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**WARREN TOWNSHIP HIGH SCHOOL
DISTRICT NO. 121
LAKE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2011

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Warren Township High School District No. 121
Lake County, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121 Lake County, Illinois

as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Warren Township High School District No. 121 as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2011 on our consideration of Warren Township High School District No. 121'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 40 through 49 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren Township High School District No. 121's basic financial statements. The supplemental financial information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Warren Township High School District No. 121. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charge, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

As discussed in Note 21 to the financial statements, the District implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 5, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Warren Township High School District No. 121
Lake County, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
Lake County, Illinois

as of and for the year ended June 30, 2011, which collectively comprise Warren Township High School District No. 121's basic financial statements, and have issued our report thereon dated October 5, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Warren Township High School District No. 121's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren Township High School District No. 121's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Warren Township High School District No. 121's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren Township High School District No. 121's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the District, Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 5, 2011

REQUIRED SUPPLEMENTARY INFORMATION

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As Management of Warren Township High School District No. 121 (District), we offer readers of the District's statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2011 by \$47,255,664 (net assets).
- The District's total net assets decreased by \$658,746.
- At June 30, 2011, the District reported combined ending fund balances of \$31,965,578, a decrease of \$9,931,187 in comparison with the prior year.
- At June 30, 2011, the unassigned fund balance for the General Fund was \$22,158,546, or 52.1 percent of total General Fund expenditures.
- The District's total long-term debt increased by \$1,588,424 (1.9 percent) during the year ended June 30, 2011. The key factor in this increase was the issuance of a new debt certificate offset by principal payments made on the debt.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Governmental activities include instruction, support services, operation and maintenance, student transportation, food services, and certain other activities and expenses such as payments to other districts and governmental units, interest and fees, and unallocated depreciation.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Operations and Maintenance, Debt Services, Transportation, Illinois Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety Funds, all of which the District considers to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement, which is required supplementary information, has been provided for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 13 through 16 and the required supplementary information can be found on pages 40 through 49 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held for others, such as student activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the District's operations.

The basic fiduciary financial statement can be found on page 17 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 39 of this report.

Other Information - In addition to the basic financial statements, accompanying notes, and required supplementary information, this report also presents certain supplementary information concerning the District's progress in meeting its obligation to provide fully adequate educational services and extracurricular activities to all of its resident's students.

Supplemental financial information can be found on pages 50 through 65 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$47,255,664 at June 30, 2011.

The following table presents a summary of the District's net assets for the years ended June 30, 2011 and 2010:

Warren Township High School District No. 121's Net Assets

	Governmental Activities	
	6/30/2011	6/30/2010
Current and Other Assets	\$ 61,572,695	\$ 74,537,192
Capital Assets	103,323,592	92,028,495
Total Assets	<u>\$ 164,896,287</u>	<u>\$ 166,565,687</u>
Long-Term Liabilities Outstanding	\$ 93,767,161	\$ 92,270,424
Other Liabilities	23,873,462	26,380,853
Total Liabilities	<u>\$ 117,640,623</u>	<u>\$ 118,651,277</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 31,811,477	\$ 22,964,275
Restricted	8,659,744	24,077,773
Unrestricted	6,784,443	872,362
Total Net Assets	<u>\$ 47,255,664</u>	<u>\$ 47,914,410</u>

The investment in capital assets, net of related debt represents assets such as land, buildings, and equipment less any related debt used to acquire those assets that is still outstanding. The District uses its assets to provide educational services and extracurricular activities for the students of the local community. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net assets for the years ended June 30, 2011 and 2010:

Warren Township High School District No. 121's Change in Net Assets

	Governmental Activities	
	6/30/2011	6/30/2010
Revenues		
Program Revenues		
Charges for Services	\$ 4,292,730	\$ 4,279,191
Operating Grants and Contributions	9,785,950	10,852,492
Capital Grants and Contributions	103,079	74,419
General Revenues		
Property Taxes	41,640,084	40,868,733
Other Taxes	819,452	631,895
Grants and Contributions not Restricted to Specific Activities	2,324,029	2,567,127
Unrestricted Investment Earnings	87,163	339,525
Gain/(Loss) on Sale of Capital Assets	(16,876)	-
Total Revenues	<u>\$ 59,035,611</u>	<u>\$ 59,613,382</u>
Expenses		
Instruction		
Regular Programs	\$ 16,650,107	\$ 16,622,026
Special Education Programs	4,172,138	3,826,960
Other Instructional Programs	6,069,593	6,225,900
Support Services		
Pupils	2,555,562	2,902,323
Instructional Staff	1,966,574	2,063,425
General Administration	1,302,342	1,400,599
School Administration	1,465,502	1,406,531
Business	631,828	569,706
Facilities Acquisition and Construction	621,217	-
Operations and Maintenance	3,879,872	3,848,547
Transportation	3,478,450	3,420,307
Food Services	1,461,210	1,513,476
Central	281,120	373,624
Other Support Services	20,278	21,323
Community Services	222	331
Payments to Other Districts and Governmental Units	2,185,112	2,281,626
Interest and Fees on Long-Term Debt	4,360,547	4,266,925
On-Behalf Retirement Contributions	5,208,491	5,240,657
Depreciation - Unallocated	3,384,192	2,704,572
Total Expenses	<u>\$ 59,694,357</u>	<u>\$ 58,688,858</u>
Change in Net Assets	\$ (658,746)	\$ 924,524
Net Assets - Beginning of Fiscal Year	47,914,410	47,323,221
Net Assets Adjustment	-	(333,335)
Net Assets - End of Fiscal Year	<u>\$ 47,255,664</u>	<u>\$ 47,914,410</u>

Overall expenditures increased \$1,005,499 (1.7 percent) above the prior year. Significant increases included Facilities Acquisition and Construction increases of \$621,217 and Special Education Program increases of \$345,178. These expenses increased due to facility acquisition projects being done by the District this year and an increase in the number of students in special education programs, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the District funds reported combined ending fund balances of \$31,965,578, a decrease of \$9,931,187 in comparison with the prior year.

The General Fund is the chief operating fund of the District. At June 30, 2011, fund balance was \$22,210,092 (of which \$22,158,546 is unassigned). As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 52.1 and 52.2 percent of total General Fund expenditures, respectively.

The General Fund balance increased \$1,455,509 and includes transfers of \$72,700 and \$206,543 to the Operations and Maintenance Fund and the Debt Services Fund, respectively.

The Transportation Fund balance decreased \$452,288 due mostly to a decrease in revenues and a slight increase in expenditures.

The Capital Projects Fund balance decreased \$10,950,525 due mostly to the continuation of various construction projects.

The other funds experienced net revenues and expenditures that remained relatively consistent with the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District did not amend the budget during the year ended June 30, 2011, therefore the amounts shown as original and final budget are the same.

Budgeted revenues exceeded actual revenues by \$515,653. This was primarily attributable to less than expected On-Behalf Payment Contributions. Other sources of revenue were relatively consistent with budgeted amounts.

Budgeted expenditures exceeded actual expenditures by \$1,327,206. This was primarily attributable to lower than expected On-Behalf Payment Contributions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets as of June 30, 2011 amounts to \$103,323,592 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, site improvements and infrastructure, and capitalized equipment.

Major capital asset events during the year ended June 30, 2011 included the following:

- Land additions of \$7,988,449
- Completion of construction in progress

The following table presents a summary of capital assets for the years ended June 30, 2011 and 2010:

Warren Township High School District No. 121's Capital Assets (net of depreciation)		
	Governmental Activities	
	2011	2010
Land	\$ 11,761,126	\$ 3,772,677
Construction in Progress	-	16,696,261
Buildings and Building Improvements	86,357,440	67,328,949
Site Improvements and Infrastructure	3,241,767	1,780,773
Capitalized Equipment	1,963,259	2,449,835
Total	<u>\$ 103,323,592</u>	<u>\$ 92,028,495</u>

Further detail of the District's capital assets can be found in Note 4 on page 25 of this report.

Long-term debt – At June 30, 2011, the District had total debt outstanding of \$87,322,677.

The following table presents a summary of outstanding debt for the years ended June 30, 2011 and 2010:

Warren Township High School District No. 121's Outstanding Debt		
	Governmental Activities	
	2011	2010
General Obligation Bonds	\$ 79,245,562	\$ 80,750,033
Debt Certificates	8,052,000	4,875,000
Lease/Purchase Agreements	25,115	109,220
Total	<u>\$ 87,322,677</u>	<u>\$ 85,734,253</u>

Principal payments on all outstanding debt were \$2,401,576 for the year.

Major debt transactions during the year ended June 30, 2011 included the following:

- Issuance of Series 2010 Debt Certificates (\$3,990,000) for the purpose of purchasing land.

Further detail of the District's debt obligations can be found in Note 5 on pages 25 through 27 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Even though many economists have said the recession is officially over, the District continues to feel the effects of a still evident economic slowdown. The timing and amount of payments from the State of Illinois remain uncertain. New construction of property, which significantly affects revenue, remains at all time low levels. The District will remain cautious because of the uncertainty that will most likely affect the 2012 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If there are questions about this report or additional information is needed please contact the District at the following address:

Warren Township High School District No. 121
34090 N. Almond Rd.
Gurnee, IL 60031

BASIC FINANCIAL STATEMENTS

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 21,817,906
Investments, at Fair Value	10,655,316
Employee Receivables, net of allowance of \$0	29,466
Property Taxes Receivable, net of allowance of \$0	20,864,668
Due from Other Governments, net of allowance of \$0	2,679,624
Prepaid Expenses	6,611
Debt Issuance Costs, net of amortization	3,636,602
Deferred Derivative Outflows	1,882,502
Capital Assets (Note 4):	
Land	11,761,126
Depreciable Buildings, Property, and Equipment, net of depreciation	<u>91,562,466</u>
Total Assets	<u>\$ 164,896,287</u>
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 1,974,103
Accrued Payroll and Payroll Liabilities	851,124
Deferred Revenue	21,037,073
Other Liabilities	11,162
Net OPEB Obligation	1,016,386
Long-Term Liabilities	
Due Within One Year	2,947,938
Due in More Than One Year	<u>89,802,837</u>
Total Liabilities	<u>\$ 117,640,623</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	\$ 31,811,477
Restricted for:	
Operations and Maintenance	2,485,449
Debt Service	2,477,694
Transportation	909,732
Retirement	599,263
Future Capital Projects	2,116,885
Tort	32,509
Fire Prevention/Life Safety	25,568
Leasing	12,644
Unrestricted/(Deficit)	<u>6,784,443</u>
Total Net Assets	<u><u>\$ 47,255,664</u></u>

The Notes to Financial Statements are an integral part of this statement.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular Programs	\$ 16,650,107	\$ 2,144,784	\$ 205,170	\$ -	\$ (14,300,153)
Special Education Programs	4,172,138	-	1,046,439	-	(3,125,699)
Other Instructional Programs	6,069,593	419,093	145,888	-	(5,504,612)
Support Services					
Pupils	2,555,562	-	86,270	-	(2,469,292)
Instructional Staff	1,966,574	-	-	-	(1,966,574)
General Administration	1,302,342	-	-	-	(1,302,342)
School Administration	1,465,502	-	-	-	(1,465,502)
Business	631,828	-	-	-	(631,828)
Facilities Acquisition and Construction	621,217	-	-	89,278	(531,939)
Operations and Maintenance	3,879,872	69,552	-	13,801	(3,796,519)
Transportation	3,478,450	109,101	1,359,694	-	(2,009,655)
Food Services	1,461,210	1,550,200	17,479	-	106,469
Central	281,120	-	-	-	(281,120)
Other Support Services	20,278	-	-	-	(20,278)
Community Services	222	-	-	-	(222)
Payments to Other Districts and					
Governmental Units	2,185,112	-	1,214,530	-	(970,582)
Interest and Fees on Long-Term Debt	4,360,547	-	501,989	-	(3,858,558)
On-Behalf Retirement Contributions	5,208,491	-	5,208,491	-	-
Depreciation - Unallocated	3,384,192	-	-	-	(3,384,192)
Total Governmental Activities	<u>\$ 59,694,357</u>	<u>\$ 4,292,730</u>	<u>\$ 9,785,950</u>	<u>\$ 103,079</u>	<u>\$ (45,512,598)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					\$ 36,225,241
Property Taxes, Levied for Debt Service					5,414,843
Other Payments in Lieu of Taxes					819,452
Grants and Contributions not Restricted to Specific Activities					2,324,029
Unrestricted Investment Earnings					87,163
Gain/(Loss) on Sale of Capital Assets					(16,876)
Total General Revenues					<u>\$ 44,853,852</u>
Change in Net Assets					\$ (658,746)
Net Assets - July 1, 2010					<u>47,914,410</u>
Net Assets - June 30, 2011					<u>\$ 47,255,664</u>

The Notes to Financial Statements are an integral part of this statement.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
FUND FINANCIAL STATEMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
ASSETS				
Cash and Cash Equivalents	\$ 12,674,163	\$ 2,827,920	\$ 3,301,296	\$ 749,274
Investments, at Fair Value	10,156,816	-	-	-
Employee Receivables, net of allowance of \$0	22,821	1,260	-	5,385
Property Taxes Receivable, net of allowance of \$0	14,966,826	2,570,546	2,582,558	600,595
Due from Other Governments, net of allowance of \$0	714,271	-	-	420,580
Prepaid Expenses	6,393	182	-	36
Total Assets	<u>\$ 38,541,290</u>	<u>\$ 5,399,908</u>	<u>\$ 5,883,854</u>	<u>\$ 1,775,870</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 486,375	\$ 131,472	\$ -	\$ 51,160
Accrued Payroll and Payroll Liabilities	736,560	1,953	-	100,296
Deferred Revenue	15,097,101	2,588,909	2,601,006	604,885
Other Liabilities	11,162	-	-	-
Total Liabilities	<u>\$ 16,331,198</u>	<u>\$ 2,722,334</u>	<u>\$ 2,601,006</u>	<u>\$ 756,341</u>
FUND BALANCE				
Nonspendable				
Prepaid Expenses	\$ 6,393	\$ 182	\$ -	36
Restricted				
Operations and Maintenance	-	2,485,449	-	-
Debt Service	-	-	2,477,694	-
Illinois Municipal Retirement Fund	-	-	-	-
Social Security	-	-	-	-
SEDOL IMRF	-	-	-	-
Capital Projects	-	-	-	-
Tort Liability	32,509	-	-	-
Transportation	-	-	-	909,732
Fire Prevention and Safety	-	-	-	-
Leasing Levy	12,644	-	-	-
Assigned				
Transportation	-	-	-	109,761
Operations and Maintenance	-	191,943	-	-
Debt Service	-	-	805,154	-
Illinois Municipal Retirement Fund	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	22,158,546	-	-	-
Total Fund Balance	<u>\$ 22,210,092</u>	<u>\$ 2,677,574</u>	<u>\$ 3,282,848</u>	<u>\$ 1,019,529</u>
Total Liabilities and Fund Balance	<u>\$ 38,541,290</u>	<u>\$ 5,399,908</u>	<u>\$ 5,883,854</u>	<u>\$ 1,775,870</u>

The Notes to Financial Statements are an integral part of this statement.

