

**Warren Township High School
District 121**

Gurnee, Illinois

Annual Financial Report

Year Ended June 30, 2016

Warren Township High School District 121
 ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2016

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
Warren Township High School District 121
Gurnee, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Township High School District 121, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Warren Township High School District 121's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Warren Township High School District 121's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Township High School District 121, as of June 30, 2016, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois pension data on pages 63 - 66, the other postemployment benefits data on page 67, budgetary comparison schedules and notes to the required supplementary information on pages 68 through 90 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren Township High School District 121's basic financial statements. The other schedules listed in the table of contents in the supplementary financial information and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2016 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2016 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Warren Township High School District 121, as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated October 14, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Warren Township High School District 121's basic financial statements as a whole. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund have been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

The other supplemental information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016 on our consideration of Warren Township High School District 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren Township High School District 121's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
October 14, 2016

Warren Township High School District 121 Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2016

The discussion and analysis of Warren Township High School District 121's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$45,793,116 (net position).
- At June 30, 2016, the District reported combined ending fund balances of \$27,070,166, an increase of \$76,402 in comparison with the prior year.
- At June 30, 2016, the unassigned fund balance for the General Fund was \$14,890,442, or 21% of the total General Fund expenditures.
- General revenues accounted for \$53,916,882, or 60% of total revenue. Program specific revenues in the form of charges for services, grants and contributions accounted for \$35,538,528, or 40% of total revenue.
- The District had \$88,819,160 in expenses related to governmental activities, offset by program specific charges for services or grants and contributions of \$35,583,528. As detailed above, general revenues of \$53,916,882 were adequate to provide for the remaining costs of these programs resulting in an increase in net position of \$681,250.

Overview of the Financial Statements

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

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

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

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Government-wide financial statements

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

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

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

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

Fund financial statements

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

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

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

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Fund financial statements (Continued)

The District maintains seven governmental funds. These funds are: The General Fund (includes Educational, Tort Immunity and Judgment and Working Cash Accounts), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for each fund.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, which was implemented by the District during the fiscal year ended June 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

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

Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the school district. These funds, including Student Activity and Private Purpose Trust Funds, are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide other postemployment benefits and pension data related to the Illinois Municipal Retirement Fund and the Teachers Retirement System (TRS).

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Government-Wide Financial Analysis

Net position: The District's net position increased to \$45,793,116 at June 30, 2016 as a result of fiscal year 2016 operations (Table 1).

Table 1		
Condensed Statement of Net Position		
	<i>Governmental Activities <u>2016</u></i>	<i>Governmental Activities <u>2015</u></i>
Current and other assets	\$ 53,072,789	\$ 51,436,669
Capital assets	<u>106,322,254</u>	<u>108,224,235</u>
Total assets	159,395,043	159,660,904
Deferred outflow of resources	5,409,294	2,505,438
Long-term liabilities	91,945,247	91,839,776
Other liabilities	<u>2,460,707</u>	<u>1,182,366</u>
Total liabilities	94,405,954	93,022,142
Deferred inflow of resources	24,605,267	24,032,334
Net position:		
Net investment in capital assets	24,799,506	27,932,864
Restricted	11,165,832	10,985,682
Unrestricted	<u>9,827,778</u>	<u>6,193,320</u>
Total net position	<u>\$ 45,793,116</u>	<u>\$ 45,111,866</u>

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Changes in Net Position: Fiscal year 2016 revenue from governmental activities was \$89,500,410, with related expenses of \$88,819,160, resulting in an increase in net position of \$681,250. (Table 2).

Table 2		
Changes in Net Position		
	<i>Governmental Activities</i> <u>2016</u>	<i>Governmental Activities</i> <u>2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,323,468	\$ 3,984,656
Operating grants and contributions	31,260,060	18,148,801
General revenues:		
Taxes	47,999,833	47,190,721
General state aid	4,886,582	3,340,796
Other	<u>1,030,467</u>	<u>243,865</u>
Total revenues	<u>89,500,410</u>	<u>72,908,839</u>
Expenses:		
Instruction	58,070,649	42,938,833
Pupil and instructional services	7,930,842	6,013,046
Administration and business	5,709,646	5,491,943
Transportation	3,957,450	4,194,774
Operations and maintenance	3,899,097	4,038,173
Other	<u>9,251,476</u>	<u>8,885,658</u>
Total expenses	<u>88,819,160</u>	<u>71,562,427</u>
Increase in net position	<u>\$ 681,250</u>	<u>\$ 1,346,412</u>

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

Financial Analysis of the District's Funds

As the District closed the year, the District's governmental funds reported a combined fund balance of \$27,060,166, higher than last year's ending fund balance of \$26,993,764, or approximately 0.3%.

The General Fund is the largest of the governmental funds. The fund balance at the beginning of the year was \$21,758,147. Actual total revenues were \$71,088,005; actual total expenditures were \$72,214,569, and net other financing sources were \$609,509. The net change in fund balance was a decrease of \$517,055; the fund balance at the end of the year was \$21,241,092.

The Operation and Maintenance Fund had a fund balance at the beginning of the year of \$1,066,795. Actual total revenues were \$4,813,300; actual total expenditures were \$4,923,254, and other financing uses were \$417,538. The net change in fund balance was a decrease of \$527,492; the fund balance at the end of the year was \$539,303.

The Transportation Fund had a fund balance at the beginning of the year of \$327,173. Actual total revenues were \$3,991,629; and actual total expenditures were \$3,448,531. The net change in fund balance was an increase of \$543,098; the fund balance at the end of the year was \$870,271.

The Municipal Retirement/Social Security Fund had a fund balance at the beginning of the year of \$391,397. Actual total revenues were \$2,933,253; actual total expenditures were \$6,413,107; and other financing sources were \$3,746,366. The net change in fund balance was an increase of \$266,512; the fund balance at the end of the year was \$657,909.

The Debt Service Fund had a fund balance at the beginning of the year of \$3,397,056. Actual total revenues were \$6,665,050; actual total expenditures were \$7,502,326. Net other financing sources were \$1,139,442, which included transfers into the fund in the amount of \$582,813 from the General (Educational Account) and \$417,538 from Operations and Maintenance Funds for principal and interest payments on capital leases and debt certificates. The net change in fund balance was an increase of \$302,166; the fund balance at the end of the year was \$3,699,222.

The Capital Projects Fund had a fund balance at the beginning of the year of \$27,628. Actual total revenues were \$9,173; and actual total expenditures were \$0. The net change in fund balance was an increase of \$9,173; the fund balance at the end of the year was \$36,801.

The Fire Prevention and Safety Fund experienced no activity during the current fiscal year and had an ending fund balance of \$25,568.

General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$11,791,083 and actual expenditures exceeded budgeted expenditures by \$13,650,528. See pages 68-78 for additional detail on the General Fund budget. Expenditures in excess of the budget in the General Fund are the result of higher than anticipated on-behalf contributions to TRS from the State of Illinois.

**Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016**

Capital Asset and Debt Administration

Capital assets

By the end of fiscal year 2016, the District had invested \$106,322,254 (net of depreciation) in a broad range of capital assets, including, land, construction in process, buildings and building improvements, site improvements and equipment (Table 3). Additional detailed information on capital assets is in Note H to the financial statements.

Table 3 Capital Assets (net of depreciation)		
	<i>Governmental Activities <u>2016</u></i>	<i>Governmental Activities <u>2015</u></i>
Land	\$ 11,772,443	\$11,772,443
Construction in process	175,481	-
Buildings, and building improvements	89,724,514	91,840,509
Site improvements	3,612,391	3,892,478
Equipment	<u>1,037,425</u>	<u>718,805</u>
Total	<u>\$106,322,254</u>	<u>\$108,224,235</u>

Long-term debt

At year-end, the District had \$91,925,288 in outstanding general obligation bonds and other long-term liabilities (Table 4).

Table 4 Outstanding Long-Term Liabilities		
	<u>2016</u>	<u>2015</u>
General obligation bonds	\$75,490,000	\$74,740,000
Debt certificates	5,246,500	5,546,500
Other	<u>11,188,788</u>	<u>11,553,276</u>
Total	<u>\$91,925,288</u>	<u>\$91,839,776</u>

Warren Township High School District 121
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2016

The District continued to pay down its existing debt. Additional detailed information on long-term debt, pension obligations, and other postemployment retirement benefits are in Note I, Note F, and Note G to the financial statements.

Factors Bearing on the District's Future

The District will continue to monitor its concern about the level at which the State of Illinois will provide financial resources to the school district. A possible shift in pension costs to the districts and changes to how schools are funded, if enacted could have a significant negative effect to the District.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office: Warren Township High School District 121, 34090 N. Almond Road, Gurnee, Illinois 60031.

BASIC FINANCIAL STATEMENTS

Warren Township High School District 121
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2016

ASSETS

Cash and investments	\$	21,627,653
Restricted cash		5,246,500
Receivables:		
Property taxes		23,367,884
Replacement taxes		138,126
Intergovernmental		1,323,682
Prepaid items		1,265,010
Other current assets		83,975
Net pension asset		19,959
Capital assets:		
Land		11,772,443
Construction in progress		175,481
Depreciable buildings, property, and equipment, net		<u>94,374,330</u>
 Total assets		 <u>159,395,043</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pensions		4,378,282
Deferred loss on refunding of bonds		<u>1,031,012</u>
 Total deferred outflows		 <u>5,409,294</u>

LIABILITIES

Accounts payable		1,671,467
Salaries and wages payable		8,843
Payroll deductions payable		75,818
Other current liabilities		281,752
Due to other governments		97,580
Interest payable		325,247
Long-term liabilities:		
Due within one year		4,515,302
Due after one year		<u>87,429,945</u>
 Total liabilities		 <u>94,405,954</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to pensions		758,063
Property taxes levied for a future period		<u>23,847,204</u>
 Total deferred inflows		 <u>24,605,267</u>

NET POSITION

Net investment in capital assets		24,799,506
Restricted For:		
Operations and maintenance		539,303
Debt service		8,620,475
Student transportation		870,271
Retirement benefits		657,909
Capital projects		62,369
Tort immunity		415,505
Unrestricted		<u>9,827,778</u>
 Total net position		 <u>\$ 45,793,116</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2016

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 19,660,182	\$ 2,609,736	\$ 317,468	\$ (16,732,978)
Special programs	8,300,633	-	2,822,724	(5,477,909)
Other instructional programs	4,349,924	136,095	577,639	(3,636,190)
State retirement contributions	25,759,910	-	25,759,910	-
Support services:				
Pupils	3,395,078	-	-	(3,395,078)
Instructional staff	4,535,764	-	179,697	(4,356,067)
General administration	1,509,025	-	-	(1,509,025)
School administration	2,206,465	-	-	(2,206,465)
Business	1,994,156	1,300,043	4,063	(690,050)
Transportation	3,957,450	162,288	1,598,559	(2,196,603)
Operations and maintenance	3,899,097	115,306	-	(3,783,791)
Central and other supporting services	113,733	-	-	(113,733)
Community services	4,484	-	-	(4,484)
Nonprogrammed charges - excluding special education	2,121,899	-	-	(2,121,899)
Interest and fees	3,515,970	-	-	(3,515,970)
Unallocated depreciation	3,495,390	-	-	(3,495,390)
 Total governmental activities	 <u>\$ 88,819,160</u>	 <u>\$ 4,323,468</u>	 <u>\$ 31,260,060</u>	 <u>\$ (53,235,632)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				31,589,302
Real estate taxes, levied for specific purposes				9,076,079
Real estate taxes, levied for debt service				6,664,874
Personal property replacement taxes				669,578
State aid-formula grants				4,886,582
Investment earnings				15,591
Miscellaneous				1,014,876
Total general revenues				<u>53,916,882</u>
Change in net position				681,250
Net position, beginning of year				<u>45,111,866</u>
Net position, end of year				<u>\$ 45,793,116</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Governmental Funds

