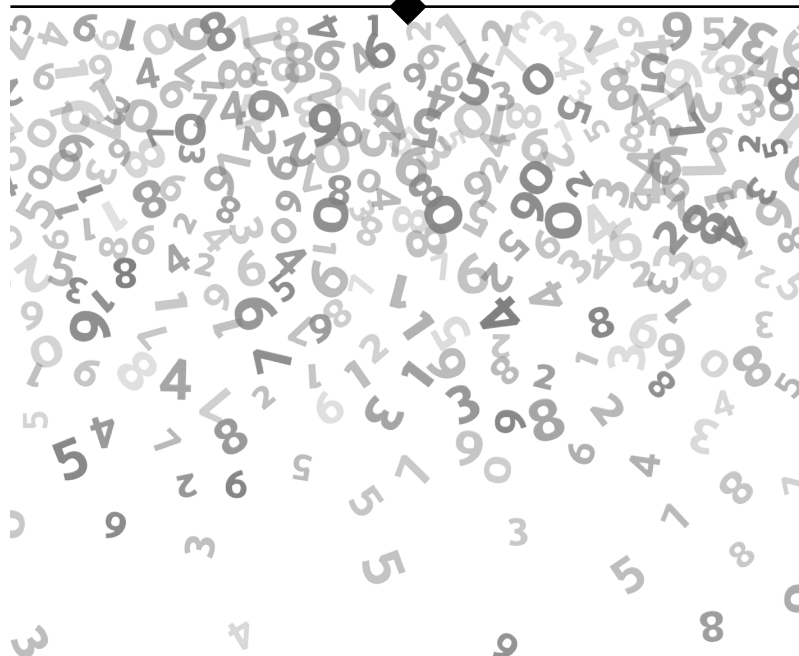




TOWNSHIP HIGH SCHOOL DISTRICT 211 PAFR

2017 POPULAR ANNUAL
FINANCIAL REPORT
FOR THE PERIOD ENDING
JUNE 30, 2017

BY THE NUMBERS



adc.d211.org





WELCOME

TO THE POPULAR ANNUAL FINANCIAL REPORT

Township High School District 211 serves the communities of Hoffman Estates, Inverness, Palatine, Schaumburg, and portions of Arlington Heights, Elk Grove Village, Hanover Park, Rolling Meadows, Roselle, South Barrington, and Streamwood in the northwest suburbs of Chicago.

High School District 211’s five high schools serve grades 9-12: James B. Conant, William Fremd, Hoffman Estates, Palatine, and Schaumburg High Schools. Each school has earned full recognition status by the State Superintendent of Schools of Illinois. All five high schools have received the United States Department of Education’s Blue Ribbon Secondary Schools Award, and Palatine High School has been recognized twice. High School District 211 also has two alternative education schools, District 211 North Campus and Higgins Education Center, which serve approximately 175 students.

DISTRICT MAP

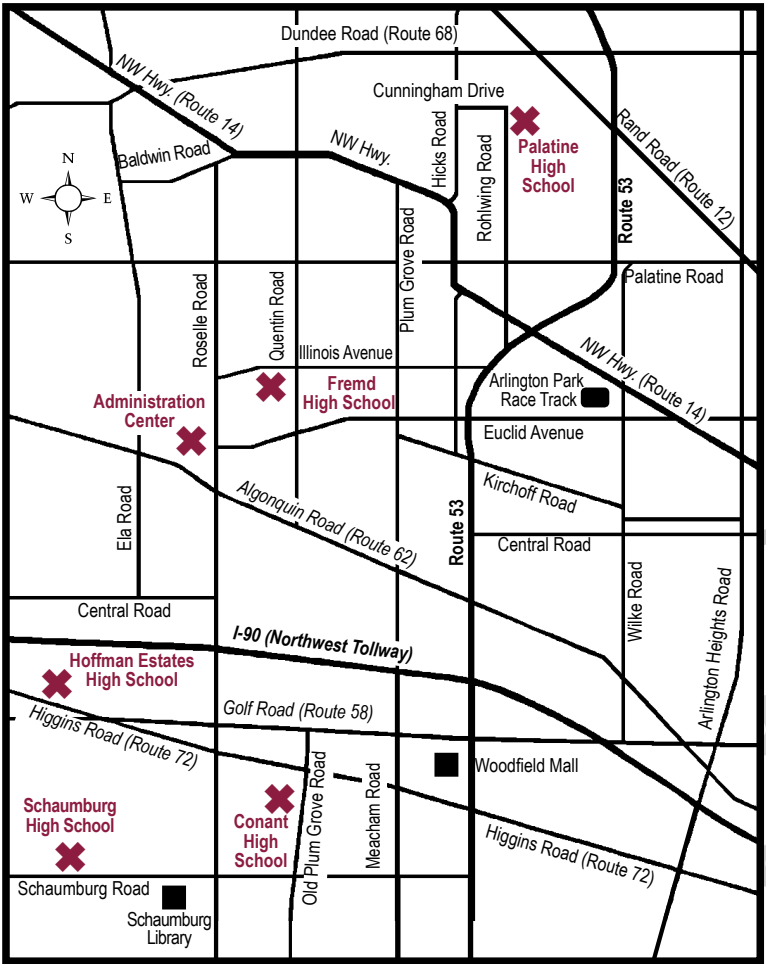


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SUPERINTENDENT'S MESSAGE

Each year, the District prepares a Comprehensive Annual Financial Report (CAFR) accounting for the District's financial revenues, expenditures and year-end position. We take pride in the quality, transparency and frequency of our financial reporting to ensure that our community is aware of how we utilize the resources provided to serve our students.