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
\$ 608,938	\$ 1,630,747	\$ 25,568	\$ 21,817,906
-	498,500	-	10,655,316
-	-	-	29,466
144,143	-	-	20,864,668
95,965	621,217	-	1,852,033
-	-	-	6,611
<u>\$ 849,046</u>	<u>\$ 2,750,464</u>	<u>\$ 25,568</u>	<u>\$ 55,226,000</u>

\$ 92,088	\$ 599,968	\$ -	\$ 1,361,063
12,315	-	-	851,124
145,172	-	-	21,037,073
-	-	-	11,162
<u>\$ 249,575</u>	<u>\$ 599,968</u>	<u>\$ -</u>	<u>\$ 23,260,422</u>

\$ -	\$ -	\$ -	\$ 6,611
-	-	-	2,485,449
-	-	-	2,477,694
385,146	-	-	385,146
36,000	-	-	36,000
178,117	-	-	178,117
-	2,116,885	-	2,116,885
-	-	-	32,509
-	-	-	909,732
-	-	25,568	25,568
-	-	-	12,644
-	-	-	109,761
-	-	-	191,943
-	-	-	805,154
208	-	-	208
-	33,611	-	33,611
-	-	-	22,158,546
<u>\$ 599,471</u>	<u>\$ 2,150,496</u>	<u>\$ 25,568</u>	<u>\$ 31,965,578</u>
<u>\$ 849,046</u>	<u>\$ 2,750,464</u>	<u>\$ 25,568</u>	<u>\$ 55,226,000</u>

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total Fund Balances - Governmental Funds		\$ 31,965,578
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 133,247,499	
Accumulated Depreciation on Capital Assets	<u>(29,923,907)</u>	
		103,323,592
Other assets are not available to pay for current period expenditures and therefore are not receivables in the funds.		
Due from Other Governments		827,591
Net OPEB Obligation is not included in the governmental funds.		(1,016,386)
Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.		
Debt Issuance Costs, net of related amortization	\$ 3,636,602	
Bond Premiums, net of related amortization	(3,356,869)	
Interest Rate Swap Premium, net of related amortization	(200,001)	
Bond Discounts, net of related amortization	<u>11,274</u>	
		91,006
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	\$ (79,245,562)	
Debt Certificates Payable	(8,052,000)	
Capital Leases Payable	(25,115)	
Accrued Interest on Long-Term Debt	<u>(613,040)</u>	
		<u>(87,935,717)</u>
Net Assets of Governmental Activities		<u>\$ 47,255,664</u>

The Notes to Financial Statements are an integral part of this statement.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	General Fund	Operations and Maintenance Fund	Debt Services Fund	Transportation Fund
REVENUES				
Property Taxes	\$ 29,257,525	\$ 4,486,060	\$ 5,414,843	\$ 1,241,579
Payments in Lieu of Taxes	561,712	-	-	-
Tuition	1,255,510	-	-	-
Transportation Fees	-	-	-	109,100
Earnings on Investments	52,513	285	546	-
Food Service	1,550,200	-	-	-
District/School Activity Income	962,206	121,561	-	-
Textbooks	6,688	-	-	-
Other Local Sources	230,508	70,096	-	660
State Aid	4,382,011	-	-	1,381,111
Federal Aid	823,826	-	501,989	-
On-Behalf Payments	5,208,491	-	-	-
	<u>\$ 44,291,190</u>	<u>\$ 4,678,002</u>	<u>\$ 5,917,378</u>	<u>\$ 2,732,450</u>
EXPENDITURES				
Current				
Instruction				
Regular Programs	\$ 16,032,500	\$ -	\$ -	\$ -
Special Education Programs	4,021,053	-	-	-
Other Instructional Programs	6,006,071	-	-	-
Support Services				
Pupils	2,446,144	-	-	-
Instructional Staff	1,797,647	-	-	-
General Administration	1,282,669	-	-	-
School Administration	1,416,864	-	-	-
Business	580,002	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Operations and Maintenance	-	3,710,412	-	-
Transportation	-	-	-	3,184,738
Food Services	1,458,968	-	-	-
Central	266,453	-	-	-
Other Support Services	20,278	-	-	-
Community Services	222	-	-	-
Payments to Other Districts and Governmental Units	1,776,652	201,507	186,680	-
Debt Service	-	-	-	-
Principal	-	-	2,237,106	-
Interest and Fees	-	-	4,478,445	-
Capital Outlay	242,424	35,852	-	-
On-Behalf Payments	5,208,491	-	-	-
	<u>\$ 42,556,438</u>	<u>\$ 3,947,771</u>	<u>\$ 6,902,231</u>	<u>\$ 3,184,738</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,734,752</u>	<u>\$ 730,231</u>	<u>\$ (984,853)</u>	<u>\$ (452,288)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	\$ (279,243)	\$ (1,000,949)	\$ 1,280,192	\$ -
Principal on Bonds Sold	-	-	-	-
Sale or Compensation for Fixed Assets	-	8,000	-	-
	<u>\$ (279,243)</u>	<u>\$ (992,949)</u>	<u>\$ 1,280,192</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,455,509</u>	<u>\$ (262,718)</u>	<u>\$ 295,339</u>	<u>\$ (452,288)</u>
FUND BALANCE - JULY 1, 2010	<u>20,754,583</u>	<u>2,940,292</u>	<u>2,987,509</u>	<u>1,471,817</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 22,210,092</u></u>	<u><u>\$ 2,677,574</u></u>	<u><u>\$ 3,282,848</u></u>	<u><u>\$ 1,019,529</u></u>

The Notes to Financial Statements are an integral part of this statement.

Illinois Municipal Retirement/ Social Security Fund	Capital Projects Fund	Fire Prevention and Safety Fund	Total Governmental Funds
\$ 1,240,077	\$ -	\$ -	\$ 41,640,084
257,740	-	-	819,452
-	-	-	1,255,510
-	-	-	109,100
209	33,610	-	87,163
-	-	-	1,550,200
-	-	-	1,083,767
-	-	-	6,688
-	89,278	-	390,542
-	-	-	5,763,122
-	-	-	1,325,815
-	-	-	5,208,491
<u>\$ 1,498,026</u>	<u>\$ 122,888</u>	<u>\$ -</u>	<u>\$ 59,239,934</u>

\$ 252,924	\$ -	\$ -	\$ 16,285,424
151,085	-	-	4,172,138
63,522	-	-	6,069,593
109,418	-	-	2,555,562
168,927	-	-	1,966,574
19,673	-	-	1,302,342
48,638	-	-	1,465,502
51,826	-	-	631,828
-	621,217	-	621,217
169,460	-	-	3,879,872
279,647	-	-	3,464,385
-	-	-	1,458,968
14,667	-	-	281,120
-	-	-	20,278
-	-	-	222
184,743	-	-	2,349,582
-	-	-	2,237,106
-	-	-	4,478,445
-	14,442,196	-	14,720,472
-	-	-	5,208,491
<u>\$ 1,514,530</u>	<u>\$ 15,063,413</u>	<u>\$ -</u>	<u>\$ 73,169,121</u>

<u>\$ (16,504)</u>	<u>\$ (14,940,525)</u>	<u>\$ -</u>	<u>\$ (13,929,187)</u>
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\$ -	\$ -	\$ -	\$ -
-	3,990,000	-	3,990,000
-	-	-	8,000
<u>\$ -</u>	<u>\$ 3,990,000</u>	<u>\$ -</u>	<u>\$ 3,998,000</u>

\$ (16,504)	\$ (10,950,525)	\$ -	\$ (9,931,187)
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615,975	13,101,021	25,568	41,896,765
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<u>\$ 599,471</u>	<u>\$ 2,150,496</u>	<u>\$ 25,568</u>	<u>\$ 31,965,578</u>
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WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Net Change in Fund Balances - Total Governmental Funds

\$ (9,931,187)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (3,400,499)	
Capital Outlays	<u>14,720,472</u>	
		11,319,973

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Gain/(Loss) on Sale of Capital Assets	\$ (16,876)	
Proceeds from Sale of Fixed Assets	<u>(8,000)</u>	
		(24,876)

Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are deferred in the governmental funds.

State Aid		(187,447)
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The change in the Net OPEB Liability is not included in the governmental funds.

(364,683)

Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but issuing debt increases long-term liabilities in the Statement of Net Assets and is therefore not reported in the Statement of Activities.

Proceeds from Long-Term Debt		(3,990,000)
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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.

Accrued Interest on Long-Term Debt	\$ 14,598	
Debt Issuance Costs - Amortization	(275,071)	
Bond Premium - Amortization	312,431	
Interest Rate Swap Premium - Amortization	66,667	
Bond Discount - Amortization	<u>(727)</u>	
		117,898

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Assets and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>2,401,576</u>
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Change in Net Assets of Governmental Activities

\$ (658,746)

The Notes to Financial Statements are an integral part of this statement.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 251,668
Investments, at Fair Value	<u>113,951</u>
Total Assets	<u><u>\$ 365,619</u></u>
LIABILITIES	
Due to Activity Fund Organizations	<u>\$ 365,619</u>
Total Liabilities	<u><u>\$ 365,619</u></u>

The Notes to Financial Statements are an integral part of this statement.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Warren Township High School District No. 121's (District) accounting policies conform to generally accepted accounting principles as applicable to local education agencies.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Statements*

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund (reporting the District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the District as governmental activities. The District does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular programs, special education programs,

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Statements (Continued)*

payments to other districts and governmental units, etc.). Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The District electively made all governmental funds major funds.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Educational, Working Cash, Tort, Special Education and Leasing levies are included in this fund.

Special Revenue Funds – The Special Revenue Funds (Operations and Maintenance Fund, Transportation Fund, Illinois Municipal Retirement/Social Security Fund) are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

Debt Services Fund – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest, and related fees on general long-term debt.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

1. Governmental Funds (Continued)

Capital Projects Funds – The Capital Projects Funds (Capital Projects Fund and Fire Prevention and Safety Fund) are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities and fire prevention and safety projects.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets. The following is a description of the fiduciary fund of the District:

Agency Fund – The Agency Fund (Student Activity Fund) accounts for assets held by the District as an agent for the student organizations. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to student organizations are equal to the assets.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (student organizations) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60 day recognition period for state aid revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Basis of Accounting* (Continued)

2. Modified Accrual (Continued)

tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their cash balances in common accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans that have not been authorized by District Board action.

No District fund had a cash overdraft at June 30, 2011.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Expenses*

Prepaid expenses are for payments made by the District in the current year for goods and services received in the subsequent fiscal year, and the reserve for prepaid expenses in the governmental funds has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

H. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the District's inventories is not deemed to be material.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$6,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Buildings and Building Improvements	20 - 50 years
Site Improvements and Infrastructure	20 years
Capitalized Equipment	5 - 20 years

K. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the District. Vacation is required to be used by June 30 and there is no allowance for carryover. Sick leave is accumulated from year to year without limit and up to 120 days and 340 days can be turned over to IMRF or TRS, respectively, for credit. Unused sick days beyond the IMRF and TRS credit thresholds are paid out by the District at \$15 and \$30 per day for IMRF or TRS, respectively. No compensated absence accrual is recorded because vacation benefits do not accumulate from year to year and sick leave paid by the District has amounted to a de minimus amount for each of the past three years.

L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. *Government-Wide Net Assets*

Government-wide net assets are divided into three components:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. *Government-Wide Net Assets* (Continued)

- Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets – consist of net assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net assets are reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- Assigned – Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Education has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt service fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District itself.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. *Governmental Fund Balances (Continued)*

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The District permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

O. *Property Tax Calendar and Revenues*

Property taxes are levied each calendar year on all taxable real property located in the District on or before the last Tuesday in December. The 2010 tax levy was passed by the Board on December 14, 2010. The 2009 tax levy was passed by the Board on December 15, 2009. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The District receives significant distributions of tax receipts approximately one month after these dates.

P. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2011, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 7,606,853	\$ 7,606,853	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2011, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - EMPLOYEE RECEIVABLES

In order to encourage its teachers to improve their computer knowledge, the District sponsors a program in which employees can purchase computers for personal/home use. The District purchases a computer for each employee who signs up for the program, and the employee is required to repay the District, interest free, through payroll withholdings over a two year period. At June 30, 2011 a total of \$29,466 is due to the District.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 3,772,677	\$ 7,988,449	\$ -	\$ 11,761,126
Construction in Progress	16,696,261	-	16,696,261	-
Total Capital Assets not being depreciated	<u>\$ 20,468,938</u>	<u>\$ 7,988,449</u>	<u>\$ 16,696,261</u>	<u>\$ 11,761,126</u>
Other Capital Assets				
Building and Building Improvements	\$ 90,338,726	\$ 21,448,219	\$ -	\$ 111,786,945
Site Improvements and Infrastructure	3,168,154	1,715,578	52,366	4,831,366
Capitalized Equipment	4,603,575	264,487	-	4,868,062
Total Other Capital Assets at historical cost	<u>\$ 98,110,455</u>	<u>\$ 23,428,284</u>	<u>\$ 52,366</u>	<u>\$ 121,486,373</u>
Less Accumulated Depreciation for				
Building and Building Improvements	\$ 23,009,777	\$ 2,419,728	\$ -	\$ 25,429,505
Site Improvements and Infrastructure	1,387,381	229,708	27,490	1,589,599
Capitalized Equipment	2,153,740	751,063	-	2,904,803
Total Accumulated Depreciation	<u>\$ 26,550,898</u>	<u>\$ 3,400,499</u>	<u>\$ 27,490</u>	<u>\$ 29,923,907</u>
Other Capital Assets, Net	<u>\$ 71,559,557</u>	<u>\$ 20,027,785</u>	<u>\$ 24,876</u>	<u>\$ 91,562,466</u>
Governmental Activities Capital Assets, Net	<u>\$ 92,028,495</u>	<u>\$ 28,016,234</u>	<u>\$ 16,721,137</u>	<u>\$ 103,323,592</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Transportation	\$ 14,065
Food Services	2,242
Unallocated	3,384,192
Total Governmental Activities Depreciation Expense	<u>\$ 3,400,499</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2011 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY (Continued)

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities					
Long-Term Debt					
General Obligation Bonds	\$ 80,750,033	\$ -	\$ 1,504,471	\$ 79,245,562	\$ 1,690,452
Debt Certificates	4,875,000	3,990,000	813,000	8,052,000	854,000
Lease/Purchase Agreements	109,220	-	84,105	25,115	25,115
Total Long-Term Debt Payable	<u>\$ 85,734,253</u>	<u>\$ 3,990,000</u>	<u>\$ 2,401,576</u>	<u>\$ 87,322,677</u>	<u>\$ 2,569,567</u>
Other Long-Term Liabilities					
Bond Premiums, net of amortization	\$ 3,669,300	\$ -	\$ 312,431	\$ 3,356,869	\$ 312,431
Interest Swap Premium, net of amortization	266,668	-	66,667	200,001	66,667
Bond Discounts, net of amortization	(12,001)	-	(727)	(11,274)	(727)
Fair Market Value of Interest Swap Option	1,960,501	-	77,999	1,882,502	-
Total Other Long-Term Liabilities	<u>\$ 5,884,468</u>	<u>\$ -</u>	<u>\$ 456,370</u>	<u>\$ 5,428,098</u>	<u>\$ 378,371</u>
Governmental Activities Long-Term Liabilities	<u>\$ 91,618,721</u>	<u>\$ 3,990,000</u>	<u>\$ 2,857,946</u>	<u>\$ 92,750,775</u>	<u>\$ 2,947,938</u>

Long-term debt consisted of the following at June 30, 2011:

	Date of Issuance	Maturity Dates	Interest Rates	Face Amount	Carrying Amount
Governmental Activities					
General Obligation Bonds 2000	7/1/2000	1/1/2015	4.55% - 5.45%	\$ 4,090,000	\$ 1,415,000
General Obligation Bonds 2001	6/1/2001	1/1/2016	3.35% - 5.10%	3,900,000	240,000
Working Cash Bonds 2004A	3/1/2004	1/1/2018	4.00% - 5.00%	4,570,000	3,605,000
General Obligation School Building Bonds 2004C	5/1/2004	3/1/2024	5.50% - 5.75%	15,500,000	15,500,000
Refunding School Bonds 2004D	11/1/2004	3/1/2024	3.00% - 5.25%	31,850,000	15,960,000
Refunding School Bonds 2005	12/22/2005	3/1/2024	4.00% - 4.125%	9,350,000	2,880,000
General Obligation Limited School Bonds 2007	12/27/2007	1/1/2027	3.85% - 4.20%	7,000,000	7,000,000
General Obligation Limited School Bonds 2008A	3/19/2008	1/1/2028	4.00% - 4.20%	3,035,000	3,035,000
SEDOL Cyd Lash Refunding Building Bonds	4/1/2008	6/1/2013	3.75%	228,869	73,627
General Obligation Limited School Bonds 2008	12/30/2008	1/1/2028	5.00% - 5.125%	6,275,000	5,370,000
SEDOL Building Bonds 2008	10/1/2008	10/1/2013	3.00% - 5.00%	688,807	441,935
General Obligation School Building Bonds 2009	5/19/2009	1/1/2028	5.40% - 6.30%	23,725,000	23,725,000
Debt Certificates 2002A	3/5/2002	1/1/2012	2.50% - 4.60%	465,000	55,000
Debt Certificates 2002B	5/1/2002	1/1/2012	2.60% - 4.90%	1,200,000	145,000
Debt Certificates 2003	10/1/2003	1/1/2014	2.55% - 4.60%	500,000	172,000
Debt Certificates 2004	1/15/2005	1/1/2014	2.20% - 4.30%	537,300	200,000
Debt Certificates 2009	12/31/2009	12/31/2014	3.54%	4,000,000	3,655,000
Debt Certificates 2010	9/17/2010	7/1/2015	3.02%	3,990,000	3,825,000
Capital Lease	7/15/2007	7/15/2010	4.99%	224,097	-
Capital Lease	7/15/2008	7/15/2011	4.98%	98,198	25,115

At June 30, 2011 the annual debt service requirements to service all long-term debt are:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY (Continued)

Year Ending June 30	Principal	Interest	Total
2012	\$ 2,569,567	\$ 3,197,042	\$ 5,766,609
2013	2,609,802	4,355,852	6,965,654
2014	2,809,308	4,239,719	7,049,027
2015	4,918,000	4,101,804	9,019,804
2016	5,771,000	3,814,606	9,585,606
2017	2,895,000	3,675,748	6,570,748
2018	3,770,000	3,525,760	7,295,760
2019	4,645,000	3,333,578	7,978,578
2020	4,970,000	3,090,227	8,060,227
2021	4,730,000	2,830,165	7,560,165
2022	5,185,000	2,590,766	7,775,766
2023	5,660,000	2,330,879	7,990,879
2024	6,170,000	2,046,471	8,216,471
2025	6,715,000	1,733,388	8,448,388
2026	7,315,000	1,357,657	8,672,657
2027	7,965,000	940,465	8,905,465
2028	8,625,000	526,105	9,151,105
	<u>\$ 87,322,677</u>	<u>\$ 47,690,232</u>	<u>\$ 135,012,909</u>

On December 27, 2007, the District deposited \$1,730,449 into an escrow account to refund \$1,665,000 of the 2001A bond issue. The \$1,730,449 was used to purchase U.S. Government Securities. The escrow account will be used to provide for all future debt service payments on the refunded debt. As a result, a portion of the 2001A bond issue is considered defeased and its corresponding liability for the amount refunded has been removed from the District's liabilities. At June 30, 2011, a total of \$1,015,000 of defeased debt is still outstanding as a result of the 2001A bond issue.

On March 19, 2008, the District deposited \$1,023,427 into an escrow account to refund \$355,000 of the 2000 bond issue and \$605,000 of the 2001A bond issue. The \$1,023,427 was used to purchase U.S. Government Securities. The escrow account will be used to provide for all future debt service payments on the refunded debt. As a result, a portion of the 2000 and 2001A bond issues is considered defeased and its corresponding liability for the amount refunded has been removed from the District's liabilities. At June 30, 2011, a total of \$80,000 and \$420,000 of defeased debt is still outstanding as a result of the 2000 and 2001A bond issues, respectively.

On March 19, 2008, the District deposited \$240,921 into an escrow account to refund \$215,000 of the 2004A bond issue. The \$240,921 was used to purchase U.S. Government Securities. The escrow account will be used to provide for all future debt service payments on the refunded debt. As a result, a portion of the 2004A bond issue is considered defeased and its corresponding liability for the amount refunded has been removed from the District's liabilities. At June 30, 2011, a total of \$215,000 of defeased debt is still outstanding as a result of the 2004A bond issue.

NOTE 6 - INTEREST RATE SWAP

Summary. On August 17, 2005, the District entered into an ISDA Master Agreement, together with a Confirmation and Schedule, with JPMorgan Chase Bank, NA (The "Counterparty") providing for an exchange of payments between the District and the Counterparty commencing on March 1, 2014 (the "Swap Agreement"). If the Counterparty so elects on December 3, 2013, the District will issue its General Obligation Variable Rate Demand Refunding Bonds, Series 2014, in the approximate principal amount of \$15,500,000 (the "Series 2014 Refunding Bonds"), for the purpose of refunding the District's outstanding General Obligation School Building Bonds, Series 2004C.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - INTEREST RATE SWAP (Continued)

Objective of the Swaption. The Board entered into the Swap Agreement as a means of (1) utilizing the low interest rate environment, (2) limiting the interest rate risk inherent in variable rate debt, and (3) realizing upfront savings totaling \$705,000. The term swaption refers to the District selling an option to the counterparty to execute a swap at a certain date in the future if certain conditions exist. The Counterparty would pay the District a variable rate of interest, and the District would pay the Counterparty a fixed rate of interest on an initial notional amount of \$15,500,000, declining over time with the payment of the Series 2014 Refunding Bonds. If the conditions do not exist, the Counterparty will not execute the option.

Terms. The terms, including fair value of the swaption as of June 30, 2011, are as follows:

Associated Bond Issue	Notional Amounts	Trade Dates	Variable Rate Paid	Fixed Rate Received	Fair Value	Termination Date	Up-Front Payment
GO School Building Bonds, Series 2004C	\$ 15,500,000	8/17/2005	LIBOR Multiplied by 0.70	5.14%	\$ (1,882,502)	3/1/2024	\$ 705,000

Fair Value. As of June 30, 2011, the swaption has a negative fair value of \$1,882,502. The current year change (decrease of \$77,999) is reported through the statement of net assets to show this at fair market value. As per industry convention, the fair value of the District's outstanding swaption was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the forward rates implied by the yield curve correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. Because interest rates are below the Fixed Rate Received, the District's swaption has a negative value. The negative value is also driven by the upfront payment received by the District upon execution of the swaption agreement.

Credit risk. The District is exposed to credit risk (counterparty risk) through the counterparties with which it enters into agreements. There are no collateral posting requirements for the Counterparty or events of default related to the Counterparty's credit rating.

Basis risk. Basis risk refers to the mismatch between variable rate payments received on a swap contract and the interest payment actually owed on the bonds. The two significant components driving this risk are credit and SIFMA/LIBOR ratios. Credit may create basis risk because the District's bonds may trade differently than the swap index as a result of a credit change in the District. SIFMA/LIBOR ratios (or spreads) may create basis risk. With percentage of LIBOR swaps, if the District's bonds trade at a higher percentage of LIBOR over the index received on the swap, basis risk is created. This can occur due to many factors including, without limitation, changes in marginal tax rates, tax-exempt status of bonds, and supply and demand for variable rate bonds. The District's exposure to basis risk on the swaption affects the calculation of the swaption's fair value potentially creating termination risk.

Tax risk. The swap exposes the District to tax risk or a permanent mismatch (shortfall) between the floating rate received on the swap and the variable rate paid on the underlying variable rate bonds due to tax law changes such that federal or state tax exemption of municipal debt is eliminated or its value reduced. There have been no tax law changes since the execution of this swap transaction. The District is exposed to tax risk if marginal tax rates change altering the historic relationship between SIFMA and LIBOR which may create basis risk and affect the market value of the swaption.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - INTEREST RATE SWAP (Continued)

Termination risk. The risk that the swap could be terminated as a result of certain events including a ratings downgrade for the issuer or swap counterparty, covenant violation, bankruptcy, payment default or other defined events of default. Termination of the swap may result in a payment made by the issuer or to the issuer depending upon the market at the time of termination. If at time of termination the swaption is in a liability position, the District would be liable to the Counterparty for a payment equal to the current fair value, subject to netting arrangements.

Book values. The \$705,000, less fees of \$105,000, that the District received upfront is being amortized over the life of the swap option. The book value at June 30, 2011 is \$200,001.

NOTE 7 - INTERFUND LOANS

There are no interfund loans at June 30, 2011.

NOTE 8 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance as of June 30, 2011.