BALANCE SHEET

June 30, 2016

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 15,914,251	\$ 958,753	\$ 355,524	\$ 568,555
Restricted cash	5,246,500	-	-	-
Receivables				
Property taxes	15,692,623	2,131,280	1,193,026	988,065
Replacement taxes	38,004	-	-	100,122
Intergovernmental	848,701	79,809	395,172	-
Due to other fund	93,129	-	-	-
Prepaid Items	1,104,150	1,497	159,363	-
Other current assets	<u>36,193</u>	<u>6,192</u>	<u>-</u>	<u>41,590</u>
Total assets	<u>\$ 38,973,551</u>	<u>\$ 3,177,531</u>	<u>\$ 2,103,085</u>	<u>\$ 1,698,332</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,198,440	\$ 460,817	\$ 12,210	\$ -
Salaries and wages payable	5,932	2,394	-	517
Payroll deductions payable	72,691	20	3,107	-
Other current liabilities	250,178	-	-	31,574
Due to other governments	97,580	-	-	-
Due from other fund	<u>93,129</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,717,950</u>	<u>463,231</u>	<u>15,317</u>	<u>32,091</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>16,014,509</u>	<u>2,174,997</u>	<u>1,217,497</u>	<u>1,008,332</u>
Total deferred inflows	<u>16,014,509</u>	<u>2,174,997</u>	<u>1,217,497</u>	<u>1,008,332</u>
FUND BALANCES				
Nonspendable	1,104,150	1,497	159,363	-
Restricted	5,246,500	537,806	710,908	657,909
Unassigned	<u>14,890,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>21,241,092</u>	<u>539,303</u>	<u>870,271</u>	<u>657,909</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 38,973,551</u>	<u>\$ 3,177,531</u>	<u>\$ 2,103,085</u>	<u>\$ 1,698,332</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 3,768,201	\$ 36,801	\$ 25,568	\$ 21,627,653
-	-	-	5,246,500
3,362,890	-	-	23,367,884
-	-	-	138,126
-	-	-	1,323,682
-	-	-	93,129
-	-	-	1,265,010
-	-	-	83,975
<u>\$ 7,131,091</u>	<u>\$ 36,801</u>	<u>\$ 25,568</u>	<u>\$ 53,145,959</u>
\$ -	\$ -	\$ -	\$ 1,671,467
-	-	-	8,843
-	-	-	75,818
-	-	-	281,752
-	-	-	97,580
-	-	-	93,129
-	-	-	2,228,589
<u>3,431,869</u>	<u>-</u>	<u>-</u>	<u>23,847,204</u>
<u>3,431,869</u>	<u>-</u>	<u>-</u>	<u>23,847,204</u>
-	-	-	1,265,010
3,699,222	36,801	25,568	10,914,714
-	-	-	14,890,442
<u>3,699,222</u>	<u>36,801</u>	<u>25,568</u>	<u>27,070,166</u>
<u>\$ 7,131,091</u>	<u>\$ 36,801</u>	<u>\$ 25,568</u>	<u>\$ 53,145,959</u>

Warren Township High School District 121
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances-governmental funds	\$	27,070,166
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		106,322,254
Deferred charges included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.		1,031,012
Interest payable included in the statement of net position is not related to a current period expenditure and, therefore, is not included in the governmental funds balance sheet.		(325,247)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions		3,781,940
Deferred outflows of 2016 employer contributions related to pensions		<u>596,342</u>
		4,378,282
Deferred inflows of resources related to pensions		(758,063)
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		<u>(91,925,288)</u>
Net position - governmental activities	\$	<u><u>45,793,116</u></u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2016

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 32,132,190	\$ 4,394,211	\$ 2,230,782	\$ 1,908,198
Replacement taxes	443,650	-	-	225,928
State aid	32,740,425	76,010	1,598,559	-
Federal aid	1,731,648	-	-	-
Interest	15,216	-	-	-
Other	4,024,876	343,079	162,288	799,127
Total revenues	71,088,005	4,813,300	3,991,629	2,933,253
Expenditures				
Current:				
Instruction:				
Regular programs	18,967,493	-	-	1,084,524
Special programs	7,603,660	-	-	1,015,854
Other instructional programs	4,210,943	-	-	316,154
State retirement contributions	25,759,910	-	-	-
Support services:				
Pupils	3,163,729	-	-	620,266
Instructional staff	4,278,814	-	-	606,119
General administration	1,483,884	-	-	78,556
School administration	2,080,831	-	-	183,529
Business	1,885,916	-	-	337,005
Transportation	-	-	3,420,631	1,370,330
Operations and maintenance	-	3,679,769	-	600,660
Central	107,962	-	-	55,552
Other supporting services	3,677	-	-	119
Community services	4,055	-	-	235
Nonprogrammed charges	2,102,562	210,649	27,900	144,204
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	561,133	1,032,836	-	-
Total expenditures	72,214,569	4,923,254	3,448,531	6,413,107
Excess (deficiency) of revenues over expenditures	(1,126,564)	(109,954)	543,098	(3,479,854)
Other financing sources (uses)				
Transfers in	-	-	-	3,746,366
Transfers (out)	(4,329,179)	(417,538)	-	-
Debt issuance	3,689,086	-	-	-
Premium on debt issuance	61,602	-	-	-
Payment on refunded debt	-	-	-	-
Deposit with escrow agent	-	-	-	-
Proceeds from capital leases	1,188,000	-	-	-
Total other financing sources (uses)	609,509	(417,538)	-	3,746,366
Net change in fund balance	(517,055)	(527,492)	543,098	266,512
Fund balance, beginning of year	21,758,147	1,066,795	327,173	391,397
Fund balance, end of year	<u>\$ 21,241,092</u>	<u>\$ 539,303</u>	<u>\$ 870,271</u>	<u>\$ 657,909</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 6,664,874	\$ -	\$ -	\$ 47,330,255
-	-	-	669,578
-	-	-	34,414,994
-	-	-	1,731,648
176	199	-	15,591
-	8,974	-	5,338,344
<u>6,665,050</u>	<u>9,173</u>	<u>-</u>	<u>89,500,410</u>
-	-	-	20,052,017
-	-	-	8,619,514
-	-	-	4,527,097
-	-	-	25,759,910
-	-	-	3,783,995
-	-	-	4,884,933
-	-	-	1,562,440
-	-	-	2,264,360
-	-	-	2,222,921
-	-	-	4,790,961
-	-	-	4,280,429
-	-	-	163,514
-	-	-	3,796
-	-	-	4,290
-	-	-	2,485,315
4,294,372	-	-	4,294,372
3,207,954	-	-	3,207,954
-	-	-	1,593,969
<u>7,502,326</u>	<u>-</u>	<u>-</u>	<u>94,501,787</u>
(837,276)	9,173	-	(5,001,377)
1,000,351	-	-	4,746,717
-	-	-	(4,746,717)
5,765,000	-	-	9,454,086
177,281	-	-	238,883
(5,370,000)	-	-	(5,370,000)
(433,190)	-	-	(433,190)
-	-	-	1,188,000
<u>1,139,442</u>	<u>-</u>	<u>-</u>	<u>5,077,779</u>
302,166	9,173	-	76,402
<u>3,397,056</u>	<u>27,628</u>	<u>25,568</u>	<u>26,993,764</u>
<u>\$ 3,699,222</u>	<u>\$ 36,801</u>	<u>\$ 25,568</u>	<u>\$ 27,070,166</u>

Warren Township High School District 121

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$ 76,402
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 depreciation expense exceeds capital outlay in the current period.	(1,901,981)
Governmental funds report the effects of the loss on refunding when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year net effect of these differences.	192,121
Accrued interest reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.	(42,431)
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statement of activities:	
Deferred outflow and inflows of resources related to IMRF pension	456,092
Deferred outflow and inflows of resources related to TRS pension	1,986,559
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.	<u>(85,512)</u>
Change in net position - governmental activities	<u>\$ 681,250</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

Fiduciary Funds

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2016

	Agency Fund	Private Purpose Trust Fund
<hr/>		
ASSETS		
Cash and investments	<u>\$ 476,002</u>	<u>\$ 28,775</u>
LIABILITIES		
Due to student groups	<u>\$ 476,002</u>	<u>\$ -</u>
NET POSITION HELD IN TRUST FOR EXTERNAL PARTIES	<u>\$ -</u>	<u>\$ 28,775</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121
 Fiduciary Funds - Private Purpose Trust Fund
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
June 30, 2016

	Private Purpose Trust Fund
<hr/>	
ADDITIONS	
Contributions by external parties	<u>\$ 10,439</u>
Total additions	10,439
DEDUCTIONS	
Scholarships paid	<u>8,407</u>
Change in net position	2,032
Net position, beginning of year	<u>26,743</u>
Net position, end of year	<u>\$ 28,775</u>

The accompanying notes are an integral part of this statement.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Warren Township High School District 121 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units, hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Lake County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by the GASB pronouncements.

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, which was implemented by the District during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurements for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

Governmental funds are used to account for the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account or it may be partially abated to any fund in need, as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current Equalized Assessed Valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and state reimbursement grants and expenditures of these monies is for risk management activities.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes, personal property replacement taxes, and transfers from other funds.

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds or transfers from other funds.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Funds

The Fiduciary (Agency) Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments.

The *Agency Funds* - includes the Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. These funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council.

The *Private Purpose Trust Fund* - is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Private Purpose Trust Fund accounts for scholarship and memorial trust funds, the principal of which may not be spent.

5. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds as well as debt service and capital projects funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2016 the District had no committed fund balances.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Assistant Superintendent of Business Services and Operations. At June 30, 2016 the District had no assigned fund balances.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental fund balances reported on the fund financial statements at June 30, 2016 are as follows:

The nonspendable fund balance in the General Fund, Operations and Maintenance Fund, Transportation Fund consists of \$1,104,150, \$1,497, and \$159,363, respectively, for prepaid items. The restricted fund balance in the General Fund is comprised of \$5,246,500 of restricted cash. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

6. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary agency fund statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property tax revenues and most other revenues susceptible to accrual if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures are recorded when the related liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgments, which recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

7. Deferred Outflows/Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2016, the District has deferred outflows of resources associated with losses on refunding of bonds in the current and prior years and related to pensions. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2016, the District reported deferred inflows of resources related to property taxes levied for a future period and amounts related to pension liabilities.

8. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Deposits and Investments

Investments are stated at amortized cost or net asset value (NAV) as disclosed in the related notes. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

10. Restricted Cash

Restricted cash in the Working Cash fund represents the \$5,246,500 remaining balance on the District's debt certificates, in accordance with the provisions of the debt agreement (See Note I).

11. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the balance allocated at the discretion of the District.

12. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items is recorded as expenditures when consumed rather than when purchased.

13. Capital Assets

Capital assets, which include land, construction in progress, buildings and building improvements, site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$6,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Capital Assets (Continued)

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20 - 50
Site improvements	20
Equipment	5 - 20

14. Accumulated Unpaid Vacation and Sick Pay

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, therefore no liability is reported in the financial statements for accumulated unpaid vacation.