As an outgrowth of many community engagement meetings, the Board of Education articulated a comprehensive strategic plan detailing the District's mission, values and priorities (<https://adc.d211.org/strategic-plan/>). The District's CAFR has received awards for quality and completeness for many consecutive years and the Board of Education and our administration now provide the community with our first edition of a Popular Annual Financial Report (PAFR) to help inform our constituents about our use of resources in a user-friendly format.

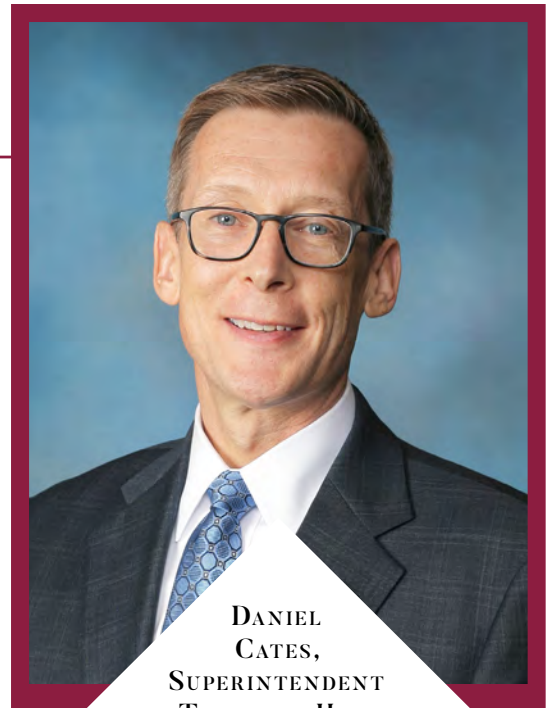
During the 2016-2017 school year, we used financial resources to achieve significant progress in many aspects of the Board's strategic plan. Constituents throughout the District devised a Student Readiness Plan that will serve to guide and monitor each student's specific plan to pursue his or her career pathway following graduation. Actively engaging the collaboration of our faculty members with many community business leaders and college representatives, we updated and aligned our courses with skills and experiences to create advantages for our students.

The Board of Education utilized \$3.1 million of reserve funds to reduce the local property taxes. Again using reserve funds, we pre-paid \$3.5 million of future pension obligations through a strategy that will both provide significantly greater returns on our investment of these funds while simultaneously reducing our yearly expenses. In partnership with our local community, the Board deliberately utilized reserve funds to pay for a number of necessary life and safety improvements, to complete our last swimming pools, and to provide dramatic improvements to our media centers.

We all get better when we work together and our greatest investment will always be in developing our future leaders and workforce, including scientists, medical providers, teachers, manufacturers, and service providers of all kinds, to name only a few. We hope you find our first edition of the Popular Annual Financial Report helpful in understanding our use and benefit from the use of our financial resources.

With gratitude for your partnership toward the benefit of our students and our community-

Daniel E. Cates, Superintendent



**DANIEL
CATES,
SUPERINTENDENT
TOWNSHIP HIGH
SCHOOL
DISTRICT
211**

For Additional Information and Resources

The PAFR contains highlights of district finances, with key data taken from the audited financial statements in the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017.

The District's CAFR is prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP). The PAFR summarizes financial activity in a non-GAAP, reader-friendly format and is unaudited. It does not include information on all District funds, full disclosures, or notes to the financial statements.

Some readers may be interested in exploring the more detailed financial statements (CAFR) found at <https://adc.d211.org/operations/financial/>

Questions, comments and feedback about this report are encouraged by contacting the District's Business Office at (847) 755-6600.



OUR MISSION

Township High School District 211 serves the educational needs of the community inspiring all students to successfully contribute to the world.

Approved by the Board of Education: August 18, 2016



OUR VALUES

Academic Rigor – Our District values engaging curriculum built upon high-quality educational experiences to develop critical thinking.

Accountability – Our District values the charge of providing thorough and accurate information with all shared stakeholders.

Communication – Our District values an open exchange of information and perspectives.

Compassion, Dignity and Respect – Our District values and honors the strengths and diversity of all individuals.

Education and Learning – Our District values the continuous pursuit of knowledge, preparation and readiness to pursue future endeavors.

Efficiency – Our District values systemic measures and practices to optimize the community's resources throughout the organization.

Financial Integrity – Our District values strong fiscal management and reporting practices to ensure the highest degree of financial stewardship.