NOTE 9 - PROPERTY TAXES

Property taxes recorded in these financial statements as property taxes receivable and deferred revenue are from the 2010 tax levy. The deferred revenue is 50% of the 2010 tax levy. These taxes are deferred as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the District does not consider the remaining amounts to be available and does not budget for their use until the following fiscal year. The District has determined that 50% of the 2010 tax levy (\$21,159,894) and 50% of the 2009 tax levy, plus back taxes, less uncollectible amounts (\$20,480,190) are allocable for use in fiscal year 2011. Therefore, 50% of each of these levies are recorded in these financial statements as property taxes revenue. A summary of assessed valuations, rates, and extensions for tax years 2010, 2009, and 2008 is as follows:

Assessed Valuation	2010		2009		2008	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	1.2080	\$ 29,228,053	1.0710	\$ 27,327,967	1.0260	\$ 26,818,582
Special Education	0.0010	24,195	0.0010	25,516	0.0010	26,139
Operations and Maintenance	0.2140	5,177,817	0.1490	3,801,930	0.1610	4,208,374
Debt Service	0.2150	5,202,013	0.2210	5,639,104	0.1940	5,070,960
Transportation	0.0500	1,209,770	0.0500	1,275,815	0.0940	2,457,063
Municipal Retirement	0.0020	48,391	0.0390	995,136	0.0160	418,223
Social Security	0.0020	48,391	0.0390	995,136	0.0160	418,223
SEDOL Retirement	0.0080	193,563	0.0080	204,130	0.0080	209,112
Tort	0.0230	556,494	0.0280	714,457	0.0200	522,779
Leasing	0.0140	338,736	0.0140	357,229	0.0130	339,807
	<u>1.7370</u>	<u>\$ 42,027,423</u>	<u>1.6200</u>	<u>\$ 41,336,420</u>	<u>1.5490</u>	<u>\$ 40,489,262</u>

NOTE 10 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2011, the expenditures of the following funds exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
Transportation Fund	\$ 3,066,385	\$ 3,184,738	\$ 118,353
Debt Services Fund	6,896,439.0	6,902,231.0	5,792

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - OPERATING LEASES, AS LESSEE

The District, as lessee, leases photocopiers, technology equipment, operations and maintenance equipment, and buses.

Estimated minimum annual rentals are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2012	\$ 918,426
2013	829,835
2014	660,893
2015	191,664
2016	138,723
	<u>\$ 2,739,541</u>

Total rental expense for all operating leases for the year ended June 30, 2011 was \$1,003,435.

NOTE 12 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

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 State of Illinois maintains primary responsibility for funding the Plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011 was 9.4% of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4% for the years ended June 30, 2010 and 2009.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

➤ **On-behalf contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10% of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$5,016,562 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38% (\$5,058,395) and 17.08% (\$3,525,349), respectively.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

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

The District makes other types of employer contributions directly to TRS:

➤ **2.2 formula contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$126,498. Contributions for the years ended June 30, 2010 and June 30, 2009 were \$125,848 and \$119,869, respectively.

➤ **Federal and special trust fund contributions**

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in 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.

For the year ended June 30, 2011, the employer pension contribution was 23.10% of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and June 30, 2009, the employer contribution was 23.38% and 17.08% of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$93,342 were paid from federal and special trust funds that required employer contributions of \$21,562. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$14,571 and \$4,584, respectively.

➤ **Early Retirement Option (ERO)**

The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5% and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the District paid \$111,123 to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$346,228 and \$97,765 in employer ERO contributions, respectively.

➤ **Salary increases over 6% and excess sick leave**

- If an employer grants salary increases over 6% and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6%.

For the year ended June 30, 2011, the District paid \$3,611 to TRS for employer contributions due on salary increases in excess of 6%. For the years ended June 30, 2010 and June 30, 2009, the District paid \$55,609 and \$0 to TRS for employer contributions due on salary increases in excess of 6%, respectively.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

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

➤ **Salary increases over 6% and excess sick leave (Continued)**

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03% of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2011, the District paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the District paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2010. The report for the year ended June 30, 2011 is expected to be available in late 2011.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at trs.illinois.gov.

B. *Illinois Municipal Retirement Fund*

➤ **Plan Description**

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

➤ **Funding Policy**

As set by statute, the District's Regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's contribution rate for calendar year 2010 was 11.53%. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

➤ **Annual Pension Cost**

The required contribution for calendar year 2010 was \$617,067.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund* (Continued)

➤ **Annual Pension Cost (Continued)**

Three Year Trend Information for the Regular Plan			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 617,067	100%	\$ -
12/31/2009	596,722	100%	-
12/31/2008	560,902	100%	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

➤ **Funded Status and Funding Progress**

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 57.84% funded. The actuarial accrued liability for benefits was \$9,905,156 and the actuarial value of assets was \$5,729,240, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,175,916. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$5,351,838 and the ratio of the UAAL to the covered payroll was 78%.

This schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress						
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)
12/31/2010	\$ 5,729,240	\$ 9,905,156	\$ 4,175,916	57.84%	\$ 5,351,838	78.03%
12/31/2009	5,239,517	9,109,233	3,869,716	57.52%	4,895,175	79.05%
12/31/2008	6,099,486	8,252,847	2,153,361	73.91%	4,624,090	46.57%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$6,206,104. On a market basis, the funded ratio would be 62.66%.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - RETIREMENT FUND COMMITMENTS (Continued)

C. *Social Security*

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois 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. The District paid \$229,758, the total required contribution for the current fiscal year.

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS

A. *Teacher Health Insurance Security Fund (THIS)*

The District participates in the Teacher Health Insurance Security (THIS) Fund (Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of 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 may participate in the state administered participating provider option plan or choose from several managed care options.

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. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the Plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the State make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of HFS and will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

➤ **On behalf contributions to THIS Fund**

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88% of pay during the year ended June 30, 2011. State of Illinois contributions were \$191,929, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2010 and June 30, 2009 were 0.84% of pay. State contributions on behalf of District employees were \$182,262 and \$173,603, respectively.

➤ **Employer contributions to THIS Fund**

The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66% during the year ended June 30, 2011, and 0.63% during the years ended June 30, 2010 and June 30, 2009. For the year ended

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

A. *Teacher Health Insurance Security Fund (THIS) (Continued)*

➤ **Employer contributions to THIS Fund (Continued)**

June 30, 2011, the District paid \$143,946 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009, the District paid \$136,697 and \$130,202 to the THIS Fund, respectively, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

B. *Retiree Insurance Plan*

➤ **Plan Overview**

The District provides post-employment benefits other than pensions ("OPEB") to employees who retire directly from the District and who meet certain criteria. The Plan, a single-employer defined benefit plan, provides medical, prescription drug, dental, and vision insurance benefits to retirees. Participants in the plan must contribute 100% of the premium level to participate in the plan. Premiums are based on expected experience for active and retiree populations. Retirees are eligible to continue coverage for life. To be eligible, the employee must be enrolled in the active medical plan immediately prior to retiring and not be enrolled in the TRS medical plan. Teachers are given the choice to select COBRA coverage upon retirement or receive a \$10,000 cash payment from the District. If the participant is not a teacher, they become eligible to retire and receive medical coverage as of 55 years of age and eight years of service. The Plan does not issue a stand-alone financial report.

Membership in the Plan consisted of the following at June 30, 2011:

Active Participants (fully eligible for retirement)	33
Active Participants (not yet fully eligible for retirement)	104
Retirees	11
Total	<u>148</u>

➤ **Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements.

➤ **Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the District, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the District's net OPEB obligation to the plan:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS (Continued)

B. *Retiree Insurance Plan* (Continued)

➤ **Annual OPEB Cost and Net OPEB Obligation (Continued)**

Annual required contribution	\$	260,200
Interest on net OPEB obligation		26,068
Adjustment to annual required contribution		115,118
Annual OPEB cost (expense)	\$	401,386
Contributions made		36,703
Increase in net OPEB obligation	\$	364,683
Net OPEB obligation - beginning of year		651,703
Net OPEB obligation - end of year	\$	1,016,386

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 401,386	\$ 36,703	9%	\$ 1,016,386
6/30/2010	369,202	35,291	10%	651,703
6/30/2009	351,726	33,934	10%	317,792

➤ **Funded Status and Funding Progress**

This schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Unit Credit (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)
7/1/2008	\$ -	\$ 2,070,245	\$ 2,070,245	0%	N/A	N/A

➤ **Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The following includes actuarial assumptions and methods:

Actuarial Cost Method	Unit Credit, Normal Cost
Amortization Period	Closed, Level Dollar
Remaining Amortization Period	30 Years
Healthcare Inflation Rate	9% initial, 5% ultimate
Mortality	RP-2000 Combined Healthy table using scale AA
New Retiree Elections, Medical Coverage	It is assumed that new retirees select coverage, consistent with their active election, and are assumed to participate in Medicare upon eligibility. Teachers are assumed to enroll in the TRS medical plan and not elect to receive COBRA benefits.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2011 were as follows:

Transfer from	Transfer to	Amount
General Fund	Operations and Maintenance Fund	\$ 72,700
General Fund	Debt Services Fund	206,543
Operations and Maintenance Fund	Debt Services Fund	1,073,649

The transfer from the General Fund to the Operations and Maintenance Fund was made due to the need for funds in the Operations and Maintenance Fund. All other transfers were made to cover debt payments made out of the Debt Services Fund for non-levied debt.

NOTE 15 - JOINT VENTURES

A. *Special Education District of Lake County (SEDOL)*

The District and thirty-five other districts within Lake County have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of SEDOL at June 30, 2010 (most recent information available) is as follows:

Assets	\$ 58,309,196
Liabilities	\$ 13,416,873
Fund Equity	44,892,323
	<u>\$ 58,309,196</u>
Revenues Received	\$ 93,788,481
Expenditures Disbursed	87,040,909
Net Increase/(Decrease) in Fund Balance	<u>\$ 6,747,572</u>

Complete financial statements for SEDOL can be obtained from the Administrative Offices at 18160 Gages Lake Road, Gages Lake, Illinois 60030-1819.

B. *Lake County Area Vocational System (LCAVS)*

The District and seventeen other districts within Lake and McHenry Counties have entered into a joint agreement to provide vocational programs for member districts that are not offering these services individually. Each member district has a financial responsibility for annual and special assessments as established by the management council.

A summary of financial condition (cash basis) of LCAVS at June 30, 2010 (most recent information available) is as follows:

Assets	\$ 23,438,084
Liabilities	\$ 940,107
Fund Equity	22,497,977
	<u>\$ 23,438,084</u>
Revenues Received	\$ 7,849,874
Expenditures Disbursed	7,455,575
Net Increase/(Decrease) in Fund Balance	<u>\$ 394,299</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 - JOINT VENTURES (Continued)

B. *Lake County Area Vocational System (LCAVS)* (Continued)

Complete financial statements for LCAVS can be obtained from the Administrative Offices at 19525 W. Washington Street, Grayslake, Illinois 60030.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2011 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is a member of the Collective Liability Insurance Cooperative (CLIC), a joint risk management pool of school districts through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were members.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2011, there were no significant adjustments in premiums based on actual experience.

NOTE 17 - SELF INSURANCE

The District has a self-insured plan that provides its employees' vision benefits. A third party administrator and a claims administrator are contracted to manage the plan. At June 30, 2011 the liability for unpaid claims was \$10,000. This was estimated based on historical experience. A reconciliation of changes in the aggregate liabilities for claims for the fiscal year ended June 30, 2011 is as follows:

Claims Liabilities - Beginning of Year	\$ 20,000
Incurred Claims	64,859
Payments on Claims	<u>(74,859)</u>
Claims Liabilities - End of Year	<u>\$ 10,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 18 - CONTINGENCIES

The District is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 19 - LEGAL DEBT LIMITATION

The Illinois School Code limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2010 EAV	\$ 2,419,540,823
Rate	6.900%
Debt Margin	\$ 166,948,317
Current Debt	87,322,677
Remaining Debt Margin	<u>\$ 79,625,640</u>

NOTE 20 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 5, 2011, the date on which the financial statements were available to be issued.

On July 12, 2011, the District issued General Obligation Refunding Limited School Bonds, Series 2011 for the purpose of refunding the District's outstanding General Obligation Limited Tax School Bonds, Series 2000 and 2001A.