Sick leave is accumulated from year to year without limit and 240 days can be turned over to the Illinois Municipal Retirement Fund (IMRF) or 340 days the Teachers' Retirement System (TRS), respectively, for credit. Unused sick days beyond the IMRF and TRS credit thresholds are paid out by the District at \$15 and \$50 per day for IMRF or TRS, respectively. Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is reported in the financial statements for accumulated unpaid sick leave.

15. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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 cost and losses on refunding are reported as debt service expenditures.

16. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation.

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

18. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are at fair value.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (75,490,000)
Debt certificates	(5,246,500)
Capital lease	(786,248)
IMRF net pension asset	19,959
TRS net pension liability	(5,972,011)
Other postemployment benefits	(1,749,467)
Bond premiums, net of amortization	(2,764,367)
Bond discounts, net of amortization	63,346
	<hr/>
Net adjustment to reduce total fund balances - governmental funds to arrive at net position - governmental activities	\$ (91,925,288)

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balance - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	\$ 1,593,409
Depreciation expense	<u>(3,495,390)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u><u>(1,901,981)</u></u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds." The details of this difference are as follows:

Principal repayments	
General obligation bonds	\$ 3,425,000
Debt certificates	300,000
Capital lease	406,623
Payment on refunded debt	5,370,000
Bond premium amortization, net	(5,633)
Bond discount amortization	(4,103)
IMRF pension asset, net	3,806,606
TRS pension liability, net	(2,531,401)
Issuance of long-term liabilities	
General obligation bonds	(9,545,000)
Capital lease	(1,188,000)
Other postemployment benefits	<u>(119,604)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities.	\$ <u><u>(85,512)</u></u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At June 30, 2016, the District's cash and investments consisted of the following:

	<u>Government- wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 26,874,153	\$ 504,777	\$ 27,378,930

The total cash and investments includes a restricted amount of \$5,246,500 which is restricted by the provisions of the debt certificate agreement. For disclosure purposes, total cash and investments is segregated as follows:

	<u>Total</u>
Cash on hand	\$ 6,295
Deposits with financial institutions*	22,905,798
Illinois School District Liquid Asset Fund Plus	4,466,837
	<u>\$ 27,378,930</u>

* Consists of demand and savings accounts and certificates of deposit, which are valued at amortized cost.

1. Interest Rate Risk

The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District's investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligation.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. It is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are rated AAAM and are valued at NAV per share, which is the price for which the investment could be sold. There were no unfunded commitments and no redemption limitations or notice periods.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2016, the bank balances of the District's deposits with financial institutions total \$18,937,663, and the District had no uninsured cash balances.

NOTE D - DUE FROM EMPLOYEES

In an effort to encourage its teachers to improve their computer knowledge, the District sponsors a program in which employees can purchase computers for their 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, 2016 a total of \$18,407 is due to the District.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE E - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 15, 2015. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that tax year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The County Clerk adds the Equalized Assessed Valuation of all real property in the District to the valuation of property assessed directly by the state (to which the Equalization Factor is not applied) to arrive at the base amount (the Assessment Base) used to calculate the annual tax rates, as described above. The Equalized Assessed Valuation for the extension for the 2015 tax levy was \$1,919,298,230.

Property taxes are collected by the Lake County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The portion of the 2015 property tax levy not received by June 30 is recorded as a receivable. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, up to 50 percent of the 2015 property tax levy, are recognized as revenue. Net taxes receivable plus any excess collections over 50 percent of the 2015 property tax levy is reflected as deferred inflow of resources - property taxes levied for a future period.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

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

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

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

General Information about the Pension Plan (Continued)

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$25,477,018 in pension contributions from the State of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$153,343, and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$159,221 were paid from federal and special trust funds that required employer contributions of \$57,415. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

Early Retirement Cost Contributions

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

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$14,804 to TRS for employer contributions due on salary increases in excess of 6 percent and \$1,542 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 5,972,011
State's proportionate share of the net pension liability associated with the District	<u>310,966,744</u>
Total	<u>\$ 316,938,755</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was .0091161716 percent, which was an increase of .0034626927 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$26,329,201 and revenue of \$25,477,018 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,219	\$ 6,546
Change of assumptions	82,587	-
Net difference between projected and actual earnings on pension plan investments	118,272	209,120
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,763,423</u>	<u>239,348</u>
Total deferred amounts to be recognized in pension expense in future periods	1,966,501	455,014
District contributions subsequent to the measurement date	<u>210,758</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 2,177,259</u></u>	<u><u>\$ 455,014</u></u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

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

The District reported \$210,758 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Net Deferred Inflows of Resources</u>
2017	\$ 351,915
2018	351,915
2019	351,915
2020	455,742
2021	-
Thereafter	<u>-</u>
Total	\$ <u>1,511,487</u>

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18 %	7.53 %
Global equity (excluding U.S.)	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
Total	<u>100 %</u>	

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

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

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.47%)</u>	<u>Current</u> <u>Discount</u> <u>(7.47%)</u>	<u>1% Increase</u> <u>(8.47%)</u>
District's proportionate share of the net pension liability	\$ <u>7,379,941</u>	\$ <u>5,972,011</u>	\$ <u>4,817,470</u>

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

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

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

Warren Township High School District 121
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	111
Inactive plan members entitled to but not yet receiving benefits	139
Active plan members	160
Total	410

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 11.83%. For the fiscal year ended June 30, 2016 the District contributed \$5,420,403 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

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

- a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.50%.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability (Asset)

The following table shows the components of the change in the District's net pension liability (asset) for the calendar year ended December 31, 2015:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2014	\$ 21,533,064	\$ 17,746,417	\$ 3,786,647
Changes for the year:			
Service cost	674,707	-	674,707
Interest on the total pension liability	1,596,937	-	1,596,937
Difference between expected and actual experience of the total pension liability	(339,725)	-	(339,725)
Changes of assumptions	(79,622)	-	(79,622)
Contributions - employer	-	5,418,964	(5,418,964)
Contributions - employees	-	255,730	(255,730)
Net investment income	-	100,457	(100,457)
Benefit payments, including refunds of employee contributions	(984,815)	(984,815)	-
Other (net transfer)	-	(116,248)	116,248
Net changes	867,482	4,674,088	(3,806,606)
Balances at December 31, 2015	\$ 22,400,546	\$ 22,420,505	\$ (19,959)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability (asset)	\$ 2,833,424	\$ (19,959)	\$ (2,394,148)

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of \$1,151,160. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 101,724	\$ 245,509
Change of assumptions	452,103	57,540
Net difference between projected and actual earnings on pension plan investments	<u>1,261,612</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>1,815,439</u>	<u>303,049</u>
Pension contributions made subsequent to the measurement date	<u>385,584</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 2,201,023</u>	<u>\$ 303,049</u>

The District reported \$385,584 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 521,490
2018	453,877
2019	256,616
2020	280,407
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 1,512,390</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items at June 30, 2016:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 210,758	\$ 385,584	\$ 596,342
Experience	2,219	101,724	103,943
Assumptions	82,587	452,103	534,690
Proportionate share	1,763,423	-	1,763,423
Investments	118,272	1,261,612	1,379,884
	<u>\$ 2,177,259</u>	<u>\$ 2,201,023</u>	<u>\$ 4,378,282</u>
Net pension liability (asset)	<u>\$ 5,972,011</u>	<u>\$ (19,959)</u>	<u>\$ 5,952,052</u>
Deferred inflows of resources:			
Investments	\$ 209,120	\$ -	\$ 209,120
Experience	6,546	245,509	252,055
Assumptions	-	57,540	57,540
Proportionate share	239,348	-	239,348
	<u>\$ 455,014</u>	<u>\$ 303,049</u>	<u>\$ 758,063</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE F - PENSION LIABILITIES (Continued)

4. Social Security/Medicare

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

NOTE G - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

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

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

On behalf contributions to the 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 the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$282,892, and the District recognized revenue and expenditures of this amount during the year.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$211,508 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

2. Retiree Health Plan

Plan Description

The District provides post-employment benefits other than pensions 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, he or she become eligible to retire and receive medical coverage as of 55 years of age and eight years of service.

As of June 30, 2016, the following employees were covered by the benefit terms:

Actives	147
Retirees and spouses	<u>6</u>
	<u><u>153</u></u>

Funding Policy

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

	<u>June 30,</u> <u>2016</u>
Annual required contribution	\$ 159,911
Interest on net OPEB obligation	65,195
Amortization of net OPEB obligation	<u>(87,605)</u>
Annual OPEB cost	137,501
Contributions made	<u>(17,897)</u>
Increase in net OPEB obligation	119,604
Net OPEB obligation beginning of year	<u>1,629,863</u>
Net OPEB obligation end of year	<u><u>\$ 1,749,467</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the two preceding fiscal years were as follows:

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Trend Information			
Actuarial Valuation Date	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2016*	\$ 137,501	13.0%	\$ 1,749,467
06/30/2015	132,900	13.5%	1,629,863
06/30/2014*	211,619	21.0%	1,514,860

*Annual OPEB cost estimated using ARC from most recent valuation information.

Funding Status and Funding Progress

As of July 1, 2014 (the most recent information available), the actuarial accrued liability for benefits was \$1,078,097, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, 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.

Methods and Assumptions

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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE G - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Methods and Assumptions (Continued)

The following simplifying assumptions were made:

Contribution rates:	
District	Not Applicable
Plan members	0.00%
Actuarial valuation date	July 1, 2014
Actuarial cost method	Unit credit, normal cost
Amortization period	Open, level dollar
Remaining amortization period	30 years
Mortality, Turnover, Disability, Retirement ages	RP-2000 Combined Healthy Mortality table projected generationally with scale AA
Discount rate	4.00% per year (based on 2.50% long-term inflation; 0.75% real GDP growth and 0.75% medical)
Percentage of active employees assumed to elect benefit	It is assumed that the 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

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE H - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases/</u> <u>Transfers</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2016</u>
Capital assets, not being depreciated				
Land	\$ 11,772,443	\$ -	\$ -	\$ 11,772,443
Construction in process	<u>-</u>	<u>175,481</u>	<u>-</u>	<u>175,481</u>
Total capital assets, not being depreciated	<u>11,772,443</u>	<u>175,481</u>	<u>-</u>	<u>11,947,924</u>
Capital assets, being depreciated				
Buildings and building improvements	127,547,847	683,400	-	128,231,247
Site improvements	6,747,112	47,799	-	6,794,911
Equipment	<u>6,053,225</u>	<u>686,729</u>	<u>-</u>	<u>6,739,954</u>
Total capital assets, being depreciated	<u>140,348,184</u>	<u>1,417,928</u>	<u>-</u>	<u>141,766,112</u>
Less accumulated depreciation for:				
Buildings and building improvements	35,707,338	2,799,395	-	38,506,733
Site improvements	2,854,634	327,886	-	3,182,520
Equipment	<u>5,334,420</u>	<u>368,109</u>	<u>-</u>	<u>5,702,529</u>
Total accumulated depreciation	<u>43,896,392</u>	<u>3,495,390</u>	<u>-</u>	<u>47,391,782</u>
Total capital assets being depreciated, net	<u>96,451,792</u>	<u>(2,077,462)</u>	<u>-</u>	<u>94,374,330</u>
Governmental activities capital assets, net	<u>\$ 108,224,235</u>	<u>\$ (1,901,981)</u>	<u>\$ -</u>	<u>\$ 106,322,254</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	
Transportation	\$ 14,064
Food Service	3,732
Unallocated	<u>3,477,594</u>
	<u>\$ 3,495,390</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM LIABILITIES