Innovation – Our District values continuous improvement to advance educational and operational practices.

Opportunity – Our District values fostering a comprehensive array of enrichment experiences to support all aspects of student development.

Safety – Our District values safeguarding the welfare of all by providing a positive and respectful environment.

Wellness – Our District values cultivating the healthy physical, social and emotional well-being of all.

Approved by the Board of Education: August 18, 2016

62 sq.miles DISTRICT 211
BOUNDARIES
PALATINE &
SCHAUMBURG
TOWNSHIPS

DISTRICT 211
FAST



FACTS
2016-2017
SCHOOL YEAR

2,034 TOTAL
STAFF

95%
ATTENDANCE RATE

8 NUMBER OF
DISTRICT 211
BUILDINGS

230
ACRES OF
BUILDING
GROUNDS

DISTRICT ENROLLMENT
11,730

4 ILLINOIS
3 STATE
5 SCHOLARS

32%
ECONOMICALLY
DISADVANTAGED
STUDENTS

90 DUAL
CREDIT &
ADVANCED
PLACEMENT
COURSES
OFFERED

400 ACADEMIC
COURSES
OFFERED

782
TEACHERS

2.3
million
SQUARE FEET OF
DISTRICT BUILDINGS

94% 4-YEAR
GRADUATION RATE

9,000
STUDENTS
BUSED
DAILY

1 million MEALS
SERVED IN
D211
CAFETERIAS

134 NATIONAL
BOARD
CERTIFIED
TEACHERS

1.9 million
SCHOOL BUS MILES
DRIVEN ANNUALLY

OPERATING EXPENSE PER PUPIL
\$18,197

SUMMARIZED FINANCIAL REPORTS

The PAFR contains summarized highlights of District finances, with key data taken from the audited financial statements in the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017. This information is presented in a non-GAAP format.

STATEMENT OF NET POSITION

The Statement of Net Position provides a snapshot of the District's finances at the close of the fiscal year. Simply stated, it is total assets (what the District owns) minus total liabilities (what the District owes), plus and minus deferred outflows and inflows of resources (resources to be consumed or acquired in a future period). The difference between these amounts is the net position and represents the District's equity.

The Net Position is further broken down into three components:

- *Net investment in capital assets represents the District's ownership of capital assets such as land, buildings, site improvements, vehicles, and equipment, less outstanding related debt.*
- *Restricted net position represents net assets that can only be used for a specific purpose as designated by law. These purposes include pension funding, capital projects, debt repayment, operations and maintenance and student transportation.*
- *Unrestricted net position represents amounts that may be used for any general legal purpose of the District.*

Statement of Net Position

\$ in millions

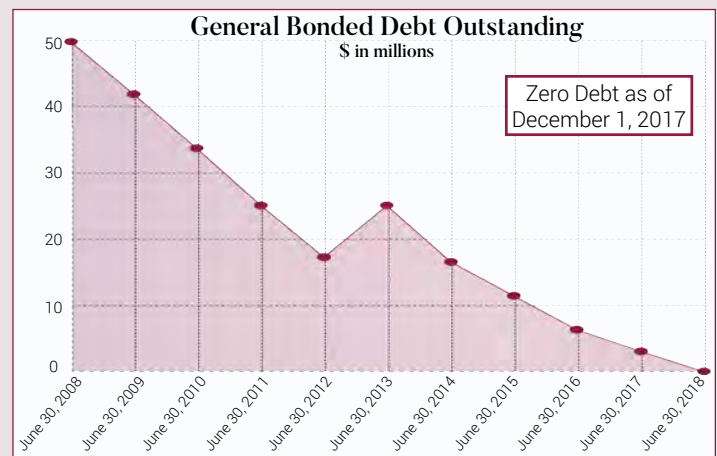
	JUNE 30, 2015	JUNE 30, 2016	JUNE 30, 2017
ASSETS			
Current & other assets	\$264	\$253	\$244
Capital assets	181	194	209
Total Assets	445	447	453
LIABILITIES			
Current Liabilities	21	16	22
Long-term liabilities	56	65	62
Total Liabilities	77	81	84
DEFERRED INFLOWS OF RESOURCES, NET	<u>93</u>	<u>83</u>	<u>84</u>
NET POSITION			
Net investment in capital assets	171	188	205
Restricted	33	29	29
Unrestricted	71	67	50
Total Net Position	\$275	\$284	\$284



FINANCIAL POSITION

OUTSTANDING BONDED DEBT

District 211 is committed to becoming debt-free. Effective December 2017, the District will have no outstanding bonded debt. Operating debt-free signifies the District's ability to use its annual operating budget to fund its day-to-day operations and its capital project needs. The District is committed to living within its means and staying debt-free for as long as economic conditions allow. This translates to lower property taxes for residents and businesses within the District's boundaries.



