

**PROVISO TOWNSHIP HIGH SCHOOL  
DISTRICT NO. 209  
[Forest Park, Illinois]**

**Audited Financial Statements  
And  
Supplementary Financial Information**

**June 30, 2015**



**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2015**

---

	<u>Page</u>
<b>Independent Auditors' Report</b>	1-3
<b>Management's Discussion and Analysis</b>	4-12
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statements of Net Position	13
Statements of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund	20
Notes to the Financial Statements	21-50

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2015**

---

	<u>Page</u>
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund	51
Schedule of Funding Progress – Defined Other Postemployment Benefit Plan	52
Schedule of Changes in Net Position Liability and Related Ratios – Illinois Municipal Retirement Fund	53
Schedule of Contributions – Illinois Municipal Retirement Fund	54
Schedule of District’s Proportionate Share of the Net Pension Liability – Teachers’ Retirement System of the State of Illinois	55
Schedule of Contributions – Teachers’ Retirement System of the State of Illinois	56
Notes to Required Supplementary Information	57-59
<b>Combining and Individual Fund Schedules</b>	
General Fund:	
Combining Balance Sheet by Account	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Account	61
Educational Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	62-70
Operations and Maintenance Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	71-72
Working Cash Account:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	73

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2015**

---

	<u>Page</u>
Major Governmental Fund:	
Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	74
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	75-76
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	77-78
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Governmental Funds:	
Transportation Fund	79
Municipal Retirement/Social Security Fund	80
Tort Immunity Fund	81
Debt Service Fund	82
Fire Prevention and Safety Fund	83
Fiduciary Funds - Agency Funds:	
Schedule of Changes in Assets and Liabilities - Agency Funds - Activity Funds	84-87
<b>Other Financial Information</b>	
Schedule of Assessed Valuations, Tax Extensions, and Collections	88
Schedule of Bonded Debt Maturities and Interest	89-90

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## **Independent Auditors' Report**

Board of Education  
Proviso Township High School District 209  
Forest Park, IL

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Proviso Township High School District 209 (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2015, 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 4 through 12, and the budgetary comparison schedule, schedule of funding progress, required pension schedules, and related notes on pages 21 through 50 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 the District's basic financial statements. The combining and individual fund schedules and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Report of Summarized Comparative Information***

We have previously audited Proviso Township High School District 209's 2014 financial statements and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Matheson, Morpki, Austin & Co. LLP*

Wheaton, Illinois  
October 14, 2015



# **Proviso Township High Schools District 209**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2015**

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The discussion and analysis of Proviso Township High Schools District 209's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2015. 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.

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions*, as amended by *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date* pertaining to the District's participation in the Illinois Municipal Retirement Fund (IMRF) and Teacher's Retirement System (TRS). Certain comparative information between the current and prior year is required to be presented in the Management's Discussion and Analysis (MD&A). However, prior year information does not include the effects of GASB Statement No. 68 and No. 71.

#### **Financial Highlights**

- The District improved its overall financial position for fiscal year 2015 from fiscal year 2014.
- Total government-wide revenue of \$107.6 million exceeded expenses of \$94.6 million by \$13.0 million.
- Total governmental funds had revenues of \$107.6 million that exceeded expenditures of \$105.6 million by \$2.0 million.
- The District issued \$9.5 million in general obligation bonds and \$1.3 million in debt certificates.
- As of June 30, 2015, the total fund balance for all governmental funds equaled \$59.3 million which is a \$13.2 million increase from the prior year.

#### **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 other supplementary information in addition to the basic financial statements.

#### *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, liabilities, deferred outflows of resources 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.

# **Proviso Township High Schools District 209**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2015**

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The Statement of Activities presents information showing how the District's net position changed during the fiscal year being reported. 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, most notably accounts receivable for tax levy income.

The government-wide financial statements present the District's operating structure in a functional manner. The District's governmental activities include instructional services (regular, special, and other education), support services, community services, non-programmed services, and other services. 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.

#### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District 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.

The District's major funds include the General Fund (Educational Account, Operations and Maintenance Account, and Working Cash Account) and the Capital Projects Fund. The District's non-major governmental funds consist of the Transportation Fund, Municipal Retirement/Social Security Fund, Tort Immunity Fund, Debt Service Fund, and Fire Prevention and Safety Fund. Users who want to obtain information on non-major funds can find it in the "Combining and Individual Fund Schedules" section of this report.

The District's individual funds are established based upon legal requirements and the Illinois Administrative Code. 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.