NOTE 21 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2011, the District has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

REQUIRED SUPPLEMENTARY INFORMATION

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 28,658,260	\$ 29,257,525
Payments in Lieu of Taxes	640,625	561,712
Tuition	1,229,904	1,255,510
Earnings on Investments	130,000	52,513
Food Service	1,600,000	1,550,200
District/School Activity Income	930,416	962,206
Textbooks	15,000	6,688
Other Local Sources	191,600	230,508
State Aid		
General State Aid	2,247,526	2,256,247
Special Education	1,648,733	1,938,067
Career and Technical Education	28,002	28,990
Bilingual	60,617	75,265
State Free Lunch and Breakfast	7,785	5,440
Driver Education	50,000	53,069
School Safety and Educational Improvement Block Grant	-	18,317
Technology - Learning Technology Centers	-	3,095
Other State Aid	-	3,521
Federal Aid		
Food Service	8,500	12,040
Title I	168,127	154,052
Title IV	3,666	-
Federal Special Education	207,410	410,129
CTE - Perkins	27,000	28,000
McKinney - Vento Homeless Education	202	-
Other ARRA Funds	67,352	67,784
Emergency Immigrant Assistance	20,000	3,200
Title III - English Language Acquisition	13,200	11,923
Title II - Teacher Quality	52,918	51,118
Medicaid Matching Funds - Administrative Outreach	32,000	26,016
Medicaid Matching Funds - Fee-for-Service Program	18,000	58,764
Other Federal Aid	-	800
On-Behalf Payments	6,750,000	5,208,491
Total Revenues	<u>\$ 44,806,843</u>	<u>\$ 44,291,190</u>
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 13,033,337	\$ 12,994,789
Employee Benefits	1,779,582	1,825,068
Purchased Services	479,440	752,717
Supplies and Materials	596,010	373,059
Other Objects	6,100	6,380
Non-Capitalized Equipment	52,792	80,487
	<u>\$ 15,947,261</u>	<u>\$ 16,032,500</u>
Special Education Programs		
Salaries	\$ 3,064,640	\$ 3,145,228
Employee Benefits	486,653	527,594
Purchased Services	50,000	59,918
Supplies and Materials	60,000	110,036
Other Objects	255,050	168,277
Non-Capitalized Equipment	10,000	10,000
	<u>\$ 3,926,343</u>	<u>\$ 4,021,053</u>
Adult/Continuing Education Programs		
Salaries	\$ 151,503	\$ 95,500
Employee Benefits	1,879	1,156
Supplies and Materials	2,500	-
	<u>\$ 155,882</u>	<u>\$ 96,656</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,147,996	\$ 1,130,588
Employee Benefits	137,289	143,954
Purchased Services	5,921	11,860
Supplies and Materials	110,588	91,767
	<u>\$ 1,401,794</u>	<u>\$ 1,378,169</u>
Interscholastic Programs		
Salaries	\$ 1,139,355	\$ 1,101,778
Employee Benefits	87,458	81,136
Purchased Services	243,832	256,103
Supplies and Materials	78,295	79,255
Other Objects	300	435
Non-Capitalized Equipment	11,000	5,000
	<u>\$ 1,560,240</u>	<u>\$ 1,523,707</u>
Summer School Programs		
Salaries	\$ 224,835	\$ 231,677
Employee Benefits	2,789	2,502
Purchased Services	13,000	4,098
Supplies and Materials	8,000	1,664
	<u>\$ 248,624</u>	<u>\$ 239,941</u>
Driver's Education Programs		
Salaries	\$ 64,048	\$ 63,834
Employee Benefits	9,323	7,443
Purchased Services	3,000	800
Supplies and Materials	3,000	1,521
	<u>\$ 79,371</u>	<u>\$ 73,598</u>
Bilingual Programs		
Salaries	\$ 390,640	\$ 413,507
Employee Benefits	73,230	77,041
Purchased Services	2,000	1,725
Supplies and Materials	4,800	5,658
	<u>\$ 470,670</u>	<u>\$ 497,931</u>
Private Tuition - Other Objects		
Special Education Programs K-12	<u>\$ 2,040,000</u>	<u>\$ 2,196,069</u>
	<u>\$ 2,040,000</u>	<u>\$ 2,196,069</u>
Total Instruction	<u>\$ 25,830,185</u>	<u>\$ 26,059,624</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 682,303	\$ 703,584
Employee Benefits	93,234	100,382
Supplies and Materials	23,000	-
	<u>\$ 798,537</u>	<u>\$ 803,966</u>
Guidance Services		
Salaries	\$ 1,181,981	\$ 1,116,844
Employee Benefits	165,932	141,809
Purchased Services	2,431	-
Supplies and Materials	3,800	9,782
Other Objects	500	-
	<u>\$ 1,354,644</u>	<u>\$ 1,268,435</u>
Health Services		
Salaries	\$ 182,647	\$ 182,637
Employee Benefits	31,847	31,525
Purchased Services	32,000	29,816
Supplies and Materials	9,020	3,751
	<u>\$ 255,514</u>	<u>\$ 247,729</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Psychological Services		
Salaries	\$ 113,267	\$ 109,267
Employee Benefits	16,069	16,747
	<u>\$ 129,336</u>	<u>\$ 126,014</u>
Total Support Services - Pupils	<u>\$ 2,538,031</u>	<u>\$ 2,446,144</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 202,844	\$ 200,371
Employee Benefits	61,394	61,436
Purchased Services	35,253	32,668
Supplies and Materials	29,665	23,310
	<u>\$ 329,156</u>	<u>\$ 317,785</u>
Educational Media Services		
Salaries	\$ 877,327	\$ 1,074,065
Employee Benefits	182,192	177,328
Purchased Services	43,500	36,075
Supplies and Materials	79,320	91,884
Non-Capitalized Equipment	-	91,348
	<u>\$ 1,182,339</u>	<u>\$ 1,470,700</u>
Assessment and Testing		
Salaries	\$ 7,000	\$ 9,003
Employee Benefits	88	159
Purchased Services	14,500	-
	<u>\$ 21,588</u>	<u>\$ 9,162</u>
Total Support Services - Instructional Staff	<u>\$ 1,533,083</u>	<u>\$ 1,797,647</u>
General Administration		
Board of Education Services		
Salaries	\$ 7,940	\$ 11,320
Employee Benefits	-	68
Purchased Services	344,283	231,331
Supplies and Materials	6,480	9,265
Other Objects	28,905	23,332
Non-Capitalized Equipment	-	14,636
	<u>\$ 387,608</u>	<u>\$ 289,952</u>
Executive Administration Services		
Salaries	\$ 292,718	\$ 302,186
Employee Benefits	37,791	38,953
Purchased Services	11,856	3,824
Supplies and Materials	2,681	3,328
Other Objects	2,960	3,047
	<u>\$ 348,006</u>	<u>\$ 351,338</u>
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	<u>\$ 317,000</u>	<u>\$ 305,776</u>
	<u>\$ 317,000</u>	<u>\$ 305,776</u>
Unemployment Insurance Payments		
Purchased Services	<u>\$ 40,000</u>	<u>\$ 49,253</u>
	<u>\$ 40,000</u>	<u>\$ 49,253</u>
Insurance Payments		
Purchased Services	<u>\$ 285,675</u>	<u>\$ 286,350</u>
	<u>\$ 285,675</u>	<u>\$ 286,350</u>
Total Support Services - General Administration	<u>\$ 1,378,289</u>	<u>\$ 1,282,669</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Salaries	\$ 593,255	\$ 593,494
Employee Benefits	133,968	133,998
Supplies and Materials	25,600	22,778
Other Objects	14,710	12,090
	<u>\$ 767,533</u>	<u>\$ 762,360</u>
Other Support Services - School Administration		
Salaries	\$ 519,892	\$ 519,892
Employee Benefits	115,883	134,612
	<u>\$ 635,775</u>	<u>\$ 654,504</u>
Total Support Services - School Administration	<u>\$ 1,403,308</u>	<u>\$ 1,416,864</u>
Business		
Direction of Business Support Services		
Salaries	\$ 140,306	\$ 140,306
Employee Benefits	36,398	36,708
	<u>\$ 176,704</u>	<u>\$ 177,014</u>
Fiscal Services		
Salaries	\$ 277,091	\$ 277,091
Employee Benefits	38,320	38,521
Purchased Services	49,608	76,847
Supplies and Materials	4,500	8,278
Other Objects	1,615	2,251
	<u>\$ 371,134</u>	<u>\$ 402,988</u>
Total Support Services - Business	<u>\$ 547,838</u>	<u>\$ 580,002</u>
Operations and Maintenance		
Purchased Services	\$ 235	\$ -
Total Support Services - Operations and Maintenance	<u>\$ 235</u>	<u>\$ -</u>
Transportation		
Purchased Services	\$ 100	\$ -
Total Support Services - Transportation	<u>\$ 100</u>	<u>\$ -</u>
Food Services		
Purchased Services	\$ 1,248,000	\$ 1,457,247
Supplies and Materials	5,000	1,721
Non-Capitalized Equipment	5,000	-
Total Support Services - Food Services	<u>\$ 1,258,000</u>	<u>\$ 1,458,968</u>
Central		
Staff Services		
Salaries	\$ 208,649	\$ 208,649
Employee Benefits	50,139	51,798
Purchased Services	9,880	4,850
Supplies and Materials	1,000	1,156
Other Objects	250	-
	<u>\$ 269,918</u>	<u>\$ 266,453</u>
Total Support Services - Central	<u>\$ 269,918</u>	<u>\$ 266,453</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Other Support Services		
Purchased Services	\$ 30,075	\$ 19,127
Supplies and Materials	1,579	1,151
Total Other Support Services	<u>\$ 31,654</u>	<u>\$ 20,278</u>
Total Support Services	<u>\$ 8,960,456</u>	<u>\$ 9,269,025</u>
Community Services		
Purchased Services	\$ 4,750	\$ 100
Supplies and Materials	514	122
Total Community Services	<u>\$ 5,264</u>	<u>\$ 222</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Other Objects	\$ -	\$ 328
	<u>\$ -</u>	<u>\$ 328</u>
Payments for Special Education Programs		
Purchased Services	\$ 25,000	\$ 31,181
	<u>\$ 25,000</u>	<u>\$ 31,181</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 25,000</u>	<u>\$ 31,509</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 900,000	\$ 758,531
Payment for CTE Programs		
Other Objects	1,020,835	986,612
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,920,835</u>	<u>\$ 1,745,143</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,945,835</u>	<u>\$ 1,776,652</u>
Capital Outlay		
Instruction		
Regular Programs	\$ 34,962	\$ 40,317
Other Instructional Programs	22,700	5,000
Support Services		
Instructional Staff	328,242	197,107
Food Services	6,000	-
	<u>\$ 391,904</u>	<u>\$ 242,424</u>
On-Behalf Payments	<u>\$ 6,750,000</u>	<u>\$ 5,208,491</u>
Total Expenditures	<u>\$ 43,883,644</u>	<u>\$ 42,556,438</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 923,199</u>	<u>\$ 1,734,752</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(461,030)</u>	<u>(279,243)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 462,169</u>	<u>\$ 1,455,509</u>
FUND BALANCE - JULY 1, 2010	<u>20,874,547</u>	<u>20,754,583</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 21,336,716</u></u>	<u><u>\$ 22,210,092</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 4,236,722	\$ 4,486,060
Earnings on Investments	3,510	285
District/School Activity Income	123,800	121,561
Other Local Sources	47,000	70,096
Total Revenues	<u>\$ 4,411,032</u>	<u>\$ 4,678,002</u>
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 876,034	\$ 853,395
Employee Benefits	132,755	122,967
Purchased Services	1,601,812	1,454,957
Supplies and Materials	1,160,000	1,226,475
Other Objects	250	100
Non-Capitalized Equipment	21,500	52,518
Total Support Services - Operations and Maintenance	<u>\$ 3,792,351</u>	<u>\$ 3,710,412</u>
Total Support Services	<u>\$ 3,792,351</u>	<u>\$ 3,710,412</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 135,000	\$ 147,071
Other Objects	30,464	24,336
	<u>\$ 165,464</u>	<u>\$ 171,407</u>
Payments for CTE Programs		
Other Objects	<u>\$ 30,100</u>	<u>\$ 30,100</u>
	<u>\$ 30,100</u>	<u>\$ 30,100</u>
Total Payments to Other Districts and Governmental Units (In-State)	<u>\$ 195,564</u>	<u>\$ 201,507</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 195,564</u>	<u>\$ 201,507</u>
Capital Outlay		
Support Services		
Operations and Maintenance	\$ 85,000	\$ 35,852
	<u>\$ 85,000</u>	<u>\$ 35,852</u>
Total Expenditures	<u>\$ 4,072,915</u>	<u>\$ 3,947,771</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 338,117</u>	<u>\$ 730,231</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	\$ (833,855)	\$ (1,000,949)
Sale or Compensation for Fixed Assets	-	8,000
	<u>\$ (833,855)</u>	<u>\$ (992,949)</u>
NET CHANGE IN FUND BALANCE	\$ (495,738)	\$ (262,718)
FUND BALANCE - JULY 1, 2010	<u>2,940,292</u>	<u>2,940,292</u>
FUND BALANCE - JUNE 30, 2011	<u>\$ 2,444,554</u>	<u>\$ 2,677,574</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 1,545,356	\$ 1,241,579
Transportation Fees	32,264	109,100
Earnings on Investments	600	-
Other Local Sources	-	660
State Aid		
Transportation	1,488,905	1,381,111
Total Revenues	<u>\$ 3,067,125</u>	<u>\$ 2,732,450</u>
EXPENDITURES		
Support Services		
Transportation		
Salaries	\$ 1,364,628	\$ 1,416,069
Employee Benefits	263,795	261,626
Purchased Services	1,152,352	1,165,887
Supplies and Materials	276,000	324,806
Other Objects	510	398
Non-Capitalized Equipment	9,100	15,952
Total Support Services - Transportation	<u>\$ 3,066,385</u>	<u>\$ 3,184,738</u>
Total Support Services	<u>\$ 3,066,385</u>	<u>\$ 3,184,738</u>
Total Expenditures	<u>\$ 3,066,385</u>	<u>\$ 3,184,738</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 740</u>	<u>\$ (452,288)</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 740</u>	<u>\$ (452,288)</u>
FUND BALANCE - JULY 1, 2010	<u>1,471,817</u>	<u>1,471,817</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 1,472,557</u></u>	<u><u>\$ 1,019,529</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 600,000	\$ 520,718
FICA/Medicare Only Purposes Levies	600,000	520,718
Other Tax Levies	204,130	198,641
Payments in Lieu of Taxes	160,156	257,740
Earnings on Investments	150	209
Total Revenues	<u>\$ 1,564,436</u>	<u>\$ 1,498,026</u>
EXPENDITURES		
Instruction		
Regular Programs		
Employee Benefits	\$ 264,504	\$ 252,924
Special Education Programs		
Employee Benefits	163,539	151,085
Adult/Continuing Education Programs		
Employee Benefits	1,762	1,299
CTE Programs		
Employee Benefits	16,648	15,941
Interscholastic Programs		
Employee Benefits	29,224	31,958
Summer School Programs		
Employee Benefits	4,644	7,650
Driver's Education Programs		
Employee Benefits	923	894
Bilingual Programs		
Employee Benefits	5,634	5,780
	<u>\$ 486,878</u>	<u>\$ 467,531</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 39,464	\$ 50,853
Guidance Services		
Employee Benefits	58,381	30,980
Health Services		
Employee Benefits	25,849	26,084
Psychological Services		
Employee Benefits	1,590	1,501
	<u>\$ 125,284</u>	<u>\$ 109,418</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 10,377	\$ 26,779
Educational Media Services		
Employee Benefits	140,327	142,025
Assessment and Testing		
Employee Benefits	102	123
	<u>\$ 150,806</u>	<u>\$ 168,927</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 2,385	\$ 2,201
Executive Administration Services		
Employee Benefits	16,960	17,472
	<u>\$ 19,345</u>	<u>\$ 19,673</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 28,432	\$ 28,960
Other Support Services - School Administration		
Employee Benefits	20,223	19,678
	<u>\$ 48,655</u>	<u>\$ 48,638</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 3,064	\$ 1,988
Fiscal Services		
Employee Benefits	67,651	49,838
	<u>\$ 70,715</u>	<u>\$ 51,826</u>
Operations and Maintenance		
Employee Benefits	\$ 175,494	\$ 169,460
	<u>\$ 175,494</u>	<u>\$ 169,460</u>
Transportation		
Employee Benefits	\$ 256,865	\$ 279,647
	<u>\$ 256,865</u>	<u>\$ 279,647</u>
Central		
Staff Services		
Employee Benefits	\$ 14,654	\$ 14,667
	<u>\$ 14,654</u>	<u>\$ 14,667</u>
Total Support Services	<u>\$ 861,818</u>	<u>\$ 862,256</u>
Community Services		
Employee Benefits	\$ 11	\$ -
Total Community Services	<u>\$ 11</u>	<u>\$ -</u>
Payments to Other Districts and Governmental Units		
Payments for Special Education Programs		
Employee Benefits	\$ 204,130	\$ 184,743
Total Payments to Other Districts and Governmental Units	<u>\$ 204,130</u>	<u>\$ 184,743</u>
Total Expenditures	<u>\$ 1,552,837</u>	<u>\$ 1,514,530</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 11,599	\$ (16,504)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 11,599	\$ (16,504)
FUND BALANCE - JULY 1, 2010	615,975	615,975
FUND BALANCE - JUNE 30, 2011	<u>\$ 627,574</u>	<u>\$ 599,471</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 - BUDGETARY PROCESS

