciated.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debts, to be repaid from governmental resources, are reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

M. Prepaid items

The District's prepaid amount is accounted for using the consumption method. At June 30, 2017, \$250,701 is from insurance premiums for insurance purchased on a calendar basis policy year. This amount is reported as a non-spendable fund balance in the governmental funds.

N. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. Vacation pay is accrued when incurred in the government-wide financial statements.

Vacation pay accrual is calculated by dividing the annual salary by 261 days to determine the daily rate of pay. Then the daily rate is multiplied by the number of unpaid days at June 30, 2017, to determine the total balance due. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation and/or retirement. The General Fund is typically used to liquidate the compensated absences in prior years. At June 30, 2017, the amount of compensated absences as a liability is \$323,586.

O. Restricted Assets

Restricted assets are used for qualified restricted purposes prior to the use of unrestricted assets for restricted purposes.

P. Assigned Assets

Certain monies are set aside for the operation of the District self-insurance plan. The plan is funded through District and employee contributions, and expenditures are incurred when claims are paid. Resources for payment of these expenditures are maintained in bank accounts and assigned for this use.

Q. 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for this category. The first is deferred charges on refunding reported in the government-wide statement of position (\$1,242,900). A deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is pensions reported in the government-wide statement of position (\$12,547,681). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item which arises only under a modified accrual basis of accounting which qualifies for reporting in this category. It is pensions reported in the government-wide statement of net position (\$8,032,477). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 – CASH AND DEPOSITS

The District's cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and certificates of deposit. The District has adopted a formal written investment and cash management policy that is in compliance with Illinois law. The financial institutions in which accounts are made must be approved by the Board of Education.

The District maintains a cash pool that is available for use by all funds. In addition, accounts may be separately held by some of the District's funds.

At June 30, 2017, the carrying amount of the District's deposits totaled \$47,692,544 (\$46,287,021 governmental and \$1,405,523 fiduciary). The bank balances totaling \$65,346,670 are separated into the following components as follows:

	Governmental	Fiduciary	Total
Cash and Deposits	\$ 63,790,602	\$ 1,556,068	\$ 65,346,670
			Maturity
			Less Than
			Six Months
Cash and Deposits	Amount		
Cash with financial institutions	\$ 52,709,919	\$ 52,709,919	
Savings Deposit/Money market accounts	12,500,457	12,500,457	
ISDLAF+	121,288	121,288	
Non-Negotiable CD's	15,006	15,006	
Total Cash and Deposits	\$ 65,346,670	\$ 65,346,670	

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 2 – CASH AND DEPOSITS (Concluded)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s portfolio consists of accounts with maturities of six months or less.

Credit Risk. Under Illinois law, the District is restricted to investing funds in specific types of funds. The following generally represents the types of funds allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Money Market Fund.
- The Illinois School District Liquid Asset Fund (ISDLAF+)
- Repurchase agreements, which meet instrument transactions, requirements of Illinois law.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. This fund is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits, investments, or collateral securities that are in possessions of an outside party. As of June 30, 2017, the District’s bank balance of \$65,346,670 is exposed to custodial credit risk as follows:

Depository Account	Bank Balance
Insured	\$ 623,259
Collateralized	64,602,123
Uninsured and uncollateralized	121,288
Total	\$ 65,346,670

Deposits with the Illinois School District Liquid Asset Fund and Max Cash Fund of \$121,288 are not insured by FDIC and are not collateralized by any private source.

Concentration of Credit Risk. The District’s policy states investments shall be diversified to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. The District shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

Foreign currency risk. The District does not have any investments denominated in a currency other than the U.S. dollar.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2017, is as follows:

Account	Amount
Property taxes	\$ 28,808,511
Personal property replacement taxes	1,159,902
Due from federal government	684,875
Due from state government	11,385,201
Total	\$ 42,038,489

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 1,518,042	\$ -	\$ -	\$ 1,518,042
Construction in progress	491,444	953,700	491,444	953,700
Total Capital Assets Not Being Depreciated	2,009,486	953,700	491,444	2,471,742
Capital Assets Being Depreciated:				
Buildings	68,082,713	-	-	68,082,713
Improvements	58,283,337	6,216,293	-	64,499,630
Equipment	9,207,700	181,502	-	9,389,202
Vehicles	1,715,701	-	-	1,715,701
Total Capital Assets Being Depreciated	\$ 137,289,451	\$ 6,397,795	\$ -	\$ 143,687,246
Less: Accumulated Depreciation				
Buildings	39,954,119	1,259,246	-	41,213,365
Improvements	10,955,529	3,031,463	-	13,986,992
Equipment	6,909,580	9,322	-	6,918,902
Vehicles	1,596,144	2,114	-	1,598,258
Total Accumulated Depreciation	59,415,372	4,302,145	-	63,717,517
Net Depreciable Capital Assets	77,874,079	2,095,650	-	79,969,729
Net Total Capital Assets	\$ 79,883,565	\$ 3,049,350	\$ 491,444	\$ 82,441,471

Depreciation is not charged to any specific function.

NOTE 5 – DEBT SERVICE REQUIREMENTS

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2017:

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)

	Beginning Balance	Accretions/ Increases	Refunded/ Decreases	Ending Balance	Due Within One Year
Bonds:					
1999 B Building Bonds	\$ 13,948,220	\$ 605,355	\$ 4,800,000	\$ 9,753,575	\$ 5,075,000
2001A Working Cash/Refunding Bonds	17,863,014	904,069	3,480,000	15,287,083	3,480,000
2006 General Obligation Bond	180,000	-	180,000	-	-
2010 A General Obligation Bond	7,000,316	383,974	323,759	7,060,531	-
2010 B General Obligation Bond/ Refunding Bonds	13,505,000	-	-	13,505,000	-
2015 A General Obligation Bond/ Refunding Bonds	8,130,000	-	305,000	7,825,000	-
2015 B General Obligation Bond/ Refunding Bonds	1,000,000	-	-	1,000,000	-
2016 General Obligation Bond	7,000,000	-	-	7,000,000	-
2017 Working Cash/Refunding Bonds	-	6,965,000	-	6,965,000	-
Total Bonds	68,626,550	8,858,398	9,088,759	68,396,189	8,555,000
Unamortized bond premium	1,306,984	639,284	197,851	1,748,417	200,503
Capital leases:					
US Bank - Konica Bizhubs Copiers (5)	1,305	-	1,305	-	-
US Bank - Konica Bizhubs Copiers (1)	1,454	-	1,454	-	-
US Bank - Konica Bizhubs Copiers (3)	3,841	-	3,841	-	-
US Bank - Konica Bizhubs Copiers (5)	7,838	-	7,838	-	-
US Bank - Konica Bizhubs Copiers (1)	1,593	-	1,467	126	126
US Bank - Konica Bizhubs Copiers (27)	70,910	-	60,489	10,421	10,421
US Bank - Konica Bizhubs Copiers (1)	1,945	-	1,356	589	589
US Bank - Konica Bizhubs Copiers (15)	45,100	-	26,544	18,556	18,556
US Bank - Konica Bizhubs Copiers (13)	38,973	-	21,793	17,180	17,180
US Bank - Konica Bizhubs Copiers (25)	75,283	-	40,087	35,196	35,196
US Bank - Konica Bizhubs Copiers (18)	54,750	-	25,468	29,282	26,963
US Bank - Konica Bizhubs Copiers (17)	35,733	-	15,275	20,458	16,240
US Bank - Konica Bizhubs Copiers (21)	77,545	-	28,670	48,875	30,353
US Bank - Konica Bizhubs Copiers (12)	39,108	-	13,922	25,186	14,802
US Bank - Konica Bizhubs Copiers (14)	80,060	-	25,965	54,095	27,487
Total Capital Leases	535,438	-	275,474	259,964	197,913
Compensated absences	286,018	185,069	147,501	323,586	-
Pensions	41,070,317	-	1,509,486	39,560,831	-
Other post employment benefits (OPEB)	9,913,561	434,566	-	10,348,127	-
Total Long-Term Debt	\$ 121,738,868	\$ 10,117,317	\$ 11,219,071	\$ 120,637,114	\$ 8,953,416

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)

Bonds

On January 15, 1999, the District issued General Obligation School Bonds in the amount of \$32,895,316. These bonds were issued in two series. The "A" series of Current Interest Bonds (CIBs) in the amount of \$22,595,000 and the "B" series of Capital Appreciation Bonds (CABs) in the amount of \$10,300,316. The issue provides for serial retirement of principal each year beginning December 1, 2000, with interest rates ranging from 3.20% to 6.00% payable on June 1 and December 1 each year. On January 28, 2010, a portion of the bonds were refunded by the 2010 Series B & C bonds. Any amount necessary to retire the remaining debt has been placed in escrow and is considered defeased and no longer an obligation of the District. The balance due on the Series "A" CIBs as of June 30, 2017, is \$-0- and the Series "B" CABs is \$9,753,575 including accreted interest.

On November 1, 2001, the District issued General Obligation Refunding Limited Tax School Bonds in the amount of \$9,729,222. The issue provides for retirement of principal on November 1, 2012, and for serial retirement of the remaining principal each year beginning November 1, 2016, with interest rates ranging from 4.66% to 5.51% payable on May 1 and November 1 or each year. The balance due as of June 30, 2017, is \$15,287,083 including accreted interest.

On December 14, 2006, the District issued Taxable General Obligation Bonds (Alternative Revenue Source) in the amount of \$1,685,000. The issue is to provide monies to pay the District's Early Retirement Incentive liability to the Illinois Municipal Retirement Fund. The interest rates are 5.13% to 5.34% payable on January 1 and July 1 of each year commencing January 1, 2007, and principal retirement beginning January 1, 2008, through January 1, 2017. The payment of principal and interest will be paid from available funds in the IMRF fund. The bond was paid in full during the year ended June 30, 2017.

On January 28, 2010, the District issued General Obligation Limited Tax and Refunding Bonds in the amount of \$29,780,268 in three series. The 2010 "A" CIB issue provides for retirement of principal and interest on June 1, 2010. The 2010 "A" CABs provide for retirement of principal and interest each December 1, starting in 2022, continuing through December 1, 2024. Interest rates on the Series "A" bonds range from 5.30% to 5.48%. The 2010 "B" CIBs provide for paying interest each June 1 and December 1 with principal payments resuming December 1, 2019, through December 1, 2021. Interest rates on the Series "B" bonds range from 4.00% to 5.00%. The 2010 "C" CIB issue provides for payment of interest starting June 1, 2010 and principal and interest on December 1, 2010, continuing through December 1, 2012. Interest rates on the Series "C" bonds range from 1.00% to 2.50%. At June 30, 2016, the remaining balance due on the Series "A" CABs is \$7,060,531 including accreted interest, the Series "B" CIBs is \$13,505,000, and the Series "C" CIBs is \$-0-, for a total due on the 2010 bonds of \$20,565,531.

On October 29, 2015, the District issued General Obligation/Refunding Bonds, Series 2015A, in the amount of \$8,130,000. The issue provides for retirement of principal starting January 1, 2026, and each January 1 continuing through January 1, 2028. The issue provides for interest payments starting July 1, 2016, and each January 1 and July 1 continuing through January 1, 2028. Interest rates range from 3.00% to 5.00%. The balance due as of June 30, 2017, is \$7,825,000.

On October 29, 2015, the District issued General Obligation/Refunding Bonds, Series 2015B, in the amount of \$1,000,000. The issue provides for retirement of principal on January 1, 2026. The issue provides for interest payments starting July 1, 2016, and each January 1 and July 1 continuing through January 1, 2026. The interest rate is 5.00%. The balance due as of June 30, 2017, is \$1,000,000.

On June 2, 2016, the District issued General Obligation Bonds in the amount of \$7,000,000. The issue provides for retirement of principal on January 1, 2032. The issue provides for interest payments starting July 1, 2017, and each January 1 and July 1 continuing through January 1, 2032. The interest rate is 4.00%. The payment of principal and interest will be paid from available funds in the Operations and Maintenance Fund. The balance due as of June 30, 2017, is \$7,000,000.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)

On June 28, 2017, the District issued General Obligation/Refunding Bonds in the amount of \$6,965,000. The issue provides for retirement of principal starting January 1, 2028, and each January 1 continuing through January 1, 2030. The issue provides for interest payments starting January 1, 2018, and each January 1 and July 1 continuing through January 1, 2030. Interest rates range from 3.00% to 5.00%. The balance due as of June 30, 2017, is \$6,965,000.

Advance Refunding of Bonds Outstanding

On June 28, 2017, the District issued \$6,965,000 (\$1,225,000 refunding portion) in general obligation bonds with interest rates ranging from 3.00% to 5.00%. The proceeds were used to advance refund \$323,759 of outstanding 2010A General Obligation Bonds and \$305,000 of outstanding 2015A General Obligation Bonds, totaling \$628,759. The net proceeds proceeds of \$1,324,911 were deposited with an escrow agent to provide funds for future debt service payments on the refunded bonds. As a result, the 2010A and 2015A Series Bonds are considered partially defeased and the liability for those bonds has been removed from the financial statements. The District obtained an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$59,271.

Defeasance of Debt: The District defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2017, \$523,207 of defeased bonds remains outstanding.

As of June 30, 2017, the annual debt service cash flow requirements to service all bonds (including interest accretion) are:

Year Ending June 30	Principal	Interest	Total
2018	\$ 8,555,000	\$ 1,403,093	\$ 9,958,093
2019	8,670,000	1,387,800	10,057,800
2020	8,845,000	1,258,500	10,103,500
2021	9,085,000	1,017,100	10,102,100
2022	6,015,000	854,300	6,869,300
2023	3,325,000	958,600	4,283,600
2024	3,325,000	958,600	4,283,600
2025	3,325,000	958,600	4,283,600
2026	3,325,000	958,600	4,283,600
2027	3,485,000	798,850	4,283,850
2028	3,015,000	624,600	3,639,600
2029	3,260,000	524,150	3,784,150
2030	2,705,000	361,150	3,066,150
2031	-	280,000	280,000
2032	7,000,000	280,000	7,280,000
Interest portion of CABs included in principal	(5,538,811)	5,538,811	-
Total	<u>\$ 68,396,189</u>	<u>\$ 18,162,754</u>	<u>\$ 86,558,943</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)

Lease/Purchase Agreements

The District has acquired certain property and equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

On June 9, 2011, the District entered into a lease/purchase agreement with US Bank for the purchase of 5 Konica Bizhub copier machines (equipment), totaling \$66,948, with a monthly payment of \$1,312 including interest at 6.57%. The lease/purchase agreement was paid in full during the year ended June 30, 2017.

On November 29, 2011, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling \$18,797, with a monthly payment of \$368 including interest at 6.57%. The lease/purchase agreement was paid in full during the year ended June 30, 2017.

On March 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 3 Konica Bizhub copier machines (equipment), totaling \$25,343, with a monthly payment of \$492 including interest at 6.37%. The lease/purchase agreement was paid in full during the year ended June 30, 2017.

On March 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 5 Konica Bizhub copier machines (equipment), totaling \$51,668, with a monthly payment of \$1,002 including interest at 6.14%. The lease/purchase agreement was paid in full during the year ended June 30, 2017.

On August 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling \$6,547, with a monthly payment of \$127 including interest at 6.14%. The remaining balance due at June 30, 2017, is \$126.

On August 24, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 27 Konica Bizhub copier machines (equipment), totaling \$273,321, with a monthly payment of \$5,248 including interest at 6.71%. The remaining balance due at June 30, 2017, is \$10,421.

On December 12, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling \$6,194, with a monthly payment of \$120 including interest at 5.94%. The remaining balance due at June 30, 2017, is \$589.

On March 15, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 15 Konica Bizhub copier machines (equipment), totaling \$123,409, with a monthly payment of \$2,369 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$18,556.

On April 8, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 13 Konica Bizhub copier machines (equipment), totaling \$101,803, with a monthly payment of \$1,955 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$17,180.

On May 6, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 25 Konica Bizhub copier machines (equipment), totaling \$188,149, with a monthly payment of \$3,612 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$35,196.

On August 16, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 18 Konica Bizhub copier machines (equipment), totaling \$121,256, with a monthly payment of \$2,328 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$29,282.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)

On September 26, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 17 Konica Bizhub copier machines (equipment), totaling \$73,217, with a monthly payment of \$1,420 including interest at 6.14%. The remaining balance due at June 30, 2017, is \$20,458.

On January 17, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 21 Konica Bizhub copier machines (equipment), totaling \$140,444, with a monthly payment of \$2,697 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$48,875.

On February 28, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 12 Konica Bizhub copier machines (equipment), totaling \$68,459, with a monthly payment of \$1,328 including interest at 6.14%. The remaining balance due at June 30, 2017, is \$25,186.

On July 1, 2015, the District entered into a lease/purchase agreement with US Bank for the purchase of 14 Konica Bizhub copier machines (equipment), totaling \$129,623, with a monthly payment of \$2,489 including interest at 5.71%. The remaining balance due at June 30, 2017, is \$54,095.

As of June 30, 2017, the annual debt service requirements to cover outstanding lease/purchase agreements are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 197,913	\$ 9,122	\$ 207,035
2019	62,051	2,132	64,183
Total	<u>\$ 259,964</u>	<u>\$ 11,254</u>	<u>\$ 271,218</u>

Total Annual Debt Service Requirements

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 8,752,913	\$ 1,412,215	\$ 10,165,128
2019	8,732,051	1,389,932	10,121,983
2020	8,845,000	1,258,500	10,103,500
2021	9,085,000	1,017,100	10,102,100
2022	6,015,000	854,300	6,869,300
2023	3,325,000	958,600	4,283,600
2024	3,325,000	958,600	4,283,600
2025	3,325,000	958,600	4,283,600
2026	3,325,000	958,600	4,283,600
2027	3,485,000	798,850	4,283,850
2028	3,015,000	624,600	3,639,600
2029	3,260,000	524,150	3,784,150
2030	2,705,000	361,150	3,066,150
2031	-	280,000	280,000
2032	7,000,000	280,000	7,280,000
Interest portion of CABs included in principal	<u>(5,538,811)</u>	<u>5,538,811</u>	<u>-</u>
Total	<u>\$ 68,656,153</u>	<u>\$ 18,174,008</u>	<u>\$ 86,830,161</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 5 – DEBT SERVICE REQUIREMENTS (Concluded)

Debt Limit

The Illinois School Code limits the amount of bond indebtedness to 13.8 percent of \$635,716,516, the most recent available assessed valuation of the District. At June 30, 2017, the District's bonded debt limit is \$87,728,879, and its remaining debt margin is \$35,847,155, which is 47.71 percent of its total legal debt limit after taking into account amounts available in the Debt Service Fund.

Operating Leases

The District has entered into leases for automobiles to be utilized by District personnel and Driver Education classes.