# **Proviso Township High Schools District 209**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2015**

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Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary 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. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

#### *Notes to the financial statements*

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

#### *Required supplementary information*

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its pension obligation through the Illinois Municipal Retirement Fund and Teacher's Retirement System as well as its progress in funding the other postemployment benefit plan obligation.

#### **District-Wide Financial Analysis**

##### **Statement of Net Position:**

As indicated in Table 1, net capital assets totaled \$58.2 million, representing approximately 38.9% of total assets for the year ended June 30, 2015. Long-term liabilities outstanding totaled \$61.7 million, or 94.9% of total liabilities. This represents an increase of 28.0% from fiscal year 2014 caused by the issuance of debt during the year. Other liabilities totaled \$3.3 million, which is an increase of \$0.7 million from fiscal year 2014. As a result, overall total liabilities increased by \$14.2 million or 28.0% from 2014.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expense) until then. The District has a deferred charge on refunding of bonds of \$3.7 million that resulted from the difference in the outstanding balance of refunded debt and its reacquisition price. Additionally, the District has deferred outflows of \$3.3 million related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This represents an increase of net position or fund balance that applies to future periods and so will not be recognized as revenue until that time. A deferred inflow of resources of \$29.2 million resulted from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund operations. Additionally, the District had deferred inflows of \$0.4 million related to the Teachers' Retirement System pension.

# Proviso Township High Schools District 209

## Management's Discussion and Analysis

### For the Year Ended June 30, 2015

As a result of the change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources noted, net position increased 32.1%, or \$15.1 million. Total net position, as of June 30, 2015, was \$62.2 million. Of this total, \$21.4 million, or 34.4%, was restricted. Additional information is available in the Statement of Net Position of the financial statements.

<b>Table 1</b>			
<b>Condensed Statement of Net Position</b>			
<b>District-Wide</b>			
<i>(in millions of dollars)</i>			
	<u>2015</u>	<u>2014*</u>	<u>Percentage Change</u>
<b>Assets:</b>			
Current and other assets	\$91.6	\$76.1	20.4%
Capital assets	<u>58.2</u>	<u>49.3</u>	18.1%
Total assets	<u>149.8</u>	<u>125.4</u>	19.5%
<b>Deferred outflows of resources:</b>			
Deferred charge on refunding	3.7	0.0	N/A
Pension	<u>3.3</u>	<u>-</u>	N/A
Total deferred outflows of resources	<u>7.0</u>	<u>-</u>	N/A
<b>Liabilities:</b>			
Long-term liabilities	61.7	48.2	28.0%
Other liabilities	<u>3.3</u>	<u>2.6</u>	26.9%
Total liabilities	<u>65.0</u>	<u>50.8</u>	28.0%
<b>Deferred inflows of resources:</b>			
Property taxes levied for subsequent year	29.2	27.6	5.8%
Pension	<u>0.4</u>	<u>-</u>	N/A
Total deferred inflows of resources	<u>29.6</u>	<u>27.6</u>	7.2%
<b>Net position:</b>			
Net investment in capital assets	8.6	1.5	473.3%
Restricted	21.4	13.8	55.1%
Unrestricted	<u>32.2</u>	<u>31.8</u>	1.3%
Total net position	<u>\$62.2</u>	<u>\$47.1</u>	32.1%

\* Prior year information has not been updated for the District's implementation of GASB Statements No. 68 and No. 71.

#### **Statement of Activities:**

Table 2 illustrates revenues and expenses from fiscal year 2015 and the ending net position of \$62.2 million. Comparative data for fiscal year 2014 is also illustrated.

The District's total revenues were \$107.6 million. Property taxes were 53.8% of the total, or \$57.9 million. Operating grants for specific programs brought in \$24.8 million in revenues. This was an increase of 54.0% from 2014.

# Proviso Township High Schools District 209

## Management's Discussion and Analysis

### For the Year Ended June 30, 2015

The total cost of all programs and services was \$94.6 million. The District's expenses related to instruction accounted for 60.4% of the total, or \$57.1 million. The District's expenses in support services were 36.7% of total costs or \$34.7 million. Total revenues exceeded total expenses, increasing net position by \$13.0 million for the year.