The District follows procedures mandated by Illinois State law and District Board policy to establish the budgetary data reflected in its financial statements. The budget was passed on September 28, 2010. The modified accrual basis budgeted amounts in this report are the result of full compliance with the following procedures:

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2011, the expenditures of the following funds presented as Required Supplementary Information exceeded the budget:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Actual Over Budget</u>
Transportation Fund	\$ 3,066,385	\$ 3,184,738	\$ 118,353

SUPPLEMENTAL FINANCIAL INFORMATION

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2011

	Educational Fund	Working Cash Fund	Tort Fund	General Fund Total
ASSETS				
Cash and Cash Equivalents	\$ 8,865,177	\$ 3,772,383	\$ 36,603	\$ 12,674,163
Investments, at Fair Value	-	10,156,816	-	10,156,816
Employee Receivables, net of allowance of \$0	22,821	-	-	22,821
Property Taxes Receivable, net of allowance of \$0	14,690,552	-	276,274	14,966,826
Due from Other Governments, net of allowance of \$0	714,271	-	-	714,271
Prepaid Expenses	6,393	-	-	6,393
Total Assets	<u>\$ 24,299,214</u>	<u>\$ 13,929,199</u>	<u>\$ 312,877</u>	<u>\$ 38,541,290</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 484,280	\$ -	\$ 2,095	\$ 486,375
Accrued Payroll and Payroll Liabilities	736,560	-	-	736,560
Deferred Revenue	14,818,854	-	278,247	15,097,101
Other Liabilities	11,162	-	-	11,162
Total Liabilities	<u>\$ 16,050,856</u>	<u>\$ -</u>	<u>\$ 280,342</u>	<u>\$ 16,331,198</u>
FUND BALANCE				
Nonspendable				
Prepaid Expenses	\$ 6,393	\$ -	\$ -	\$ 6,393
Restricted				
Tort Liability	-	-	32,509	32,509
Leasing Levy	12,644	-	-	12,644
Unassigned	8,229,321	13,929,199	26	22,158,546
Total Fund Balance	<u>\$ 8,248,358</u>	<u>\$ 13,929,199</u>	<u>\$ 32,535</u>	<u>\$ 22,210,092</u>
Total Liabilities and Fund Balance	<u>\$ 24,299,214</u>	<u>\$ 13,929,199</u>	<u>\$ 312,877</u>	<u>\$ 38,541,290</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED JUNE 30, 2011

	Educational Fund	Working Cash Fund	Tort Fund	General Fund Total
REVENUES				
Property Taxes	\$ 28,622,788	\$ -	\$ 634,737	\$ 29,257,525
Payments in Lieu of Taxes	561,712	-	-	561,712
Tuition	1,255,510	-	-	1,255,510
Earnings on Investments	3,536	48,951	26	52,513
Food Service	1,550,200	-	-	1,550,200
District/School Activity Income	962,206	-	-	962,206
Textbooks	6,688	-	-	6,688
Other Local Sources	230,508	-	-	230,508
State Aid	4,382,011	-	-	4,382,011
Federal Aid	823,826	-	-	823,826
On-Behalf Payments	5,208,491	-	-	5,208,491
	<u>\$ 43,607,476</u>	<u>\$ 48,951</u>	<u>\$ 634,763</u>	<u>\$ 44,291,190</u>
EXPENDITURES				
Current				
Instruction				
Regular Programs	\$ 16,032,500	\$ -	\$ -	\$ 16,032,500
Special Education Programs	4,021,053	-	-	4,021,053
Other Instructional Programs	6,006,071	-	-	6,006,071
Support Services				
Pupils	2,446,144	-	-	2,446,144
Instructional Staff	1,797,647	-	-	1,797,647
General Administration	641,290	-	641,379	1,282,669
School Administration	1,416,864	-	-	1,416,864
Business	580,002	-	-	580,002
Food Services	1,458,968	-	-	1,458,968
Central	266,453	-	-	266,453
Other Support Services	20,278	-	-	20,278
Community Services	222	-	-	222
Payments to Other Districts and Governmental Units	1,776,652	-	-	1,776,652
Capital Outlay	242,424	-	-	242,424
On-Behalf Payments	5,208,491	-	-	5,208,491
	<u>\$ 41,915,059</u>	<u>\$ -</u>	<u>\$ 641,379</u>	<u>\$ 42,556,438</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,692,417	\$ 48,951	\$ (6,616)	\$ 1,734,752
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	86,949	(366,192)	-	(279,243)
NET CHANGE IN FUND BALANCES	\$ 1,779,366	\$ (317,241)	\$ (6,616)	\$ 1,455,509
FUND BALANCE - JULY 1, 2010	6,468,992	14,246,440	39,151	20,754,583
FUND BALANCE - JUNE 30, 2011	<u>\$ 8,248,358</u>	<u>\$ 13,929,199</u>	<u>\$ 32,535</u>	<u>\$ 22,210,092</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts Original and Final	Actual Amounts
REVENUES		
Property Taxes	\$ 28,006,662	\$ 28,622,788
Payments in Lieu of Taxes	640,625	561,712
Tuition	1,229,904	1,255,510
Earnings on Investments	30,000	3,536
Food Service	1,600,000	1,550,200
District/School Activity Income	930,416	962,206
Textbooks	15,000	6,688
Other Local Sources	191,600	230,508
State Aid		
General State Aid	2,247,526	2,256,247
Special Education	1,648,733	1,938,067
Career and Technical Education	28,002	28,990
Bilingual	60,617	75,265
State Free Lunch and Breakfast	7,785	5,440
Driver Education	50,000	53,069
School Safety and Educational Improvement Block Grant	-	18,317
Technology - Learning Technology Centers	-	3,095
Other State Aid	-	3,521
Federal Aid		
Food Service	8,500	12,040
Title I	168,127	154,052
Title IV	3,666	-
Federal Special Education	207,410	410,129
CTE - Perkins	27,000	28,000
McKinney - Vento Homeless Education	202	-
Other ARRA Funds	67,352	67,784
Emergency Immigrant Assistance	20,000	3,200
Title III - English Language Acquisition	13,200	11,923
Title II - Teacher Quality	52,918	51,118
Medicaid Matching Funds - Administrative Outreach	32,000	26,016
Medicaid Matching Funds - Fee-for-Service Program	18,000	58,764
Other Federal Aid	-	800
On-Behalf Payments	6,750,000	5,208,491
Total Revenues	\$ 44,055,245	\$ 43,607,476
EXPENDITURES		
Instruction		
Regular Programs		
Salaries	\$ 13,033,337	\$ 12,994,789
Employee Benefits	1,779,582	1,825,068
Purchased Services	479,440	752,717
Supplies and Materials	596,010	373,059
Other Objects	6,100	6,380
Non-Capitalized Equipment	52,792	80,487
	\$ 15,947,261	\$ 16,032,500
Special Education Programs		
Salaries	\$ 3,064,640	\$ 3,145,228
Employee Benefits	486,653	527,594
Purchased Services	50,000	59,918
Supplies and Materials	60,000	110,036
Other Objects	255,050	168,277
Non-Capitalized Equipment	10,000	10,000
	\$ 3,926,343	\$ 4,021,053
Adult/Continuing Education Programs		
Salaries	\$ 151,503	\$ 95,500
Employee Benefits	1,879	1,156
Supplies and Materials	2,500	-
	\$ 155,882	\$ 96,656