Operating lease activity for the year ended June 30, 2017, was as follows:

	Lease Term	Beginning Balance	Increases	Decreases	Ending Balance
Automobiles:					
2014 Toyota Corolla	36 months	\$ 2,167	\$ -	\$ 2,167	\$ -
2014 Toyota Corolla	36 months	2,167	-	2,167	-
2014 Toyota Corolla	36 months	2,167	-	2,167	-
2015 Toyota Corolla	36 months	5,509	-	2,635	2,874
2017 Toyota Corolla	36 months	-	7,895	658	7,237
2017 Toyota Corolla	36 months	-	7,901	658	7,243
2017 Toyota Corolla	36 months	-	7,909	659	7,250
Total Operating Leases		<u>\$ 12,010</u>	<u>\$ 23,705</u>	<u>\$ 11,111</u>	<u>\$ 24,604</u>

As of June 30, 2017, future minimum lease payments for the leases are as follows:

Year Ending June 30,	Lease Obligation				Total
	2015 Toyota Corolla	2017 Toyota Corolla	2017 Toyota Corolla	2017 Toyota Corolla	
2018	\$ 2,874	\$ 2,632	\$ 2,634	\$ 2,637	\$ 10,777
2019	-	2,631	2,634	2,636	7,901
2020	-	1,974	1,975	1,977	5,926
Total	<u>\$ 2,874</u>	<u>\$ 7,237</u>	<u>\$ 7,243</u>	<u>\$ 7,250</u>	<u>\$ 24,604</u>

Operating leases are liquidated by the General Fund.

NOTE 6 – PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2016 tax levy, payable in 2017, was December 13, 2016. The adoption date for the 2015 tax levy, payable in 2016, was November 10, 2015. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately June 1 and September 1 of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2016 and 2015 tax levy years.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – PROPERTY TAXES (Cont'd)

The following are summaries of the past two years' assessed valuation, legal limit, tax rates, and the tax extensions created therefrom for Lake County. The tax rates were developed according to the Property Tax Limitation Act.

Fund	Legal Limit	Levy			
		2016		2015	
		Rates	Extensions	Rates	Extensions
Equalized Assessed Valuation:		\$ 635,716,516		\$ 568,100,666	
Educational	4.000	3.861	\$ 24,541,951	4.000	\$ 22,724,027
Special Education	0.800	0.800	5,085,732	0.800	4,544,805
Operations and Maintenance	0.750	0.750	4,767,874	0.750	4,260,755
Transportation	*	1.043	6,629,106	1.780	10,110,215
Municipal Retirement	*	0.524	3,333,653	0.493	2,800,003
Social Security	*	0.524	3,333,653	0.528	3,000,004
Debt Service (Bond and Interest)	*	1.517	9,641,461	1.650	9,372,411
Working Cash	0.050	0.020	127,143	0.050	284,050
Tort	*	0.272	1,729,352	0.264	1,500,002
Fire Prevention and Life Safety	0.100	0.100	635,716	0.098	555,000
Totals		9.411	\$ 59,825,641	10.412	\$ 59,151,272

NOTE 7 – SPECIAL TAX LEVIES AND RESTRICTED EQUITY

Special Education Levy

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Account of the General Fund. Cumulative expenditures disbursed exceeded cumulative revenues received; therefore, there are no restricted funds in accordance with the *Illinois Compiled Statutes*. Other District revenues were used to cover the remaining special education expenses.

NOTE 8 – RETIREMENT SYSTEMS

A. Teachers' Retirement System (TRS) of the State of Illinois

General Information about the Pension Plan

Plan Description

The employer 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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 West Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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.

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

Contributions

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

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2017, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$69,500,097 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 \$511,752, and are deferred because they were paid after the June 30, 2016 measurement date.

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$1,899,296 were paid from federal and special trust funds that required employer contributions of \$731,989. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

Employer retirement contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016, is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer paid \$-0- to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the employer paid \$118,741 to TRS for employer contributions due on salary increases in excess of 6 percent and \$12,611 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2017, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

Employer's proportionate share of the net pension liability	\$ 24,600,290
State's proportionate share of the net pension liability associated with the employer	<u>707,696,371</u>
Total	<u><u>\$ 732,296,661</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the employer's proportion was .0312 percent, which was a (decrease) of .008 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the employer recognized pension expense of \$69,500,097 and revenue of \$70,819,512 for support provided by the state. At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 181,897	\$ 16,684
Net difference between projected and actual earnings on pension plan investments	695,002	-
Changes of assumptions	2,112,798	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7,754,302
Total deferred amounts to be recognized in pension expense in future periods	<u>2,989,697</u>	<u>7,770,986</u>
<i>Pension contributions made subsequent to the measurement date</i>	<u>1,253,568</u>	<u>-</u>
Total	<u>\$ 4,243,265</u>	<u>\$ 7,770,986</u>

\$1,253,568 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2018	\$ (1,777,083)
2019	(1,777,083)
2020	(810,313)
2021	(306,794)
2022	(110,016)
Total	<u>\$ (4,781,289)</u>

Actuarial Assumptions

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

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

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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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

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

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

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 changed 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 the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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

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

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 30,087,153	\$ 24,600,290	\$ 20,118,978

TRS Fiduciary Net Position

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

B. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

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

Benefits Provided

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

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

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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

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

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries currently receiving benefits	561
Inactive Plan Members entitled to but not yet receiving benefits	703
Active Plan Members	<u>721</u>
Total	<u><u>1,985</u></u>

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2016 was 10.62%. For the fiscal year ended 2017, the employer contributed \$2,901,514 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012); the IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38%	8.30%	6.85%
International Equities	17%	8.45%	6.75%
Fixed Income	27%	3.05%	3.00%
Real Estate	8%	6.90%	5.75%
Alternatives	9%		
Private Equity		12.45%	7.35%
Hedge Funds		5.35%	5.25%
Commodities		4.25%	2.65%
Cash Equivalents	1%	2.25%	2.25%
Total	<u>100%</u>		

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 117,578,367	\$ 102,215,321	\$ 15,363,046
Changes for the year:			
Service Cost	3,038,905	-	3,038,905
Interest on the Total Pension Liability	8,717,222	-	8,717,222
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(203,187)	-	(203,187)
Changes of Assumptions	(154,835)	-	(154,835)
Contributions - Employer	-	2,951,482	(2,951,482)
Contributions - Employees	-	1,257,767	(1,257,767)
Net Investment Income	-	6,914,531	(6,914,531)
Benefits Payments, including Refunds of Employee Contributions	(5,426,037)	(5,426,037)	-
Other (Net Transfer)	-	676,830	(676,830)
Net Changes	5,972,068	6,374,573	(402,505)
Balances at December 31, 2016	\$ 123,550,435	\$ 108,589,894	\$ 14,960,541

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 140,309,592	\$ 123,550,435	\$ 109,844,239
Plan Fiduciary Net Position	108,589,894	108,589,894	108,589,894
Net Pension Liability	\$ 31,719,698	\$ 14,960,541	\$ 1,254,345

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Cont'd)

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

For the year ended June 30, 2017, the employer recognized pension expense of \$2,610,406. At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 293,347	\$ 148,403
Changes of assumptions	899,163	113,088
Net difference between projected and actual earnings on pension plan investments	<u>5,457,460</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>6,649,970</u>	<u>261,491</u>
<i>Pension contributions made subsequent to the measurement date</i>		
	<u>1,654,446</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 8,304,416</u></u>	<u><u>\$ 261,491</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2017	\$ 2,913,023	\$ -
2018	1,812,767	-
2019	1,516,415	-
2020	146,274	-
2021	-	-
Thereafter	<u>-</u>	<u>-</u>
Total	<u><u>\$ 6,388,479</u></u>	<u><u>\$ -</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 8 – RETIREMENT SYSTEMS (Concluded)

C. Aggregate Pension Amounts

For the year ended June 30, 2017, aggregate pension amounts are as follows:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred Outflows of Resources	\$ 4,243,265	\$ 8,304,416	\$ 12,547,681
Net Pension Liability	24,600,290	14,960,541	39,560,831
Deferred Inflows of Resources	7,770,986	261,491	8,032,477
Pension (Revenue) Expense, Net of State Support	(1,319,415)	2,610,406	1,290,991

* The Net Pension Liability is recorded in noncurrent liabilities, due in more than one year on the Statement of Net Position.

D. Social Security/Medicare

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

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT PAYABLE

The Illinois Municipal retirement payable for the year ended equals \$510,122 (\$155,748 for 2011 and \$354,374 for 2010) which is reflected in the statement of net position. This was a result of the District not contributing 100% of their annual pension cost. The expense is expected to be repaid in the short term.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

A. Teacher Health Insurance Security (THIS) Fund

Contributions

The employer 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 THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Cont’d)

- *On-Behalf Contributions to the THIS Fund*
 The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$988,414, and the employer recognized revenue and expenditures of this amount during the year.
- *Employer Contributions to the THIS Fund*
 The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the employer paid \$741,310 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

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”.

B. Health Benefit Plan

Plan Description

The District provides varying pre and post-Medicare postretirement healthcare and dental benefits to all employees who work for the District upon completion of required service time based on the employee’s position and length of service. As of July 1, 2016 (the most recent actuarial valuation), 1,836 participants are eligible to receive benefits.

Funding Policy

The eligibility requirements for pensions benefits are: IMRF participants are eligible at age 55 with 8 years of service and TRS participants are eligible for normal retirement at age 60 with 10 years or service or age 62 with 5 years of service. TRS participants are eligible for early retirements at age 55 with 20 years of service. Retiree healthcare benefits are funded on a pay as you go basis.

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 898,306
Interest on net OPEB obligation	297,407
Adjustment to annual required contribution	<u>(491,051)</u>
Annual OPEB cost	704,662
Contributions made (estimated)	<u>(270,096)</u>
Change in net OPEB obligation	434,566
Net OPEB obligation - beginning of year	<u>9,913,561</u>
Net OPEB obligation - end of the year	<u><u>\$ 10,348,127</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Concluded)

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

Actuarial Valuation Date	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 704,662	38.3%	\$ 10,348,127
6/30/2016	700,053	31.2%	9,913,561
6/30/2015	2,006,763	33.3%	9,431,970

Funded Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability for benefits was \$6,048,695, all of which is unfunded. The projection of future benefits payments, for an ongoing plan, involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

The schedule of funding progress, presented as other information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Methods and Assumptions

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

Contribution methods and assumptions:

Measurement date	July 1, 2016
Expected return on employer's assets	3.00%
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Amortization period	30 years

Assumed health care trend rates:

District medical plans:

Initial health care cost trend rate	14.60%
Second year health care cost trend rate	8.50%
Ultimate health care cost trend rate	5.50%

TRIP plans:

Initial health care cost trend rate	4.00%
Ultimate health care cost trend rate	4.00%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 11 – SELF-INSURANCE PLAN

The District is self-insured with respect to medical and dental coverage which 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.

At June 30, 2017, total unpaid claims were \$581,539. This includes an estimate of claims that have been incurred but not reported to the administrative agent and classified as health insurance payable (included in accounts payable). The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other non-incremental costs to the claims liability. There is an assignment of the Educational Account portion of the General Fund for \$10,775,236, which represents the cash balance at June 30, 2017. For the year ended June 30, 2017, changes in the liability reported in the government-wide and governmental funds statements for unpaid claims are summarized as follows:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	End of Year
Claims Payable	\$ 1,093,275	\$ 19,162,482	\$ 19,674,218	\$ 581,539

NOTE 12 – INTERFUND LOANS AND TRANSFERS

Interfund Loans

At June 30, 2017, the following interfund loans are outstanding:

Fund	Lending Fund	Borrowing Fund
General Fund (Working Cash Account)	\$ 5,254,926	\$ -
Operations and Maintenance Fund	4,456,181	4,547,667
Capital Projects Fund	-	4,456,181
Tort Fund	-	707,259
Total	\$ 9,711,107	\$ 9,711,107

Working Cash Account funds are available for borrowing by other funds not able to meet their cash flow needs during the year. These funds are expected to be repaid in the short term.

Interfund Transfers

The District made the following interfund transfers:

- The District made interfund transfers from the General Fund (Educational Account) to the Debt Service Fund in the amount of \$299,051 for capital lease payments.
- The District made interfund transfers from the Municipal Retirement/Social Security Fund to the Debt Service Fund in the amount of \$189,225 for bond payments.
- The District made interfund transfers from the Operations and Maintenance Fund to the Debt Service Fund for \$11,216 for bond payments.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – INTERFUND LOANS AND TRANSFERS (Concluded)

- The District made interfund transfers from the Transportation Fund to the Operations and Maintenance Fund for \$3,000,000. This transfer was approved by the District's Board of Education for funding purposes.

Transfers are used to (1) move revenues from the fund in which statute or budget requires collection to the fund that statute or budget requires expenditures, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 13 – DEFICIT FUND BALANCE

The unrestricted fund balance of the Capital Project's Fund was in a deficit position in the amount of \$4,920,508.

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

NOTE 15 – LITIGATION

The District is a defendant in various claims and lawsuits. The District intends to vigorously defend its position and, while it is not feasible to predict the outcome of the claims and lawsuits at this time, the District is of the opinion that the ultimate disposition should not have a material adverse effect on the District's financial position.

NOTE 16 – INVESTMENT IN JOINT AGREEMENTS

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational Education, etc. This District has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return of its investment should it choose to withdraw from the joint agreement.

Lake County High School Technology Campus

The District is a member of the Lake County High School Technology Campus Consortium, along with twenty-one other area school districts in Lake and McHenry Counties. The Lake County High Schools Technology Campus provides career and technical education programs and services which benefit District students, and also provides jointly administered grants and programming which benefits the District. The District is financially responsible for annual and special assessments as established in the Lake County High Schools governing board and tuition and fees for programs and services are based on usage. The Lake County High Schools Technology Campus is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from the Lake County High Schools Technology Campus by contacting its administration at 19525 West Washington Street, Grayslake, Illinois 60030. The telephone number is: 847-223-6681.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2017, and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. Such information includes:

Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois

Schedule of Employer Contributions - Teachers' Retirement System of the State of Illinois

Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund

Schedule of Employer Contributions - Illinois Municipal Retirement Fund

Schedule of Funding Progress - Other Post Employment Benefits

Schedule of Contributions - Other Post Employment Benefits

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance
- Budget and Actual - Budget Basis for:

General Fund
Operations and Maintenance Fund
Transportation Fund
Municipal Retirement/Social Security Fund
Tort Fund

Notes to the Required Supplementary Information

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

	<u>FY 16*</u>	<u>FY 15*</u>	<u>FY 14*</u>
Employer's proportion of the net pension liability	0.031%	0.039%	0.044%
Employer's proportionate share of the net pension liability	\$ 24,600,290	\$ 25,707,271	\$ 26,770,496
State's proportionate share of the net pension liability associated with the employer	707,696,371	553,293,148	529,144,563
Total	<u>\$ 732,296,661</u>	<u>\$ 579,000,419</u>	<u>\$ 555,915,059</u>
Employer's covered-employee payroll	\$ 89,153,672	\$ 85,445,003	\$ 85,710,418
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	27.59%	30.09%	31.23%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 MOST RECENT FISCAL YEARS

	<u>FY 16*</u>	<u>FY 15*</u>	<u>FY 14*</u>
Contractually-required contribution	\$ 1,243,846	\$ 1,178,415	\$ 1,396,939
Contributions in relation to the contractually-required contribution	<u>1,253,568</u>	<u>1,185,386</u>	<u>1,244,440</u>
Contribution deficiency (excess)	<u>\$ (9,722)</u>	<u>\$ (6,971)</u>	<u>\$ 152,499</u>
Employer's covered-employee payroll	\$ 89,153,672	\$ 85,445,003	\$ 85,710,418
Contributions as a percentage of covered-employee payroll	1.41%	1.39%	1.45%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 3,038,905	\$ 2,938,108	\$ 2,961,732
Interest on the total pension liability	8,717,222	8,260,887	7,441,349
Difference between expected and actual experience of the total pension liability	(203,187)	90,844	1,301,073
Changes of assumptions	(154,835)	149,179	4,296,752
Benefit payments, including refunds of employee contributions	<u>(5,426,037)</u>	<u>(5,073,509)</u>	<u>(5,050,324)</u>
Net change in pension liability	5,972,068	6,365,509	10,950,582
Total pension liability - beginning	<u>117,578,367</u>	<u>111,212,858</u>	<u>100,262,276</u>
Total pension liability - ending (A)	<u>\$ 123,550,435</u>	<u>\$ 117,578,367</u>	<u>\$ 111,212,858</u>
Plan fiduciary net position			
Contributions - employer	\$ 2,951,482	\$ 2,881,581	\$ 2,801,856
Contributions - employees	1,257,767	1,247,085	1,192,038
Net investment income	6,914,531	517,147	5,971,646
Benefit payments, including refunds of employee contributions	(5,426,037)	(5,073,509)	(5,050,324)
Other (net transfer)	<u>676,830</u>	<u>(1,258,742)</u>	<u>562,491</u>
Net change in plan fiduciary net position	6,374,573	(1,686,438)	5,477,707
Plan fiduciary net position - beginning	<u>102,215,321</u>	<u>103,901,759</u>	<u>98,424,052</u>
Plan fiduciary net position - ending (B)	<u>\$ 108,589,894</u>	<u>\$ 102,215,321</u>	<u>\$ 103,901,759</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ 14,960,541</u>	<u>\$ 15,363,046</u>	<u>\$ 7,311,099</u>
Plan fiduciary net position as a percentage of total pension liability	87.89%	86.93%	93.43%
Covered valuation payroll	\$ 27,793,205	\$ 27,367,514	\$ 26,288,387
Net pension liability as a percentage of covered valuation payroll	53.83%	56.14%	27.81%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 2,951,638	\$ 2,951,482	\$ 156	\$ 27,793,205	10.62%
2015	2,881,799	2,881,581	218	27,367,514	10.53%
2014	2,802,342	2,801,856	486	26,288,387	10.66%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method: Aggregate entry age = normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: 27-year closed period
Asset Valuation Method: 5-year smoothed market; 20% corridor
Wage Growth: 3.5%
Price Inflation: 2.75%. Approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases: 3.75% to 14.50%, including inflation
Investment Rate of Return: 7.50%
Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
 MOST RECENT FISCAL YEARS

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]
6/30/2017	-	\$ 6,048,695	\$ 6,048,695	0.00%	N/A	N/A
6/30/2016	-	6,048,695	6,048,695	0.00%	N/A	N/A
6/30/2015	-	19,689,720	19,689,720	0.00%	N/A	N/A
6/30/2014	-	19,689,720	19,689,720	0.00%	N/A	N/A
6/30/2013	-	20,738,591	20,738,591	0.00%	N/A	N/A

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 OTHER POST EMPLOYMENT BENEFITS
 MOST RECENT FISCAL YEARS

Fiscal Year Ended	Annual Required Contribution	Estimated Employer Contribution	Percentage Annual Required Contribution
6/30/2017	\$ 704,662	\$ 270,096	38.33%
6/30/2016	700,053	218,462	31.21%
6/30/2015	2,006,763	670,000	33.39%
6/30/2014	2,006,763	669,064	33.34%