<b>Table 2</b>			
<b>Statement of Activities</b>			
<i>(in millions of dollars)</i>			
	<u>2015</u>	<u>2014*</u>	<u>Percentage Change</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$1.0	\$1.3	-23.1%
Operating grants and contributions	24.8	16.1	54.0%
Capital grants and contributions	-	0.3	-100.0%
General revenues:			
Property taxes	57.9	56.1	3.2%
General state aid	12.1	11.0	10.0%
Other	11.8	5.4	118.5%
Total revenues	<u>107.6</u>	<u>90.2</u>	19.3%
<b>Expenses:</b>			
Instruction	57.1	47.9	19.2%
Support services	34.7	31.5	10.2%
Interest	2.8	2.6	7.7%
Total expenses	<u>94.6</u>	<u>82.0</u>	15.4%
Change in net position	13.0	8.2	58.5%
Net position - beginning of year, as restated	<u>49.2</u>	<u>38.9</u>	26.5%
Net position - end of year	<u>\$62.2</u>	<u>\$47.1</u>	32.1%

\* Prior year information has not been updated for the District's implementation of GASB Statements No. 68 and No. 71.

### Financial Analysis of the District's Funds

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

As of the end of the current fiscal year, the District's governmental funds reported a total combined ending fund balance of \$59.3 million. Of this amount, \$35.1 million constitutes *unassigned fund balance*. The Capital Projects Fund, and total non-major funds have a combined *restricted fund balance* of \$21.6 million. The District has assigned \$1.9 million of fund balance to be used for the District's self-funded health and dental insurance program. The nonspendable portion of \$0.7 million represents prepaid amounts for collective liability insurance.

### *Educational Account of the General Fund*

The greatest variety and the largest volume of transactions are recorded in the Educational Account because the Educational Account covers all transactions that are not specifically covered in another account or fund.

**Proviso Township High Schools District 209**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

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Certain expenditures that must be charged to this Account include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this Account include educational tax levies, tuition, and student fee revenue.

At the end of the current fiscal year, the Educational Account had an unassigned fund balance of \$29.5 million. The unassigned fund balance at June 30, 2014 was \$24.4 million. This represents an increase of approximately \$5.1 million in the Educational Account.

*Operations and Maintenance Account of the General Fund*

All costs of maintaining, improving, or repairing school buildings and property, renting buildings, and property for school purposes or paying premiums for insurance on school buildings are reported in the Operations and Maintenance Account. All salaries and insurance benefit costs of custodial and maintenance employees, including all costs of fuel, lights, natural gas, water, telephone service, custodial supplies, and equipment are included in the Operations and Maintenance Account.

The Operations and Maintenance Account ending fund balance for the current year is \$2.5 million. The ending fund balance at June 30, 2014 was \$1.8 million. The current fund balance increased \$0.7 million from the previous fiscal year.

*Working Cash Account of the General Fund*

The Working Cash Account is created either by a separate tax levy or by the sale of bonds. Interfund loans from the Working Cash Account may be made to any fund for which taxes are levied.

At the end of the current fiscal year, the Working Cash Account had a fund balance of \$3.1 million. The ending fund balance at the end of fiscal year 2014 was also \$3.1 million. The District issued bonds in the Working Cash Account and transferred the proceeds to the Capital Projects Fund.

*Capital Projects Fund*

If bonds are issued for construction purposes, the funds are deposited to the Capital Projects Fund. Monies may also be transferred into the fund from other funds for the use of capital projects. Funds can be used for the acquisition or construction and renovation of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund had a fund balance of \$8.1 million. The fund balance at the end of fiscal year 2014 was \$0.1 million. The fund balance increased by \$8.0 million as a result of the District issuing general obligation bonds to fund capital construction projects.

*Transportation Fund*

If a Local Education Agency (LEA)/District pays for transporting pupils for any purpose, the Transportation Fund must be created, whether the District provides the transportation itself or hires an outside company to provide the transportation services.

**Proviso Township High Schools District 209**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

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Costs of transportation may include the purchase of vehicles, insurance of buses, salaries, insurance benefit costs, and the costs of hiring an outside service. Monies received for transportation purposes from any source must be deposited into this fund, except for the portion of state reimbursement applicable to other funds (e.g. utility costs from the General Fund's Operations and Maintenance Account).

At the end of the current fiscal year, the Transportation Fund had a fund balance of \$4.7 million. The fund balance at the close of fiscal year 2014 was \$5.5 million, a decrease of \$0.8 million.

*Illinois Municipal Retirement/Social Security Fund*

This Fund is created if a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits for covered employees or a separate tax is levied for the purpose of providing resources for the District's share of Social Security and Medicare payments for covered employees. If these two taxes are not levied, the payments shall be charged to the fund where the salaries are charged.

At the end of the current fiscal year, the Municipal Retirement/Social Security Fund had a fund balance of \$2.5 million. The ending fund balance at the end of fiscal year 2014 was \$2.1 million, an increase of \$0.4 million.

*Tort Immunity Fund*

This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes. At the end of the current fiscal year, the Tort Immunity Fund had a fund balance of \$0.2 million. The ending fund balance at the end of the fiscal year 2014 was also \$0.2 million.