1. Changes in General Long-term Liabilities

During the year ended June 30, 2016, the following is the long-term liability activity for the District:

	Balance July 1, 2015	Additions	Reductions/ Refunded	Balance June 30, 2016
General obligation bonds	\$ 74,740,000	\$ 9,545,000	\$ 8,795,000	\$ 75,490,000
Debt certificates	5,546,500	-	300,000	5,246,500
Capital lease	4,871	1,350,749	569,372	786,248
IMRF net pension liability (asset)	3,786,647	1,968,545	5,775,151	(19,959)
TRS net pension liability	3,440,610	2,893,581	362,180	5,972,011
Bond premiums, net of amortization	2,758,734	238,883	233,250	2,764,367
Bond discounts, net of amortization	(67,449)	-	(4,103)	(63,346)
Other postemployment benefits	1,629,863	137,501	17,897	1,749,467
Total long-term liabilities	\$ <u>91,839,776</u>	\$ <u>16,134,259</u>	\$ <u>16,048,747</u>	\$ <u>91,925,288</u>

At June 30, 2016, amounts due within one year on the outstanding long-term liabilities were as follows:

General obligation bonds	\$ 3,825,000
Debt certificates	300,000
Capital lease	<u>390,302</u>
Total amount due within one year	\$ <u>4,515,302</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding at June 30, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
GO Limited School Bonds 2007	3.85% - 4.20%	\$ 7,000,000
GO Limited School Bonds 2008A	5.00% - 5.125%	3,035,000
GO School Building Bonds 2009	5.40% - 6.30%	23,725,000
Refunding School Bonds 2012A	2.25% - 3.00%	9,440,000
Refunding School Bonds 2012B	0.83% - 2.74%	1,715,000
Refunding School Bonds 2012C	1.625%	1,235,000
Refunding School Bonds 2012D	0.65% - 3.09%	10,120,000
Refunding School Bonds 2013A	4.00%	5,860,000
Refunding School Bonds 2013B	0.67% - 1.80%	1,005,000
Refunding School Bonds 2014	2.25% - 2.875%	2,810,000
Refunding School Bonds 2015	3.00%	5,765,000
Working Cash Bonds 2016	3.00% - 3.205%	<u>3,780,000</u>
		<u>\$ 75,490,000</u>

At June 30, 2016, the District's annual debt service requirements to maturity for general obligation bonds principal and interest are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 3,825,000	\$ 2,968,789	\$ 6,793,789
2018	4,620,000	2,891,004	7,511,004
2019	5,350,000	2,785,607	8,135,607
2020	5,605,000	2,626,571	8,231,571
2021	5,325,000	2,427,069	7,752,069
2022-2026	33,480,000	8,669,052	42,149,052
2027-2028	<u>17,285,000</u>	<u>950,576</u>	<u>18,235,576</u>
	<u>\$ 75,490,000</u>	<u>\$ 23,318,668</u>	<u>\$ 98,808,668</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM LIABILITIES (Continued)

2. General Obligation Bonds Payable (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$3,699,222 in the Debt Service Fund to service the outstanding bond payable.

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$132,431,578, providing a debt margin of \$50,908,830.

During the fiscal year ended June 30, 2016, the District issued \$5,765,000 of General Obligation Refunding School Bonds. This issuance was used to refund principal and interest maturities on the District's Series 2008C bond. This transaction resulted in a theoretical economic gain (difference between the present value of the debt service payments on the old and new debt) of \$631,712 related to the refunding bond and the amount related to the debt certificate was not available at the issuance of this report.

The District defeased the debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2016, \$5,370,000 of bonds principal outstanding are considered defeased.

3. Debt Certificates

At June 30, 2016, the District's annual debt service requirements to maturity for debt certificates principal and interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 300,000	\$ 110,594	\$ 410,594
2018	300,000	104,084	404,084
2019	300,000	97,574	397,574
2020	4,346,500	47,160	4,393,660
	<u>\$ 5,246,500</u>	<u>\$ 359,412</u>	<u>\$ 5,605,912</u>

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM LIABILITIES (Continued)

4. Capital Lease

The District had an agreement to lease computers which expired in fiscal year 2016. The lease terms required payments of \$167,620 through July 2015. During fiscal year 2016, the District entered into a new agreement to lease computers. The lease terms require annual payments of \$401,752 through July 2017. Current year expense under these leases was \$569,372 for the fiscal year ended June 30, 2016. The obligations for these leases will be repaid from the Debt Service Fund with funding provided by the General (Educational Account) Fund. Annual debt service requirements to maturity for capital leases, are as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 390,302	\$ 11,477	\$ 401,779
2018	395,946	5,780	401,726
	\$ 786,248	\$ 17,257	\$ 803,505

NOTE J - OPERATING LEASES

The District leases equipment, vehicles and land under noncancelable operating leases. Total costs for such leases were \$821,451 for the year ended June 30, 2016. At June 30, 2016, future minimum lease payments for these leases are as follows:

Year Ending June 30	Total
2017	\$ 904,602
2018	426,879
2019	393,628
2020	174,108
2021	111,048
2022 - 2026	48,775
2027 - 2031	22,500
2032 - 2033	9,000
Total	\$ 2,090,540

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE K - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage against such risks. To protect the District from such risks, the District participates in the Collective Liability Insurance Cooperative (CLIC) public entity risk pool for property damage and injury claims. The arrangements with the pool provide that the pool will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pool.

Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, Illinois 60030.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE L - JOINT AGREEMENTS

1. Special Education District of Lake County (SEDOL)

The District is a member of the Special Education District of Lake County (SEDOL) joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool listed above (Note K). The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

2. 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. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE L - JOINT AGREEMENTS (Continued)

3. Transportation Center

The District and Gurnee School District #56 (Gurnee #56) entered into a joint agreement to build a new transportation center to house both Districts' transportation staff and equipment. The joint transportation facility shares resources and complements the current shared transportation agreement with Gurnee #56 for transportation of students. The District also entered into a long-term lease with the Village of Gurnee for additional land use (Note J). The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

NOTE M - INTERFUND TRANSFERS

The District transferred \$3,746,366 to the Municipal Retirement/Social Security Fund from the General (Working Cash Account) Fund. The amount transferred represent a Working Cash Fund abatement.

The District transferred \$300,000 and \$117,538, respectively, from the Operations and Maintenance Fund to the Debt Service Fund. These amounts transferred represent amounts transferred to pay principal and interest, respectively, on the District's debt certificates.

The District transferred \$569,372 and \$13,441, respectively, from the General (Educational Account) Fund to the Debt Service Fund. These amounts transferred represent amounts transferred to pay principal and interest, respectively, on the District's capital leases.

NOTE N - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits and other pending matters. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Warren Township High School District 121

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE O - CONSTRUCTION COMMITMENTS

The District has certain contracts for construction projects which were in progress at June 30, 2016. Remaining commitments under these contracts approximated \$275,000 at June 30, 2016.

NOTE P - SUBSEQUENT EVENT

Management has evaluated subsequent events through October 14, 2016, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those described below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

In September 2016, the District approved a resolution for the issuance of \$6,200,000 of General Obligation Limited Refunding School Bonds. The proceeds from the bond issue will be used to refund certain outstanding General Obligation bonds.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Warren Township High School District 121

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

MOST RECENT CALANDAR YEARS

Illinois Municipal Retirement Fund

June 30, 2016

Calendar year ended December 31,

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 674,707	\$ 694,132
Interest on the total pension liability	1,596,937	1,419,751
Difference between expected and actual experience of the total pension liability	(339,725)	215,866
Assumption changes	(79,622)	959,401
Benefit payments and refunds	(984,815)	(728,603)
Net change in total pension liability	<u>867,482</u>	<u>2,560,547</u>
Total pension liability, beginning	<u>21,533,064</u>	<u>18,972,517</u>
Total pension liability, ending	<u>\$ 22,400,546</u>	<u>\$ 21,533,064</u>
 Plan fiduciary net position		
Contributions, employer	\$ 5,418,964	\$ 562,870
Contributions, employee	255,730	214,739
Net investment income	100,457	1,020,154
Benefit payments, including refunds of employee contributions	(984,815)	(728,603)
Other (net transfer)	(116,248)	(22,072)
Net change in plan fiduciary net position	<u>4,674,088</u>	<u>1,047,088</u>
Plan fiduciary net position, beginning	<u>17,746,417</u>	<u>16,699,329</u>
Plan fiduciary net position, ending	<u>\$ 22,420,505</u>	<u>\$ 17,746,417</u>
 Net pension liability (asset)	 <u>\$ (19,959)</u>	 <u>\$ 3,786,647</u>
 Plan fiduciary net position as a percentage of the total pension liability	 100.09 %	 82.41 %
 Covered Valuation Payroll	 \$ 5,641,952	 \$ 5,927,845
 Net pension liability as a percentage of covered valuation payroll	 (0.35) %	 63.88 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2016

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 667,443	* \$ 5,418,964	\$ (4,751,521)	\$ 5,641,952	96.05 %
2014	696,521	562,870	133,651	5,927,845	9.50

* Estimated based on contribution rate of 11.83% and covered valuation payroll of \$5,641,952.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015 therefore 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0091161716 %	0.0056534789 %
District's proportionate share of the net pension liability	\$ 5,972,011	\$ 3,440,610
State's proportionate share of the net pension liability (asset) associated with the District	<u>310,966,744</u>	<u>151,933,269</u>
Total	<u>\$ 316,938,755</u>	<u>\$ 155,373,879</u>
District's covered-employee payroll	\$ 25,054,186	\$ 24,598,129
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.84 %	13.99 %
Plan fiduciary net position as a percentage of the total pension liability	41.5 %	43.0 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers' Retirement System of the State of Illinois
June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 222,848	\$ 198,764
Contributions in relation to the contractually required contribution	<u>319,430</u>	<u>201,713</u>
Contribution excess	\$ <u>(96,582)</u>	\$ <u>(2,949)</u>
District's covered-employee payroll	\$ 25,054,186	\$ 24,598,129
Contributions as a percentage of covered-employee payroll	1.27 %	0.82 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015, therefore, 10 years of information is not available.

Warren Township High School District 121

SCHEDULE OF FUNDING PROGRESS OTHER POSTEMPLOYMENT BENEFITS

June 30, 2016

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/2016*	\$ -	\$ 1,078,097	0.00 %	\$ 1,078,097	\$ 30,774,125	3.50 %
6/30/2015	-	1,078,097	0.00	1,078,097	30,774,125	3.50
6/30/2014	-	1,470,104	0.00	1,470,104	29,773,413	4.94

NA - not available

* June 30, 2015 information is the most recent available.