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			Total
	Original and Final Budget	Educational Account	Working Cash Account	
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 22,883,257	\$ 23,643,595	\$ 204,210	\$ 23,847,805
Special education levy	4,520,149	4,818,890	-	4,818,890
Personal property replacement taxes	6,011,342	7,367,426	-	7,367,426
Regular - tuition	-	542	-	542
Summer school - tuition	111,359	108,352	-	108,352
Earnings on investments	10,320	5,671	-	5,671
Food services	152,655	299,144	-	299,144
District/School activity income	214,520	165,522	-	165,522
Textbooks	524,927	313,349	-	313,349
Rentals	24,690	44,058	-	44,058
Contributions and donations	6,542	975	-	975
Refund of prior years' expenditures	14,501	214,682	-	214,682
Other local sources	261,943	62,531	-	62,531
Total Local Sources	34,736,205	37,044,737	204,210	37,248,947
State Sources:				
Unrestricted Grants-In-Aid:				
General state aid	97,700,000	96,789,810	-	96,789,810
Total Unrestricted Grants-In-Aid	97,700,000	96,789,810	-	96,789,810
Restricted Grants-In-Aid:				
Special education	5,708,179	5,845,773	-	5,845,773
Career and technical education	45,747	17,361	-	17,361
Bilingual education	1,255,884	935,705	-	935,705
State free lunch and breakfast	66,383	47,084	-	47,084
Driver education	42,787	51,254	-	51,254
Truant alternative/optional education	58,891	12,515	-	12,515
Early childhood block grant	3,741,916	1,219,778	-	1,219,778
Other state sources	21,998	6,148	-	6,148
On behalf payments - State of Illinois	-	70,488,511	-	70,488,511
Total Restricted Grants-In-Aid	10,941,785	78,624,129	-	78,624,129
Total State Sources	108,641,785	175,413,939	-	175,413,939
Federal Sources:				
Restricted Grants-In-Aid:				
Food service	6,563,235	8,819,419	-	8,819,419
Title I - low income	7,244,854	4,044,737	-	4,044,737
Special education - pre-school flow through	183,351	78,928	-	78,928

	<u>2016</u>	
<u>Variance</u>	<u>Actual</u>	
\$ 964,548	\$ 22,883,258	
298,741	4,520,150	
1,356,084	6,011,342	
542	-	
(3,007)	129,021	
(4,649)	12,749	
146,489	152,816	
(48,998)	221,138	
(211,578)	527,295	
19,368	24,690	
(5,567)	124,260	
200,181	14,502	
(199,412)	1,047,459	
<u>2,512,742</u>	<u>35,668,680</u>	
<u>(910,190)</u>	<u>93,801,757</u>	
<u>(910,190)</u>	<u>93,801,757</u>	
137,594	7,309,423	
(28,386)	42,552	
(320,179)	1,255,884	
(19,299)	66,383	
8,467	74,068	
(46,376)	58,891	
(2,522,138)	2,473,405	
(15,850)	102,556	
<u>70,488,511</u>	<u>46,284,385</u>	
<u>67,682,344</u>	<u>57,667,547</u>	
<u>66,772,154</u>	<u>151,469,304</u>	
2,256,184	9,119,388	
(3,200,117)	6,638,482	
(104,423)	95,162	

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			Total
	Original and Final Budget	Educational Account	Working Cash Account	
Federal Sources:				
Restricted Grants-In-Aid:				
Special education - IDEA - flow through	\$ 4,140,247	\$ 3,579,041	\$ -	\$ 3,579,041
Special education - IDEA - room and board	42,197	41,296	-	41,296
Career and technical education	71,540	79,877	-	79,877
Title III - immigrant education program	43,602	42,881	-	42,881
Title III - language inst. program	805,291	504,907	-	504,907
Title II - teacher quality	540,246	433,539	-	433,539
Medicaid administrative outreach	533,792	603,324	-	603,324
Medicaid matching fee-for-service	264,099	252,879	-	252,879
Other federal sources	604,977	929,791	-	929,791
Total Restricted Grants-In-Aid	<u>21,037,431</u>	<u>19,410,619</u>	<u>-</u>	<u>19,410,619</u>
Total Federal Sources	<u>21,037,431</u>	<u>19,410,619</u>	<u>-</u>	<u>19,410,619</u>
Total Revenues Received	<u>164,415,421</u>	<u>231,869,295</u>	<u>204,210</u>	<u>232,073,505</u>
EXPENDITURES DISBURSED				
Current:				
Instruction	106,594,316	172,562,823	-	172,562,823
Support services	61,788,339	60,930,350	-	60,930,350
Community services	1,485,807	871,246	-	871,246
Payments to other districts and gov't units	52,477	201,301	-	201,301
Provision for Contingencies	600,000	-	-	-
Capital Outlay	975,018	280,415	-	280,415
Total Expenditures Disbursed	<u>171,495,957</u>	<u>234,846,135</u>	<u>-</u>	<u>234,846,135</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,080,536)</u>	<u>(2,976,840)</u>	<u>204,210</u>	<u>(2,772,630)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,024,814	-	-	-
Transfers out	-	(299,051)	-	(299,051)
Bonds issued	-	-	5,740,000	5,740,000
Premium on bonds issued	-	-	478,302	478,302
Total Other Financing Sources (Uses)	<u>3,024,814</u>	<u>(299,051)</u>	<u>6,218,302</u>	<u>5,919,251</u>
Net Changes in Fund Balances	<u>\$ (4,055,722)</u>	<u>(3,275,891)</u>	<u>6,422,512</u>	<u>3,146,621</u>
Fund Balance, Budget Basis, at Beginning of Year		<u>7,661,206</u>	<u>26,421,686</u>	<u>34,082,892</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 4,385,315</u>	<u>\$ 32,844,198</u>	<u>\$ 37,229,513</u>

SCHEDULE 1
(Concluded)

	2016
Variance	Actual
\$ (561,206)	\$ 3,850,098
(901)	42,197
8,337	61,823
(721)	2,817
(300,384)	731,639
(106,707)	419,196
69,532	563,051
(11,220)	642,358
324,814	1,294,767
<u>(1,626,812)</u>	<u>23,460,978</u>
<u>(1,626,812)</u>	<u>23,460,978</u>
<u>67,658,084</u>	<u>210,598,962</u>
65,968,507	148,587,249
(857,989)	59,300,615
(614,561)	1,075,551
148,824	10,736
(600,000)	-
(694,603)	627,509
<u>63,350,178</u>	<u>209,601,660</u>
<u>4,307,906</u>	<u>997,302</u>
(3,024,814)	2,960,404
(299,051)	(323,157)
5,740,000	-
478,302	-
<u>2,894,437</u>	<u>2,637,247</u>
<u>\$ 7,202,343</u>	3,634,549
	<u>30,448,343</u>
	<u>\$ 34,082,892</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 OPERATIONS AND MAINTENANCE FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 4,126,075	\$ 4,517,709	\$ 391,634	\$ 4,237,642
Personal property replacement taxes	-	-	-	150,000
Earnings on investments	-	803	803	-
Refund of prior years' expenditures	-	439	439	126
Other local sources	-	30,207	30,207	155,879
Total Local Sources	4,126,075	4,549,158	423,083	4,543,647
State Sources:				
Unrestricted Grants-In-Aid:				
General state aid	1,500,000	1,500,000	-	1,537,000
Total Unrestricted Grants-In-Aid	1,500,000	1,500,000	-	1,537,000
Restricted Grants-In-Aid:				
Other state sources	-	337,684	337,684	54,009
Total Restricted Grants-In-Aid	-	337,684	337,684	54,009
Total State Sources	1,500,000	1,837,684	337,684	1,591,009
Total Revenues Received	5,626,075	6,386,842	760,767	6,134,656
EXPENDITURES DISBURSED				
Current:				
Support Services:				
Direction of Business Support Services:				
Purchased services	60,000	-	(60,000)	-
Total Direction of Business Support Services	60,000	-	(60,000)	-
Facilities Acquisition and Construction Services:				
Purchased services	-	92,705	92,705	57,149
Supplies and materials	-	1,504	1,504	-
Non-capitalized equipment	-	2,102	2,102	-
Total Facilities Acquisition and Construction Services	-	96,311	96,311	57,149

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Operation and Maintenance of Plant Services:				
Salaries	\$ 2,435,337	\$ 2,518,074	\$ 82,737	\$ 2,435,337
Employee benefits	450,538	440,423	(10,115)	443,683
Purchased services	1,359,991	1,804,941	444,950	1,222,081
Supplies and materials	3,174,909	3,186,325	11,416	3,403,633
Non-capitalized equipment	-	42,125	42,125	32,904
Other objects	-	1,700	1,700	-
Total Operation and Maintenance of Plant Services	<u>7,420,775</u>	<u>7,993,588</u>	<u>572,813</u>	<u>7,537,638</u>
Other Support Services:				
Salaries	123,543		(123,543)	-
Employee benefits	23,225		(23,225)	-
Purchased services	50,000	49,935	(65)	49,955
Total Other Support Services	<u>196,768</u>	<u>49,935</u>	<u>(146,833)</u>	<u>49,955</u>
Total Support Services	<u>7,677,543</u>	<u>8,139,834</u>	<u>462,291</u>	<u>7,644,742</u>
Provision for Contingencies:				
Other objects	500,000	-	(500,000)	-
Total Provision for Contingencies	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>	<u>-</u>
Capital Outlay:				
Facilities acquisition and construction services	-	5,181,794	5,181,794	312,812
Operation and maintenance of plant services	135,000	6,399	(128,601)	76,121
Pupil transportation services	-	-	-	121,061
Total Capital Outlay	<u>135,000</u>	<u>5,188,193</u>	<u>5,053,193</u>	<u>509,994</u>
Total Expenditures Disbursed	<u>8,312,543</u>	<u>13,328,027</u>	<u>5,015,484</u>	<u>8,154,736</u>
(Deficiency) of Revenues Over Expenditures	<u>(2,686,468)</u>	<u>(6,941,185)</u>	<u>(4,254,717)</u>	<u>(2,020,080)</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
Transfers out	(11,379)	(11,216)	163	(130,000)
Bonds issued	-	-	-	7,000,000
Other uses	(7,005,000)	-	7,005,000	-
Total Other Financing Sources (Uses)	(4,016,379)	2,988,784	7,005,163	6,870,000
Net Changes in Fund Balances	<u>\$ (6,702,847)</u>	<u>(3,952,401)</u>	<u>\$ 2,750,446</u>	4,849,920
Fund Balance, Budget Basis, at Beginning of Year		<u>6,798,515</u>		<u>1,948,595</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 2,846,114</u>		<u>\$ 6,798,515</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TRANSPORTATION FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2016			2015
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 10,110,214	\$ 8,338,097	\$ (1,772,117)	\$ 10,195,972
Other local sources	-	21,283	21,283	494
Total Local Sources	10,110,214	8,359,380	(1,750,834)	10,196,466
State Sources:				
Restricted Grants-In-Aid:				
Transportation - regular	2,490,667	1,816,703	(673,964)	2,518,670
Transportation - special education	3,884,883	2,723,619	(1,161,264)	3,169,533
Total Restricted Grants-In-Aid	6,375,550	4,540,322	(1,835,228)	5,688,203
Total State Sources	6,375,550	4,540,322	(1,835,228)	5,688,203
Total Revenues Received	16,485,764	12,899,702	(3,586,062)	15,884,669
EXPENDITURES DISBURSED				
Current:				
Support Services:				
Pupil Transportation Services:				
Salaries	85,904	65,744	(20,160)	65,000
Employee benefits	15,892	9,932	(5,960)	9,300
Purchased services	10,150,486	9,679,556	(470,930)	9,533,681
Supplies and materials	22,900	21,404	(1,496)	21,929
Total Pupil Transportation Services	10,275,182	9,776,636	(498,546)	9,629,910
Total Support Services	10,275,182	9,776,636	(498,546)	9,629,910
Total Expenditures Disbursed	10,275,182	9,776,636	(498,546)	9,629,910
Excess of Revenues Over Expenditures	6,210,582	3,123,066	(3,087,516)	6,254,759

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 TRANSPORTATION FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2016			2015
	Original and Final Budget	Actual	Variance	Actual
OTHER FINANCING (USES)				
Transfers out	<u>\$ 3,000,000</u>	<u>\$ (3,000,000)</u>	<u>\$ (6,000,000)</u>	<u>\$ (2,960,404)</u>
Total Other Financing (Uses)	<u>3,000,000</u>	<u>(3,000,000)</u>	<u>(6,000,000)</u>	<u>(2,960,404)</u>
Net Changes in Fund Balances	<u>\$ 9,210,582</u>	123,066	<u>\$ (9,087,516)</u>	3,294,355
Fund Balance, Budget Basis, at Beginning of Year		<u>4,486,394</u>		<u>1,192,039</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 4,609,460</u>		<u>\$ 4,486,394</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 5,692,933	\$ 3,070,754	\$ (2,622,179)	\$ 2,796,305
FICA/Medicare levy	-	3,169,021	3,169,021	2,896,630
Personal property replacement taxes	-	10,000	10,000	480,000
Total Local Sources	5,692,933	6,249,775	556,842	6,172,935
State Sources:				
Unrestricted Grants-In-Aid:				
General state aid	800,000	800,000	-	-
Total Unrestricted Grants-In-Aid	800,000	800,000	-	-
Total State Sources	800,000	800,000	-	-
Total Revenues Received	6,492,933	7,049,775	556,842	6,172,935
EXPENDITURES DISBURSED				
Current:				
Employee Benefits:				
Instruction	2,244,015	2,311,251	67,236	2,247,559
Support services	4,107,388	4,008,205	(99,183)	4,107,995
Community services	86,856	50,956	(35,900)	86,856
Total Employee Benefits	6,438,259	6,370,412	(67,847)	6,442,410
Debt Service:				
Other objects	189,225	-	(189,225)	-
Total Debt Service	189,225	-	(189,225)	-
Total Expenditures Disbursed	6,627,484	6,370,412	(257,072)	6,442,410
Excess (Deficiency) of Revenues Over Expenditures	(134,551)	679,363	813,914	(269,475)

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
OTHER FINANCING (USES)				
Transfers out	\$ -	\$ (189,225)	\$ (189,225)	\$ (266,781)
Total Other Financing (Uses)	-	(189,225)	(189,225)	(266,781)
Net Changes in Fund Balances	<u>\$ (134,551)</u>	490,138	<u>\$ 624,689</u>	(536,256)
Fund Balance, Budget Basis, at Beginning of Year		<u>178,900</u>		<u>715,156</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 669,038</u>		<u>\$ 178,900</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 2,000,000	\$ 1,616,301	\$ (383,699)	\$ 1,531,821
Total Local Sources	2,000,000	1,616,301	(383,699)	1,531,821
Total Revenues Received	2,000,000	1,616,301	(383,699)	1,531,821
EXPENDITURES DISBURSED				
Current:				
Support Services:				
Workers' Compensation Payments:				
Purchased services	656,000	825,721	169,721	1,473,697
Total Workers' Compensation Payments	656,000	825,721	169,721	1,473,697
Unemployment Insurance Payments:				
Purchased services	150,000	172,965	22,965	58,413
Total Unemployment Insurance Payments	150,000	172,965	22,965	58,413
Insurance Payments:				
Purchased services	515,000	528,314	13,314	492,452
Total Insurance Payments	515,000	528,314	13,314	492,452
Risk Management and Claims Services Payments:				
Salaries	750,549	1,052,120	301,571	756,233
Employee benefits	138,852	195,241	56,389	136,127
Total Risk Management and Claims Services Payments	889,401	1,247,361	357,960	892,360
Judgments and Settlements:				
Salaries	135,473	-	(135,473)	-
Employee benefits	25,063	-	(25,063)	-
Other objects	60,000	60,000	-	-
Total Judgements and Settlements	220,536	60,000	(160,536)	-

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Services Related to Loss Prevention:				
Salaries	\$ 5,684	\$ -	\$ (5,684)	\$ -
Employee benefits	1,052	-	(1,052)	-
Purchased services	35,000	30,000	(5,000)	30,005
Total Services Related to Loss Prevention	41,736	30,000	(11,736)	30,005
Legal Services:				
Salaries	59,726	64,240	4,514	59,726
Employee benefits	11,049	4,909	(6,140)	4,258
Purchased services	425,000	368,382	(56,618)	424,587
Total Legal Services	495,775	437,531	(58,244)	488,571
Total Support Services	2,968,448	3,301,892	333,444	3,435,498
Total Expenditures Disbursed	2,968,448	3,301,892	333,444	3,435,498
Net Changes in Fund Balances	\$ (968,448)	(1,685,591)	\$ (717,143)	(1,903,677)
Fund Balance, Budget Basis, at Beginning of Year		977,823		2,881,500
Fund Balance, Budget Basis, at End of Year		\$ (707,768)		\$ 977,823

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 – TEACHERS’ RETIREMENT SYSTEM (TRS) OF THE STATE OF ILLINOIS

Changes of Assumptions

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

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

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

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The District’s budget is prepared and the District’s books are generally maintained on the basis of cash receipts and disbursements (budget basis) which results in the accounting for certain transactions to be on a basis other than accounting principles generally accepted in the United States of America (modified accrual/accrual). Under this basis, certain revenues and the related assets are recognized when received rather than when susceptible to accrual or earned, and certain expenditures are recognized when disbursed as determined by the date of the check rather than when the obligation is incurred. This is an acceptable method in accordance with the Illinois Revised Statutes. The original budget was passed on October 13, 2016. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. All budget appropriations lapse at the end of each fiscal year. The District has adopted a legal budget for all its governmental funds.

The District follows these procedures in establishing the budgetary data reflected in the 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 October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2017

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Cont'd)

EXPENDITURES IN EXCESS OF BUDGET

The District over expended its budget in the General Fund by \$63,350,178, the Operations and Maintenance Fund by \$5,015,484, the Debt Service Fund by \$494,944, and the Tort Fund by \$333,444 during fiscal year ended June 30, 2017. The General Fund was over expended due to non-budgeted on-behalf payments made by the State in the amount of \$70,488,511. The Operations and Maintenance was over expended because expenditures related to building improvement projects were not recorded in the Capital Projects Fund, where the District budgeted \$7,005,000; instead, the District did not record any activity in the Capital Projects Fund, because of the negative fund balance. Additionally, the District over expended the Debt Service Fund, because of expenditures related to debt restructuring during the year, and the Tort Fund was over expended due to non-budgeted expenditures for insurance payments.

BUDGET AND BOOK BASIS OF ACCOUNTING

The major differences between the budget and the modified accrual basis are as follows:

1. Revenues, primarily property tax revenues, are recorded when received in cash (budget) as opposed to when susceptible to accrual (modified accrual).
2. Expenditures, primarily payroll and related items, are recorded when cash is disbursed as determined by the date of the check (budget) as opposed to when the liability is incurred (modified accrual).