*Debt Service Fund*

Bonds are generally issued to finance the construction on buildings and may be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay the interest on them. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund.

At the end of the current fiscal year, the Debt Service Fund had a fund balance of \$5.2 million. This fund balance can only be used to pay the District's outstanding debt. The ending fund balance at the end of fiscal year 2014 was \$5.3 million, which reflects a decrease of \$0.1 million.

*Fire Prevention and Safety Fund*

This fund accounts for the state-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes. At the end of the current fiscal year, the Fire Prevention and Safety Fund had a fund balance of \$0.9 million. The fund balance at the end of fiscal year 2014 was \$0.7 million, an increase of \$0.2 million.

The District's total revenues were \$107.6 million. Approximately 65.6% of total governmental fund revenues come from local sources, 31.1% from state sources, and 3.3% from federal sources.

**Proviso Township High Schools District 209**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

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**General Fund Budgetary Highlights**

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States. All annual unencumbered appropriations lapse at fiscal year-end. The budget is prepared by fund, function, object, and program.

- For this fiscal year, the Board adopted a General Fund budget that reflected an operating surplus of \$0.4 million before other financing sources and uses.
- The General Fund ended the year with an operating surplus of \$5.6 million. Revenues were \$5.0 million more than budget and expenditures were \$0.2 million less than budget.

**Capital Asset and Debt Administration**

*Capital assets*

Table 3 below illustrates capital assets, net of depreciation, which reflect an increase of \$8.9 million related to completed construction projects and remodeling as a result of fire damage. Additional information is available in Note 3 – Capital Assets.

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <i>(in millions of dollars)</i>			
	<u>2015</u>	<u>2014</u>	<u>Percentage</u> <u>Change</u>
Land	\$0.7	\$0.7	0.0%
Construction in progress	2.0	0.5	300.0%
Buildings	53.4	46.2	15.6%
Equipment and furniture	<u>2.1</u>	<u>1.9</u>	10.5%
Total	<u>\$58.2</u>	<u>\$49.3</u>	18.1%

*Long-term debt*

Table 4 illustrates the repayment of the District's outstanding long-term debt, according to the existing debt payment schedule. As of June 30, 2015, the District had \$54.9 million in general obligation debt, \$1.3 million in debt certificates, \$4.9 million related to IMRF and TRS net pension liabilities and approximately \$0.6 million in other long-term debt outstanding. As of the end of the prior fiscal year, the District had \$47.9 million in general obligation debt and approximately \$0.3 million in other long-term debt outstanding. Additional information is available in Note 4 – Changes in Long-Term Liabilities.



# Proviso Township High Schools District 209

## Management's Discussion and Analysis

### For the Year Ended June 30, 2015

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The District is subject to the Illinois School Code, which limits the amount of certain bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was \$145.3 million, providing a debt margin of \$95.6 million.

<b>Table 4</b>			
<b>Outstanding Long-Term Debt</b>			
<i>(in millions of dollars)</i>			
	<u>2015</u>	<u>2014</u>	<u>Percentage Change</u>
General obligation bonds	\$54.9	\$47.9	14.6%
Debt certificates	1.3	-	N/A
Net pension liability	4.9	-	N/A
Other	<u>0.6</u>	<u>0.3</u>	100.0%
Total long-term debt	<u>\$61.7</u>	<u>\$48.2</u>	28.0%

#### Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may have a significant effect on the District's financial position or results of operations:

- Technology upgrades are needed throughout the District to meet the growing demand of equable access. The District is also on a refreshment cycle for desktop and laptop computers in order to meet the requirements of PARCC guidelines.
- The District is facing the cost of the Cadillac tax as well as annual increased health care costs.
- The District continues to add to its Fund Balance.
- The District's capital needs continue to exceed the District's operating resources. During the FY15 school year the District issued \$9.5 million in GO Bonds and \$1.3 million in debt certificates and may possibly issue an additional \$20 million to fund necessary capital projects during the FY16 school year.
- The estimated 2016 financial profile designation for the District is "Recognition," which will be the sixth year in a row. The final score will be calculated by the Illinois State Board of Education.

#### 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, please call the Business Office, Proviso Township High Schools District 209, 8601 West Roosevelt Road, Forest Park, Illinois 60130.