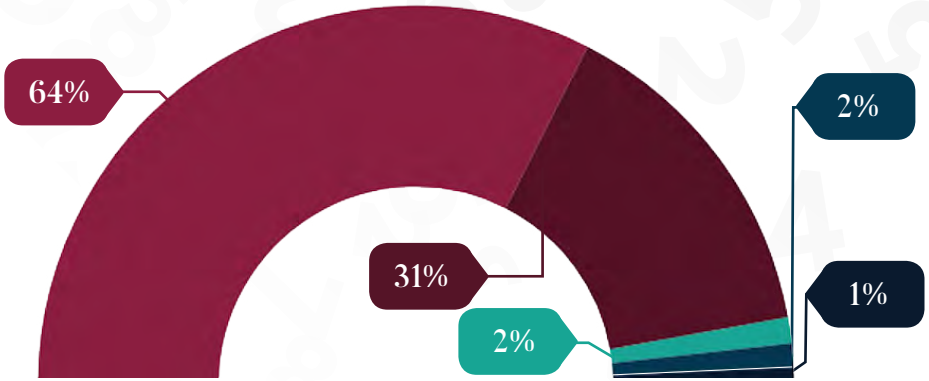
FUTURE FINANCIAL OUTLOOK

District 211 is in a strong financial position to accomplish its educational and operational strategic goals over the next five years. Through prudent financial management over the past decade, the District has funded all academic and operational initiatives, paid off its debt, and accumulated healthy levels of reserves (savings). Revenues in excess of expenditures are projected for each of the next five years. Reserve balances are projected to decline over this period to fund capital project requirements and pay down pension obligations; however, these balances remain sufficient for the District to weather unpredictable changes in the timing of revenue receipts or new state mandates. Proposed state legislation to freeze property taxes would have an adverse impact on the District's finances.



REVENUES

How
is
District
211
funded?



DISTRICT-WIDE REVENUES BY SOURCE – 2017



High School District 211 recognized \$331.3 million of revenue in 2017. The majority of the District's revenue comes from local property taxes. Through sound financial management, District 211 has been able to limit the increase in the property tax burden to local community residents and businesses. Over the last five years, the District has increased its property tax levy an average of 1.4% per year, while the Consumer Price Index average increase was 1.9% per year over the same period. Property tax refunds directly offset revenue collected and were at unusually high levels of more than \$9 million in 2017.

During fiscal year 2017, almost 31% of the District's revenue was from Operating Grants and Contributions from the State of Illinois and the federal government. Over 80% of this revenue recognized was considered an "on-behalf" payment for pension benefits, funded directly by the State to the pension system. Other grants include funding for services and transportation for students with special needs, the school lunch and breakfast program, services for economically disadvantage students, and various other vocational and educational programs.

Charges for Services represents 2% of total revenue and consists of fees charged to students and others for textbook rental, meals, summer school and evening programs, facility rentals and other special programs. The State Formula Aid and Other Revenue contribute 2% and 1% to the District's total revenue, respectively.



EXPENDITURES



Total expenses for the year ending June 30, 2017 were \$330.6 million. The graph at the bottom of the page is a summary of how High School District 211 spends its funds across specific program areas.

Funds spent on Instruction include salaries and benefits for classroom personnel and the materials and services required to support instructional programs. These costs total over two-thirds of the District's total costs.

Pupil and Instructional Services expenses include personnel costs and supplies for guidance counselors, social workers, school nurses, psychologists, speech pathologists and other support services to assist students with needs outside the classroom.

Administration and Business Services represent costs to provide central support for the District such as accounting, budgeting, planning, food service and purchasing, as well as school administration.

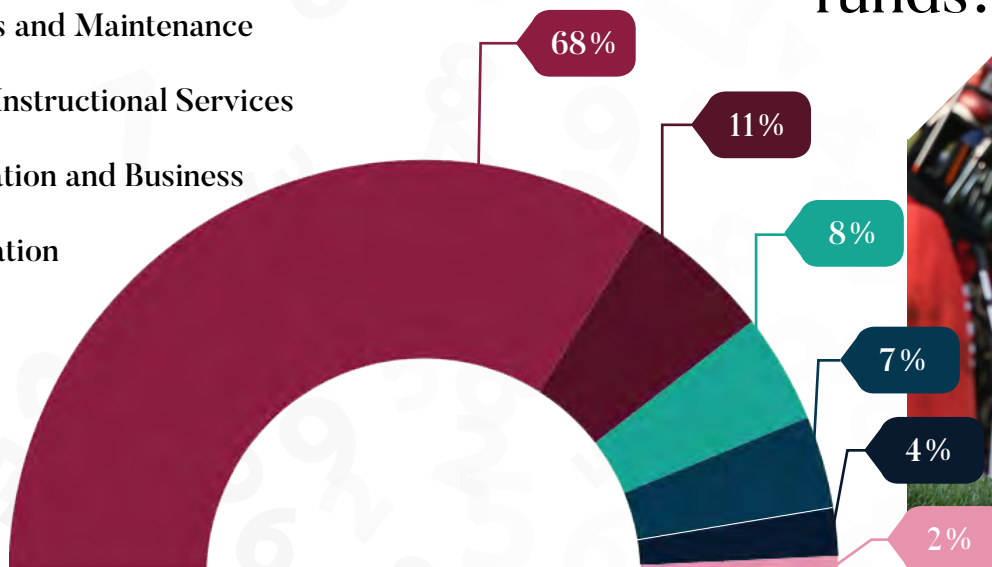
Operations and Maintenance costs are monies spent to maintain the eight buildings and surrounding grounds throughout the District. Costs include salaries and benefits, custodial supplies, utilities, service agreements, and capital outlay. For the 2016-2017 fiscal year, major capital outlay in this area included renovation to multiple parking lots, refinishing of wood floors, HVAC and boiler equipment replacements, and lighting upgrades at multiple schools.