Adjustments necessary to convert the results of operations and fund balances as of June 30, 2017, on the modified accrual basis for governmental funds to the budget basis are as follows:

Modified accrual basis:		
General Fund	\$ 8,947,226	
Operations and Maintenance Fund	(3,412,976)	
Transportation Fund	(1,590,697)	
Municipal Retirement/Social Security Fund	882,239	
Tort Fund	(1,604,201)	
Debt Service Fund	150,389	
Capital Projects Fund	(464,327)	
Fire Prevention and Safety Fund	<u>(1,008,643)</u>	\$ 1,899,010
Due to revenues:		
Received in cash during year but accrued as receivables, net of deferred revenue (modified accrual) at June 30, 2016		36,109,968
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2017 but not recognized in budget		(42,289,190)
Due to expenditures:		
Paid in cash during year but accrued as liability (modified accrual) at June 30, 2016		(4,670,292)
Accrued as liability (modified accrual) at June 30, 2017 but not recognized in budget		<u>6,512,849</u>
Budget basis		<u><u>\$ (2,437,655)</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Concluded)

<u>Fund balance as of June 30, 2017</u>	
Modified accrual basis	\$ 82,048,813
Due to revenues:	
Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2017 but not recognized in budget	(42,289,190)
Due to expenditures:	
Accrued as liability (modified accrual) at June 30, 2017 but not recognized in budget	<u>6,512,849</u>
Budget basis	<u><u>\$ 46,272,472</u></u>

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SUPPLEMENTARY INFORMATION

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEBT SERVICE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 9,372,407	\$ 9,507,246	\$ 134,839	\$ 9,122,033
Earnings on investments	1,000		(1,000)	-
Other local sources	-	351	351	-
Total Local Sources	<u>9,373,407</u>	<u>9,507,597</u>	<u>134,190</u>	<u>9,122,033</u>
Total Revenues Received	<u>9,373,407</u>	<u>9,507,597</u>	<u>134,190</u>	<u>9,122,033</u>
EXPENDITURES DISBURSED				
Debt Service:				
Interest	5,926,801	5,808,263	(118,538)	6,071,427
Principal retirement	3,576,815	4,032,289	455,474	3,272,711
Other	7,500	165,508	158,008	254,831
Total Debt Service	<u>9,511,116</u>	<u>10,006,060</u>	<u>494,944</u>	<u>9,598,969</u>
Total Expenditures Disbursed	<u>9,511,116</u>	<u>10,006,060</u>	<u>494,944</u>	<u>9,598,969</u>
(Deficiency) of Revenues Over Expenditures	<u>(137,709)</u>	<u>(498,463)</u>	<u>(360,754)</u>	<u>(476,936)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,379	499,492	488,113	719,938
Refunding bonds issued	-	1,225,000	1,225,000	9,130,000
Premium on refunding bonds issued	-	160,982	160,982	977,838
Accrued interest on bonds sold	61,449	-	(61,449)	-
Other sources	151,177	-	(151,177)	-
Payment to refunded bond escrow agent	-	(1,324,911)	(1,324,911)	(9,926,111)
Total Other Financing Sources (Uses)	<u>224,005</u>	<u>560,563</u>	<u>336,558</u>	<u>901,665</u>
Net Changes in Fund Balances	<u>\$ 86,296</u>	62,100	<u>\$ (24,196)</u>	424,729
Fund Balance, Budget Basis, at Beginning of Year		<u>5,323,650</u>		<u>4,898,921</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 5,385,750</u>		<u>\$ 5,323,650</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Total Revenues Received	\$ -	\$ -	\$ -	\$ -
EXPENDITURES DISBURSED				
Current:				
Support Services:				
Facilities Acquisition and Construction Services:				
Purchased services	736,280	-	(736,280)	-
Total Facilities Acquisition and Construction Services	736,280	-	(736,280)	-
Total Support Services	736,280	-	(736,280)	-
Capital Outlay:				
Facilities acquisition and construction services	6,268,720	-	(6,268,720)	1,977,156
Total Capital Outlay	6,268,720	-	(6,268,720)	1,977,156
Total Expenditures Disbursed	7,005,000	-	(7,005,000)	1,977,156
(Deficiency) of Revenues Over Expenditures	(7,005,000)	-	7,005,000	(1,977,156)
OTHER FINANCING SOURCES				
Transfers in	7,005,000	-	(7,005,000)	-
Total Other Financing Sources	7,005,000	-	(7,005,000)	-
Net Changes in Fund Balances	<u>\$ -</u>	-	<u>\$ -</u>	(1,977,156)
Fund Balance, Budget Basis, at Beginning of Year		(4,456,181)		(2,479,025)
Fund Balance, Budget Basis, at End of Year		<u>\$ (4,456,181)</u>		<u>\$ (4,456,181)</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 FIRE PREVENTION AND SAFETY FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 556,752	\$ 595,924	\$ 39,172	\$ 556,752
Total Local Sources	556,752	595,924	39,172	556,752
Total Revenues Received	556,752	595,924	39,172	556,752
EXPENDITURES DISBURSED				
Current:				
Support Services:				
Facilities Acquisition and Construction Services:				
Purchased services	-	179,075	179,075	94,535
Supplies and materials	-	31	31	-
Total Facilities Acquisition and Construction Services	-	179,106	179,106	94,535
Total Support Services	-	179,106	179,106	94,535
Capital Outlay:				
Facilities acquisition and construction services	1,800,000	1,038,406	(761,594)	707,558
Total Capital Outlay	1,800,000	1,038,406	(761,594)	707,558
Total Expenditures Disbursed	1,800,000	1,217,512	(582,488)	802,093
Net Changes in Fund Balances	<u>\$ (1,243,248)</u>	(621,588)	<u>\$ 621,660</u>	(245,341)
Fund Balance, Budget Basis, at Beginning of Year		1,318,134		1,563,475
Fund Balance, Budget Basis, at End of Year		<u>\$ 696,546</u>		<u>\$ 1,318,134</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND - MODIFIED ACCRUAL BASIS
COMBINING BALANCE SHEET
JUNE 30, 2017
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2016

	Educational Account	Working Cash Account	Total 2017 Actual	Total 2016 Actual
ASSETS				
Cash	\$ 4,399,355	\$ 27,589,272	\$ 31,988,627	\$ 29,544,635
Property taxes receivable, net of allowance for uncollectibles	14,266,950	61,225	14,328,175	13,389,171
Personal property replacement taxes receivable	1,159,902	-	1,159,902	1,196,651
Grants receivable	9,025,454	-	9,025,454	4,437,249
Interfund receivables	-	5,254,926	5,254,926	4,547,667
Total Assets	<u>28,851,661</u>	<u>32,905,423</u>	<u>61,757,084</u>	<u>53,115,373</u>
LIABILITIES				
Accounts payable	\$ 2,693,668	\$ -	\$ 2,693,668	\$ 2,492,077
Insurance payable	585,303	-	585,303	1,095,242
Payroll deductions and withholdings	10,276	-	10,276	7,443
Total Liabilities	<u>3,289,247</u>	<u>-</u>	<u>3,289,247</u>	<u>3,594,762</u>
FUND BALANCES				
Assigned	10,775,236	-	10,775,236	7,666,466
Unassigned	14,787,178	32,905,423	47,692,601	41,854,145
Total Fund Balances	<u>25,562,414</u>	<u>32,905,423</u>	<u>58,467,837</u>	<u>49,520,611</u>
Total Liabilities and Fund Balances	<u>\$ 28,851,661</u>	<u>\$ 32,905,423</u>	<u>\$ 61,757,084</u>	<u>\$ 53,115,373</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Educational Account	Working Cash Account	Total	Actual
REVENUES				
Local Sources:				
General tax levy	\$ 24,418,940	\$ 127,402	\$ 24,546,342	\$ 22,830,643
Special education levy	5,059,357	-	5,059,357	4,509,757
Personal property replacement taxes	7,330,677	-	7,330,677	6,016,258
Regular - tuition	542	-	542	-
Summer school - tuition	108,352	-	108,352	129,021
Earnings on investments	5,671	-	5,671	12,749
Food services	299,144	-	299,144	152,816
District/School activity income	165,522	-	165,522	221,138
Textbooks	313,349	-	313,349	527,295
Rentals	44,058	-	44,058	24,690
Contributions and donations	975	-	975	124,260
Refund of prior years' expenditures	214,682	-	214,682	14,502
Other local sources	62,531	-	62,531	1,047,459
Total Local Sources	38,023,800	127,402	38,151,202	35,610,588
State Sources:				
Unrestricted Grants-In-Aid:				
General state aid	96,789,810	-	96,789,810	93,801,757
Total Unrestricted Grants-In-Aid	96,789,810	-	96,789,810	93,801,757
Restricted Grants-In-Aid:				
Special education	7,895,292	-	7,895,292	7,213,229
Career and technical education	17,361	-	17,361	42,552
Bilingual education	1,603,477	-	1,603,477	898,594
State free lunch and breakfast	66,594	-	66,594	88,824
Driver education	68,339	-	68,339	74,068
Truant alternative/optional education	71,406	-	71,406	71,406
Early childhood block grant	3,514,844	-	3,514,844	3,556,599
Other state sources	67,405	-	67,405	16,365
On behalf payments - State of Illinois	70,488,511	-	70,488,511	46,284,385
Total Restricted Grants-In-Aid	83,793,229	-	83,793,229	58,246,022
Total State Sources	180,583,039	-	180,583,039	152,047,779
Federal Sources:				
Restricted Grants-In-Aid:				
Food service	8,624,867	-	8,624,867	8,840,916
Title I - low income	4,286,167	-	4,286,167	6,999,761
Special education - pre-school flow through	50,603	-	50,603	103,274

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Educational Account	Working Cash Account	Total	Actual
Federal Sources:				
Restricted Grants-In-Aid:				
Special education - IDEA - flow through	\$ 3,126,332	\$ -	\$ 3,126,332	\$ 3,745,126
Special education - IDEA - room and board	41,296	-	41,296	42,197
Career and technical education	79,877	-	79,877	61,823
Title III - immigrant education program	4,009	-	4,009	40,813
Title III - language inst. program	466,684	-	466,684	710,121
Title II - teacher quality	365,770	-	365,770	457,490
Medicaid administrative outreach	603,324	-	603,324	563,051
Medicaid matching fee-for-service	252,879	-	252,879	640,518
Other federal sources	927,916	-	927,916	1,311,974
Total Restricted Grants-In-Aid	18,829,724	-	18,829,724	23,517,064
Total Federal Sources	18,829,724	-	18,829,724	23,517,064
Total Revenues	237,436,563	127,402	237,563,965	211,175,431
EXPENDITURES				
Current:				
Instruction	172,521,750	-	172,521,750	148,946,322
Support services	60,733,730	-	60,733,730	60,229,228
Community services	904,106	-	904,106	1,068,581
Payments to other districts and govt units	201,301	-	201,301	10,736
Capital Outlay	175,103	-	175,103	737,789
Total Expenditures	234,535,990	-	234,535,990	210,992,656
Excess of Revenues Over Expenditures	2,900,573	127,402	3,027,975	182,775
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	2,960,404
Transfers out	(299,051)	-	(299,051)	(323,157)
Bonds issued	-	5,740,000	5,740,000	-
Premium on bonds issued	-	478,302	478,302	-
Total Other Financing Sources (Uses)	(299,051)	6,218,302	5,919,251	2,637,247
Net Changes in Fund Balances	2,601,522	6,345,704	8,947,226	2,820,022
Fund Balance, Modified Accrual Basis, at Beginning of Year	22,960,892	26,559,719	49,520,611	46,700,589
Fund Balance, Modified Accrual Basis, at End of Year	\$ 25,562,414	\$ 32,905,423	\$ 58,467,837	\$ 49,520,611

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 22,600,749	\$ 23,643,595	\$ 1,042,846	\$ 22,600,750
Special education levy	4,520,149	4,818,890	298,741	4,520,150
Personal property replacement taxes	6,011,342	7,367,426	1,356,084	6,011,342
Regular - tuition	-	542	542	-
Summer school - tuition	111,359	108,352	(3,007)	129,021
Earnings on investments	10,320	5,671	(4,649)	12,749
Food services	152,655	299,144	146,489	152,816
District/School activity income	214,520	165,522	(48,998)	221,138
Textbooks	524,927	313,349	(211,578)	527,295
Rentals	24,690	44,058	19,368	24,690
Contributions and donations	6,542	975	(5,567)	124,260
Refund of prior years' expenditures	14,501	214,682	200,181	14,502
Other local sources	261,943	62,531	(199,412)	1,047,459
Total Local Sources	34,453,697	37,044,737	2,591,040	35,386,172
State Sources:				
Unrestricted Grants-In-Aid:				
General state aid	97,700,000	96,789,810	(910,190)	93,801,757
Total Unrestricted Grants-In-Aid	97,700,000	96,789,810	(910,190)	93,801,757
Restricted Grants-In-Aid:				
Special education	5,708,179	5,845,773	137,594	7,309,423
Career and technical education	45,747	17,361	(28,386)	42,552
Bilingual education	1,255,884	935,705	(320,179)	1,255,884
State free lunch and breakfast	66,383	47,084	(19,299)	66,383
Driver education	42,787	51,254	8,467	74,068
Truant alternative/optional education	58,891	12,515	(46,376)	58,891
Early childhood block grant	3,741,916	1,219,778	(2,522,138)	2,473,405
Other state sources	21,998	6,148	(15,850)	102,556
On behalf payments - State of Illinois	-	70,488,511	70,488,511	46,284,385
Total Restricted Grants-In-Aid	10,941,785	78,624,129	67,682,344	57,667,547
Total State Sources	108,641,785	175,413,939	66,772,154	151,469,304
Federal Sources:				
Restricted Grants-In-Aid:				
Food service	6,563,235	8,819,419	2,256,184	9,119,388
Title I - low income	7,244,854	4,044,737	(3,200,117)	6,638,482
Special education - pre-school flow through	183,351	78,928	(104,423)	95,162

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Federal Sources:				
Restricted Grants-In-Aid:				
Special education - IDEA - flow through	\$ 4,140,247	\$ 3,579,041	\$ (561,206)	\$ 3,850,098
Special education - IDEA - room and board	42,197	41,296	(901)	42,197
Career and technical education	71,540	79,877	8,337	61,823
Title III - immigrant education program	43,602	42,881	(721)	2,817
Title III - language inst. program	805,291	504,907	(300,384)	731,639
Title II - teacher quality	540,246	433,539	(106,707)	419,196
Medicaid administrative outreach	533,792	603,324	69,532	563,051
Medicaid matching fee-for-service	264,099	252,879	(11,220)	642,358
Other federal sources	604,977	929,791	324,814	1,294,767
Total Restricted Grants-In-Aid	<u>21,037,431</u>	<u>19,410,619</u>	<u>(1,626,812)</u>	<u>23,460,978</u>
Total Federal Sources	<u>21,037,431</u>	<u>19,410,619</u>	<u>(1,626,812)</u>	<u>23,460,978</u>
Total Revenues Received	<u>164,132,913</u>	<u>231,869,295</u>	<u>67,736,382</u>	<u>210,316,454</u>
EXPENDITURES DISBURSED				
Current:				
Instruction:				
Regular Programs:				
Salaries	46,735,689	44,112,473	(2,623,216)	45,306,324
Employee benefits	8,807,704	8,160,414	(647,290)	7,775,136
Purchased services	1,016,421	1,007,725	(8,696)	1,173,592
Supplies and materials	709,327	491,626	(217,701)	1,067,260
Other objects	14,650	8,165	(6,485)	13,291
Non-capitalized equipment	66,769	34,358	(32,411)	66,462
On behalf payments - State of Illinois	-	70,488,511	70,488,511	46,284,385
Total Regular Programs	<u>57,350,560</u>	<u>124,303,272</u>	<u>66,952,712</u>	<u>101,686,450</u>
Pre-K Programs:				
Salaries	1,632,693	1,610,639	(22,054)	1,625,014
Employee benefits	395,516	331,170	(64,346)	252,408
Purchased services	6,466	5,261	(1,205)	6,014
Supplies and materials	-	357,230	357,230	198,408
Non-capitalized equipment	-	-	-	3,893
Total Pre-K Programs	<u>2,034,675</u>	<u>2,304,300</u>	<u>269,625</u>	<u>2,085,737</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Instruction:				
Special Education Programs:				
Salaries	\$ 15,506,450	\$ 16,313,427	\$ 806,977	\$ 15,824,592
Employee benefits	2,971,740	3,544,562	572,822	2,896,332
Purchased services	195,629	203,592	7,963	248,079
Supplies and materials	415,737	203,221	(212,516)	410,408
Other objects	-	4,597,227	4,597,227	3,946,247
Non-capitalized equipment	86,085	-	(86,085)	72,781
Total Special Education Programs	19,175,641	24,862,029	5,686,388	23,398,439
Special Education Programs Pre-K:				
Salaries	710,357	770,698	60,341	756,544
Employee benefits	133,693	120,681	(13,012)	91,764
Supplies and materials	-	300	300	-
Other objects	-	115	115	-
Total Special Education Programs Pre-K	844,050	891,794	47,744	848,308
Remedial and Supplemental Programs K-12:				
Salaries	3,559,578	2,392,082	(1,167,496)	2,634,354
Employee benefits	855,930	615,535	(240,395)	591,082
Purchased services	753,778	717,646	(36,132)	571,751
Supplies and materials	3,248,792	1,952,833	(1,295,959)	2,991,885
Other objects	4,436,465	124,920	(4,311,545)	139,260
Non-capitalized equipment	285,630	45,843	(239,787)	261,442
Total Remedial and Supplemental Programs K-12	13,140,173	5,848,859	(7,291,314)	7,189,774
Remedial and Supplemental Programs Pre-K:				
Salaries	245,074	250,137	5,063	237,936
Employee benefits	46,124	88,479	42,355	84,397
Purchased services	1,457	-	(1,457)	1,565
Total Remedial and Supplemental Programs Pre-K	292,655	338,616	45,961	323,898
CTE Programs:				
Salaries	-	975	975	325
Employee benefits	-	168	168	104
Purchased services	350	3,000	2,650	350
Supplies and materials	64,570	71,132	6,562	64,028
Non-capitalized equipment	-	35,743	35,743	27,553
Total CTE Programs	64,920	111,018	46,098	92,360

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Instruction:				
Interscholastic Programs:				
Salaries	\$ 1,229,924	\$ 1,191,997	\$ (37,927)	\$ 1,194,101
Employee benefits	231,478	71,674	(159,804)	63,342
Purchased services	194,491	158,317	(36,174)	226,186
Supplies and materials	16,269	121,919	105,650	59,590
Other objects	1,497	1,296	(201)	1,497
Non-capitalized equipment	-	2,681	2,681	57,801
Total Interscholastic Programs	1,673,659	1,547,884	(125,775)	1,602,517
Summer School Programs:				
Salaries	133,786	91,539	(42,247)	129,890
Employee benefits	25,179	2,857	(22,322)	2,179
Purchased services	-	-	-	3,756
Total Summer School Programs	158,965	94,396	(64,569)	135,825
Driver's Education Programs:				
Salaries	175,110	136,006	(39,104)	170,010
Employee benefits	32,957	40,977	8,020	38,507
Total Driver's Education Programs	208,067	176,983	(31,084)	208,517
Bilingual Programs:				
Salaries	9,007,683	9,391,992	384,309	8,698,137
Employee benefits	1,705,070	1,783,910	78,840	1,432,958
Purchased services	18,299	172,438	154,139	14,839
Supplies and materials	147,715	32,537	(115,178)	143,375
Total Bilingual Programs	10,878,767	11,380,877	502,110	10,289,309
Truant Alternative and Optional Programs:				
Salaries	649,874	599,909	(49,965)	630,946
Employee benefits	122,310	102,886	(19,424)	95,169
Total Truant Alternative and Optional Programs	772,184	702,795	(69,389)	726,115
Total Instruction	106,594,316	172,562,823	65,968,507	148,587,249