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## BASIC FINANCIAL STATEMENTS

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2015**

	<b>Governmental Activities 2015</b>
<b>Assets:</b>	
Cash and investments	\$ 59,638,110
Receivables:	
Property taxes	29,266,935
Other governments	1,912,031
Interest	111,494
Prepaid items	774,439
Capital assets:	
Land and construction in progress	2,721,995
Other capital assets, net of depreciation	55,453,021
Total assets	<u>149,878,025</u>
<b>Deferred outflows of resources:</b>	
Teachers' Retirement System	361,151
Illinois Municipal Retirement Fund	2,899,379
Deferred charge on refunding	3,672,998
Total deferred outflows of resources	<u>6,933,528</u>
<b>Liabilities:</b>	
Accounts payable	3,031,876
Accrued interest	128,293
Accrued payroll expenditures	131,669
Long-term liabilities	
Due within one year	3,868,983
Due in more than one year	57,792,854
Total liabilities	<u>64,953,675</u>
<b>Deferred inflows of resources:</b>	
Teachers' Retirement System	358,150
Property taxes levied for subsequent year	29,266,935
Total deferred inflows of resources	<u>29,625,085</u>
<b>Net Position:</b>	
Net investment in capital assets	8,576,814
Restricted for:	
Tort immunity	169,477
Capital projects	8,967,313
Debt service	5,121,196
Retirement	2,461,321
Transportation	4,721,450
Unrestricted	32,215,222
Total net position	<u><u>\$ 62,232,793</u></u>

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**STATEMENTS OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

					Net (Expense)
					Revenue and
					Changes in
					Net Position
					Total
					Governmental
					Activities
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2015
<b>Governmental activities:</b>					
Instructional services:					
Regular programs	\$ 20,076,466	\$ 718,169	\$ 764,045	\$ -	\$ (18,594,252)
Special programs	17,691,714	-	4,903,390	-	(12,788,324)
Other programs	1,947,629	-	-	-	(1,947,629)
State on-behalf payments	17,367,216	-	17,367,216	-	-
Supporting services:					
Students	6,682,496	-	-	-	(6,682,496)
Instructional staff	2,898,409	-	-	-	(2,898,409)
District administration	3,482,366	-	-	-	(3,482,366)
School administration	2,503,475	-	-	-	(2,503,475)
Business	1,341,964	-	-	-	(1,341,964)
Operation and maintenance					
of facilities	10,890,441	-	-	32,450	(10,857,991)
Transportation	2,487,650	4,200	815,826	-	(1,667,624)
Food service	1,124,740	249,881	955,160	-	80,301
Staff	3,099,351	-	-	-	(3,099,351)
Other	53,863	-	-	-	(53,863)
Community services	78,128	-	-	-	(78,128)
Interest on long-term liabilities	2,844,044	-	-	-	(2,844,044)
Total school district	<u>\$ 94,569,952</u>	<u>\$ 972,250</u>	<u>\$ 24,805,637</u>	<u>\$ 32,450</u>	<u>(68,759,615)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					47,371,643
Transportation					1,553,862
Retirement					2,395,306
Debt service					6,278,291
Capital outlay					284,983
Federal and state aid not restricted to specific purposes					12,125,489
Earnings on investments					(131,555)
Miscellaneous					11,864,521
Total general revenues					<u>81,742,540</u>
Change in net position					12,982,925
Net position - beginning of year, as restated					<u>49,249,868</u>
Net position - ending					<u>\$ 62,232,793</u>

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 37,388,571	\$ 8,798,766	\$ 13,450,773	\$ 59,638,110
Receivables (net of allowance for uncollectibles):				
Property taxes	24,529,850	-	4,737,085	29,266,935
Intergovernmental	1,716,251	-	195,780	1,912,031
Interest	74,267	12,855	24,372	111,494
Prepaid items	774,439	-	-	774,439
<b>TOTAL ASSETS</b>	<u>64,483,378</u>	<u>\$ 8,811,621</u>	<u>18,408,010</u>	<u>91,703,009</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	2,118,380	743,282	170,214	3,031,876
Accrued payroll expenditures	131,669	-	-	131,669
<b>Total Liabilities</b>	<u>2,250,049</u>	<u>743,282</u>	<u>170,214</u>	<u>3,163,545</u>
<b>Deferred inflows of resources:</b>				
Property taxes levies for subsequent year	24,529,850	-	4,737,085	29,266,935
<b>Total deferred inflows of resources</b>	<u>24,529,850</u>	<u>-</u>	<u>4,737,085</u>	<u>29,266,935</u>
<b>Fund Balances:</b>				
Nonspendable	774,439	-	-	774,439
Restricted	-	8,068,339	13,500,711	21,569,050
Assigned	1,850,363	-	-	1,850,363
Unassigned	35,078,677	-	-	35,078,677
<b>Total Fund Balances</b>	<u>37,703,479</u>	<u>8,068,339</u>	<u>13,500,711</u>	<u>59,272,529</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 64,483,378</u>	<u>\$ 8,811,621</u>	<u>\$ 18,408,010</u>	<u>\$ 91,703,009</u>