Transportation expenses include costs to operate and maintain the District's fleet of approximately 160 school buses and 40 vans. Nine new buses were purchased during the 2016-2017 fiscal year.

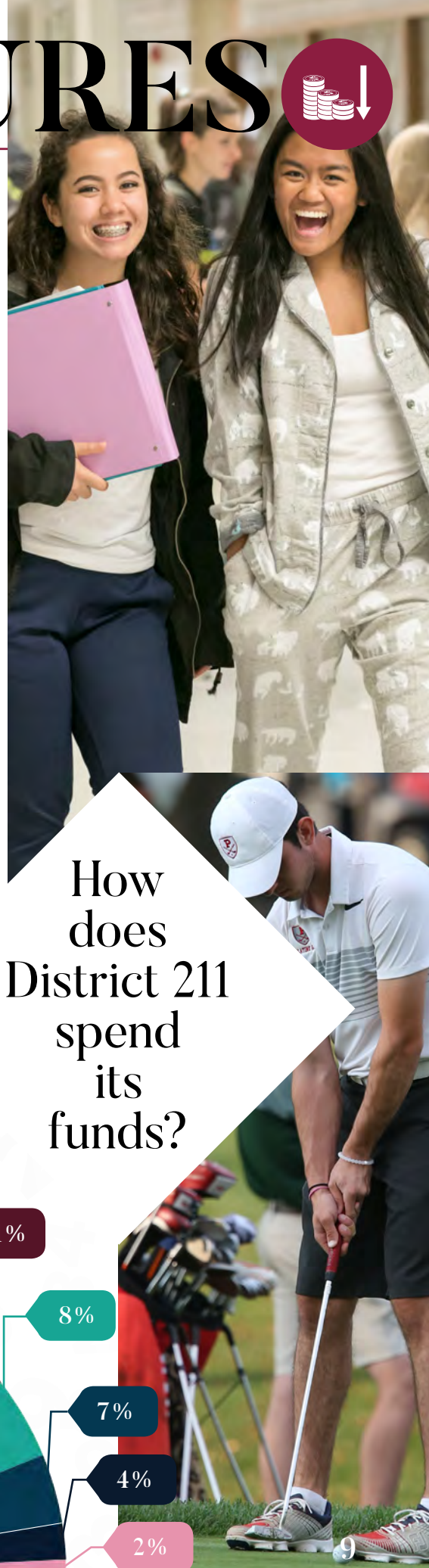
Other expenses include salary, benefits, supplies and purchased services for the technology, publications and human resource departments.

DISTRICT-WIDE EXPENSES BY FUNCTION – 2017

- Instruction
- Operations and Maintenance
- Pupil and Instructional Services
- Administration and Business
- Transportation
- Other



How
does
District 211
spend
its
funds?