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Support Services - Pupils:				
Attendance and Social Work Services:				
Salaries	\$ 4,584,995	\$ 4,379,886	\$ (205,109)	\$ 4,453,192
Employee benefits	856,262	985,703	129,441	862,322
Purchased services	90,830	129,373	38,543	84,026
Supplies and materials	24,500	8,723	(15,777)	23,414
Total Attendance and Social Work Services	<u>5,556,587</u>	<u>5,503,685</u>	<u>(52,902)</u>	<u>5,422,954</u>
Guidance Services:				
Salaries	2,915,556	2,665,830	(249,726)	2,830,636
Employee benefits	548,723	540,557	(8,166)	457,867
Total Guidance Services	<u>3,464,279</u>	<u>3,206,387</u>	<u>(257,892)</u>	<u>3,288,503</u>
Health Services:				
Salaries	3,045,810	2,889,054	(156,756)	2,925,108
Employee benefits	606,002	440,304	(165,698)	407,053
Purchased services	229,000	231,635	2,635	225,899
Supplies and materials	71,398	61,193	(10,205)	69,836
Non-capitalized equipment	-	7,200	7,200	8,483
Total Health Services	<u>3,952,210</u>	<u>3,629,386</u>	<u>(322,824)</u>	<u>3,636,379</u>
Psychological Services:				
Salaries	1,550,334	1,395,136	(155,198)	1,506,714
Employee benefits	310,522	259,118	(51,404)	241,980
Purchased services	201,068	296,451	95,383	180,428
Supplies and materials	4,204	-	(4,204)	3,560
Non-capitalized equipment	22,465	-	(22,465)	17,535
Total Psychological Services	<u>2,088,593</u>	<u>1,950,705</u>	<u>(137,888)</u>	<u>1,950,217</u>
Speech Pathology and Audiology Services:				
Salaries	1,888,856	1,783,282	(105,574)	1,833,840
Employee benefits	355,493	291,307	(64,186)	235,399
Purchased services	1,372,798	1,451,043	78,245	1,343,291
Supplies and materials	16,157	13,537	(2,620)	16,157
Total Speech Pathology and Audiology Services	<u>3,633,304</u>	<u>3,539,169</u>	<u>(94,135)</u>	<u>3,428,687</u>
Total Support Services - Pupils	<u>18,694,973</u>	<u>17,829,332</u>	<u>(865,641)</u>	<u>17,726,740</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Support Services - Instructional Staff				
Improvement of Instruction Services:				
Salaries	\$ 6,019,812	\$ 5,411,585	\$ (608,227)	\$ 5,929,230
Employee benefits	1,499,473	1,002,833	(496,640)	1,057,480
Purchased services	2,149,366	1,652,278	(497,088)	2,029,680
Supplies and materials	602,082	523,697	(78,385)	423,264
Other objects	62,266	67,554	5,288	51,572
Non-capitalized equipment	-	4,480	4,480	40,084
Total Improvement of Instruction Services	<u>10,332,999</u>	<u>8,662,427</u>	<u>(1,670,572)</u>	<u>9,531,310</u>
Educational Media Services:				
Salaries	950,894	1,029,821	78,927	923,199
Employee benefits	178,963	254,185	75,222	220,469
Purchased services	200,000	-	(200,000)	-
Supplies and materials	21,071	4,741	(16,330)	8,495
Non-capitalized equipment	-	82,746	82,746	-
Total Educational Media Services	<u>1,350,928</u>	<u>1,371,493</u>	<u>20,565</u>	<u>1,152,163</u>
Assessment and Testing:				
Salaries	165,030	231,319	66,289	162,273
Employee benefits	29,853	26,160	(3,693)	32,933
Purchased services	380,147	225,764	(154,383)	211,854
Supplies and materials	-	105	105	-
Total Assessment and Testing	<u>575,030</u>	<u>483,348</u>	<u>(91,682)</u>	<u>407,060</u>
Total Support Services - Instructional Staff	<u>12,258,957</u>	<u>10,517,268</u>	<u>(1,741,689)</u>	<u>11,090,533</u>
Support Services - General Administration:				
Board of Education Services:				
Salaries	-	1,680	1,680	4,128
Purchased services	75,149	159,060	83,911	71,918
Supplies and materials	5,335	3,221	(2,114)	3,113
Other objects	14,785	4,097	(10,688)	14,771
Total Board of Education Services	<u>95,269</u>	<u>168,058</u>	<u>72,789</u>	<u>93,930</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Support Services - General Administration:				
Executive Administration Services:				
Salaries	\$ 349,048	\$ 290,113	\$ (58,935)	\$ 502,154
Employee benefits	82,143	29,635	(52,508)	30,219
Purchased services	76,880	96,176	19,296	49,666
Supplies and materials	7,000	53,309	46,309	3,447
Other objects	28,369	8,320	(20,049)	23,168
Total Executive Administration Services	543,440	477,553	(65,887)	608,654
Tort Immunity Services:				
Salaries	218,086	202,880	(15,206)	266,008
Employee benefits	43,966	14,202	(29,764)	19,971
Purchased services	1,360	7,155	5,795	752
Supplies and materials	3,800	329	(3,471)	2,722
Other objects	2,200	1,015	(1,185)	2,182
Total Tort Immunity Services	269,412	225,581	(43,831)	291,635
Total Support Services - General Administration	908,121	871,192	(36,929)	994,219
Support Services - School Administration:				
Office of the Principal Services:				
Salaries	7,143,874	6,914,196	(229,678)	6,935,800
Employee benefits	1,344,515	1,325,819	(18,696)	1,221,025
Purchased services	-	4,000	4,000	-
Supplies and materials	-	14,280	14,280	-
Total Office of the Principal Services	8,488,389	8,258,295	(230,094)	8,156,825
Total Support Services - School Administration	8,488,389	8,258,295	(230,094)	8,156,825
Support Services - Business:				
Direction of Business Support Services:				
Salaries	302,979	307,171	4,192	294,155
Employee benefits	57,022	30,589	(26,433)	25,203
Purchased services	1,206	904	(302)	1,206
Supplies and materials	125	-	(125)	110
Total Direction of Business Support Services	361,332	338,664	(22,668)	320,674

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Support Services - Business:				
Fiscal Services:				
Salaries	\$ 764,817	\$ 1,076,344	\$ 311,527	\$ 645,453
Employee benefits	125,122	169,219	44,097	88,136
Purchased services	33,194	117,632	84,438	71,784
Supplies and materials	14,416	28,300	13,884	13,867
Other objects	4,325	4,844	519	6,647
Non-capitalized equipment	387	4,194	3,807	3,578
Total Fiscal Services	942,261	1,400,533	458,272	829,465
Operation and Maintenance of Plant Services:				
Salaries	4,900,674	4,829,878	(70,796)	4,761,198
Employee benefits	937,113	797,393	(139,720)	763,829
Purchased services	136,106	6,237	(129,869)	81,763
Supplies and materials	48,000	30,924	(17,076)	44,991
Total Operation and Maintenance of Plant Services	6,021,893	5,664,432	(357,461)	5,651,781
Pupil Transportation Services:				
Purchased services	515,240	318,561	(196,679)	422,763
Total Pupil Transportation Services	515,240	318,561	(196,679)	422,763
Food Services:				
Salaries	416,426	330,663	(85,763)	404,297
Employee benefits	78,374	97,511	19,137	113,128
Purchased services	5,753,723	6,845,722	1,091,999	5,745,762
Supplies and materials	20,474	769,017	748,543	975,645
Other objects	450	582	132	383
Non-capitalized equipment	-	-	-	3,396
Total Food Services	6,269,447	8,043,495	1,774,048	7,242,611
Internal Services:				
Salaries	322,027	397,027	75,000	409,735
Employee benefits	79,428	52,721	(26,707)	39,471
Purchased services	3,830	5,169	1,339	3,844
Supplies and materials	134,664	27,743	(106,921)	54,977
Other objects	15,052	-	(15,052)	-
Total Internal Services	555,001	482,660	(72,341)	508,027
Total Support Services - Business	14,665,174	16,248,345	1,583,171	14,975,321

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Support Services:				
Support Services - Central:				
Information Services:				
Salaries	\$ 43,001	\$ 138,972	\$ 95,971	\$ 41,749
Employee benefits	8,093	11,938	3,845	3,621
Purchased services	1,755	586	(1,169)	814
Supplies and materials	450	958	508	-
Total Information Services	53,299	152,454	99,155	46,184
Staff Services:				
Salaries	824,319	870,635	46,316	815,613
Employee benefits	344,209	280,866	(63,343)	319,961
Purchased services	231,514	109,327	(122,187)	153,421
Supplies and materials	9,215	9,223	8	9,215
Other objects	190	190	-	190
Total Staff Services	1,409,447	1,270,241	(139,206)	1,298,400
Data Processing Services:				
Salaries	1,760,809	1,533,091	(227,718)	1,709,523
Employee benefits	331,393	259,318	(72,075)	267,549
Purchased services	2,187,415	2,169,370	(18,045)	1,669,439
Supplies and materials	89,668	581,618	491,950	252,519
Other objects	39,500	17,163	(22,337)	39,494
Non-capitalized equipment	58,500	600,074	541,574	217,248
Total Data Processing Services	4,467,285	5,160,634	693,349	4,155,772
Total Support Services - Central	5,930,031	6,583,329	653,298	5,500,356
Other Support Services:				
Salaries	497,610	445,005	(52,605)	544,413
Employee benefits	123,098	89,078	(34,020)	85,802
Purchased services	121,919	40,098	(81,821)	132,947
Supplies and materials	74,067	32,817	(41,250)	59,544
Other objects	26,000	-	(26,000)	26,000
Non-capitalized equipment	-	15,591	15,591	7,915
Total Other Support Services	842,694	622,589	(220,105)	856,621
Total Support Services	61,788,339	60,930,350	(857,989)	59,300,615

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Community Services:				
Salaries	\$ 843,310	\$ 609,968	\$ (233,342)	\$ 778,772
Employee benefits	315,090	190,980	(124,110)	191,227
Purchased services	88,236	21,932	(66,304)	53,331
Supplies and materials	230,572	45,249	(185,323)	49,605
Other objects	-	120	120	-
Non-capitalized equipment	8,599	2,997	(5,602)	2,616
Total Community Services	1,485,807	871,246	(614,561)	1,075,551
Payments to Other Districts and Gov't Units:				
Regular programs:				
Purchased services	47,150	15,210	(31,940)	5,425
Total Regular programs	47,150	15,210	(31,940)	5,425
Special Education programs:				
Other objects	5,327	186,091	180,764	5,311
Total Special Education programs	5,327	186,091	180,764	5,311
Total Payments to Other Districts and Gov't Units	52,477	201,301	148,824	10,736
Provision for Contingencies:				
Other objects	600,000	-	(600,000)	-
Total Provision for Contingencies	600,000	-	(600,000)	-
Capital Outlay:				
Instruction:				
Regular programs	19,193	-	(19,193)	-
Pre-K programs	6,993	-	(6,993)	-
Remedial and supplemental programs K-12	12,000	-	(12,000)	-
CTE programs	45,903	-	(45,903)	18,135
Interscholastic programs	202,150	-	(202,150)	48,680
Total Instruction	286,239	-	(286,239)	66,815

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
Capital Outlay:				
Support Services:				
Health services	\$ 8,484	\$ -	\$ (8,484)	\$ -
Speech pathology and audiology services	14,986	-	(14,986)	-
Improvement of instruction services	46,087	-	(46,087)	6,003
Fiscal services	3,191	-	(3,191)	-
Operation and maintenance of plant services	-	105,000	105,000	-
Food services	6,600	-	(6,600)	-
Data processing services	464,329	106,713	(357,616)	420,416
Other support services	145,102	68,702	(76,400)	134,275
Total Support Services	688,779	280,415	(408,364)	560,694
Total Capital Outlay	975,018	280,415	(694,603)	627,509
Total Expenditures Disbursed	171,495,957	234,846,135	63,350,178	209,601,660
Excess (Deficiency) of Revenues Over Expenditures	(7,363,044)	(2,976,840)	4,386,204	714,794
OTHER FINANCING SOURCES (USES)				
Transfers in	3,024,814	-	(3,024,814)	2,960,404
Transfers out	-	(299,051)	(299,051)	(323,157)
Total Other Financing Sources (Uses)	3,024,814	(299,051)	(3,323,865)	2,637,247
Net Changes in Fund Balances	\$ (4,338,230)	(3,275,891)	\$ 1,062,339	3,352,041
Fund Balance, Budget Basis, at Beginning of Year		7,661,206		4,309,165
Fund Balance, Budget Basis, at End of Year		\$ 4,385,315		\$ 7,661,206

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 WORKING CASH ACCOUNT
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017			2016
	Original and Final Budget	Actual	Variance	Actual
REVENUES RECEIVED				
Local Sources:				
General tax levy	\$ 282,508	\$ 204,210	\$ (78,298)	\$ 282,508
Total Revenues Received	<u>282,508</u>	<u>204,210</u>	<u>(78,298)</u>	<u>282,508</u>
EXPENDITURES DISBURSED				
Total Expenditures Disbursed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>282,508</u>	<u>204,210</u>	<u>(78,298)</u>	<u>282,508</u>
OTHER FINANCING SOURCES				
Bonds issued	-	5,740,000	5,740,000	-
Premium on bonds issued	<u>-</u>	<u>478,302</u>	<u>478,302</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>6,218,302</u>	<u>6,218,302</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ 282,508</u>	6,422,512	<u>\$ 6,140,004</u>	282,508
Fund Balance, Budget Basis, at Beginning of Year		<u>26,421,686</u>		<u>26,139,178</u>
Fund Balance, Budget Basis, at End of Year		<u>\$ 32,844,198</u>		<u>\$ 26,421,686</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
REVENUES		
Local Sources:		
General tax levy	\$ 24,418,940	\$ 22,548,784
Special education levy	5,059,357	4,509,757
Personal property replacement taxes	7,330,677	6,016,258
Regular - tuition	542	-
Summer school - tuition	108,352	129,021
Earnings on investments	5,671	12,749
Food services	299,144	152,816
District/School activity income	165,522	221,138
Textbooks	313,349	527,295
Rentals	44,058	24,690
Contributions and donations	975	124,260
Refund of prior years' expenditures	214,682	14,502
Other local sources	62,531	1,047,459
Total Local Sources	38,023,800	35,328,729
State Sources:		
Unrestricted Grants-In-Aid:		
General state aid	96,789,810	93,801,757
Total Unrestricted Grants-In-Aid	96,789,810	93,801,757
Restricted Grants-In-Aid:		
Special education	7,895,292	7,213,229
Career and technical education	17,361	42,552
Bilingual education	1,603,477	898,594
State free lunch and breakfast	66,594	88,824
Driver education	68,339	74,068
Truant alternative/optional education	71,406	71,406
Early childhood block grant	3,514,844	3,556,599
Other state sources	67,405	16,365
On behalf payments - State of Illinois	70,488,511	46,284,385
Total Restricted Grants-In-Aid	83,793,229	58,246,022
Total State Sources	180,583,039	152,047,779
Federal Sources:		
Restricted Grants-In-Aid:		
Food service	8,624,867	8,840,916
Title I - low income	4,286,167	6,999,761
Special education - pre-school flow through	50,603	103,274