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

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

<b>Total fund balance - governmental funds</b>	<b>\$ 59,272,529</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$110,237,019 and the accumulated depreciation is \$52,062,003.	58,175,016
Accrued interest payable was recognized for governmental activities, but is not due and payable from funds available in the current period and therefore is not reported as a liability in the governmental funds.	(128,293)
Long-term liabilities, including bonds payable, capital leases, and pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(54,932,248)
Debt certificates payable	(1,340,850)
Deferred issuance premium	(412,125)
Deferred charge on refunding	3,672,998
Net other post employment benefits	(27,034)
Net pension liability - Teachers' Retirement System	(6,197,569)
Net pension (liability)/asset - Illinois Municipal Retirement Fund	1,247,989
Deferred outflows and deferred inflows, related to the pensions, represent a consumption of or increase to net pension, that apply to future periods and therefore are not reported in the funds.	
Deferred outflow - Teachers' Retirement System	361,151
Deferred outflow - Illinois Municipal Retirement Fund	2,899,379
Deferred inflow - Teachers' Retirement System	<u>(358,150)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 62,232,793</u></b>

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 47,364,521	\$ -	\$ 9,112,203	\$ 56,476,724
Other local sources	4,210,934	9,264,382	559,069	14,034,385
State sources	32,688,095	-	815,826	33,503,921
Federal sources	3,537,847	-	-	3,537,847
Total Revenues	<u>87,801,397</u>	<u>9,264,382</u>	<u>10,487,098</u>	<u>107,552,877</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	46,916,143	-	566,371	47,482,514
Supporting services	28,337,529	12,317,896	4,198,831	44,854,256
Community services	78,128	-	-	78,128
Payments to other districts and governmental units	6,913,148	-	1,057,333	7,970,481
Debt service:				
Payment of principal on long-term debt	-	-	3,540,000	3,540,000
Interest on long-term debt	-	-	1,406,730	1,406,730
Service charges	-	-	221,098	221,098
Total Expenditures	<u>82,244,948</u>	<u>12,317,896</u>	<u>10,990,363</u>	<u>105,553,207</u>
Excess (deficiency) of revenues over expenditures	<u>5,556,449</u>	<u>(3,053,514)</u>	<u>(503,265)</u>	<u>1,999,670</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	9,700,000	-	9,700,000
Transfers out	(9,700,000)	-	-	(9,700,000)
Principal on bonds sold	9,288,529	1,314,033	218,288	10,820,850
Premium on bonds sold	418,798	-	-	418,798
Total other financing sources (uses)	<u>7,327</u>	<u>11,014,033</u>	<u>218,288</u>	<u>11,239,648</u>
Net change in fund balances	5,563,776	7,960,519	(284,977)	13,239,318
Fund balances at beginning of year	<u>32,139,703</u>	<u>107,820</u>	<u>13,785,688</u>	<u>46,033,211</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 37,703,479</u></u>	<u><u>\$ 8,068,339</u></u>	<u><u>\$ 13,500,711</u></u>	<u><u>\$ 59,272,529</u></u>

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



**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

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

**Net change in fund balances-total governmental funds** **\$13,239,318**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	11,308,082	
Depreciation expense	<u>(2,443,214)</u>	8,864,868

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in accrued interest payable	<u>(16,334)</u>	(16,334)
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The governmental funds report bond proceeds as an other financing source, while repayment of principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Changes in net other post employment benefit obligations are reported only in the statement of activities. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(9,480,000)	
Bond premium on issuance of general obligations bonds	(418,798)	
Debt certificate proceeds	(1,340,850)	
Amortization of defeasement asset	(282,538)	
Amortization of bond premium	6,673	
Repayment of bond principal	3,540,000	
Debt accretion - capital appreciation bonds	(1,145,115)	
Change in net pension liability - Teachers' Retirement System	240,379	
Change in net pension liability - Illinois Municipal Retirement Fund	(2,275,716)	
Change in net post employment benefit obligation	<u>1,799</u>	(11,154,166)

Changes in deferred inflows and outflows related to pensions are only reported in the statement of activities.