CAPITAL UPDATE

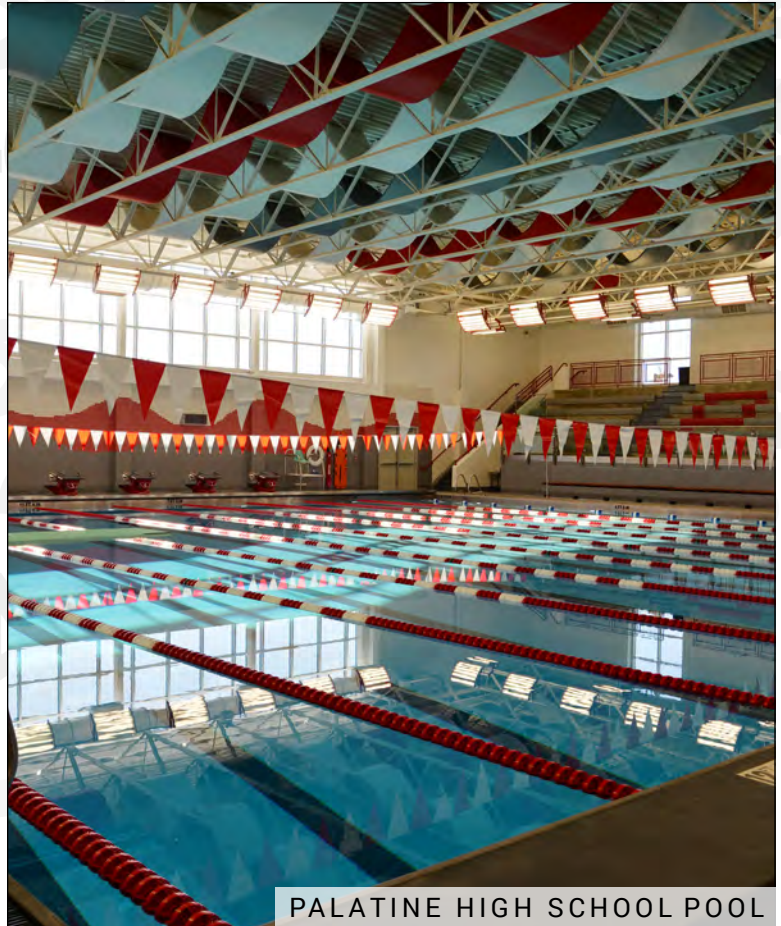


BUILDING IMPROVEMENTS

High School District 211 operates and maintains eight buildings across the District and prepares an annual Capital Projects budget to allocate funds for completion of necessary building improvements. Capital improvement projects are identified and prioritized through the Board of Education's 2016 Strategic Plan, 10-year capital improvement plan, and routine maintenance and replacement schedules.

During the 2016-2017 fiscal year, the facility improvement projects listed below and others were in various stages of completion at a cost of \$19 million. All capital improvement projects were funded through the District's existing operating reserves.

- Renovation of the Palatine High School and Schaumburg High School pool natatorium and associated locker room
- Renovation of the Palatine High School and Fremd High School media centers
- Renovation of the outdoor baseball, softball, soccer, and lacrosse fields at Fremd High School
- Renovation to the restrooms and locker rooms at Schaumburg High School
- Renovation to the Schaumburg High School student and faculty cafeterias



PALATINE HIGH SCHOOL POOL

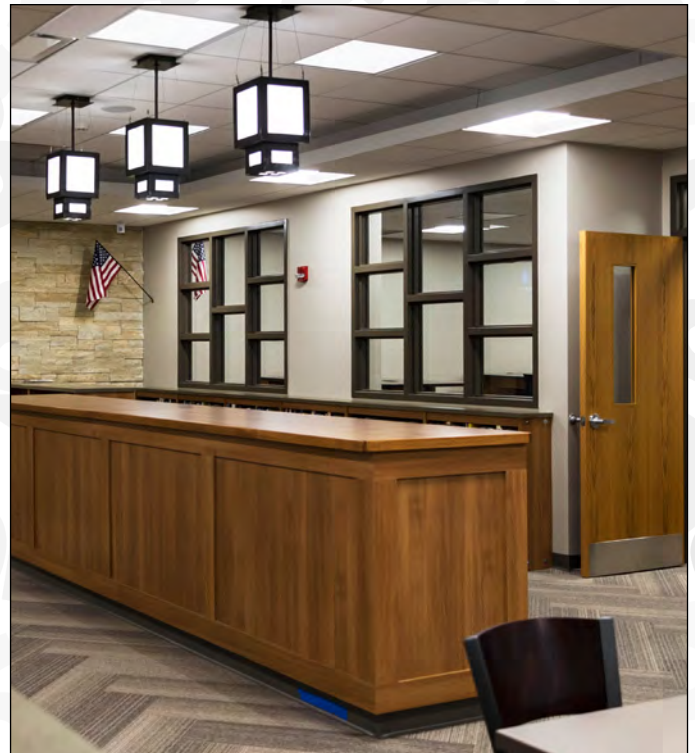


SCHAUMBURG HIGH SCHOOL MEDIA CENTER



CONANT HIGH SCHOOL CULINARY ROOM

SCHAUMBURG HIGH SCHOOL CAFETERIA



FREMD HIGH SCHOOL MEDIA CENTER

The Illinois School Code requires school districts to perform a Fire Prevention and Life Safety Survey once every 10 years. As part of the work required under the District's current study, roof repairs and mechanical replacements were completed at Hoffman Estates High School in the amount of \$2 million. The final projects required under this survey will be completed during the summer of 2018 at Fremd High School.

FUTURE FACILITY IMPROVEMENT PLANNING

The District's 2016 Strategic Plan calls for continued capital facility improvements over the next 5-10 year period that address the needs of its facilities, while also providing space to support academic programs. Barring any major legislative action that would negatively impact the financial status of the District, the strategic plan prioritizes the use of current reserve funds and future budget surpluses to fund facility improvement projects without issuance of bonds.



PALATINE HIGH SCHOOL MEDIA CENTER

EDUCATIONAL UPDATE



Students have a lot to keep track of as they navigate their high school careers and prepare for their lives after graduation. Based on recommendations received during the District's recent community engagement initiative, High School District 211 has developed a student resource that supports students' development and readiness for adulthood with five key components of student readiness: Academic Readiness, Wellness, College and Career Exploration, Global Competitive Skills, and Student Involvement.

The Student Readiness Plan (SRP), an online tool, will provide students with a personalized portal where they can record post-high school plans, mark completion of specific academic tasks, set individualized goals, and track progress toward achieving their goals.