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 31,868,036	\$ 31,794,587	\$ (73,449)	\$33,083,922
Leasing levy	315,550	316,980	1,430	290,785
Special education levy	20,352	20,623	271	19,678
Corporate personal property replacement taxes	598,780	443,650	(155,130)	490,635
Regular tuition from pupils or parents	-	3,798	3,798	-
Summer school tuition from pupils or parents	117,000	136,095	19,095	117,747
Special education tuition from other districts	-	-	-	15,842
Interest on investments	-	15,216	15,216	969
Sales to pupils - lunch	1,432,498	1,297,085	(135,413)	1,349,172
Admissions - athletic	80,000	43,669	(36,331)	94,671
Admissions - other	50,000	367	(49,633)	22,832
Fees	2,121,500	2,337,504	216,004	1,892,315
Book store sales	11,000	13,128	2,128	11,875
Other - textbooks	-	6,406	6,406	10,249
Contributions and donations from private sources	68,000	5,618	(62,382)	54,746
Services provided other districts	46,000	593	(45,407)	45,668
Refund of prior years' expenditures	10,000	47,309	37,309	19,529
Drivers' education fees	8,900	8,915	15	8,895
Proceeds from vendors' contracts	133,000	47,011	(85,989)	59,951
Payment from other districts	-	49,093	49,093	-
Other	<u>8,000</u>	<u>28,285</u>	<u>20,285</u>	<u>8,860</u>
 Total local sources	 <u>36,888,616</u>	 <u>36,615,932</u>	 <u>(272,684)</u>	 <u>37,598,341</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
State sources				
General State Aid	\$ 4,869,877	\$ 4,886,582	\$ 16,705	\$ 2,920,796
Special Education - Private Facility Tuition	1,000,000	818,460	(181,540)	1,001,522
Special Education - Extraordinary	530,000	540,050	10,050	530,726
Special Education - Personnel	555,000	626,512	71,512	555,698
Special Education - Summer School	9,000	-	(9,000)	10,676
CTE - Secondary Program Improvement (CTEI)	49,426	49,544	118	44,883
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	39,130	19,751	(19,379)	21,356
State Free Lunch and Breakfast	2,000	1,150	(850)	2,673
Driver Education	21,000	25,414	4,414	21,846
Other state sources	3,200	13,052	9,852	131,253
On Behalf Payments to TRS from the State	<u>14,000,000</u>	<u>25,759,910</u>	<u>11,759,910</u>	<u>12,487,794</u>
Total state sources	<u>21,078,633</u>	<u>32,740,425</u>	<u>11,661,792</u>	<u>17,729,223</u>
Federal sources				
Special Milk Program	14,000	2,913	(11,087)	17,970
Title I - Low Income	252,955	292,054	39,099	375,845
Federal - Special Education - I.D.E.A.-Flow Through	276,414	279,935	3,521	272,589
Federal - Special Education - I.D.E.A. - Room and Board	-	289,082	289,082	69,566
CTE - Other	25,353	25,353	-	25,347
Build America Bonds Interest Reimbursement	458,316	467,854	9,538	465,344
Title III - Immigrant Education Program	5,750	1,199	(4,551)	4,188
Title III - Lang. Inst. Prog. - Limited Eng (LIPLEP)	14,500	13,938	(562)	-
Title II - Teacher Quality	37,385	37,725	340	37,648
Division of Rehab Services - STEP	40,000	52,910	12,910	40,485
Medicaid Matching Funds - Administrative Outreach	25,000	54,958	29,958	32,239
Medicaid Matching Funds - Fee-For-Service-Program	<u>180,000</u>	<u>213,727</u>	<u>33,727</u>	<u>301,511</u>
Total federal sources	<u>1,329,673</u>	<u>1,731,648</u>	<u>401,975</u>	<u>1,642,732</u>
Total revenues	<u>59,296,922</u>	<u>71,088,005</u>	<u>11,791,083</u>	<u>56,970,296</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 15,755,183	15,733,018	\$ 22,165	\$15,087,699
Employee benefits	1,962,517	2,172,951	(210,434)	1,916,795
On-behalf payments to TRS from the state	14,000,000	25,759,910	(11,759,910)	12,487,794
Purchased services	319,841	348,761	(28,920)	526,956
Supplies and materials	594,131	704,839	(110,708)	605,520
Capital outlay	-	-	-	43,005
Other objects	7,500	7,924	(424)	7,175
Non-capitalized equipment	-	-	-	74,831
Total	<u>32,639,172</u>	<u>44,727,403</u>	<u>(12,088,231)</u>	<u>30,749,775</u>
Special education programs				
Salaries	4,274,715	4,235,553	39,162	4,101,743
Employee benefits	768,907	672,246	96,661	685,334
Purchased services	219,194	259,215	(40,021)	198,384
Supplies and materials	78,402	59,086	19,316	199,724
Capital outlay	30,000	-	30,000	3,900
Other objects	4,000	260	3,740	230
Non-capitalized equipment	15,000	807	14,193	1,713
Total	<u>5,390,218</u>	<u>5,227,167</u>	<u>163,051</u>	<u>5,191,028</u>
Remedial and Supplemental programs K-12				
Salaries	143,000	138,374	4,626	133,644
Employee benefits	2,444	2,435	9	2,317
Total	<u>145,444</u>	<u>140,809</u>	<u>4,635</u>	<u>135,961</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
CTE programs				
Salaries	\$ 1,372,624	\$ 1,373,147	\$ (523)	\$ 1,316,887
Employee benefits	149,740	147,663	2,077	138,130
Purchased services	3,678	1,541	2,137	2,504
Supplies and materials	101,476	51,462	50,014	68,999
Capital outlay	51,853	74,780	(22,927)	70,230
Non-capitalized equipment	4,555	4,551	4	-
Total	1,683,926	1,653,144	30,782	1,596,750
Interscholastic programs				
Salaries	1,425,236	1,493,509	(68,273)	1,320,066
Employee benefits	86,655	95,602	(8,947)	84,878
Purchased services	267,680	292,356	(24,676)	242,755
Supplies and materials	72,739	102,358	(29,619)	63,677
Capital outlay	8,000	18,609	(10,609)	-
Non-capitalized equipment	-	-	-	1,473
Total	1,860,310	2,002,434	(142,124)	1,712,849
Summer school programs				
Salaries	175,000	212,553	(37,553)	214,670
Employee benefits	2,415	3,442	(1,027)	2,432
Purchased services	16,000	3,333	12,667	13,965
Supplies and materials	5,375	1,929	3,446	1,537
Total	198,790	221,257	(22,467)	232,604
Drivers education programs				
Salaries	-	80,358	(80,358)	74,727
Employee benefits	-	2,480	(2,480)	7,757
Purchased services	2,850	2,731	119	2,853
Supplies and materials	1,425	301	1,124	367
Total	4,275	85,870	(81,595)	85,704

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Bilingual programs				
Salaries	\$ 191,340	\$ 184,553	\$ 6,787	\$ 167,550
Employee benefits	20,117	11,730	8,387	22,024
Supplies and materials	<u>24,000</u>	<u>547</u>	<u>23,453</u>	<u>4,371</u>
Total	<u>235,457</u>	<u>196,830</u>	<u>38,627</u>	<u>193,945</u>
Special education programs K-12 - private tuition	<u>1,939,209</u>	<u>2,385,248</u>	<u>(446,039)</u>	<u>1,955,506</u>
Remedial/supplemental programs K-12 - private tuition	<u>32,400</u>	<u>3,988</u>	<u>28,412</u>	<u>36,946</u>
Total instruction	<u>44,129,201</u>	<u>56,644,150</u>	<u>(12,514,949)</u>	<u>41,891,068</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	945,663	868,063	77,600	829,440
Employee benefits	121,225	119,325	1,900	90,706
Supplies and materials	<u>325</u>	<u>-</u>	<u>325</u>	<u>325</u>
Total	<u>1,067,213</u>	<u>987,388</u>	<u>79,825</u>	<u>920,471</u>
Guidance services				
Salaries	1,467,077	1,535,495	(68,418)	1,311,717
Employee benefits	<u>180,334</u>	<u>185,620</u>	<u>(5,286)</u>	<u>164,509</u>
Total	<u>1,647,411</u>	<u>1,721,115</u>	<u>(73,704)</u>	<u>1,476,226</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Health services				
Salaries	\$ 337,031	\$ 337,185	\$ (154)	\$ 321,122
Employee benefits	39,786	41,256	(1,470)	38,461
Supplies and materials	9,000	6,002	2,998	5,081
Non-capitalized equipment	<u>4,000</u>	<u>1,494</u>	<u>2,506</u>	<u>9,960</u>
Total	<u>389,817</u>	<u>385,937</u>	<u>3,880</u>	<u>374,624</u>
Psychological services				
Salaries	96,497	61,405	35,092	101,247
Employee benefits	<u>16,887</u>	<u>7,884</u>	<u>9,003</u>	<u>16,984</u>
Total	<u>113,384</u>	<u>69,289</u>	<u>44,095</u>	<u>118,231</u>
Total pupils	<u>3,217,825</u>	<u>3,163,729</u>	<u>54,096</u>	<u>2,889,552</u>
Instructional staff				
Improvement of instruction services				
Salaries	299,130	293,842	5,288	240,816
Employee benefits	77,285	76,791	494	70,527
Purchased services	71,621	74,532	(2,911)	29,043
Supplies and materials	134,000	87,079	46,921	105,139
Other objects	<u>3,000</u>	<u>1,009</u>	<u>1,991</u>	<u>902</u>
Total	<u>585,036</u>	<u>533,253</u>	<u>51,783</u>	<u>446,427</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Educational media services				
Salaries	\$ 1,110,140	\$ 1,060,794	\$ 49,346	\$ 1,083,661
Employee benefits	195,523	176,207	19,316	183,489
Purchased services	128,500	114,548	13,952	61,415
Supplies and materials	701,909	1,763,390	(1,061,481)	405,859
Capital outlay	385,500	467,744	(82,244)	14,929
Non-capitalized equipment	<u>193,771</u>	<u>309,502</u>	<u>(115,731)</u>	<u>481,219</u>
Total	<u>2,715,343</u>	<u>3,892,185</u>	<u>(1,176,842)</u>	<u>2,230,572</u>
Assessment and testing				
Salaries	25,000	34,206	(9,206)	22,692
Employee benefits	345	81	264	247
Purchased services	300,719	285,449	15,270	14,306
Supplies and materials	<u>5,000</u>	<u>1,384</u>	<u>3,616</u>	<u>-</u>
Total	<u>331,064</u>	<u>321,120</u>	<u>9,944</u>	<u>37,245</u>
Total instructional staff	<u>3,631,443</u>	<u>4,746,558</u>	<u>(1,115,115)</u>	<u>2,714,244</u>
General administration				
Board of education services				
Salaries	9,613	12,312	(2,699)	9,243
Employee benefits	-	1,462	(1,462)	2,997
Purchased services	380,245	488,241	(107,996)	419,095
Supplies and materials	22,385	24,337	(1,952)	38,417
Other objects	<u>18,110</u>	<u>11,836</u>	<u>6,274</u>	<u>65,762</u>
Total	<u>430,353</u>	<u>538,188</u>	<u>(107,835)</u>	<u>535,514</u>
Executive administration services				
Salaries	262,850	262,986	(136)	263,960
Employee benefits	<u>63,552</u>	<u>68,945</u>	<u>(5,393)</u>	<u>62,090</u>
Total	<u>326,402</u>	<u>331,931</u>	<u>(5,529)</u>	<u>326,050</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Tort immunity services				
Purchased services	\$ 513,345	\$ 613,765	\$ (100,420)	\$ 548,782
Total	<u>513,345</u>	<u>613,765</u>	<u>(100,420)</u>	<u>548,782</u>
Total general administration	<u>1,270,100</u>	<u>1,483,884</u>	<u>(213,784)</u>	<u>1,410,346</u>
School administration				
Office of the principal services				
Salaries	972,569	917,751	54,818	882,656
Employee benefits	250,895	246,497	4,398	237,236
Purchased services	10,000	3,578	6,422	6,922
Supplies and materials	100,000	59,785	40,215	20,907
Other objects	<u>10,000</u>	<u>8,159</u>	<u>1,841</u>	<u>2,748</u>
Total	<u>1,343,464</u>	<u>1,235,770</u>	<u>107,694</u>	<u>1,150,469</u>
Other support services - school administration				
Salaries	665,234	665,234	-	635,215
Employee benefits	<u>160,457</u>	<u>171,072</u>	<u>(10,615)</u>	<u>166,813</u>
Total	<u>825,691</u>	<u>836,306</u>	<u>(10,615)</u>	<u>802,028</u>
Total school administration	<u>2,169,155</u>	<u>2,072,076</u>	<u>97,079</u>	<u>1,952,497</u>
Business				
Direction of business support services				
Salaries	177,321	177,320	1	167,283
Employee benefits	<u>29,667</u>	<u>29,768</u>	<u>(101)</u>	<u>29,980</u>
Total	<u>206,988</u>	<u>207,088</u>	<u>(100)</u>	<u>197,263</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Fiscal services				
Salaries	\$ 312,769	\$ 319,837	\$ (7,068)	\$ 324,369
Employee benefits	36,743	57,142	(20,399)	64,713
Purchased services	96,297	129,825	(33,528)	107,830
Supplies and materials	24,300	25,690	(1,390)	4,308
Other objects	<u>3,000</u>	<u>4,548</u>	<u>(1,548)</u>	<u>1,818</u>
Total	<u>473,109</u>	<u>537,042</u>	<u>(63,933)</u>	<u>503,038</u>
Pupil transportation services				
Purchased services	<u>3,175</u>	<u>-</u>	<u>3,175</u>	<u>11,019</u>
Total	<u>3,175</u>	<u>-</u>	<u>3,175</u>	<u>11,019</u>
Food services				
Purchased services	1,324,000	1,138,946	185,054	1,207,356
Supplies and materials	13,000	2,840	10,160	13,382
Capital outlay	<u>16,000</u>	<u>-</u>	<u>16,000</u>	<u>-</u>
Total	<u>1,353,000</u>	<u>1,141,786</u>	<u>211,214</u>	<u>1,220,738</u>
Total business	<u>2,036,272</u>	<u>1,885,916</u>	<u>150,356</u>	<u>1,932,058</u>
Central				
Information services				
Purchased services	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>
Total	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>
Staff services				
Salaries	68,396	68,514	(118)	65,765
Employee benefits	41,114	33,246	7,868	46,794
Purchased services	3,700	5,745	(2,045)	4,040
Supplies and materials	<u>1,000</u>	<u>457</u>	<u>543</u>	<u>-</u>
Total	<u>114,210</u>	<u>107,962</u>	<u>6,248</u>	<u>116,599</u>
Total central	<u>114,360</u>	<u>107,962</u>	<u>6,398</u>	<u>116,599</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Other supporting services				
Salaries	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Employee benefits	738	749	(11)	675
Supplies and materials	<u>1,000</u>	<u>928</u>	<u>72</u>	<u>-</u>
Total	<u>3,738</u>	<u>3,677</u>	<u>61</u>	<u>2,675</u>
Total support services	<u>12,442,893</u>	<u>13,463,802</u>	<u>(1,020,909)</u>	<u>11,017,971</u>
Community services				
Salaries	4,000	4,000	-	4,000
Employee benefits	56	55	1	53
Supplies and materials	<u>127</u>	<u>-</u>	<u>127</u>	<u>-</u>
Total	<u>4,183</u>	<u>4,055</u>	<u>128</u>	<u>4,053</u>
Payments to other districts and government units				
Payments for regular programs				
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,325</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,325</u>
Payments for special education programs				
Purchased services	<u>24,764</u>	<u>39,471</u>	<u>(14,707)</u>	<u>172,773</u>
Total	<u>24,764</u>	<u>39,471</u>	<u>(14,707)</u>	<u>172,773</u>
Payments for special education programs - tuition				
Other objects	<u>1,068,000</u>	<u>1,206,986</u>	<u>(138,986)</u>	<u>1,110,515</u>
Payments for CTE programs - tuition				
Other objects	<u>845,000</u>	<u>802,065</u>	<u>42,935</u>	<u>867,330</u>