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
Federal Sources:		
Restricted Grants-In-Aid:		
Special education - IDEA - flow through	\$ 3,126,332	\$ 3,745,126
Special education - IDEA - room and board	41,296	42,197
Career and technical education	79,877	61,823
Title III - immigrant education program	4,009	40,813
Title III - language inst. program	466,684	710,121
Title II - teacher quality	365,770	457,490
Medicaid administrative outreach	603,324	563,051
Medicaid matching fee-for-service	252,879	640,518
Other federal sources	<u>927,916</u>	<u>1,311,974</u>
Total Restricted Grants-In-Aid	<u>18,829,724</u>	<u>23,517,064</u>
Total Federal Sources	<u>18,829,724</u>	<u>23,517,064</u>
Total Revenues	<u>237,436,563</u>	<u>210,893,572</u>
EXPENDITURES		
Current:		
Instruction:		
Regular Programs:		
Salaries	44,112,473	45,306,324
Employee benefits	7,962,830	7,807,826
Purchased services	1,100,496	1,141,647
Supplies and materials	528,546	1,047,234
Other objects	10,528	12,881
Non-capitalized equipment	34,358	65,652
On behalf payments - State of Illinois	<u>70,488,511</u>	<u>46,284,385</u>
Total Regular Programs	<u>124,237,742</u>	<u>101,665,949</u>
Pre-K Programs:		
Salaries	1,610,639	1,625,014
Employee benefits	327,270	247,780
Purchased services	5,326	6,014
Supplies and materials	355,616	199,934
Non-capitalized equipment	<u>-</u>	<u>3,893</u>
Total Pre-K Programs	<u>2,298,851</u>	<u>2,082,635</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Instruction:		
Special Education Programs:		
Salaries	\$ 16,313,427	\$ 15,824,592
Employee benefits	3,481,455	2,903,756
Purchased services	178,578	272,311
Supplies and materials	206,765	413,561
Other objects	4,612,109	4,269,553
Non-capitalized equipment	-	72,781
	<u>24,792,334</u>	<u>23,756,554</u>
Special Education Programs Pre-K:		
Salaries	770,698	756,544
Employee benefits	117,552	92,908
Supplies and materials	300	-
Other objects	115	-
	<u>888,665</u>	<u>849,452</u>
Total Special Education Programs Pre-K		
	<u>888,665</u>	<u>849,452</u>
Remedial and Supplemental Programs K-12:		
Salaries	2,392,082	2,634,354
Employee benefits	612,814	576,344
Purchased services	815,596	566,142
Supplies and materials	2,008,767	3,006,221
Other objects	75,840	188,340
Non-capitalized equipment	45,843	259,397
	<u>5,950,942</u>	<u>7,230,798</u>
Total Remedial and Supplemental Programs K-12		
	<u>5,950,942</u>	<u>7,230,798</u>
Remedial and Supplemental Programs Pre-K:		
Salaries	250,137	237,936
Employee benefits	87,237	82,856
Purchased services	-	1,565
	<u>337,374</u>	<u>322,357</u>
Total Remedial and Supplemental Programs Pre-K		
	<u>337,374</u>	<u>322,357</u>
CTE Programs:		
Salaries	975	325
Employee benefits	155	117
Purchased services	3,000	350
Supplies and materials	71,132	64,009
Non-capitalized equipment	35,743	27,553
	<u>111,005</u>	<u>92,354</u>
Total CTE Programs		
	<u>111,005</u>	<u>92,354</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Instruction:		
Interscholastic Programs:		
Salaries	\$ 1,191,997	\$ 1,194,101
Employee benefits	70,180	66,930
Purchased services	208,154	193,395
Supplies and materials	123,669	56,318
Other objects	1,296	973
Non-capitalized equipment	-	60,482
Total Interscholastic Programs	<u>1,595,296</u>	<u>1,572,199</u>
Summer School Programs:		
Salaries	91,539	129,890
Employee benefits	3,433	2,120
Purchased services	-	3,756
Total Summer School Programs	<u>94,972</u>	<u>135,766</u>
Driver's Education Programs		
Salaries	136,006	170,010
Employee benefits	40,135	37,655
Total Driver's Education Programs	<u>176,141</u>	<u>207,665</u>
Bilingual Programs:		
Salaries	9,391,992	8,698,137
Employee benefits	1,741,361	1,448,312
Purchased services	172,425	14,814
Supplies and materials	32,537	143,375
Total Bilingual Programs	<u>11,338,315</u>	<u>10,304,638</u>
Truant Alternative and Optional Programs:		
Salaries	599,909	630,946
Employee benefits	100,204	95,009
Total Truant Alternative and Optional Programs	<u>700,113</u>	<u>725,955</u>
Total Instruction	<u>172,521,750</u>	<u>148,946,322</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Support Services - Pupils:		
Attendance and Social Work Services:		
Salaries	\$ 4,379,886	\$ 4,453,192
Employee benefits	964,708	863,356
Purchased services	166,559	83,880
Supplies and materials	10,393	23,414
Total Attendance and Social Work Services	<u>5,521,546</u>	<u>5,423,842</u>
Guidance Services:		
Salaries	2,665,830	2,830,636
Employee benefits	528,188	461,564
Total Guidance Services	<u>3,194,018</u>	<u>3,292,200</u>
Health Services:		
Salaries	2,889,054	2,925,108
Employee benefits	426,979	411,585
Purchased services	259,705	198,552
Supplies and materials	61,414	69,836
Non-capitalized equipment	7,200	8,483
Total Health Services	<u>3,644,352</u>	<u>3,613,564</u>
Psychological Services:		
Salaries	1,395,136	1,506,714
Employee benefits	252,043	243,810
Purchased services	332,443	195,499
Supplies and materials	-	2,838
Non-capitalized equipment	-	17,535
Total Psychological Services	<u>1,979,622</u>	<u>1,966,396</u>
Speech Pathology and Audiology Services:		
Salaries	1,783,282	1,833,840
Employee benefits	282,259	239,695
Purchased services	1,447,789	1,464,148
Supplies and materials	14,887	16,157
Total Speech Pathology and Audiology Services	<u>3,528,217</u>	<u>3,553,840</u>
Total Support Services - Pupils	<u>17,867,755</u>	<u>17,849,842</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Support Services - Instructional Staff:		
Improvement of Instruction Services:		
Salaries	\$ 5,411,585	\$ 5,929,230
Employee benefits	987,177	1,042,590
Purchased services	1,701,793	1,845,436
Supplies and materials	535,489	423,453
Other objects	67,734	58,196
Non-capitalized equipment	4,480	40,084
Total Improvement of Instruction Services	<u>8,708,258</u>	<u>9,338,989</u>
Educational Media Services:		
Salaries	1,029,821	923,199
Employee benefits	249,833	219,725
Supplies and materials	4,741	6,740
Non-capitalized equipment	82,746	-
Total Educational Media Services	<u>1,367,141</u>	<u>1,149,664</u>
Assessment and Testing:		
Salaries	231,319	162,273
Employee benefits	25,484	33,425
Purchased services	230,047	211,854
Supplies and materials	105	-
Total Assessment and Testing	<u>486,955</u>	<u>407,552</u>
Total Support Services - Instructional Staff	<u>10,562,354</u>	<u>10,896,205</u>
Support Services - General Administration:		
Board of Education Services:		
Salaries	1,680	4,128
Purchased services	163,128	71,918
Supplies and materials	3,864	3,530
Other objects	4,097	14,771
Total Board of Education Services	<u>172,769</u>	<u>94,347</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Support Services - General Administration:		
Executive Administration Services:		
Salaries	\$ 290,113	\$ 502,154
Employee benefits	27,424	32,484
Purchased services	96,276	49,666
Supplies and materials	54,874	2,940
Other objects	8,678	23,168
Total Executive Administration Services	<u>477,365</u>	<u>610,412</u>
Tort Immunity Services:		
Salaries	202,880	266,008
Employee benefits	12,816	21,635
Purchased services	7,155	752
Supplies and materials	329	2,722
Other objects	1,695	1,462
Total Tort Immunity Services	<u>224,875</u>	<u>292,579</u>
Total Support Services - General Administration	<u>875,009</u>	<u>997,338</u>
Support Services - School Administration:		
Office of the Principal Services:		
Salaries	6,914,196	6,935,800
Employee benefits	1,292,254	1,226,883
Purchased services	4,000	-
Supplies and materials	14,280	-
Total Office of the Principal Services	<u>8,224,730</u>	<u>8,162,683</u>
Total Support Services - School Administration	<u>8,224,730</u>	<u>8,162,683</u>
Support Services - Business:		
Direction of Business Support Services:		
Salaries	307,171	294,155
Employee benefits	29,133	26,639
Purchased services	904	1,206
Supplies and materials	-	110
Total Direction of Business Support Services	<u>337,208</u>	<u>322,110</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Support Services - Business:		
Fiscal Services:		
Salaries	\$ 1,076,344	\$ 645,453
Employee benefits	166,597	89,451
Purchased services	132,362	71,838
Supplies and materials	30,348	14,434
Other objects	4,124	6,672
Non-capitalized equipment	4,194	3,578
Total Fiscal Services	<u>1,413,969</u>	<u>831,426</u>
Operation and Maintenance of Plant Services:		
Salaries	4,829,878	4,761,198
Employee benefits	777,461	772,391
Purchased services	7,661	54,547
Supplies and materials	30,924	44,991
Total Operation and Maintenance of Plant Services	<u>5,645,924</u>	<u>5,633,127</u>
Pupil Transportation Services:		
Purchased services	<u>449,030</u>	<u>422,136</u>
Total Pupil Transportation Services:	<u>449,030</u>	<u>422,136</u>
Food Services:		
Salaries	330,663	404,297
Employee benefits	97,233	109,815
Purchased services	6,478,672	6,542,938
Supplies and materials	771,512	975,645
Other objects	582	383
Non-capitalized equipment	-	3,396
Total Food Services	<u>7,678,662</u>	<u>8,036,474</u>
Internal Services:		
Salaries	397,027	409,735
Employee benefits	51,053	40,126
Purchased services	6,704	3,316
Supplies and materials	31,764	54,977
Total Internal Services	<u>486,548</u>	<u>508,154</u>
Total Support Services - Business	<u>16,011,341</u>	<u>15,753,427</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Support Services - Central:		
Information Services:		
Salaries	\$ 138,972	\$ 41,749
Employee benefits	11,738	3,832
Purchased services	586	814
Supplies and materials	958	-
Total Information Services	<u>152,254</u>	<u>46,395</u>
Staff Services:		
Salaries	870,635	815,613
Employee benefits	282,275	303,294
Purchased services	122,070	140,459
Supplies and materials	9,701	9,242
Other objects	190	190
Total Staff Services	<u>1,284,871</u>	<u>1,268,798</u>
Data Processing Services:		
Salaries	1,533,091	1,709,523
Employee benefits	251,584	270,045
Purchased services	2,327,406	1,709,526
Supplies and materials	599,867	281,631
Other objects	17,163	30,394
Non-capitalized equipment	445,959	359,556
Total Data Processing Services	<u>5,175,070</u>	<u>4,360,675</u>
Total Support Services - Central	<u>6,612,195</u>	<u>5,675,868</u>
Other Support Services:		
Salaries	445,005	544,413
Employee benefits	47,978	123,429
Purchased services	39,883	132,872
Supplies and materials	31,889	59,236
Other objects	-	26,000
Non-capitalized equipment	15,591	7,915
Total Other Support Services	<u>580,346</u>	<u>893,865</u>
Total Support Services	<u>60,733,730</u>	<u>60,229,228</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Community Services:		
Salaries	\$ 609,968	\$ 778,772
Employee benefits	192,170	183,378
Purchased services	57,861	50,349
Supplies and materials	42,088	52,368
Other objects	120	-
Non-capitalized equipment	1,899	3,714
Total Community Services	<u>904,106</u>	<u>1,068,581</u>
Payments to Other Districts and Gov't Units:		
Regular programs:		
Purchased services	15,210	5,425
Total Regular programs	<u>15,210</u>	<u>5,425</u>
Special Education programs:		
Other objects	186,091	5,311
Total Special Education programs	<u>186,091</u>	<u>5,311</u>
Total Payments to Other Districts and Gov't Units	<u>201,301</u>	<u>10,736</u>
Capital Outlay:		
Instruction:		
Regular programs	4,968	-
CTE programs	-	18,135
Interscholastic programs	-	48,680
Total Instruction	<u>4,968</u>	<u>66,815</u>
Support Services:		
Improvement of instruction services	-	6,003
Operation and maintenance of plant services	-	105,000
Data processing services	101,433	425,696
Other support services	68,702	134,275
Total Support Services	<u>170,135</u>	<u>670,974</u>
Total Capital Outlay	<u>175,103</u>	<u>737,789</u>
Total Expenditures	<u>234,535,990</u>	<u>210,992,656</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017 Actual</u>	<u>2016 Actual</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,900,573</u>	<u>\$ (99,084)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	2,960,404
Transfers out	<u>(299,051)</u>	<u>(323,157)</u>
Total Other Financing Sources (Uses)	<u>(299,051)</u>	<u>2,637,247</u>
Net Changes in Fund Balances	2,601,522	2,538,163
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>22,960,892</u>	<u>20,422,729</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u><u>\$ 25,562,414</u></u>	<u><u>\$ 22,960,892</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 WORKING CASH ACCOUNT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - MODIFIED ACCRUAL BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
REVENUES		
Local Sources:		
General tax levy	<u>\$ 127,402</u>	<u>\$ 281,859</u>
Total Revenues	<u>127,402</u>	<u>281,859</u>
EXPENDITURES		
Total Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>127,402</u>	<u>281,859</u>
OTHER FINANCING SOURCES		
Bonds issued	5,740,000	-
Premium on bonds issued	<u>478,302</u>	<u>-</u>
Total Other Financing Sources	<u>6,218,302</u>	<u>-</u>
Net Changes in Fund Balances	6,345,704	281,859
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>26,559,719</u>	<u>26,277,860</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u><u>\$ 32,905,423</u></u>	<u><u>\$ 26,559,719</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 OPERATIONS AND MAINTENANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - MODIFIED ACCRUAL BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
REVENUES		
Local Sources:		
General tax levy	\$ 4,743,147	\$ 4,227,898
Personal property replacement taxes	-	150,000
Earnings on investments	803	-
Refund of prior years' expenditures	439	126
Other local sources	30,207	155,879
Total Local Sources	4,774,596	4,533,903
State Sources:		
Unrestricted Grants-In-Aid:		
General state aid	1,500,000	1,537,000
Total Unrestricted Grants-In-Aid	1,500,000	1,537,000
Restricted Grants-In-Aid:		
Other state sources	337,684	54,009
Total Restricted Grants-In-Aid	337,684	54,009
Total State Sources	1,837,684	1,591,009
Total Revenues	6,612,280	6,124,912
EXPENDITURES		
Current:		
Support Services:		
Facilities Acquisition and Construction Services:		
Purchased services	86,740	45,102
Supplies and materials	-	1,082
Non-capitalized equipment	2,102	-
Total Facilities Acquisition and Construction Services	88,842	46,184
Operation and Maintenance of Plant Services:		
Salaries	2,518,074	2,435,337
Employee benefits	440,423	443,683
Purchased services	1,805,970	1,260,473
Supplies and materials	3,252,106	3,236,028
Other objects	1,700	-
Non-capitalized equipment	42,125	29,024
Total Operation and Maintenance of Plant Services	8,060,398	7,404,545

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
Support Services:		
Other Support Services:		
Purchased services	\$ 48,632	\$ 49,917
Total Other Support Services	48,632	49,917
Total Support Services	8,197,872	7,500,646
Capital Outlay:		
Facilities acquisition and construction services	4,809,769	804,256
Operation and maintenance of plant services	6,399	47,104
Total Capital Outlay	4,816,168	851,360
Total Expenditures	13,014,040	8,352,006
(Deficiency) of Revenues Over Expenditures	(6,401,760)	(2,227,094)
OTHER FINANCING SOURCES (USES)		
Transfers in	3,000,000	-
Transfers out	(11,216)	(130,000)
Bonds issued	-	7,000,000
Total Other Financing Sources (Uses)	2,988,784	6,870,000
Net Changes in Fund Balances	(3,412,976)	4,642,906
Fund Balance, Modified Accrual Basis, at Beginning of Year	7,913,054	3,270,148
Fund Balance, Modified Accrual Basis, at End of Year	\$ 4,500,078	\$ 7,913,054

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
REVENUES		
Local Sources:		
General tax levy	\$ 6,617,281	\$ 10,033,595
Other local sources	21,283	494
Total Local Sources	<u>6,638,564</u>	<u>10,034,089</u>
State Sources:		
Restricted Grants-In-Aid:		
Transportation - regular	2,346,557	2,558,547
Transportation - special education	3,743,342	3,406,726
Total Restricted Grants-In-Aid	<u>6,089,899</u>	<u>5,965,273</u>
Total State Sources	<u>6,089,899</u>	<u>5,965,273</u>
Total Revenues	<u>12,728,463</u>	<u>15,999,362</u>
EXPENDITURES		
Current:		
Support Services:		
Pupil Transportation Services:		
Salaries	65,744	65,000
Employee benefits	9,932	9,300
Purchased services	11,221,181	9,504,103
Supplies and materials	22,303	21,506
Total Pupil Transportation Services	<u>11,319,160</u>	<u>9,599,909</u>
Total Support Services	<u>11,319,160</u>	<u>9,599,909</u>
Total Expenditures	<u>11,319,160</u>	<u>9,599,909</u>
Excess of Revenues Over Expenditures	<u>1,409,303</u>	<u>6,399,453</u>
OTHER FINANCING (USES)		
Transfers out	<u>(3,000,000)</u>	<u>(2,960,404)</u>
Total Other Financing (Uses)	<u>(3,000,000)</u>	<u>(2,960,404)</u>
Net Changes in Fund Balances	<u>(1,590,697)</u>	<u>3,439,049</u>
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>10,892,980</u>	<u>7,453,931</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 9,302,283</u>	<u>\$ 10,892,980</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
REVENUES		
Local Sources:		
General tax levy	\$ 3,315,399	\$ 2,778,521
FICA/Medicare levy	3,316,477	2,976,035
Personal property replacement taxes	10,000	480,000
	<u>6,641,876</u>	<u>6,234,556</u>
Total Local Sources		
State Sources:		
Unrestricted Grants-In-Aid:		
General state aid	800,000	-
	<u>800,000</u>	<u>-</u>
Total Unrestricted Grants-In-Aid		
	<u>800,000</u>	<u>-</u>
Total State Sources		
	<u>800,000</u>	<u>-</u>
Total Revenues	<u>7,441,876</u>	<u>6,234,556</u>
EXPENDITURES		
Current:		
Employee Benefits:		
Instruction	2,311,251	2,247,559
Support services	4,008,205	4,107,995
Community services	50,956	86,856
	<u>6,370,412</u>	<u>6,442,410</u>
Total Employee Benefits		
	<u>6,370,412</u>	<u>6,442,410</u>
Total Expenditures		
	<u>6,370,412</u>	<u>6,442,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,071,464</u>	<u>(207,854)</u>
OTHER FINANCING (USES)		
Transfers out	(189,225)	(266,781)
	<u>(189,225)</u>	<u>(266,781)</u>
Total Other Financing (Uses)		
	<u>(189,225)</u>	<u>(266,781)</u>
Net Changes in Fund Balances	882,239	(474,635)
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>2,997,381</u>	<u>3,472,016</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 3,879,620</u>	<u>\$ 2,997,381</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
REVENUES		
Local Sources:		
General tax levy	\$ 1,720,137	\$ 1,488,817
Total Local Sources	<u>1,720,137</u>	<u>1,488,817</u>
Total Revenues	<u>1,720,137</u>	<u>1,488,817</u>
EXPENDITURES		
Current:		
Support Services:		
Workers' Compensation Payments:		
Purchased services	<u>833,007</u>	<u>1,400,608</u>
Total Workers' Compensation Payments	<u>833,007</u>	<u>1,400,608</u>
Unemployment Insurance Payments:		
Purchased services	<u>172,965</u>	<u>58,413</u>
Total Unemployment Insurance Payments	<u>172,965</u>	<u>58,413</u>
Insurance Payments:		
Purchased services	<u>559,926</u>	<u>474,008</u>
Total Insurance Payments	<u>559,926</u>	<u>474,008</u>
Risk Management and Claims Services Payments:		
Salaries	1,052,120	756,233
Employee benefits	<u>195,241</u>	<u>136,127</u>
Total Risk Management and Claims Services Payments	<u>1,247,361</u>	<u>892,360</u>
Judgments and Settlements:		
Other objects	<u>60,000</u>	<u>-</u>
Total Judgments and Settlements	<u>60,000</u>	<u>-</u>
Services Related to Loss Prevention:		
Purchased services	<u>30,000</u>	<u>30,005</u>
Total Services Related to Loss Prevention	<u>30,000</u>	<u>30,005</u>

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
Support Services:		
Legal Services:		
Salaries	\$ 64,240	\$ 59,726
Employee benefits	4,909	4,258
Purchased services	<u>351,930</u>	<u>430,550</u>
Total Legal Services	<u>421,079</u>	<u>494,534</u>
Total Support Services	<u>3,324,338</u>	<u>3,349,928</u>
Total Expenditures	<u>3,324,338</u>	<u>3,349,928</u>
Net Changes in Fund Balances	(1,604,201)	(1,861,111)
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>1,866,936</u>	<u>3,728,047</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u><u>\$ 262,735</u></u>	<u><u>\$ 1,866,936</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	2017 Actual	2016 Actual
REVENUES		
Local Sources:		
General tax levy	\$ 9,595,535	\$ 9,298,223
Other local sources	351	-
Total Local Sources	<u>9,595,886</u>	<u>9,298,223</u>
Total Revenues	<u>9,595,886</u>	<u>9,298,223</u>
EXPENDITURES		
Debt Service:		
Interest	5,808,263	6,071,427
Principal retirement	4,032,289	3,272,711
Other	<u>165,508</u>	<u>254,831</u>
Total Debt Service	<u>10,006,060</u>	<u>9,598,969</u>
Total Expenditures	<u>10,006,060</u>	<u>9,598,969</u>
(Deficiency) of Revenues Over Expenditures	<u>(410,174)</u>	<u>(300,746)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	499,492	719,938
Refunding bonds issued	1,225,000	9,130,000
Premium on refunding bonds issued	160,982	977,838
Payment to refunded bond escrow agent	<u>(1,324,911)</u>	<u>(9,926,111)</u>
Total Other Financing Sources (Uses)	<u>560,563</u>	<u>901,665</u>
Net Changes in Fund Balances	150,389	600,919
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>9,878,122</u>	<u>9,277,203</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 10,028,511</u>	<u>\$ 9,878,122</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
REVENUES		
Total Revenues	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Current:		
Support Services:		
Facilities Acquisition and Construction Services:		
Purchased services	<u>48,867</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>48,867</u>	<u>-</u>
Total Support Services	<u>48,867</u>	<u>-</u>
Capital Outlay:		
Facilities acquisition and construction services	<u>415,460</u>	<u>1,939,704</u>
Total Capital Outlay	<u>415,460</u>	<u>1,939,704</u>
Total Expenditures	<u>464,327</u>	<u>1,939,704</u>
Net Changes in Fund Balances	(464,327)	(1,939,704)
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>(4,456,181)</u>	<u>(2,516,477)</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u><u>\$ (4,920,508)</u></u>	<u><u>\$ (4,456,181)</u></u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 FIRE PREVENTION AND SAFETY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - MODIFIED ACCRUAL BASIS
 FOR THE YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE ACTUAL TOTALS FOR 2016)

	<u>2017</u> Actual	<u>2016</u> Actual
REVENUES		
Local Sources:		
General tax levy	\$ 632,349	\$ 550,765
Total Local Sources	<u>632,349</u>	<u>550,765</u>
Total Revenues	<u>632,349</u>	<u>550,765</u>
EXPENDITURES		
Current:		
Support Services:		
Facilities Acquisition and Construction Services:		
Purchased services	187,641	93,610
Supplies and materials	<u>31</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>187,672</u>	<u>93,610</u>
Total Support Services	<u>187,672</u>	<u>93,610</u>
Capital Outlay:		
Facilities acquisition and construction services	<u>1,453,320</u>	<u>758,491</u>
Total Capital Outlay	<u>1,453,320</u>	<u>758,491</u>
Total Expenditures	<u>1,640,992</u>	<u>852,101</u>
Net Changes in Fund Balances	(1,008,643)	(301,336)
Fund Balance, Modified Accrual Basis, at Beginning of Year	<u>1,536,900</u>	<u>1,838,236</u>
Fund Balance, Modified Accrual Basis, at End of Year	<u>\$ 528,257</u>	<u>\$ 1,536,900</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF NET ACTIVITY
 STUDENT ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2015</u>	<u>Net</u> <u>Activity</u>	<u>Balance</u> <u>June 30, 2016</u>
District student activities	<u>\$ 1,282,280</u>	<u>\$ 123,243</u>	<u>\$ 1,405,523</u>
REPRESENTED BY:			
Cash			
First Midwest Bank/Associated Bank			
Checking account		\$ 1,207,600	
Certificates of deposit		<u>15,000</u>	<u>\$ 1,222,600</u>
Norstates Bank			
Lulu V. Rippberger Fund		69,277	
Allen J. Larson Music Scholarship Fund		<u>4,263</u>	<u>73,540</u>
Illinois School District Liquid Asset Fund			
Money market			<u>109,383</u>
Total Cash			<u>\$ 1,405,523</u>