The SRP is designed to document and track the student's progress throughout high school, while allowing students to set personal goals and compare them against benchmarks and requirements. It also

District 211 begins test of new Student Readiness Plan

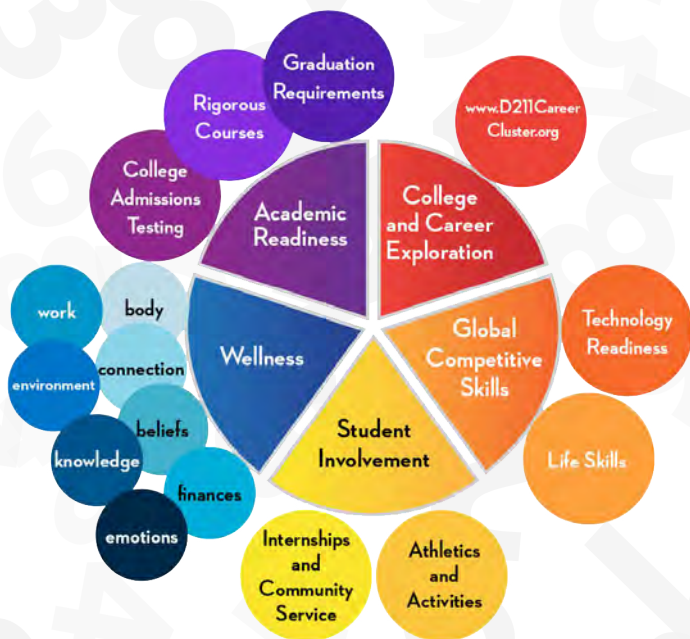
provides students with a variety of resources to aid them in both planning and execution of their goals.

The District began testing the SRP with a pilot group of 500 freshmen students in November 2017. Currently the plan is scheduled to be implemented for all students at the start of the 2018-2019 school year.

More information on the High School District 211 Student Readiness Plan is available at: <https://adc.d211.org/parentsstudents-2/student-readiness-plan-info/>.

A.P. COURSES: AN APPEALING WAY TO EXCEL

Currently, there are more than 4,000 students throughout High School District 211 enrolled in one or more of 34 Advanced Placement (AP) courses available to District 211 students. In the spring of 2017, 3,427 students took 7,360 Advanced Placement (AP) exams, with 79% of these examinees earning scores of 3, 4, or 5, which may qualify them for college credit in that subject at many colleges and universities and also qualify them for financial advantages. District 211 offers AP courses that include Art History,





THE POWER OF 15 HELPS STUDENTS TRANSITION TO COLLEGE

Research indicates that students who earn college credits while still in high school have an increased likelihood of being successful in college and graduating from college in four years. In an effort to help students make the transition from high school to college, High School District 211 encourages all students to accumulate at least 15 college credits prior to high school graduation, typically the equivalent of five college classes.

Students can enroll in rigorous, college-level coursework through both Advanced Placement and Dual Credit offered in High School District 211. In addition to potential financial incentives for students and their families, high school students gain confidence from engaging in college coursework before entering college. Though the initial thought of earning 15 college credits may seem daunting to some students, many find that by spreading these credits throughout their high school career, the goal is easy to achieve.

Studio Art, Music Theory, Biology, Chemistry, Physics, Calculus, Literature and Composition, Language and Composition, Spanish, German, French, U.S. History, European History, World History, Human Geography, Economics, Macro-Economics, Statistics, Psychology, Government and Politics, and Computer Science.

Students interested in more information about AP courses should contact their school's Student Services Office.

DUAL CREDIT COURSES: COLLEGE AND HIGH SCHOOL TOGETHER

Dual credit courses allow a high school student to be enrolled and complete both high school course requirements while simultaneously earning college credit. High School District 211, through an agreement with Harper College, Triton College, and the University of Illinois, currently offers 61 dual credit courses. Most of these courses are taught in District 211 schools and do not require a student to leave their high school campus. The benefits of dual credit courses reach beyond college preparation, and also can provide a financial benefit as these courses are offered at little or no cost to the high school student.

District 211 has been increasing its dual course offering for nearly five years, and the list includes courses in subjects such as mathematics, accounting, Spanish, Certified Nursing Assistant Certification, automotive technology, and fire science.