(Continued)

Warren Township High School District 121

General Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Payments for other programs - tuition				
Other objects	\$ 50,000	\$ 54,040	\$ (4,040)	\$ 13,086
Total payments to other districts and other government units	1,987,764	2,102,562	(114,798)	2,199,029
Total expenditures	58,564,041	72,214,569	(13,650,528)	55,112,121
Excess (deficiency) of revenues over expenditures	732,881	(1,126,564)	(1,859,445)	1,858,175
Other financing sources (uses)				
Permanent transfer from Working Cash Fund - abatement	-	(3,746,366)	(3,746,366)	(1,590,915)
Debt issuance	1,204,500	3,689,086	2,484,586	-
Premium on debt issuance	-	61,602	61,602	-
Proceeds from capital leases	-	1,188,000	1,188,000	-
Transfer to Debt Service Fund for principal on capital leases	(406,623)	(569,372)	(162,749)	(167,543)
Transfer to Debt Service Fund for interest on capital leases	-	(13,441)	(13,441)	(4,897)
Transfer to Debt Service Fund for principal on debt certificates	(300,000)	-	300,000	-
Transfer to Debt Service Fund for interest on debt certificates	(117,104)	-	117,104	-
Total other financing sources (uses)	380,773	609,509	228,736	(1,763,355)
Net change to fund balance	\$ 1,113,654	(517,055)	\$(1,630,709)	94,820
Fund balance, beginning of year		21,758,147		21,663,327
Fund balance, end of year		\$21,241,092		\$21,758,147

(Concluded)

Warren Township High School District 121
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$4,385,950	\$4,394,211	\$ 8,261	\$3,568,646
Fees	150,000	204,864	54,864	183,283
Rentals	60,000	115,306	55,306	60,374
Contributions and donations from private sources	5,000	20,000	15,000	5,246
Services provided to other districts	4,000	2,365	(1,635)	4,402
Refund of prior years' expenditures	-	44	44	17,864
Other	-	500	500	23,862
Total local sources	<u>4,604,950</u>	<u>4,737,290</u>	<u>132,340</u>	<u>3,863,677</u>
State sources				
School safety grant	-	76,010	76,010	91,303
Total state sources	<u>-</u>	<u>76,010</u>	<u>76,010</u>	<u>91,303</u>
Total revenues	<u>4,604,950</u>	<u>4,813,300</u>	<u>208,350</u>	<u>3,954,980</u>

(Continued)

Warren Township High School District 121
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	\$ 782,750	\$ 779,566	\$ 3,184	\$ 786,014
Employee benefits	112,266	110,422	1,844	116,771
Purchased services	1,531,991	1,584,079	(52,088)	1,667,184
Supplies and materials	1,168,000	1,177,177	(9,177)	1,195,437
Capital outlay	750,000	1,032,836	(282,836)	424,939
Other objects	205	20	185	140
Non-capitalized equipment	<u>32,000</u>	<u>28,505</u>	<u>3,495</u>	<u>50,263</u>
Total business	<u>4,377,212</u>	<u>4,712,605</u>	<u>(335,393)</u>	<u>4,240,748</u>
Total support services	<u>4,377,212</u>	<u>4,712,605</u>	<u>(335,393)</u>	<u>4,240,748</u>
Payments to other districts and government units				
Payments for special education programs				
Purchased services	180,158	171,137	9,021	168,850
Other objects	<u>-</u>	<u>8,604</u>	<u>(8,604)</u>	<u>-</u>
Total	<u>180,158</u>	<u>179,741</u>	<u>417</u>	<u>168,850</u>
Payments for CTE education programs				
Other objects	<u>29,925</u>	<u>29,925</u>	<u>-</u>	<u>29,834</u>
Total	<u>29,925</u>	<u>29,925</u>	<u>-</u>	<u>29,834</u>

(Continued)

Warren Township High School District 121
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Other payments to in-state governmental units				
Other objects	\$ 1,000	\$ 983	\$ 17	\$ 958
Total	<u>1,000</u>	<u>983</u>	<u>17</u>	<u>958</u>
Total other payments	<u>211,083</u>	<u>210,649</u>	<u>434</u>	<u>199,642</u>
Total expenditures	<u>4,588,295</u>	<u>4,923,254</u>	<u>(334,959)</u>	<u>4,440,390</u>
Excess (deficiency) of revenues over expenditures	<u>16,655</u>	<u>(109,954)</u>	<u>(126,609)</u>	<u>(485,410)</u>
Other financing sources (uses)				
Permanent transfer from Working Cash Fund - abatement	-	-	-	1,590,915
Transfer to Debt Service Fund for principal on debt certificates	-	(300,000)	(300,000)	(300,000)
Transfer to Debt Service Fund for interest on debt certificates	<u>-</u>	<u>(117,538)</u>	<u>(117,538)</u>	<u>(97,183)</u>
Total other financing sources (uses)	<u>-</u>	<u>(417,538)</u>	<u>(417,538)</u>	<u>1,193,732</u>
Net change in fund balance	<u>\$ 16,655</u>	(527,492)	<u>\$ (544,147)</u>	708,322
Fund balance, beginning of year		<u>1,066,795</u>		<u>358,473</u>
Fund balance, end of year		<u>\$ 539,303</u>		<u>\$1,066,795</u>

(Concluded)

Warren Township High School District 121
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 2,226,854	\$ 2,230,782	\$ 3,928	\$ 1,492,368
Regular transportation fees from other districts	24,000	66,757	42,757	75,973
Regular transportation fees				
curricular activities	3,000	5,407	2,407	6,331
Summer school transportation				
fees from pupils or parents	3,000	10,631	7,631	11,798
Special education transportation fees from				
other districts	<u>76,000</u>	<u>79,493</u>	<u>3,493</u>	<u>82,124</u>
Total local sources	<u>2,332,854</u>	<u>2,393,070</u>	<u>60,216</u>	<u>1,668,594</u>
State sources				
General State Aid	-	-	-	420,000
Transportation - Regular/Vocational	140,000	137,665	(2,335)	141,272
Transportation - Special Education	<u>1,400,000</u>	<u>1,460,894</u>	<u>60,894</u>	<u>1,465,067</u>
Total state sources	<u>1,540,000</u>	<u>1,598,559</u>	<u>58,559</u>	<u>2,026,339</u>
Total revenues	<u>3,872,854</u>	<u>3,991,629</u>	<u>118,775</u>	<u>3,694,933</u>

(Continued)

Warren Township High School District 121
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	\$ 2,039,849	\$ 1,857,835	\$ 182,014	\$ 1,913,803
Employee benefits	356,485	240,378	116,107	317,279
Purchased services	989,075	1,057,298	(68,223)	987,916
Supplies and materials	441,000	262,236	178,764	380,590
Other objects	500	65	435	280
Non-capitalized equipment	<u>5,000</u>	<u>2,819</u>	<u>2,181</u>	<u>43,378</u>
Total support services	<u>3,831,909</u>	<u>3,420,631</u>	<u>411,278</u>	<u>3,643,246</u>
Payments to other districts and government units				
Payments for regular programs				
Purchased services	<u>-</u>	<u>27,900</u>	<u>(27,900)</u>	<u>27,282</u>
Total nonprogrammed charges	<u>-</u>	<u>27,900</u>	<u>(27,900)</u>	<u>27,282</u>
Total expenditures	<u>3,831,909</u>	<u>3,448,531</u>	<u>383,378</u>	<u>3,670,528</u>
Excess of revenues over expenditures	<u>\$ 40,945</u>	<u>543,098</u>	<u>\$ 502,153</u>	<u>24,405</u>
Fund balance, beginning of year		<u>327,173</u>		<u>302,768</u>
Fund balance, end of year		<u>\$ 870,271</u>		<u>\$ 327,173</u>