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60
 SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS
 AND COLLECTIONS
 YEARS ENDED JUNE 30, 2017 AND 2016

TAX LEVY YEAR	2016		2015	
ASSESSED VALUATION	\$635,716,516		\$568,100,666	
TAX EXTENSIONS BY LEVY	RATE	AMOUNT	RATE	AMOUNT
Educational	3.861%	\$ 24,541,951	4.000%	\$ 22,724,027
Special Education	0.800%	5,085,732	0.800%	4,544,805
Operations and Maintenance	0.750%	4,767,874	0.750%	4,260,755
Debt Service (Bond and Interest)	1.517%	9,641,461	1.650%	9,372,411
Transportation	1.043%	6,629,106	1.780%	10,110,215
Tort	0.272%	1,729,352	0.264%	1,500,002
Working Cash	0.020%	127,143	0.050%	284,050
Municipal Retirement	0.524%	3,333,653	0.493%	2,800,004
Social Security/Medicare	0.524%	3,333,653	0.528%	3,000,003
Fire Prevention and Safety	0.100%	635,716	0.098%	555,000
Total	9.411%	\$ 59,825,641	10.412%	\$ 59,151,272
TAX COLLECTIONS				
Year Ended June 30,				
2016		\$ -		\$ 29,815,525
2017		30,418,874		29,062,875
Total		\$ 30,418,874		\$ 58,878,400
Percent of Total Levy Collected through June 30, 2017		50.85%		99.54%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	1999B Building Original Amount: \$32,895,316 Capital Appreciation Bonds January 15, 1999		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,939,817	\$ 3,135,183	\$ 5,075,000
2019	<u>1,884,853</u>	<u>3,305,147</u>	<u>5,190,000</u>
TOTAL	<u>\$ 3,824,670</u>	<u>\$ 6,440,330</u>	<u>\$ 10,265,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	2001A Working Cash/Refunding Original Amount: \$18,329,222 Capital Appreciation Bonds November 1, 2001		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,524,414	\$ 1,955,586	\$ 3,480,000
2019	1,428,436	2,051,564	3,480,000
2020	1,338,791	2,141,209	3,480,000
2021	1,255,340	2,224,660	3,480,000
2022	<u>1,178,050</u>	<u>2,301,950</u>	<u>3,480,000</u>
TOTAL	<u>\$ 6,725,031</u>	<u>\$ 10,674,969</u>	<u>\$ 17,400,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation Series 2010A Original Amount: \$4,995,268 Capital Appreciation Bonds January 28, 2010		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	1,698,443	1,626,557	3,325,000
2024	1,588,153	1,736,847	3,325,000
2025	<u>1,490,465</u>	<u>1,834,535</u>	<u>3,325,000</u>
TOTAL	<u>\$ 4,777,061</u>	<u>\$ 5,197,939</u>	<u>\$ 9,975,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation Series 2010B Original Amount: \$13,505,000 January 28, 2010		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 584,200	\$ 584,200
2019	-	584,200	584,200
2020	5,365,000	454,900	5,819,900
2021	5,605,000	213,500	5,818,500
2022	<u>2,535,000</u>	<u>50,700</u>	<u>2,585,700</u>
TOTAL	<u>\$ 13,505,000</u>	<u>\$ 1,887,500</u>	<u>\$ 15,392,500</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation/Refunding Series 2015A Original Amount: \$8,000,000 October 29, 2015		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 344,450	\$ 344,450
2019	-	189,450	189,450
2020	-	189,450	189,450
2021	-	189,450	189,450
2022	-	189,450	189,450
2023	-	344,450	344,450
2024	-	344,450	344,450
2025	-	344,450	344,450
2026	2,325,000	344,450	2,669,450
2027	3,485,000	234,700	3,719,700
2028	<u>2,015,000</u>	<u>60,450</u>	<u>2,075,450</u>
TOTAL	<u>\$ 7,825,000</u>	<u>\$ 2,775,200</u>	<u>\$ 10,600,200</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation/Refunding Series 2015B Original Amount: \$1,000,000 October 29, 2015		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 50,000	\$ 50,000
2019	-	50,000	50,000
2020	-	50,000	50,000
2021	-	50,000	50,000
2022	-	50,000	50,000
2023	-	50,000	50,000
2024	-	50,000	50,000
2025	-	50,000	50,000
2026	<u>1,000,000</u>	<u>50,000</u>	<u>1,050,000</u>
TOTAL	<u>\$ 1,000,000</u>	<u>\$ 450,000</u>	<u>\$ 1,450,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation Series 2016 Original Amount: \$7,000,000 June 2, 2016		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 280,000	\$ 280,000
2019	-	280,000	280,000
2020	-	280,000	280,000
2021	-	280,000	280,000
2022	-	280,000	280,000
2023	-	280,000	280,000
2024	-	280,000	280,000
2025	-	280,000	280,000
2026	-	280,000	280,000
2027	-	280,000	280,000
2028	-	280,000	280,000
2029	-	280,000	280,000
2030	-	280,000	280,000
2031	-	280,000	280,000
2032	<u>7,000,000</u>	<u>280,000</u>	<u>7,280,000</u>
TOTAL	<u>\$ 7,000,000</u>	<u>\$ 4,200,000</u>	<u>\$ 11,200,000</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
 JUNE 30, 2017

<u>Due Year Ended June 30,</u>	General Obligation/Refunding Series 2017 Original Amount: \$6,965,000 June 28, 2017		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 144,443	\$ 144,443
2019	-	284,150	284,150
2020	-	284,150	284,150
2021	-	284,150	284,150
2022	-	284,150	284,150
2023	-	284,150	284,150
2024	-	284,150	284,150
2025	-	284,150	284,150
2026	-	284,150	284,150
2027	-	284,150	284,150
2028	1,000,000	284,150	1,284,150
2029	3,260,000	244,150	3,504,150
2030	<u>2,705,000</u>	<u>81,150</u>	<u>2,786,150</u>
TOTAL	<u>\$ 6,965,000</u>	<u>\$ 3,311,243</u>	<u>\$ 10,276,243</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 SCHEDULE OF PER CAPITA TUITION CHARGE
 AND AVERAGE DAILY ATTENDANCE - BUDGET BASIS
 YEARS ENDED JUNE 30, 2017 AND 2016

	Year Ended June 30,	
	2017	2016
Total Expenditures		
Education	\$ 163,902,312	\$ 162,458,152
Operations and Maintenance	13,328,027	8,154,736
Debt service	10,006,060	9,598,969
Transportation	9,776,636	9,629,910
Municipal Retirement/Social Security	6,370,412	6,442,410
Tort	3,301,892	3,435,498
Total	206,685,339	199,719,675
Less Receipts/Revenues or Disbursements/Expenditures Not Applicable to the Regular K-12 Program	15,291,952	9,952,910
Operating Expense Regular K-12	191,393,387	189,766,765
Average Daily Attendance	14,066	14,419
Estimated Operating Expense Per Pupil	\$ 13,607	\$ 13,161
Operating Expense Regular K-12	\$ 191,393,387	\$ 189,766,765
Less Offsetting Receipts/Revenues	31,492,298	38,084,601
Net Operating Expense For Tuition Computation	159,901,089	151,682,164
Add Total Depreciation Allowance	4,550,558	5,188,774
Total Allowance For Tuition Computation	164,451,647	156,870,938
Average Daily Attendance	14,066	14,419
Estimated Per Capita Tuition Charge	\$ 11,691.46	\$ 10,879.81

Note: This schedule is utilized by the Illinois State Board of Education.

STATISTICAL SECTION
(UNAUDITED)

This part of the Waukegan Community Unit School District No. 60'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 government's overall financial health.

Contents	Page
Financial Trends	130
<i>These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. Tables 1 – 4</i>	
Revenue Capacity	138
<i>These tables contain information to help the reader assess the District's most significant revenue source, the property tax. Tables 5 – 8</i>	
Debt Capacity	143
<i>These tables 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. Tables 9 – 12</i>	
Demographic and Economic Information	148
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. Tables 13 – 14</i>	
Operating Information	150
<i>These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. Tables 15 – 17</i>	

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal				
	2008	2009	2010	2011	2012
Governmental Activities:					
Net investment in capital assets	\$ 631,740	\$ 6,392,547	\$ 6,496,380	\$ 574,089	\$ 3,598,370
Restricted	-	-	-	32,600,995	37,071,060
Unrestricted	<u>3,209,687</u>	<u>5,134,554</u>	<u>10,847,665</u>	<u>3,951,654</u>	<u>6,874,695</u>
Total governmental activities net position	<u>\$ 3,841,427</u>	<u>\$ 11,527,101</u>	<u>\$ 17,344,045</u>	<u>\$ 37,126,738</u>	<u>\$ 47,544,125</u>

Years				
2013	(Restated) 2014	2015	2016	2017
\$ 34,390,282	\$ 44,399,882	\$ 43,048,372	\$ 35,764,908	\$ 41,989,240
34,484,797	27,821,009	28,962,620	34,983,405	28,384,560
5,783,811	(31,064,725)	(27,953,102)	(25,078,892)	(21,389,572)
<u>\$ 74,658,890</u>	<u>\$ 41,156,166</u>	<u>\$ 44,057,890</u>	<u>\$ 45,669,421</u>	<u>\$ 48,984,228</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal			
	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Instruction	\$ 92,185,972	\$ 99,070,855	\$ 109,284,495	\$ 106,891,124
Support services	66,082,613	71,189,222	76,095,567	73,660,700
Community services	1,608,653	1,329,215	1,049,105	1,190,740
Payments to other districts and gov't units	379,029	569,234	276,273	279,321
Interest and other on long-term debt	4,800,890	4,440,723	4,237,845	4,149,998
Capital outlay	1,080,129	1,310,126	2,852,010	2,212,463
Depreciation - unallocated*	1,657,241	1,699,099	975,935	1,038,204
Total Expenses	<u>167,794,527</u>	<u>179,608,474</u>	<u>194,771,230</u>	<u>189,422,550</u>
Program Revenues:				
Governmental Activities:				
Charges For Services:				
Instruction	1,437,900	1,204,876	1,091,805	1,201,671
Support services	744,338	675,060	704,214	271,384
Operating Grants and Contributions:				
Instruction	38,259,792	42,159,220	53,829,093	50,379,996
Support services	11,115,165	11,952,863	12,069,475	12,283,354
Capital Grants and Contributions:				
Support services	-	-	-	-
Total Program Revenues	<u>51,557,195</u>	<u>55,992,019</u>	<u>67,694,587</u>	<u>64,136,405</u>
Net (Expense) Revenue	<u>(116,237,332)</u>	<u>(123,616,455)</u>	<u>(127,076,643)</u>	<u>(125,286,145)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Personal property replacement taxes	7,735,680	6,766,944	5,474,404	7,099,308
Real estate taxes, levied for general purposes	58,505,382	60,950,338	61,421,911	63,155,756
Real estate taxes, levied for debt service	6,425,095	6,636,857	6,577,113	8,002,050
General state aid	51,914,054	55,546,863	60,565,597	67,383,061
Earnings on investments	448,406	238,408	17,282	34,327
Other	-	-	-	423,275
Total General Revenues and Other Changes in Net Position	<u>125,028,617</u>	<u>130,139,410</u>	<u>134,056,307</u>	<u>146,097,777</u>
Changes in Net Position	<u>\$ 8,791,285</u>	<u>\$ 6,522,955</u>	<u>\$ 6,979,664</u>	<u>\$ 20,811,632</u>

* This amount excludes direct depreciation expenses of the various programs.

TABLE 2

Years					
2012	2013	(Restated) 2014	2015	2016	2017
\$ 91,752,680	\$ 118,720,317	\$ 122,936,371	\$ 144,184,752	\$ 151,138,859	\$ 173,948,152
99,175,009	82,684,647	80,681,902	84,061,013	88,686,014	90,467,818
1,111,796	1,328,453	1,045,200	1,011,788	1,155,437	955,062
162,818	19,625	280,322	14,158	10,736	201,301
5,360,630	4,097,245	3,701,027	3,817,461	3,149,733	3,105,671
-	-	-	-	-	-
2,517,166	2,816,964	3,173,451	4,037,503	5,119,756	4,302,145
<u>200,080,099</u>	<u>209,667,251</u>	<u>211,818,273</u>	<u>237,126,675</u>	<u>249,260,535</u>	<u>272,980,149</u>
1,230,084	816,005	833,995	1,025,739	2,081,286	702,137
167,278	160,066	229,952	163,120	301,766	344,177
26,297,667	47,817,931	53,324,240	66,863,793	71,629,777	93,075,289
32,179,765	10,695,851	11,311,551	14,036,833	16,098,582	15,637,563
-	23,073,311	1,193,786	4,275,571	54,009	337,684
<u>59,874,794</u>	<u>82,563,164</u>	<u>66,893,524</u>	<u>86,365,056</u>	<u>90,165,420</u>	<u>110,096,850</u>
<u>(140,205,305)</u>	<u>(127,104,087)</u>	<u>(144,924,749)</u>	<u>(150,761,619)</u>	<u>(159,095,115)</u>	<u>(162,883,299)</u>
6,530,858	6,672,863	6,750,403	7,259,799	6,646,258	7,340,677
64,458,290	64,413,762	47,296,457	48,784,116	49,396,031	49,950,489
7,793,667	8,400,748	8,318,808	8,749,401	9,298,223	9,595,535
69,642,723	74,471,954	82,441,382	88,552,015	95,338,757	99,089,810
15,148	24,458	19,397	15,687	12,749	6,474
2,182,006	235,067	19,320	302,325	14,628	215,121
<u>150,622,692</u>	<u>154,218,852</u>	<u>144,845,767</u>	<u>153,663,343</u>	<u>160,706,646</u>	<u>166,198,106</u>
<u>\$ 10,417,387</u>	<u>\$ 27,114,765</u>	<u>\$ (78,982)</u>	<u>\$ 2,901,724</u>	<u>\$ 1,611,531</u>	<u>\$ 3,314,807</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ 204,866	\$ -	\$ -	\$ 331,050	\$ -
Restricted	319,249	1,240,352	1,407,744	1,651,589	-
Committed	-	-	-	-	2,706,692
Assigned	-	-	-	99,945	-
Unassigned	<u>41,025,975</u>	<u>42,117,144</u>	<u>48,308,216</u>	<u>60,384,592</u>	<u>63,080,414</u>
Total General Fund	<u>41,550,090</u>	<u>43,357,496</u>	<u>49,715,960</u>	<u>62,467,176</u>	<u>65,787,106</u>
All Other Governmental Funds					
Nonspendable	40,616	73,305	82,210	30,622	236,346
Restricted	13,305,634	15,530,211	16,748,399	30,457,167	27,372,576
Committed	-	-	-	-	6,409,077
Unassigned	<u>(10,995,531)</u>	<u>(11,031,757)</u>	<u>(6,795,741)</u>	<u>(7,081,395)</u>	<u>(5,010,218)</u>
Total All Other Governmental Funds	<u>2,350,719</u>	<u>4,571,759</u>	<u>10,034,868</u>	<u>23,406,394</u>	<u>29,007,781</u>
Total General and All Other Governmental Funds	<u><u>\$ 43,900,809</u></u>	<u><u>\$ 47,929,255</u></u>	<u><u>\$ 59,750,828</u></u>	<u><u>\$ 85,873,570</u></u>	<u><u>\$ 94,794,887</u></u>

TABLE 3

Years				
2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
486,692	-	-	-	-
1,096,115	2,317,672	6,483,367	7,666,466	10,775,236
57,533,046	48,997,608	40,217,222	41,854,145	47,692,601
<u>59,115,853</u>	<u>51,315,280</u>	<u>46,700,589</u>	<u>49,520,611</u>	<u>58,467,837</u>
241,789	226,708	232,986	241,402	250,701
27,504,439	27,897,970	28,806,595	34,843,971	28,250,783
5,155,762	1,461,068	-	-	-
-	(7,860,613)	(2,516,477)	(4,456,181)	(4,920,508)
<u>32,901,990</u>	<u>21,725,133</u>	<u>26,523,104</u>	<u>30,629,192</u>	<u>23,580,976</u>
<u>\$ 92,017,843</u>	<u>\$ 73,040,413</u>	<u>\$ 73,223,693</u>	<u>\$ 80,149,803</u>	<u>\$ 82,048,813</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal				
	2008	2009	2010	2011	2012
Revenues:					
Local sources:					
Tax levies	\$ 64,930,477	\$ 67,587,195	\$ 67,999,024	\$ 71,157,806	\$ 72,251,957
Personal property replacement taxes	7,735,680	6,766,944	5,474,404	7,099,308	6,530,858
Tuition	60,626	49,438	79,577	86,830	53,665
Earnings on investments	448,406	238,408	17,282	34,327	15,148
Food services	744,338	675,061	598,498	231,954	119,578
District/School activity income	248,046	146,997	226,478	174,621	67,414
Textbooks	884,931	506,152	503,566	731,006	586,777
Rentals	58,248	49,486	50,244	24,534	25,961
Contributions and donations	272	74,531	30,495	14,896	23,850
Refund of prior years' expenditures	100,481	157,717	146,887	234,614	22,267
Other local sources	85,296	220,555	160,274	397,875	2,578,591
State sources	83,352,727	78,101,062	90,109,485	103,824,599	108,071,277
Federal sources	17,936,284	31,557,885	36,354,677	26,221,812	20,048,878
Total Revenues	<u>176,585,812</u>	<u>186,131,431</u>	<u>201,750,891</u>	<u>210,234,182</u>	<u>210,396,221</u>
Expenditures:					
Current:					
Instruction	92,029,962	97,908,138	107,931,994	105,539,884	110,146,628
Support services	66,036,234	71,201,303	76,092,353	73,627,015	78,625,443
Community services	1,608,653	1,329,215	1,049,105	1,190,740	1,111,796
Payments to other districts and gov't units	379,029	569,234	276,273	279,321	162,818
Debt Service:					
Principal retirement	5,179,854	6,532,626	7,759,207	6,691,214	7,022,486
Interest and other	1,671,202	1,269,751	1,690,562	928,542	1,131,136
Capital outlay	2,908,658	3,292,716	5,507,597	4,653,430	3,370,404
Total Expenditures	<u>169,813,592</u>	<u>182,102,983</u>	<u>200,307,091</u>	<u>192,910,146</u>	<u>201,570,711</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,772,220</u>	<u>4,028,448</u>	<u>1,443,800</u>	<u>17,324,036</u>	<u>8,825,510</u>
Other Financing Sources (Uses):					
Transfers in	-	1,958,897	16,405,786	462,437	480,248
Transfers out	-	(1,958,897)	(16,405,786)	(462,437)	(480,248)
Bonds issued	-	-	29,780,268	9,695,000	-
Refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	822,683	-	-
Premium on refunding bonds issued	-	-	-	-	-
Payment to bond escrow agent	-	-	(20,380,211)	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Capital leases	15,564	-	155,033	196,942	95,808
Debt issuance costs	-	-	-	(80,747)	-
Mortgage	831,746	-	-	-	-
Total Other Financing Sources (Uses)	<u>847,310</u>	<u>-</u>	<u>10,377,773</u>	<u>9,811,195</u>	<u>95,808</u>
Net Changes in Fund Balances	<u>\$ 7,619,530</u>	<u>\$ 4,028,448</u>	<u>\$ 11,821,573</u>	<u>\$ 27,135,231</u>	<u>\$ 8,921,318</u>
Debt Service as a Percentage of Non-capital Expenditures	4.3%	4.6%	5.1%	4.2%	4.3%