Change in deferred outflow - Teachers' Retirement System	82,336	
Change in deferred outflow - Illinois Municipal Retirement System	2,325,053	
Change in deferred inflow - Teachers' Retirement System	<u>(358,150)</u>	2,049,239

**Change in net position of governmental activities** **\$12,982,925**

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Agency Funds</u>	<u>Private Purpose Trust Funds</u>
<b>Assets:</b>		
Cash and investments	\$ 402,225	\$ 398,644
Total Assets	<u>402,225</u>	<u>398,644</u>
<b>Liabilities:</b>		
Due to student organizations	<u>\$ 402,225</u>	-
<b>Net Assets:</b>		
Reserved for scholarships		<u>398,644</u>
Total net assets		<u>\$ 398,644</u>

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

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUND**  
**JUNE 30, 2015**

	<u>Private Purpose Trust Fund</u>
<b>Additions:</b>	
Contributions by external parties	\$ 5,500
Total additions	<u>5,500</u>
<b>Deductions:</b>	
Scholarships paid	4,000
Loss on investments	<u>5,057</u>
Total deductions	<u>9,057</u>
Changes in net position	(3,557)
Net position, beginning of year	<u>402,201</u>
Net position, ending of year	<u><u>\$ 398,644</u></u>

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

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**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Proviso Township High School District No. 209 (District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

**a. The Reporting Entity**

The District includes all funds of its governmental 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 other organizations for which it has financial accountability.

Joint Venture - The District is also a member of the following organizations:

Proviso Area for Exceptional Children (See Note 13)  
Des Plaines Valley Region (See Note 14)

**b. Basis of Presentation**

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-wide Financial Statements (GWFS):**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. The effects of interfund activity have been eliminated.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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Property taxes and other revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**2. Fund Financial Statements (FFS):**

The accounts of the District are organized and operated 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 legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The General Fund consists of the Educational Account, Operations and Maintenance Account and the Working Cash Account that are legally mandated by the State of Illinois.

The Capital Projects Fund accounts for financial resources to be used for the acquisition, construction, and/or additions related to major capital facilities, other than those accounted for in the Fire Prevention & Safety Fund.

Additionally, the District reports the following fund types (not included in the GWFS):

The Student Activities Agency Fund (a fiduciary fund) accounts for assets held on behalf of student groups.

The Private Purpose Trust Fund (a fiduciary fund) is accounted for on the flow of economic resources and uses the accrual basis of accounting. The Private Purpose Trust Fund accounts for student scholarships.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when measurable and available.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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*Fund financial statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual generally include property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year for which they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned. The availability period for all other revenues is deemed to be within sixty days of the end of the year. If funding is received before the eligibility requirements have been met, that revenue is recorded as unearned.

*Fiduciary financial statements*

Fiduciary fund reporting focuses on net position and changes in net position and is reported using the accrual basis of accounting. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. These funds account for the assets held by the District which are owned by the student activity organizations. The private purpose trust fund is accounted for using the economic resources measurement focuses 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 student scholarships.

**d. Deposits and Investments**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. Unrealized gains and losses are realized for those investments valued at fair value.

**e. Capital Assets**

Capital assets, which include land (which is not depreciated), buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,500 for furniture and equipment and \$2,500 for buildings and improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	10-50 years
Furniture and equipment	3-15 years

**f. Long-term Obligations**

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

**g. Fund Equity**

In the GWFS, position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to use restricted net position first before unrestricted net position.

**h. Property Taxes**

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District, its share of collections. Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2014 tax levy was October 28, 2014. The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The due date of the second installment varies and can occur between August and November.



**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

Accordingly, the second installment is budgeted to fund operations of the 2015/2016 year, and is reported as deferred inflows of resources in the current year, regardless of timing of collection.

Based upon collection histories, the District has provided at June 30, 2015, an allowance for uncollectible real property taxes equivalent to 5% of the current levy. All property taxes receivable over one year old have been written off.

The following are the actual rates levied per \$100 of assessed valuation:

	Maximum	Actual	
	2014 Levy	2014 Levy	2013 Levy
Educational	3.5000	2.0331	1.9092
Operations and Maintenance	0.5500	0.4066	0.3747
Limited Bonds	-	0.2471	0.2396
Transportation	-	0.0821	0.0714
I.M.R.F.	-	0.0610	0.0585
Working Cash	0.0500	0.0015	0.0005
Tort Immunity	-	0.0005	0.0005
Life Safety	0.1000	0.0197	0.0088
Social Security	-	0.0610	0.0585
<b>Total</b>		<b>2.9126</b>	<b>2.7217</b>

**i. Personal Property Replacement Taxes**

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

**j. Vacation and Sick Leave**

Employee vacation and sick leave is recorded when it is paid. Accumulated unpaid employee vacation and sick leave which was earned prior to the current fiscal year but unused at the end of the current fiscal year is not significant. Vacation and sick leave will be paid with future tax collections and therefore has not been reported as a current liability of the governmental funds.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**k. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**l. New Accounting Pronouncements and Prior Period Adjustment**

During the current year, the District implemented *Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions*, as amended by *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date* pertaining to the District's participation in the Illinois Municipal Retirement Fund (IMRF) and Teacher's Retirement System (TRS).