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Instruction (Continued)		
CTE Programs		
Salaries	\$ 1,147,996	\$ 1,130,588
Employee Benefits	137,289	143,954
Purchased Services	5,921	11,860
Supplies and Materials	110,588	91,767
	<u>\$ 1,401,794</u>	<u>\$ 1,378,169</u>
Interscholastic Programs		
Salaries	\$ 1,139,355	\$ 1,101,778
Employee Benefits	87,458	81,136
Purchased Services	243,832	256,103
Supplies and Materials	78,295	79,255
Other Objects	300	435
Non-Capitalized Equipment	11,000	5,000
	<u>\$ 1,560,240</u>	<u>\$ 1,523,707</u>
Summer School Programs		
Salaries	\$ 224,835	\$ 231,677
Employee Benefits	2,789	2,502
Purchased Services	13,000	4,098
Supplies and Materials	8,000	1,664
	<u>\$ 248,624</u>	<u>\$ 239,941</u>
Driver's Education Programs		
Salaries	\$ 64,048	\$ 63,834
Employee Benefits	9,323	7,443
Purchased Services	3,000	800
Supplies and Materials	3,000	1,521
	<u>\$ 79,371</u>	<u>\$ 73,598</u>
Bilingual Programs		
Salaries	\$ 390,640	\$ 413,507
Employee Benefits	73,230	77,041
Purchased Services	2,000	1,725
Supplies and Materials	4,800	5,658
	<u>\$ 470,670</u>	<u>\$ 497,931</u>
Private Tuition - Other Objects		
Special Education Programs K-12	<u>\$ 2,040,000</u>	<u>\$ 2,196,069</u>
	<u>\$ 2,040,000</u>	<u>\$ 2,196,069</u>
Total Instruction	<u>\$ 25,830,185</u>	<u>\$ 26,059,624</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 682,303	\$ 703,584
Employee Benefits	93,234	100,382
Supplies and Materials	23,000	-
	<u>\$ 798,537</u>	<u>\$ 803,966</u>
Guidance Services		
Salaries	\$ 1,181,981	\$ 1,116,844
Employee Benefits	165,932	141,809
Purchased Services	2,431	-
Supplies and Materials	3,800	9,782
Other Objects	500	-
	<u>\$ 1,354,644</u>	<u>\$ 1,268,435</u>
Health Services		
Salaries	\$ 182,647	\$ 182,637
Employee Benefits	31,847	31,525
Purchased Services	32,000	29,816
Supplies and Materials	9,020	3,751
	<u>\$ 255,514</u>	<u>\$ 247,729</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
Pupils (Continued)		
Psychological Services		
Salaries	\$ 113,267	\$ 109,267
Employee Benefits	16,069	16,747
	<u>\$ 129,336</u>	<u>\$ 126,014</u>
Total Support Services - Pupils	<u>\$ 2,538,031</u>	<u>\$ 2,446,144</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 202,844	\$ 200,371
Employee Benefits	61,394	61,436
Purchased Services	35,253	32,668
Supplies and Materials	29,665	23,310
	<u>\$ 329,156</u>	<u>\$ 317,785</u>
Educational Media Services		
Salaries	\$ 877,327	\$ 1,074,065
Employee Benefits	182,192	177,328
Purchased Services	43,500	36,075
Supplies and Materials	79,320	91,884
Non-Capitalized Equipment	-	91,348
	<u>\$ 1,182,339</u>	<u>\$ 1,470,700</u>
Assessment and Testing		
Salaries	\$ 7,000	\$ 9,003
Employee Benefits	88	159
Purchased Services	14,500	-
	<u>\$ 21,588</u>	<u>\$ 9,162</u>
Total Support Services - Instructional Staff	<u>\$ 1,533,083</u>	<u>\$ 1,797,647</u>
General Administration		
Board of Education Services		
Salaries	\$ 7,940	\$ 11,320
Employee Benefits	-	68
Purchased Services	344,283	231,331
Supplies and Materials	6,480	9,265
Other Objects	28,905	23,332
Non-Capitalized Equipment	-	14,636
	<u>\$ 387,608</u>	<u>\$ 289,952</u>
Executive Administration Services		
Salaries	\$ 292,718	\$ 302,186
Employee Benefits	37,791	38,953
Purchased Services	11,856	3,824
Supplies and Materials	2,681	3,328
Other Objects	2,960	3,047
	<u>\$ 348,006</u>	<u>\$ 351,338</u>
Total Support Services - General Administration	<u>\$ 735,614</u>	<u>\$ 641,290</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 593,255	\$ 593,494
Employee Benefits	133,968	133,998
Supplies and Materials	25,600	22,778
Other Objects	14,710	12,090
	<u>\$ 767,533</u>	<u>\$ 762,360</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Support Services (Continued)		
School Administration (Continued)		
Other Support Services - School Administration		
Salaries	\$ 519,892	\$ 519,892
Employee Benefits	115,883	134,612
	<u>\$ 635,775</u>	<u>\$ 654,504</u>
Total Support Services - School Administration	<u>\$ 1,403,308</u>	<u>\$ 1,416,864</u>
Business		
Direction of Business Support Services		
Salaries	\$ 140,306	\$ 140,306
Employee Benefits	36,398	36,708
	<u>\$ 176,704</u>	<u>\$ 177,014</u>
Fiscal Services		
Salaries	\$ 277,091	\$ 277,091
Employee Benefits	38,320	38,521
Purchased Services	49,608	76,847
Supplies and Materials	4,500	8,278
Other Objects	1,615	2,251
	<u>\$ 371,134</u>	<u>\$ 402,988</u>
Total Support Services - Business	<u>\$ 547,838</u>	<u>\$ 580,002</u>
Operations and Maintenance		
Purchased Services	\$ 235	\$ -
Total Support Services - Operations and Maintenance	<u>\$ 235</u>	<u>\$ -</u>
Transportation		
Purchased Services	\$ 100	\$ -
Total Support Services - Transportation	<u>\$ 100</u>	<u>\$ -</u>
Food Services		
Purchased Services	\$ 1,248,000	\$ 1,457,247
Supplies and Materials	5,000	1,721
Non-Capitalized Equipment	5,000	-
Total Support Services - Food Services	<u>\$ 1,258,000</u>	<u>\$ 1,458,968</u>
Central		
Staff Services		
Salaries	\$ 208,649	\$ 208,649
Employee Benefits	50,139	51,798
Purchased Services	9,880	4,850
Supplies and Materials	1,000	1,156
Other Objects	250	-
	<u>\$ 269,918</u>	<u>\$ 266,453</u>
Total Support Services - Central	<u>\$ 269,918</u>	<u>\$ 266,453</u>
Other Support Services		
Purchased Services	\$ 30,075	\$ 19,127
Supplies and Materials	1,579	1,151
Total Other Support Services	<u>\$ 31,654</u>	<u>\$ 20,278</u>
Total Support Services	<u>\$ 8,317,781</u>	<u>\$ 8,627,646</u>
Community Services		
Purchased Services	\$ 4,750	\$ 100
Supplies and Materials	514	122
Total Community Services	<u>\$ 5,264</u>	<u>\$ 222</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - EDUCATIONAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Regular Programs		
Other Objects	\$ -	\$ 328
	<u>\$ -</u>	<u>\$ 328</u>
Payments for Special Education Programs		
Purchased Services	\$ 25,000	\$ 31,181
	<u>\$ 25,000</u>	<u>\$ 31,181</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 25,000</u>	<u>\$ 31,509</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 900,000	\$ 758,531
Payment for CTE Programs		
Other Objects	1,020,835	986,612
	<u>1,020,835</u>	<u>986,612</u>
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 1,920,835</u>	<u>\$ 1,745,143</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 1,945,835</u>	<u>\$ 1,776,652</u>
Capital Outlay		
Instruction		
Regular Programs	\$ 34,962	\$ 40,317
Other Instructional Programs	22,700	5,000
Support Services		
Instructional Staff	328,242	197,107
Food Services	6,000	-
	<u>\$ 391,904</u>	<u>\$ 242,424</u>
On-Behalf Payments	<u>\$ 6,750,000</u>	<u>\$ 5,208,491</u>
Total Expenditures	<u>\$ 43,240,969</u>	<u>\$ 41,915,059</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 814,276</u>	<u>\$ 1,692,417</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	115,874	86,949
	<u>115,874</u>	<u>86,949</u>
NET CHANGE IN FUND BALANCE	<u>\$ 930,150</u>	<u>\$ 1,779,366</u>
FUND BALANCE - JULY 1, 2010	<u>6,588,956</u>	<u>6,468,992</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 7,519,106</u></u>	<u><u>\$ 8,248,358</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - WORKING CASH FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ 100,000	\$ 48,951
Total Revenues	<u>\$ 100,000</u>	<u>\$ 48,951</u>
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 100,000	\$ 48,951
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	<u>(576,904)</u>	<u>(366,192)</u>
NET CHANGE IN FUND BALANCE	\$ (476,904)	\$ (317,241)
FUND BALANCE - JULY 1, 2010	<u>14,246,440</u>	<u>14,246,440</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 13,769,536</u></u>	<u><u>\$ 13,929,199</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - TORT FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 651,598	\$ 634,737
Earnings on Investments	-	26
Total Revenues	<u>\$ 651,598</u>	<u>\$ 634,763</u>
EXPENDITURES		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 317,000	\$ 305,776
	<u>\$ 317,000</u>	<u>\$ 305,776</u>
Unemployment Insurance Payments		
Purchased Services	\$ 40,000	\$ 49,253
	<u>\$ 40,000</u>	<u>\$ 49,253</u>
Insurance Payments		
Purchased Services	\$ 285,675	\$ 286,350
	<u>\$ 285,675</u>	<u>\$ 286,350</u>
Total Support Services - General Administration	<u>\$ 642,675</u>	<u>\$ 641,379</u>
Total Support Services	<u>\$ 642,675</u>	<u>\$ 641,379</u>
Total Expenditures	<u>\$ 642,675</u>	<u>\$ 641,379</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,923	\$ (6,616)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 8,923	\$ (6,616)
FUND BALANCE - JULY 1, 2010	<u>39,151</u>	<u>39,151</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 48,074</u></u>	<u><u>\$ 32,535</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICES FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Property Taxes	\$ 5,576,235	\$ 5,414,843
Earnings on Investments	21,230	546
Federal Aid		
Build America Bond Interest Reimbursement	601,989	501,989
Total Revenues	<u>\$ 6,199,454</u>	<u>\$ 5,917,378</u>
EXPENDITURES		
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Other Objects	\$ 186,480	\$ 186,680
Total Payments to Other Districts and Governmental Units	<u>\$ 186,480</u>	<u>\$ 186,680</u>
Debt Services		
Interest		
Other Interest on Short-Term Debt		
Other Objects	\$ 4,472,853	\$ 4,478,445
	<u>\$ 4,472,853</u>	<u>\$ 4,478,445</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 2,237,106	\$ 2,237,106
	<u>\$ 2,237,106</u>	<u>\$ 2,237,106</u>
Total Debt Services	<u>\$ 6,709,959</u>	<u>\$ 6,715,551</u>
Total Expenditures	<u>\$ 6,896,439</u>	<u>\$ 6,902,231</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (696,985)	\$ (984,853)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers	1,344,955	1,280,192
NET CHANGE IN FUND BALANCE	\$ 647,970	\$ 295,339
FUND BALANCE - JULY 1, 2010	2,818,902	2,987,509
FUND BALANCE - JUNE 30, 2011	<u>\$ 3,466,872</u>	<u>\$ 3,282,848</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES		
Earnings on Investments	\$ 50,000	\$ 33,610
Other Local Sources	41,000	89,278
Total Revenues	<u>\$ 91,000</u>	<u>\$ 122,888</u>
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Non-Capitalized Equipment	\$ -	\$ 621,217
Total Support Services - Facilities Acquisition and Construction	<u>\$ -</u>	<u>\$ 621,217</u>
Total Support Services	<u>\$ -</u>	<u>\$ 621,217</u>
Capital Outlay		
Support Services		
Facilities Acquisition and Construction	\$ 16,362,603	\$ 14,442,196
	<u>\$ 16,362,603</u>	<u>\$ 14,442,196</u>
Total Expenditures	<u>\$ 16,362,603</u>	<u>\$ 15,063,413</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (16,271,603)</u>	<u>\$ (14,940,525)</u>
OTHER FINANCING SOURCES (USES)		
Interest Transfers	\$ (50,070)	\$ -
Principal on Bonds Sold	3,990,000	3,990,000
	<u>\$ 3,939,930</u>	<u>\$ 3,990,000</u>
NET CHANGE IN FUND BALANCE	\$ (12,331,673)	\$ (10,950,525)
FUND BALANCE - JULY 1, 2010	<u>13,101,021</u>	<u>13,101,021</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 769,348</u></u>	<u><u>\$ 2,150,496</u></u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND - FIRE PREVENTION AND SAFETY FUND
YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>
REVENUES	\$ -	\$ -
EXPENDITURES	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -
FUND BALANCE - JULY 1, 2010	<u>25,568</u>	<u>25,568</u>
FUND BALANCE - JUNE 30, 2011	<u>\$ 25,568</u>	<u>\$ 25,568</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR YEAR ENDED JUNE 30, 2011

	BALANCE JUNE 30, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
A S S E T S				
Cash and Cash Equivalents	\$ 403,353	\$ 986,443	\$ 1,138,128	\$ 251,668
Investments, at Fair Value	-	113,951	-	113,951
	<u>\$ 403,353</u>	<u>\$ 1,100,394</u>	<u>\$ 1,138,128</u>	<u>\$ 365,619</u>
L I A B I L I T I E S				
Amount Due to Activity Fund Organization				
Curricular Activity Accounts				
Art Club - Almond	\$ 58	\$ -	\$ -	\$ 58
Art Club - NAHS	110	-	-	110
Astronomy Club	323	80	64	339
Band Clinic	188	-	-	188
Battle of the Bands	-	1,791	1,791	-
Blue Devil Nation	-	6,908	6,908	-
Bookstore	9,110	37,949	31,629	15,430
Chorus	6,449	4,622	1,817	9,254
Class of 2009	751	-	751	-
Class of 2010	3,238	-	3,238	-
Class of 2011	2,453	2,420	3,245	1,628
Class of 2012	5,626	95,838	94,128	7,336
Class of 2013	1,717	8,503	32,172	(21,952)
Class of 2013	-	6,569	4,427	2,142
Council for Exceptional Children	290	812	380	722
Creations	18,124	3,322	13,226	8,220
Environmental Science Activity	937	325	75	1,187
Excel Club	-	5,791	5,791	-
FBLA	14,638	132,026	143,610	3,054
Feltner Fund	233	-	233	-
French Club	1,435	450	450	1,435
Frisbee Golf	297	220	477	40
Gages Lake Mentoring Foundation	320	-	-	320
German Club	1,762	12,009	5,099	8,672
Industrial Tech Club	4,907	6,439	4,504	6,842
Iris	-	308	240	68
Jazz Club	-	2,000	197	1,803
Marching Arts	2,874	672	3,467	79
MECS Mother Earth	2,841	1,138	1,321	2,658
International Club	3,586	3,496	175	6,907
National Honor Society	3,088	4,140	739	6,489
Northern Area FBLA	6,162	8,190	6,153	8,199
Powerschool User Group	248	-	75	173
Science Club	34	-	-	34
Scratch Paper	3,051	2,588	2,269	3,370
Show Band	2,522	-	2,522	-
Ski Club	3,825	26,268	26,808	3,285
Students of Service - Almond	371	-	131	240
Students of Service - O'Plaine	1,327	571	881	1,017
Spanish Club	2,551	2,620	1,957	3,214
Speech Tournament	7,400	1,685	8,727	358
Spring Musical	-	4,287	2,683	1,604
Stadium Club	3,300	-	-	3,300
Student Council	10,545	42,171	41,050	11,666
Taste of College	250	-	-	250
Thespian Troupe	9,898	16,930	16,020	10,808
Tech Crew	569	1,010	290	1,289
Yearbook - Blue Devil	13,988	21,356	12,126	23,218