TABLE 4

Years				
2013	2014	2015	2016	2017
\$ 72,814,510	\$ 55,615,265	\$ 57,533,517	\$ 58,694,254	\$ 59,546,024
6,672,863	6,750,403	7,259,799	6,646,258	7,340,677
94,178	79,023	111,359	129,021	108,894
24,458	19,397	15,687	12,749	6,474
124,980	168,813	137,790	152,816	299,144
151,433	167,534	258,828	221,138	165,522
552,932	473,703	480,586	527,295	313,349
30,086	30,809	19,100	24,690	44,058
5,000	30,330	6,230	124,260	975
84,130	19,320	112,054	14,628	215,121
168,399	113,735	365,237	1,203,832	114,372
137,192,085	129,992,051	154,336,350	159,604,061	189,310,622
18,866,962	18,278,908	19,391,862	23,517,064	18,829,724
<u>236,782,016</u>	<u>211,739,291</u>	<u>240,028,399</u>	<u>250,872,066</u>	<u>276,294,956</u>
116,781,675	123,626,727	142,656,087	151,193,881	174,833,001
82,660,739	82,605,186	84,123,300	84,881,316	87,819,844
1,328,453	1,045,200	1,011,788	1,155,437	955,062
19,625	280,322	14,158	10,736	201,301
6,021,254	3,743,514	3,430,872	3,272,711	4,032,289
2,692,491	5,883,699	6,052,544	6,326,258	5,973,771
31,062,146	13,935,449	2,685,993	4,287,344	6,860,051
<u>240,566,383</u>	<u>231,120,097</u>	<u>239,974,742</u>	<u>251,127,683</u>	<u>280,675,319</u>
<u>(3,784,367)</u>	<u>(19,380,806)</u>	<u>53,657</u>	<u>(255,617)</u>	<u>(4,380,363)</u>
551,351	678,436	7,334,651	3,680,342	3,499,492
(551,351)	(678,436)	(7,334,651)	(3,680,342)	(3,499,492)
-	-	-	7,000,000	5,740,000
-	-	-	9,130,000	1,225,000
-	-	-	-	478,302
-	-	-	977,838	160,982
-	-	-	-	-
-	-	-	(9,926,111)	(1,324,911)
1,007,323	403,376	129,623	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,007,323</u>	<u>403,376</u>	<u>129,623</u>	<u>7,181,727</u>	<u>6,279,373</u>
<u>\$ (2,777,044)</u>	<u>\$ (18,977,430)</u>	<u>\$ 183,280</u>	<u>\$ 6,926,110</u>	<u>\$ 1,899,010</u>
4.3%	4.6%	4.2%	4.0%	3.8%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN TAX YEARS

Tax Year	Real Property					Total Taxable Assessed Value
	Residential	Commercial	Industrial	Rural	Railroad	
2007	\$ 837,769,478	\$ 285,729,070	\$ 26,699,396	\$ 76,371	\$ 1,390,865	\$ 1,151,665,180
2008	867,321,576	297,030,240	27,322,835	77,894	1,088,409	1,192,840,954
2009	825,587,625	283,707,693	26,712,097	78,453	1,292,672	1,137,378,540
2010	717,906,417	285,339,323	25,770,668	85,723	1,891,332	1,030,993,463
2011	595,856,306	265,717,897	24,355,091	94,433	2,093,459	888,117,186
2012	456,740,055	240,663,394	22,507,138	87,308	2,281,052	722,278,947
2013	362,088,867	223,153,416	19,689,596	77,860	3,151,011	608,160,750
2014	329,679,911	208,664,414	18,319,479	79,073	3,382,474	560,125,351
2015	340,768,005	205,466,682	17,723,443	79,206	4,063,330	568,100,666
2016	388,273,419	223,673,741	19,406,551	135,122	4,227,683	635,716,516

Sources: Lake County levy, rate and extension reports and Lake County Clerk's office.

Note: Property in the county is reassessed annually. The county assesses property at approximately 33.33% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

TABLE 5

<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Value as a Percentage of Actual Value</u>
5.6390	\$ 3,455,341,074	33.33%
5.6910	3,578,880,750	33.33%
5.9860	3,412,476,868	33.33%
6.1430	3,093,289,718	33.33%
7.2930	2,664,618,020	33.33%
9.2790	2,167,053,546	33.33%
9.2920	1,824,664,716	33.33%
10.3800	1,680,544,107	33.33%
10.4121	1,704,472,445	33.33%
9.4107	1,907,340,282	33.33%

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
PROPERTY TAX RATES -- DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS
(RATE PER \$100 OF ASSESSED VALUE)

Tax Year	Waukegan Community Unit School District No. 60 Total Millage	Overlapping Rates	
		City of Waukegan Total Millage	Other Lake County Governments Total Millage
2007	5.6390	1.3690	4.5490
2008	5.6910	1.4080	4.6830
2009	5.9860	1.6440	4.8100
2010	6.9210	1.9560	4.7170
2011	8.1750	2.1910	5.4600
2012	10.1360	2.8270	6.6040
2013	9.2920	3.3400	7.4380
2014	10.3800	3.4737	7.7463
2015	10.4121	3.4749	7.6069
2016	9.4107	3.2391	7.3923

Source: Office of the Lake County Clerk

Note: The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AREA PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2016 Tax Levy			2007 Tax Levy		
	Taxable Equalized Assessed Valuation (1)	Rank	Percentage of Total District Taxable Assessed Value (2)	Taxable Equalized Assessed Valuation (3)	Rank	Percentage of Total District Taxable Assessed Value (4)
Community Health Systems, Inc.	\$ 17,901,666	1	2.82%			
Paul, Brady	5,884,451	2	0.93%			
Nicolls, II, C Robert	5,401,975	3	0.85%			
IRT Eagle Ridge Apartments, LLC	5,283,490	4	0.83%			
Mimg LXXXIV Harbor Lake Sub., LLC	4,234,517	5	0.67%			
Whispering Oaks Associates, LP	4,065,187	6	0.64%	\$ 4,233,471	7	0.37%
Property Valuation Services	3,554,975	7	0.56%	16,277,950	1	1.41%
Union Pacific Railroad Co.	3,042,552	8	0.48%			
Heritage Green Apartments LLC	3,040,008	9	0.48%	3,819,972	8	0.33%
Lake Towers Associates II LTD	2,926,389	10	0.46%	3,648,402	9	0.32%
Chicago Title Land Trust Co.				11,454,802	2	0.99%
LA Venture LLC, Debruler Co.				7,710,345	3	0.67%
RSD Waukegan LP				7,097,520	4	0.62%
Midwest Generation LLC				6,365,649	5	0.55%
Sunset Lake LP				4,652,928	6	0.40%
Amico/Foxcrest LLC				3,578,038	10	0.31%
Total	\$ 55,335,210		8.72%	\$ 68,839,077		5.97%

Source: Office of the Lake County Clerk

(1) Includes tax year 2016 equalized assessed valuations of property parcels with an aggregate total over approximately \$488,000.

(2) Uses the District's 2016 equalized assessed valuation of \$635,716,516.

(3) Includes tax year 2007 equalized assessed valuations of property parcels with an aggregate total over approximately \$685,000.

(4) Uses the District's 2007 equalized assessed valuation of \$1,151,665,179.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal 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
2008	\$ 64,942,399	\$ 31,584,645	48.63%	\$ 33,060,373	\$ 64,645,018	99.54%
2009	67,884,579	33,215,244	48.93%	34,568,465	67,783,709	99.85%
2010	68,083,479	33,411,440	49.07%	34,474,790	67,886,230	99.71%
2011	71,355,058	34,513,198	48.37%	36,490,237	71,003,435	99.51%
2012	72,603,580	35,419,131	48.78%	36,788,753	72,207,884	99.45%
2013	73,210,194	35,916,491	49.06%	36,963,776	72,880,267	99.55%
2014	56,510,297	28,064,827	49.66%	27,854,071	55,918,898	98.95%
2015	58,141,224	28,769,268	49.48%	28,925,037	57,694,305	99.23%
2016	59,151,272	29,815,525	50.41%	29,062,875	58,878,400	99.54%
2017	59,825,641	30,418,874	50.85%	-	30,418,874	50.85%

Source: Office of the Lake County Clerk

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds ²	Debt Certificates	Capital Lease	Mortgage			
2008	\$ 55,031,937	\$ 110,000	\$ 574,708	\$ 831,746	\$ 56,548,391	4.0%	629
2009	49,222,469	-	96,929	731,899	50,051,297	3.6%	557
2010	57,045,429	-	153,353	626,310	57,825,092	3.1%	622
2011	62,129,803	9,695,000	277,181	514,649	72,616,633	4.0%	815
2012	47,596,896	9,695,000	279,692	396,569	57,968,157	3.2%	651
2013	41,908,558	9,695,000	1,078,969	271,699	52,954,226	3.0%	594
2014	38,771,265	9,695,000	1,008,175	139,648	49,614,088	2.7%	557
2015	35,796,384	9,695,000	818,548	-	46,309,932	2.6%	521
2016	48,936,783	-	535,438	-	49,472,221	2.7%	555
2017	51,621,760	-	259,964	-	51,881,724	2.9%	586

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics on page 148 for personal income and population data.

² General obligation bonds without accretion.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds ³	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ¹	Per Capita ²
2008	\$ 55,031,937	\$ 8,851,530	\$ 46,180,407	1.34%	514
2009	49,222,469	8,819,508	40,402,961	1.13%	450
2010	57,045,429	3,905,292	53,140,137	1.56%	572
2011	62,129,803	8,163,017	53,966,786	1.74%	606
2012	47,596,896	8,623,310	38,973,586	1.46%	438
2013	41,908,558	8,926,470	32,982,088	1.52%	370
2014	38,771,265	8,886,567	29,884,698	1.64%	335
2015	35,796,384	9,277,203	26,519,181	1.58%	298
2016	48,936,783	9,878,122	39,058,661	2.29%	438
2017	51,621,760	10,028,511	41,593,249	2.18%	470

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 138-139 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 148.

³ General obligation bonds without accretion.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017

Taxing Authority	Outstanding Bonds		Applicable to District	
			Percentage	Amount
Debt repaid with property taxes:				
Lake County	\$ -	(1)	2.500%	\$ -
Lake County Forest Preserve	270,760,000	(4)	2.500%	6,769,000
Central Lake County Joint Action Water Agency	6,105,000		0.003%	183
Village of Beach Park	-	(1)	16.326%	-
Village of Gurnee	7,220,000		0.022%	1,588
City of Park City	400,000		20.021%	80,084
City of Waukegan	60,485,000	(3)	57.149%	34,566,573
Warren-Newport Library	-	(1)	1.842%	-
Foss Park District	349,495	(1)	7.563%	26,432
Gurnee Park District	957,555	(1)	0.023%	220
Waukegan Park District	1,739,910	(1)	57.749%	1,004,781
Community College No. 532	15,985,000	(1)(4)	2.886%	461,327
Subtotal, Overlapping Debt				\$ 42,910,188
Waukegan Community Unit School District No. 60 Direct Debt		(1)(2)	100.000%	44,621,761
Total Direct and Overlapping Debt				<u>\$ 87,531,949</u>

Rates may not be increased without voter approval by referendum.

Lake County governmental units are subject to Illinois Property Tax Extension Limitation laws. Property tax increases are limited to the lesser of 5% or the reported increase in the Consumer Price Index (CPI).

Source: Office of the Lake County Clerk

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

- (1) Excludes outstanding principal amounts of General Obligation Alternative Revenue Source Bonds
- (2) Includes outstanding original principal amounts of Capital Appreciation Bonds
- (3) Includes self-supporting and tax increment bonds
- (4) Excludes outstanding Debt Certificates and Capital Leases.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Fiscal 2012</u>
Debt Limit	\$ 158,929,795	\$ 164,612,052	\$ 156,958,239	\$ 142,277,098	\$ 122,560,172
Total Net Debt Applicable to Limit	<u>47,696,861</u>	<u>41,231,789</u>	<u>53,919,790</u>	<u>54,758,617</u>	<u>39,649,847</u>
Legal Debt Margin	<u>\$ 111,232,934</u>	<u>\$ 123,380,263</u>	<u>\$ 103,038,449</u>	<u>\$ 87,518,481</u>	<u>\$ 82,910,325</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.01%	25.05%	34.35%	38.49%	32.35%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 13.8 percent of total assessed property value.

Years				
2013	2014	2015	2016	2017
\$ 99,674,495	\$ 83,926,184	\$ 77,297,298	\$ 78,397,892	\$ 87,728,879
44,027,756	40,727,521	46,309,932	49,472,221	51,881,724
<u>\$ 55,646,739</u>	<u>\$ 43,198,663</u>	<u>\$ 30,987,366</u>	<u>\$ 28,925,671</u>	<u>\$ 35,847,155</u>
44.17%	48.53%	59.91%	63.10%	59.14%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$ 635,716,516
Debt Limit (13.8% of total assessed value)	87,728,879
Debt Applicable to Limit:	
General Obligation Bonds	51,621,760
Capital Leases	<u>259,964</u>
Total	<u>51,881,724</u>
Legal Debt Margin	<u>\$ 35,847,155</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ²	Personal Income ²	Per Capita Personal Income ²	Median Age ²	School Enrollment ^{3,4}	Unemployment Rate ¹
2008	89,877	\$ 1,403,878,740	\$ 15,620	29.0	16,938	14.20%
2009	89,877	1,403,878,740	15,620	29.0	16,957	12.10%
2010	92,929	1,881,719,321	20,249	30.0	16,548	12.08%
2011	89,078	1,803,740,422	20,249	30.0	16,328	14.70%
2012	89,078	1,803,740,422	20,249	30.5	16,152	10.80%
2013	89,159	1,791,471,787	20,093	30.5	16,600	10.60%
2014	89,078	1,810,421,272	20,324	30.7	16,732	11.40%
2015	88,915	1,801,951,390	20,266	30.5	16,892	12.00%
2016	89,078	1,811,222,974	20,333	30.5	16,684	5.30%
2017	88,475	1,798,962,175	20,333	31.1	16,478	5.90%

Sources:

¹ State of Illinois Department of Employment Security² City of Waukegan³ School District⁴ Illinois Report Card

Note: Population, per capita income and median age are based on data provided by Lake County Partners.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AREA PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2017			2008		
	Approximate Number of Employees*	Rank	Percentage of Total District Employment**	Approximate Number of Employees*	Rank	Percentage of Total District Employment**
Lake County Government	2,683	1	6.40%	2,800	1	7.00%
Waukegan Community Unit School District No. 60	2,000	2	4.80%	1,900	2	4.80%
Southwire Co., Inc. (Coleman Cable)	1,500	3	3.60%	1,000	5	2.50%
Vista Health System	1,200	4	2.90%	1,300	3	3.30%
Medline Industries, Inc.	850	5	2.00%	850	6	2.10%
Jewel Foods (2 stores)	525	6	1.20%	525	7	1.30%
City of Waukegan	461	7	1.10%	461	9	1.20%
Yaskawa America Inc.	420	8	1.00%	465	8	1.20%
Walmart Supercenter	350	9	0.80%	350	11	0.90%
Cardinal Health, Inc.	340	10	0.80%	340	12	0.90%
United Conveyor Corp.	300	11	0.70%	300	13	0.80%
Deublin Co.	225	12	0.50%	225	14	0.60%
Visual Pak	200	13	0.50%	200	15	0.50%
Nosco Inc.	200	14	0.50%	400	10	1.00%
Uline, Inc.				1,200	4	3.00%
Total	11,254		26.80%	12,316		31.10%

*Includes full and part-time and/or seasonal

**The Illinois Department of Employment Security reports that 42,074 were employed in 2016 in the City of Waukegan and 39,981 were employed in 2008.

- (1) 2017 Illinois Manufacturers Directory
- (2) 2017 Illinois Services Directory
- (3) ReferenceUSA.com
- (4) Employer Official Website and/or City Financial Reports
- (5) Illinois Department of Employment Security

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	Year Ended 2012
Instruction	1,297	1,316	1,387	1,514	1,294
Support Services	602	690	784	677	708
Community Services	29	26	23	17	19
Total	<u>1,928</u>	<u>2,032</u>	<u>2,194</u>	<u>2,208</u>	<u>2,021</u>

Source: Waukegan School District

June 30, 2013	2014	2015	2016	2017
1,272	1,323	1,292	1,314	1,344
629	679	725	740	741
17	13	17	17	10
<u>1,918</u>	<u>2,015</u>	<u>2,034</u>	<u>2,071</u>	<u>2,095</u>

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Operating Expenses	Enrollment	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage
2008	\$ 142,981,041	16,938	\$ 8,441	N/A	1,096	15.45	91%
2009	154,200,958	16,957	9,094	7.85%	1,138	14.90	85%
2010	164,331,777	16,548	9,931	6.57%	1,224	13.52	92%
2011	161,101,143	16,328	9,867	-1.97%	1,158	14.10	94%
2012	168,309,701	16,152	10,420	4.47%	1,178	13.71	94%
2013	179,149,901	16,600	10,792	6.44%	1,190	13.95	96%
2014	180,782,470	16,732	10,805	0.91%	1,214	13.78	95%
2015	185,907,294	16,892	11,006	2.83%	1,162	14.54	93%
2016	192,452,524	16,684	11,535	3.52%	1,175	14.20	93%
2017	198,075,429	16,478	12,021	2.92%	1,072	15.37	92%

Sources: Nonfinancial information provided by the District's personnel department.

(1) Illinois Report Card

Note: Enrollment based on start-of-year census. Teaching staff are full-time equivalents for the year as a whole. Attendance is a yearly average. Operating expenses consists of the General Fund (less on-behalf payments - State of Illinois), the Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, and the Tort Fund.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
 CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Function	2008	2009	2010	2011	Fiscal 2012
Instruction	\$ 362,062	\$ 797,226	\$ 849,531	\$ 399,118	\$ 39,473
Support services	2,544,500	2,491,795	4,649,231	4,253,467	3,330,931
Community services	2,096	3,695	8,835	845	-
Total	<u>\$ 2,908,658</u>	<u>\$ 3,292,716</u>	<u>\$ 5,507,597</u>	<u>\$ 4,653,430</u>	<u>\$ 3,370,404</u>

Years				
2013	2014	2015	2016	2017
\$ 58,921	\$ 17,087	\$ 5,620	\$ 66,815	\$ 4,968
31,003,225	13,918,362	2,680,373	4,220,529	6,855,083
-	-	-	-	-
<u>\$ 31,062,146</u>	<u>\$ 13,935,449</u>	<u>\$ 2,685,993</u>	<u>\$ 4,287,344</u>	<u>\$ 6,860,051</u>

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