ADMINISTRATION

Daniel E. Cates, *Superintendent of Schools*

Lisa A. Small, *Associate Superintendent for Instruction*

Mark J. Kovack, *Associate Superintendent for Student Services*

Lauren C. Hummel, *Chief Operating Officer*

James A. Britton, *Director of Human Resources*

Dianne S. Cieslak, *Accounting Supervisor*

Renée J. Erickson, *Director of Special Education*

Gary R. Gorson, *Chief Technology Officer*

Danielle L. Hauser, *Director of Instructional Improvement*

Matthew J. Hildebrand, *Director of Administrative Services*

Nicholas A. Jahnke, *Facilities Engineer*

Christopher J. Kontney, *Director of Facilities & Business Services*

Mary Pat Krones, *Assistant Director of Special Education*

Stacy L. Lenihan, *Director of Food Services*

Kathe E. Lingl, *Assistant to the Superintendent/Assistant for
Human Resources*

Diana J. Mikelski, *Director of Transportation**

Thomas D. Petersen, *Director of Community Relations*

Barbara J. Peterson, *Controller & Treasurer*

Kara Prusko, *Assistant Director of Special Education*

Anita M. Seaholm, *Human Resources Assistant*

Jerry Treviño, *Director of Summer School & Community Outreach*

Eric P. Wenckowski, *Director of Athletics and Activities*

** - Effective July 1, 2017*



Township High School District 211 Board of Education (seated left to right): Will Hinshaw, Vice President; Mucia Burke, President; and Anna Klimkowicz, Secretary. (Standing left to right): Steven Rosenblum; Robert LeFevre, Jr.; Peter Dombrowski; and Edward Yung.

BOARD OF EDUCATION

Mucia Burke, *President*

Will Hinshaw, *Vice President*

Anna Klimkowicz, *Secretary*

Peter Dombrowski

Robert LeFevre, Jr.

Steven Rosenblum*

Edward Yung

** - Appointed to the Board of Education on August 3, 2017 to fill the vacant seat following the resignation of former Board Member Lauanna Recker on June 28, 2017*

Major responsibilities of the Board of Education are to express and represent the view of the community in matters affecting education, determine education standards and goals, adopt policies for the administration of the school system, employ a superintendent of schools, authorize the appointment of teachers and other staff members, approve curriculum, secure money for school operational needs and building programs, and authorize expenditures.



TOWNSHIP HIGH SCHOOL DISTRICT 211

BLUE RIBBON SCHOOLS OF EXCELLENCE



PALATINE HIGH SCHOOL

1111 North Rohlwing Road, Palatine, Illinois 60074-3777

Telephone: (847) 755-1600 Website: phs.d211.org

Founded: 1875 Opened: 1977 Nickname: Pirates

School Colors: Scarlet & Gray Principal: Gary Steiger

WILLIAM FREMD HIGH SCHOOL

1000 South Quentin Road, Palatine, Illinois 60067-7018

Telephone: (847) 755-2600 Website: fhs.d211.org

Opened: 1961 Nickname: Vikings School Colors: Green & Gold

Principal: Kurt Tenopir



JAMES B. CONANT HIGH SCHOOL

700 East Cougar Trail, Hoffman Estates, Illinois 60169-3659

Telephone: (847) 755-3600 Website: chs.d211.org

Opened: 1964 Nickname: Cougars School Colors: Blue & White

Principal: Julie Nowak

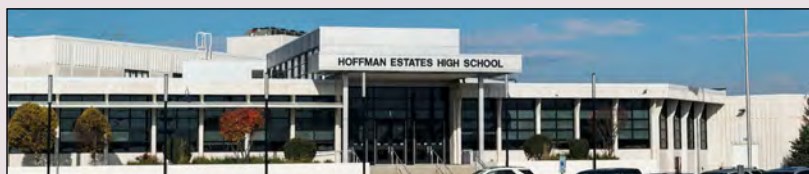
SCHAUMBURG HIGH SCHOOL

1100 West Schaumburg Road, Schaumburg, Illinois 60194-4150

Telephone: (847) 755-4600 Website: shs.d211.org

Opened: 1970 Nickname: Saxons

School Colors: Cardinal Red & Gold Principal: Timothy Little



HOFFMAN ESTATES HIGH SCHOOL

1100 West Higgins Road, Hoffman Estates, Illinois 60169-4050

Telephone: (847) 755-5600 Website: hhs.d211.org

Opened: 1973 Nickname: Hawks School Colors: Orange & Blue

Principal: Joshua Schumacher

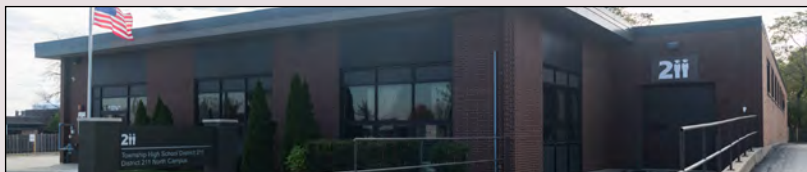
NORTH CAMPUS

335 East Illinois Avenue, Palatine, Illinois 60167-7132

Telephone: (847) 755-6700 Website: ncam.d211.org Founded: 2005

Opened: 2016 Nickname: Bulldogs School Colors: Blue & White

Program Administrator: Francesca Anderson



HIGGINS EDUCATION CENTER

1030 West Higgins Road, Hoffman Estates, Illinois 60169-4200

Telephone: (847) 755-6640 Website: cntr.d211.org

Founded: 1975 Opened: 2015 Nickname: Shamrocks

School Colors: Green & White Program Administrator: Amy Friel



TOWNSHIP HIGH SCHOOL DISTRICT 211

Extraordinary Opportunities. Innovative Teaching. Exceptional Learning.

CONTACT

📍 1750 South Roselle Road
Palatine, Illinois 60067-7336
☎ 847-755-6600

WEB

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