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR YEAR ENDED JUNE 30, 2011

	BALANCE JUNE 30, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
Amount Due to Activity Fund Organization (Continued)				
Athletic Activity Accounts				
Athletic Trainer	\$ 3,080	\$ 2,985	\$ 3,239	\$ 2,826
Boys Baseball	47	7,398	-	7,445
Boys Basketball Clinic	2,578	10,439	11,315	1,702
Boys Cross Country	1,041	1,032	1,576	497
Boys Golf	7,639	21,529	8,316	20,852
Boys Soccer Clinic	9,294	13,327	17,832	4,789
Boys Swimming	1,845	1,629	2,580	894
Boys Track and Field	3,249	2,540	1,527	4,262
Boys Volleyball	3,386	6,557	7,995	1,948
Cheerleading	17,814	36,555	42,932	11,437
Devilettes	33,575	31,347	41,254	23,668
Football Clinic	14,821	26,525	27,356	13,990
Girls Basketball Clinic	8,087	10,228	14,556	3,759
Girls Cross Country	2,754	11,538	11,974	2,318
Girls Golf	3,778	3,327	6,401	704
Girls Soccer	8,011	3,586	8,272	3,325
Girls Track and Field	9,609	9,007	15,380	3,236
Girls Volleyball	-	6,920	4,769	2,151
Girls Bowling	794	-	-	794
Girls Swimming	1,134	4,065	4,628	571
Gymnastics Account	100	1,306	1,314	92
Softball	5,291	37,830	36,228	6,893
Tennis Clinic - Boys	1,084	8,032	8,582	534
Tennis Clinic - Girls	1,459	1,582	2,433	608
Wrestling Clinic	1,649	5,124	6,725	48
Convenience Accounts				
Athletic Invitational	22,190	22,806	14,587	30,409
Band Boosters	10,528	57,034	57,756	9,806
Global Fest	1,134	2,068	1,627	1,575
Haiti Fund	3,844	-	3,844	-
IHSA Athletic Tournaments	5,330	34,044	28,736	10,638
IHSA Speech	688	-	-	688
Library Fund	-	108	-	108
Mexico Trip	965	17,412	15,874	2,503
Parent Connection	5,508	403	448	5,463
Blue Devil Tech Institute	2,429	3,862	5,306	985
Special Ed Life Skills	4	-	-	4
Student Curriculum Account	50	35	62	23
WTHS Foundation	-	275	-	275
Scholarship Fund Accounts				
Abbott Laboratories Account	457	-	-	457
Alfred E Hanssen	12,981	-	4,000	8,981
Barbara Allen Memorial	5	-	-	5
BOE Scholarship	1,673	7,327	8,000	1,000
Deborah Rohr Memorial Scholarship	1,000	-	1,000	-
Dr. Robert A. Bard Scholarship	-	1,000	1,000	-
Gilbert Clem	76	250	300	26
Jackie's Magic Show Scholarship	3,830	-	207	3,623
Kate Pedersen Scholarship	-	2,000	2,000	-
Kristen Pilcher Memorial	100	-	-	100
Lucile McCullough Scholarship	13,593	-	2,000	11,593
Marilyn L Quist	7,470	-	2,000	5,470
Thomas Wessell	2,112	2,000	2,000	2,112
Thomas Wright	14,856	-	1,000	13,856
Ron Krapf Scholarship	269	1,000	-	1,269
Sean Maher Scholarship	-	2,000	2,000	-
Matthews	-	2,000	2,000	-

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
Amount Due to Activity Fund Organization (Continued)				
Scholarship Fund Accounts (Continued)				
Miscellaneous	\$ (3,357)	\$ 214,858	\$ 213,064	\$ (1,563)
Unallocated Interest	2,103	-	287	1,816
	<u>\$ 403,353</u>	<u>\$ 1,100,394</u>	<u>\$ 1,138,128</u>	<u>\$ 365,619</u>

See Accompanying Independent Auditor's Report

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
COMPUTATION OF OPERATING EXPENSE PER PUPIL AND
PER CAPITA TUITION CHARGE
FOR YEAR ENDED JUNE 30, 2011

EXPENDITURES:

ED	Total Expenditures	\$ 36,706,568
O&M	Total Expenditures	3,947,771
DS	Total Expenditures	6,902,231
TR	Total Expenditures	3,184,738
MR/SS	Total Expenditures	1,514,530
TORT	Total Expenditures	641,379
	Total Expenditures	\$ 52,897,217

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

TR	Regular - Transp Fees from Other Districts (In State)	\$ 77,083
TR	Summer Sch - Transp. Fees from Pupils or Parents (In State)	17,899
ED	Adult/Continuing Education Programs	96,656
ED	Summer School Programs	239,941
ED	Special Education Programs K-12 - Private Tuition	2,196,069
ED	Community Services	222
ED	Total Payments to Other District & Govt Units	1,776,652
ED	Capital Outlay	242,424
ED	Non-Capitalized Equipment	201,471
O&M	Total Payments to Other Dist & Govt Units	201,507
O&M	Capital Outlay	35,852
O&M	Non-Capitalized Equipment	52,518
DS	Payments to Other Dist & Govt Units	186,680
DS	Debt Service - Payments of Principal on Long-Term Debt	2,237,106
TR	Non-Capitalized Equipment	15,952
MR/SS	Adult/Continuing Education Programs	1,299
MR/SS	Summer School Programs	7,650
MR/SS	Total Payments to Other Dist & Govt Units	184,743
	Total Deductions	\$ 7,771,724
	Total Operating Expenses (Regular K-12)	45,125,493
	9 Mo ADA (See the General State Aid Claim for 2010-2011 (ISBE 54-33, L12)	4,192.64
	Estimated OEPP	\$ 10,763.03

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:

TR	Regular - Transp Fees from Co-curricular Activities (In State)	\$ 14,118
ED	Total Food Service	1,550,200
ED-O&M	Total District/School Activity Income	1,083,768
ED	Other (Describe & Itemize)	6,688
ED-O&M	Rentals	69,552
ED-O&M-TR	Services Provided Other Districts	660
ED-O&M-DS-TR-MR/SS	Payment from Other Districts	85,312
ED-O&M-TR	Total Special Education	1,938,065
ED-O&M-MR/SS	Total Career and Technical Education	28,990
ED-MR/SS	Total Bilingual Ed	75,265
ED	State Free Lunch & Breakfast	5,440
ED-O&M	Driver Education	53,069
ED-O&M-TR-MR/SS	Total Transportation	1,381,111
ED-O&M-DS-TR-MR/SS	School Safety & Educational Improvement Block Grant	18,317
ED-O&M-DS-TR-MR/SS	Technology - Learning Technology Centers	3,095
ED-O&M-DS-TR-MR/SS-Tort	Other Restricted Revenue from State Sources	3,521
ED-MR/SS	Total Food Service	12,040
ED-O&M-TR-MR/SS	Total Title I	154,052
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Flow Through/Low Incidence	261,350
ED-O&M-TR-MR/SS	Fed - Spec Education - IDEA - Room & Board	148,779
ED-O&M-MR/SS	Total CTE - Perkins	28,000
ED-O&M-DS-TR-MR/SS-Tort	Total ARRA Program Adjustments	569,773
ED-TR-MR/SS	Emergency Immigrant Assistance	3,200
ED-TR-MR/SS	Title III - English Language Acquisition	11,923
ED-O&M-TR-MR/SS	Title II - Teacher Quality	51,118
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Administrative Outreach	26,016
ED-O&M-TR-MR/SS	Medicaid Matching Funds - Fee-for-Service Program	58,764
ED-O&M-TR-MR/SS	Other Restricted Revenue from Federal Sources (Describe & Itemize)	800
	Total Allowance for PCTC Computation	\$ 7,642,986
	Net Operating Expense for PCTC Computation	37,482,507
	Total Depreciation Allowance (from page 27, Col I)	3,489,615
	Total Allowance for PCTC Computation	40,972,122
	9 Mo ADA	4,192.64
	Total Estimated PCTC	\$ 9,772.39

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2011

DISTRICT/JOINT AGREEMENT NAME WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121	RCDT NUMBER 34-049-1210-17	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 060-004991	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM EDER, CASELLA & CO. 5400 W. ELM ST., SUITE 203 McHENRY, IL 60050	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 34090 N. ALMOND RD. GURNEE, IL 60031		E-MAIL ADDRESS CPAS@EDERCASELLA.COM NAME OF AUDIT SUPERVISOR MICHELE CASELLA	
		CPA FIRM TELEPHONE NUMBER 815-344-1300	FAX NUMBER 815-344-1320

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:

- ☒ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- ☒ Financial Statements including footnotes § .310 (a)
- ☒ Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- ☒ Independent Auditor's Report § .505
- ☒ Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- ☒ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- ☒ Schedule of Findings and Questioned Costs § .505 (d)
- ☒ Summary Schedule of Prior Year Audit Findings § .315 (b)
- ☒ Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ Copy of Federal Data Collection Form § .320 (b)



EDER, CASELLA & CO.

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CERTIFIED PUBLIC ACCOUNTANTS
5400 WEST ELM STREET, SUITE 203
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cpas@edercasella.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Warren Township High School District No. 121
Lake County, Illinois

Compliance

We have audited the compliance of

Warren Township High School District No. 121

with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Warren Township High School District No. 121's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren Township High School District No. 121's management. Our responsibility is to express an opinion on Warren Township High School District No. 121's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren Township High School District No. 121's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Warren Township High School District No. 121's compliance with those requirements.

In our opinion, Warren Township High School District No. 121 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Warren Township High School District No. 121 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Warren Township High School District No. 121's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our

auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Warren Township High School District No. 121's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 5, 2011

WARREN TOWNSHIP HIGH SCHOOL DISTRICT 121
34-049-1210-17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
U.S. Department of Agriculture Passed Through:									
Illinois State Board of Education:									
Special Milk Program	10.556	10-4215-00	10,747	1,900	10,747	1,900		12,647	N/A
Special Milk Program (1)	10.556	11-4215-00		10,140		10,140		10,140	N/A
Subtotal CFDA "10"			10,747	12,040	10,747	12,040		22,787	
U.S. Department of Education Passed Through:									
Illinois State Board of Education:									
Title I - Low Income	84.010	11-4300-00		154,052		154,052		154,052	168,127
Special Ed - IDEA Room & Board (M)	84.027	10-4625-00	119,915	70,575	162,524	27,966		190,490	N/A
Special Ed - IDEA Room & Board (2) (M)	84.027	11-4625-00		78,204		78,204		78,204	N/A
Technology Enhancing Education Formula	84.318	11-4971-00		800		800		800	902
Title III - Lang Inst Prog - Limited Eng LIPLEP (2)	84.365	11-4909-00		11,923		11,923		11,923	30,934
Title III - Immigrant Education Program (IEP) (2)	84.365	11-4905-00		3,200		3,200		3,200	23,960
Title II - Teacher Quality	84.367	11-4932-00		51,118		51,118		51,118	51,118
ARRA - Education Jobs Fund Program (3) (M)	84.410	11-4880-00		67,784		67,784		67,784	N/A

(1) Project End Date 9/30/11

(2) Project End Date 8/31/11

(3) Project End Date 6/30/2012

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT 121
34-049-1210-17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
U.S. Department of Education Passed Through:									
Special Education District of Lake County:									
Special Education IDEA - Flow Through (M)	84.027	10-4620-01	241,342		280,787	-39,445		241,342	280,787
Special Education IDEA - Flow Through (M)	84.027	11-4620-00	39,445	261,350		300,795		300,795	313,194
U.S. Department of Education Passed Through									
Lake County Area Vocational System Tech Campus:									
Perkins - Title III	84.048	11-4799-00		27,000		27,000		27,000	N/A
Career and Technical Education - Tech Prep	84.243	11-4770-00		1,000		1,000		1,000	N/A
Subtotal CFDA "84"			400,702	727,006	443,311	684,397		1,127,708	
U.S. Department of Health and Human Services Passed									
Through Illinois Department of Healthcare & Family Services:									
Medicaid Matching	93.778	11-4991-00		26,016		26,016		26,016	N/A
Subtotal CFDA "93"				26,016		26,016		26,016	
Total Federal Assistance			411,449	765,062	454,058	722,453		1,176,511	

- (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.

⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Warren Township High School District No. 121 and is presented on the GAAP basis of accounting. The information in this schedule is presented in accordance with requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2- SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2011.

NOTE 3 - NON-CASH ASSISTANCE, INSURANCE, AND LOANS

Non-cash assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and disbursed. During the year ended June 30, 2011, the District received and disbursed \$0 of food commodities.

There was no federal insurance in effect during the year, nor any federal loans or loan guarantees outstanding at year end.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

- 1) Summary of auditor's results:
 - a) An unqualified opinion report was issued.
 - b) No significant deficiencies or material weaknesses were reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
 - c) No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.
 - d) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
 - e) An unqualified opinion report on compliance for major programs was issued.
 - f) The audit disclosed no audit findings which the auditor is required to report.
 - g) The major programs identified were Special Education – IDEA Room & Board/Flow-Through (CFDA #84.027) and ARRA – Education Jobs Fund Program (CFDA #84.410).
 - h) The dollar threshold to distinguish between Type A and Type B programs was \$300,000.
 - i) Warren Township High School District No. 121 qualified as a low-risk auditee.
- 2) There were no findings relating to the financial statements which are required to be reported.
- 3) There were no findings and questioned costs for federal awards which are required to be reported.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

There were no prior year audit findings.

WARREN TOWNSHIP HIGH SCHOOL DISTRICT NO. 121
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2011

There are no current year audit findings.