(Concluded)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 1,084,787	\$ 1,087,354	\$ 2,567	\$ 882,201
Social security/Medicare only levy	667,981	677,308	9,327	571,341
Other tax levies	136,096	143,536	7,440	153,628
Corporate personal property replacement taxes	250,000	225,928	(24,072)	347,343
Refund of prior years' expenditures	-	-	-	24,160
Payments of surplus moneys from TIF districts	799,126	799,127	1	-
Total local sources	<u>2,937,990</u>	<u>2,933,253</u>	<u>(4,737)</u>	<u>1,978,673</u>
Total revenues	<u>2,937,990</u>	<u>2,933,253</u>	<u>(4,737)</u>	<u>1,978,673</u>
Expenditures				
Instruction				
Regular programs	371,437	1,084,524	(713,087)	243,656
Special education programs	274,871	1,007,809	(732,938)	258,015
Remedial and supplemental programs K-12	2,074	8,045	(5,971)	1,847
Vocational educational programs	19,905	81,191	(61,286)	18,893
Interscholastic programs	40,751	184,550	(143,799)	47,085
Summer school programs	5,538	35,187	(29,649)	7,861
Drivers education programs	-	4,797	(4,797)	1,083
Bilingual programs	2,776	10,429	(7,653)	2,267
Total instruction	<u>717,352</u>	<u>2,416,532</u>	<u>(1,699,180)</u>	<u>580,707</u>

(Continued)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 69,881	\$ 280,218	\$ (210,337)	\$ 66,412
Guidance services	36,741	136,076	(99,335)	31,048
Health services	49,625	200,308	(150,683)	47,066
Psychological services	<u>1,400</u>	<u>3,664</u>	<u>(2,264)</u>	<u>1,402</u>
Total pupils	<u>157,647</u>	<u>620,266</u>	<u>(462,619)</u>	<u>145,928</u>
Instructional staff				
Improvement of instruction services	13,068	49,425	(36,357)	10,029
Educational media services	136,289	555,508	(419,219)	137,581
Assessment and testing	<u>393</u>	<u>1,186</u>	<u>(793)</u>	<u>297</u>
Total instructional staff	<u>149,750</u>	<u>606,119</u>	<u>(456,369)</u>	<u>147,907</u>
General administration				
Board of education services	1,902	8,317	(6,415)	-
Executive administration services	<u>19,503</u>	<u>70,239</u>	<u>(50,736)</u>	<u>3,801</u>
Total general administration	<u>21,405</u>	<u>78,556</u>	<u>(57,151)</u>	<u>3,801</u>
School administration				
Office of the principal services	38,640	144,245	(105,605)	34,705
Other support services - school administration	<u>9,646</u>	<u>39,284</u>	<u>(29,638)</u>	<u>9,104</u>
Total school administration	<u>48,286</u>	<u>183,529</u>	<u>(135,243)</u>	<u>43,809</u>

(Continued)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Business				
Direction of business support services	\$ 3,276	\$ 10,536	\$ (7,260)	\$ 2,403
Fiscal services	79,427	326,469	(247,042)	80,966
Operation and maintenance of plant services	148,951	600,660	(451,709)	151,334
Pupil transportation services	<u>377,208</u>	<u>1,370,330</u>	<u>(993,122)</u>	<u>351,774</u>
Total business	<u>608,862</u>	<u>2,307,995</u>	<u>(1,699,133)</u>	<u>586,477</u>
Central				
Staff services	<u>16,489</u>	<u>55,552</u>	<u>(39,063)</u>	<u>12,895</u>
Total central	<u>16,489</u>	<u>55,552</u>	<u>(39,063)</u>	<u>12,895</u>
Other support services	<u>29</u>	<u>119</u>	<u>(90)</u>	<u>29</u>
Total support services	<u>1,002,468</u>	<u>3,852,136</u>	<u>(2,849,668)</u>	<u>940,846</u>
Community services	<u>56</u>	<u>235</u>	<u>(179)</u>	<u>58</u>
Payments to other districts and governments				
Payments for special education programs	<u>135,742</u>	<u>144,204</u>	<u>(8,462)</u>	<u>151,359</u>
Total payments to other districts and government	<u>135,742</u>	<u>144,204</u>	<u>(8,462)</u>	<u>151,359</u>
Other debt service - payment on net pension liability	<u>1,049,126</u>	<u>-</u>	<u>1,049,126</u>	<u>-</u>
Total debt service	<u>1,049,126</u>	<u>-</u>	<u>1,049,126</u>	<u>-</u>
Total expenditures	<u>2,904,744</u>	<u>6,413,107</u>	<u>(3,508,363)</u>	<u>1,672,970</u>
Excess of revenues over expenditures	<u>33,246</u>	<u>(3,479,854)</u>	<u>(3,513,100)</u>	<u>305,703</u>

(Continued)

Warren Township High School District 121
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Permanent transfer from Working Cash Fund - abatement	\$ -	\$ 3,746,366	\$ (3,746,366)	\$ -
Total other financing sources	<u>-</u>	<u>3,746,366</u>	<u>(3,746,366)</u>	<u>-</u>
Net change in fund balance	<u>\$ 33,246</u>	266,512	<u>\$ (7,259,466)</u>	305,703
Fund balance, beginning of year		<u>391,397</u>		<u>85,694</u>
Fund balance, end of year		<u>\$ 657,909</u>		<u>\$ 391,397</u>

(Concluded)

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2016

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) Prior to October 1, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- e) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 22, 2015.
- g) All budget appropriations lapse at the end of each fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2016:

<u>Fund</u>	<u>Amount</u>
General	\$ 13,650,528
Operations and Maintenance	334,959
Municipal Retirement/Social Security	3,508,363
Debt Service	873,895

Expenditures in excess of the budget in the General Fund are the result of higher than anticipated on-behalf contributions to TRS from the State of Illinois and expenditures in excess of budget in the IMRF fund are due to a one-time payment on the net pension liability in the current year.

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2016

3. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases of 5.75 percent.

4. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 IMRF CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine the 2015 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 calculation pursuant to an experience study of the period 2008-2010.

Warren Township High School District 121

Notes to the Required Supplementary Information

June 30, 2016

4. SUMMARY OF ACUTARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2015 Contribution Rate (Continued):

Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
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Other Information:

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

Warren Township High School District 121

General Fund

COMBINING BALANCE SHEET

June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 12,057,052	\$ -	\$ 3,857,199	\$ 15,914,251
Restricted cash	-	-	5,246,500	5,246,500
Receivables				
Property taxes	15,496,642	195,981	-	15,692,623
Replacement taxes	38,004	-	-	38,004
Intergovernmental	848,701	-	-	848,701
Due from other fund	93,129	-	-	93,129
Prepaid items	591,497	512,653	-	1,104,150
Other current assets	36,193	-	-	36,193
Total assets	<u>\$ 29,161,218</u>	<u>\$ 708,634</u>	<u>\$ 9,103,699</u>	<u>\$ 38,973,551</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,198,440	\$ -	\$ -	\$ 1,198,440
Salaries and wages payable	5,932	-	-	5,932
Payroll deductions payable	72,691	-	-	72,691
Other current liabilities	250,178	-	-	250,178
Due to other governments	97,580	-	-	97,580
Due to other fund	-	93,129	-	93,129
Total liabilities	<u>1,624,821</u>	<u>93,129</u>	<u>-</u>	<u>1,717,950</u>
DEFERRED INFLOWS				
Property taxes levied for a future period	<u>15,814,509</u>	<u>200,000</u>	<u>-</u>	<u>16,014,509</u>
Total deferred inflows	<u>15,814,509</u>	<u>200,000</u>	<u>-</u>	<u>16,014,509</u>
FUND BALANCES				
Nonspendable	591,497	512,653	-	1,104,150
Restricted	-	-	5,246,500	5,246,500
Unassigned	<u>11,130,391</u>	<u>(97,148)</u>	<u>3,857,199</u>	<u>14,890,442</u>
Total fund balance	<u>11,721,888</u>	<u>415,505</u>	<u>9,103,699</u>	<u>21,241,092</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 29,161,218</u>	<u>\$ 708,634</u>	<u>\$ 9,103,699</u>	<u>\$ 38,973,551</u>

Warren Township High School District 121

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 31,589,302	\$ 542,888	\$ -	\$ 32,132,190
Replacement taxes	443,650	-	-	443,650
State aid	32,740,425	-	-	32,740,425
Federal aid	1,731,648	-	-	1,731,648
Interest	9,110	-	6,106	15,216
Other	4,024,876	-	-	4,024,876
Total revenues	<u>70,539,011</u>	<u>542,888</u>	<u>6,106</u>	<u>71,088,005</u>
Expenditures				
Current:				
Instruction:				
Regular programs	18,967,493	-	-	18,967,493
Special programs	7,603,660	-	-	7,603,660
Other instructional programs	4,210,943	-	-	4,210,943
State retirement contributions	25,759,910	-	-	25,759,910
Support services:				
Pupils	3,163,729	-	-	3,163,729
Instructional staff	4,278,814	-	-	4,278,814
General administration	870,119	613,765	-	1,483,884
School administration	2,080,831	-	-	2,080,831
Business	1,885,916	-	-	1,885,916
Central	107,962	-	-	107,962
Other supporting services	3,677	-	-	3,677
Community services	4,055	-	-	4,055
Nonprogrammed charges	2,102,562	-	-	2,102,562
Capital outlay	561,133	-	-	561,133
Total expenditures	<u>71,600,804</u>	<u>613,765</u>	<u>-</u>	<u>72,214,569</u>
Excess of revenues over expenditures	<u>(1,061,793)</u>	<u>(70,877)</u>	<u>6,106</u>	<u>(1,126,564)</u>
Other financing sources (uses)				
Transfers out	(582,813)	-	(3,746,366)	(4,329,179)
Debt issuance	-	-	3,689,086	3,689,086
Premium on debt issuance	-	-	61,602	61,602
Proceeds from capital leases	1,188,000	-	-	1,188,000
Total other financing sources (uses)	<u>605,187</u>	<u>-</u>	<u>4,322</u>	<u>609,509</u>
Net change in fund balance	<u>(456,606)</u>	<u>(70,877)</u>	<u>10,428</u>	<u>(517,055)</u>
Fund balance, beginning of year	<u>12,178,494</u>	<u>486,382</u>	<u>9,093,271</u>	<u>21,758,147</u>
Fund balance, end of year	<u>\$ 11,721,888</u>	<u>\$ 415,505</u>	<u>\$ 9,103,699</u>	<u>\$ 21,241,092</u>

Warren Township High School District 121
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 6,526,017	\$ 6,664,874	\$ 138,857	\$ 6,290,174
Interest on investments	<u> -</u>	<u> 176</u>	<u> 176</u>	<u> 24</u>
Total local sources	<u>6,526,017</u>	<u>6,665,050</u>	<u>139,033</u>	<u>6,290,198</u>
Total revenues	<u>6,526,017</u>	<u>6,665,050</u>	<u>139,033</u>	<u>6,290,198</u>
Expenditures				
Debt service				
Debt services - interest				
Interest on long-term debt	<u>3,028,431</u>	<u>3,070,348</u>	<u>(41,917)</u>	<u>3,221,698</u>
Total debt service - interest	<u>3,028,431</u>	<u>3,070,348</u>	<u>(41,917)</u>	<u>3,221,698</u>
Principal payments on long-term debt	<u>3,600,000</u>	<u>4,294,372</u>	<u>(694,372)</u>	<u>3,417,543</u>
Other debt service				
Purchased services	<u> -</u>	<u>137,606</u>	<u>(137,606)</u>	<u>86,057</u>
Total	<u> -</u>	<u>137,606</u>	<u>(137,606)</u>	<u>86,057</u>
Total debt service	<u>6,628,431</u>	<u>7,502,326</u>	<u>(873,895)</u>	<u>6,725,298</u>
Total expenditures	<u>6,628,431</u>	<u>7,502,326</u>	<u>(873,895)</u>	<u>6,725,298</u>
Deficiency of revenues over expenditures	<u>(102,414)</u>	<u>(837,276)</u>	<u>(734,862)</u>	<u>(435,100)</u>

(Continued)

Warren Township High School District 121

Debt Service Fund

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

For the Year Ended June 30, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			
	Original and Final Budget	Actual	Variance From Final Budget	2015 Actual
Other financing sources (uses)				
Debt issuance	\$ -	\$ 5,765,000	\$ 5,765,000	\$ 8,696,500
Premium on debt issuance	-	177,281	177,281	147,203
Transfer to pay for principal on capital leases	406,623	569,372	162,749	167,543
Transfer to pay for interest on capital leases	-	13,441	13,441	4,897
Transfer to pay for principal on debt certificates	300,000	300,000	-	300,000
Transfer to pay for interest on debt certificates	117,104	117,538	434	97,183
Payment on refunded debt	-	(5,370,000)	(5,370,000)	(5,819,000)
Deposit with escrow agent	-	(433,190)	(433,190)	(2,938,023)
Total other financing sources (uses)	<u>823,727</u>	<u>1,139,442</u>	<u>315,715</u>	<u>656,303</u>
Net change in fund balance	<u>\$ 721,313</u>	<u>302,166</u>	<u>\$ (419,147)</u>	<u>221,203</u>
Fund balance, beginning of year		<u>3,397,056</u>		<u>3,175,853</u>
Fund balance, end of year		<u>\$ 3,699,222</u>		<u>\$ 3,397,056</u>

(Concluded)

Warren Township High School District 121
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ -	\$ 199	\$ 199	\$ 123
Impact fees from municipal or county governments	<u>18,000</u>	<u>8,974</u>	<u>(9,026)</u>	<u>19,636</u>
Total local sources	<u>18,000</u>	<u>9,173</u>	<u>(8,827)</u>	<u>19,759</u>
Total revenues	<u>18,000</u>	<u>9,173</u>	<u>(8,827)</u>	<u>19,759</u>
Excess of revenues over expenditures	<u>\$ 18,000</u>	<u>9,173</u>	<u>\$ (8,827)</u>	<u>19,759</u>
Fund balance, beginning of year		<u>27,628</u>		<u>7,869</u>
Fund balance, end of year		<u>\$ 36,801</u>		<u>\$ 27,628</u>

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 464,004	\$ 2,578,615	2,566,617	\$ 476,002
Total assets	\$ 464,004	\$ 2,578,615	\$ 2,566,617	\$ 476,002
Liabilities				
Curricular Activity Accounts				
Art Club - O'Plaine	\$ 251	\$ 362	\$ 324	\$ 289
Astronomy Club	284	760	378	666
Avanza	3,384	893	918	3,359
Blue Devil Nation	1	1,594	-	1,595
Bookstore	21,209	34,960	46,628	9,541
Bully Prevention	188	-	188	-
Children's Show	291	131	375	47
Chorus	15,872	23,509	27,978	11,403
Class of 2014	199	-	-	199
Class of 2015	1,630	-	1,575	55
Class of 2016	6,050	1,386	4,998	2,438
Council for Exceptional Children	326	130	120	336
Creations	608	1,390	772	1,226
Dance Club	93	-	93	-
Environmental Science Activity	2,186	-	-	2,186
Fashion Club	-	352	352	-
FBLA	4,533	103,724	102,260	5,997
First Robotics Club	20,263	30,248	19,856	30,655
French Club	2,645	763	793	2,615
Frisbee Golf	231	100	-	331
FY16-17 Senior Class	1,093	110,209	110,007	1,295
FY16-17 Sophomore Class	-	3,961	2,963	998
FY16-17 Junior Class	355	2,270	2,151	474
German Club	279	177	334	122
Industrial Tech Club	9,113	8,668	7,958	9,823
Jazz Club	1	-	-	1
Live Arts	91	689	558	222

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
Liabilities (Continued)				
Curricular Activity Accounts (Continued)				
Marching Arts	\$ 363	\$ 200	\$ 207	\$ 356
MECS Mother Earth	1,558	120	446	1,232
Mud Club	220	-	-	220
Multi-Cultural Club	3,252	1,590	3,605	1,237
National Honor Society	9,435	9	1,388	8,056
NHS - Spanish	1,440	2,403	1,707	2,136
Northern Area FBLA	3,584	14,678	11,380	6,882
Powerschool User Group	500	-	-	500
Project Discovery	100	-	100	-
Rotary Interact	-	219	219	-
Science Olympiad	-	775	675	100
Scratch Paper	2,472	3,173	3,669	1,976
Ski Club	2,138	13,579	13,503	2,214
Spanish Club	1,023	-	48	975
Speech Team	-	3,393	3,145	248
Speech Tournament	119	4,913	2,914	2,118
Sports Marketing	2,114	3,483	3,315	2,282
Spring Musical	3,731	8,621	11,921	431
Staff Purchases	-	11,850	11,807	43
Student Council	29,789	46,040	46,102	29,727
Students of Service	1,465	841	23	2,283
Table Top Gaming	-	180	174	6
Tech Crew	731	49	200	580
Thespian Troupe	9,972	11,820	11,586	10,206
Warren Fiber & Craft	159	-	159	-
Yearbook-Blue Devil	51,923	41,391	48,160	45,154
Athletic Activity Accounts				
Athletic Trainer Student Activ	2,830	2,082	2,462	2,450
Baseball Camp	7,500	13,150	15,637	5,013
Basketball Camp-Boys	15,657	15,724	26,645	4,736
Basketball Camp-Girls	7,639	4,840	11,854	625
Boys Baseball Student Activ	254	1,939	2,090	103

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	Balance				Balance
	July 1, 2015	Additions	Deletions		June 30, 2016
Liabilities (Continued)					
Athletic Activity Accounts (Continued)					
Boys Basketball Student Activ	\$ 1	\$ 6,469	\$ 3,814	\$	2,656
Boys Cross Country Std Activ	1,434	-	-		1,434
Boys Cross Country Camp	266	221	487		-
Boys Golf Student Activ	6,560	12,519	2,953		16,126
Boys Soccer Student Activ	2,987	10,745	4,865		8,867
Boys Swimming Student Activ	103	10,488	5,913		4,678
Boys Tennis Student Activ	1,236	9,476	8,574		2,138
Boys Track Student Activ	647	1,504	1,994		157
Boys Volleyball Std Activ	4,305	18,369	18,903		3,771
Cheerleading Student Activ	22,001	44,224	57,777		8,448
Cross Country Camp-Girls	6,398	7,645	11,091		2,952
Devillettes Student Activ	20,743	94,692	89,163		26,272
Football Camp	28,003	30,494	53,245		5,252
Football student Activ	3,919	91,208	54,825		40,302
Girls Badminton Camp	-	3,055	2,480		575
Girls Basketball Std Activ	4,698	3,522	4,603		3,617
Girls Bowling Student Activ	1,753	100	1,701		152
Girls Cheer Camp	-	17,585	465		17,120
Girls Cross Country St Activ	2,893	12,357	13,084		2,166
Girls Golf Camp	-	824	820		4
Girls Golf Student Activ	1,642	300	893		1,049
Girls Soccer Student Activ	4,839	11,215	16,028		26
Girls Softball Student Activ	5,675	11,470	12,649		4,496
Girls Swimming Std Activ	221	7,025	6,504		742
Girls Swim & Dive Camp	720	-	720		-
Girls Tennis Student Activ	61	417	76		402
Girls Track & Field St Activ	1,936	9,103	8,454		2,585
Girls Volleyball Student Activ	3,740	10,806	11,851		2,695
Gymnastics Std Activ	285	3,095	2,250		1,130
Phys Ed Fundraising	-	825	297		528
Soccer Camp-Girls	6,489	9,317	11,611		4,195
Softball Camp	2,125	1,506	2,958		673
Tennis Camp-Boys	11,049	10,618	16,390		5,277
Tennis Camp-Girls	6,292	9,155	10,568		4,879
Volleyball Camp-Boys	3,668	9,725	3,931		9,462
Volleyball Camp-Girls	11,402	14,003	16,843		8,562
Wrestling Camp	1,449	4,241	4,250		1,440

(Continued)

Warren Township High School District 121
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Liabilities (Continued)				
Athletic Activity Accounts (Continued)				
Wrestling Clinic	\$ 1,071	\$ 1,502	\$ 2,153	\$ 420
Triathlon Club Activity	888	1,843	654	2,077
Convenience Accounts				
Athletic Invitationals	5,000	40,078	37,950	7,128
Band Boosters	7,819	19,943	12,121	15,641
Blue Devil Tech Institute	555	542	542	555
Global Fest	1,352	-	-	1,352
IHSA Athletic Tournaments	-	19,075	14,989	4,086
Library Fund	108	-	108	-
Mexico Trip	724	-	724	-
Spec Ed Life Skills	4	475	-	479
Summer Band Camp	25,678	39,537	36,131	29,084
Band Festival Trip 13/14	121	2,240	2,264	97
French Trip	-	49,067	49,067	-
Miscellaneous	-	1,382,657	1,380,164	2,493
	<u>-</u>	<u>1,382,657</u>	<u>1,380,164</u>	<u>2,493</u>
Total liabilities	\$ <u>464,004</u>	\$ <u>2,578,615</u>	\$ <u>2,566,617</u>	\$ <u>476,002</u>

(Concluded)

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

Warren Township High School District 121
OPERATING COSTS AND TUITION CHARGE
June 30, 2016 and 2015

Operating costs per pupil	2016	2015
Average Daily Attendance (ADA):	3,949.68	3,989.33
Operating costs:		
Educational	\$ 45,840,894	\$ 42,075,545
Operations and Maintenance	4,923,254	4,440,390
Debt Service	7,502,326	6,725,298
Transportation	3,448,531	3,670,528
Municipal Retirement/Social Security	6,413,107	1,672,970
Tort	613,765	548,782
Subtotal	68,741,877	59,133,513
Less Revenues/Expenditures of Non regular Programs:		
Payments to Other District and Gov't Units	2,485,315	2,577,312
Summer school	256,444	240,465
Community services	4,290	4,111
Remedial/supplemental programs	3,988	36,946
Capital outlay	1,593,969	557,003
Debt principal retired	4,294,372	3,417,543
Non-capitalized equipment	347,678	662,837
Special education	2,464,741	1,955,506
Transportation fees	77,388	169,895
Subtotal	11,528,185	9,621,618
Operating costs	\$ 57,213,692	\$ 49,511,895
Operating costs per pupil - based on ADA	\$ 14,486	\$ 12,411
Tuition Charge		
Operating costs	\$ 57,213,692	\$ 49,511,895
Less - revenues from specific programs, such as special education or lunch programs	9,575,937	9,342,179
Net operating costs	47,637,755	40,169,716
Depreciation allowance	3,530,158	3,444,073
Allowance tuition costs	\$ 51,167,913	\$ 43,613,789
Tuition charge per pupil - based on ADA	\$ 12,955	\$ 10,933