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 plans' fiduciary net position have been determined on the same basis as they are reported by the plan. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the plan. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

Deferred outflows of resources and beginning net position have been increased by \$3,955,536 to restore a prior year deferred charge on refunding that was expensed as bond issuance costs.

The effect of these changes on the fiscal year 2014 financial statements is as follows:

Net Position as previously reported at June 30, 2014	<u>\$ 47,061,969</u>
Prior Period Adjustment:	
Long-term liabilities:	
Net Pension Obligations – Illinois Municipal Retirement Fund	293,465
Net Pension Liability – Illinois Municipal Retirement Fund	3,523,705
Net Pension Liability – Teachers' Retirement System	(6,437,948)
Deferred outflows:	
Illinois Municipal Retirement Fund	574,326
Teachers' Retirement System	278,815
Deferred charge on refunding	<u>3,955,536</u>
Total prior period adjustment	<u>2,187,899</u>
Net Position as restated, July 1, 2014	<u><u>\$49,249,868</u></u>

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**m. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The deferred charge on refunding of bonds results from the difference in the outstanding balance of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, the District has deferred outflows related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions. These deferred outflows are explained further in Note 7.

In addition to liabilities, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position or fund balance that applies to future periods and so will not be recognized as revenue until that time. The District has one item, which will arise under both full- and modified-accrual basis of accounting that will qualify for reporting in this category. A deferred inflow of resources results from the District's legal claim to receive property taxes prior to the period that those taxes are intended to fund operations. Additionally, the District has deferred inflows, which arise only under full-accrual basis of accounting, related to Teachers' Retirement System and Illinois Municipal Retirement Fund pensions. These deferred inflows are explained further in Note 7.

**NOTE 2. CASH AND INVESTMENTS:**

Under Illinois Compiled Statutes, the Proviso Township School Treasurer is the lawful custodian of the majority of the District's funds. The Treasurer is appointed by the Township School Trustees, an independent elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at their discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances as well as investment earnings are accounted for separately for each fund and/or district.

Cash and investments, other than student activity, self-insurance funds, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records which segregate the cash and investment balance by district or cooperative. Income from investments are distributed based on the Districts percentage participation in the pool. The Treasurer's investment policies are established by the Proviso Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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Categorization by risk category is not determinable for all cash and investments pooled by a separate legal governmental agency (Treasurer). Further information regarding collateralization of investments and insurance is available from the Treasurer's financial statements. As of June 30, 2015, the amount of pooled cash and investments held by the Proviso Township School Treasurer and allocated to the District was \$56,741,273.

Deposits of the student activity, self-insurance funds, and imprest funds, which are held in the District's custody, consist of cash held in financial institutions.

**Allowance for Loss on Illinois Metropolitan Investment Trust (IMET)**

The IMET was notified on September 29, 2014 that certain repurchase agreements that were believed to be guaranteed by the United States Department of Agriculture (USDA) were in default. These repurchase agreements were part of IMET's Convenience Fund. The District's proportionate share of the Convenience Fund was placed into a restricted account at IMET as of September 30, 2014 and not eligible for withdrawal.

The fair value of the instruments that the IMET Convenience Fund invested in were placed in a Liquidating Trust, with each member having a right to their proportional share of the Trust. The value of the Trust will be the fair value of the underlying assets that will be recovered. As of this date, a fair value has not been determined. Therefore, because the District has a restricted amount from IMET, the District has recognized a write down of total cash and investments of \$378,176 equal to their share of the Liquidating Trust, with an offset to net investment activity. IMET anticipates recovering a portion of the value of those investments through various on-going efforts. As funds are recovered, the District will recognize investment income in the period the funds are received.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2015, none of the District's bank balances of \$3,327,521 was exposed to custodial credit risk.

**Investments**

*Interest Rate Risk:* The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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

Securities issued or guaranteed by the United States.

Interest-bearing accounts of banks and Savings and Loan Associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.

Insured accounts of an Illinois credit union chartered under United States or Illinois law.  
Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.

The Illinois Funds or Illinois School District Liquid Asset Fund Plus.

Repurchase agreements which meet instrument transaction requirements of Illinois law.

Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state whether the interest earned thereon is taxable or tax-exempt under federal law.

The District has no investment policy that would further limit its investment choices.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

**NOTE 3. CAPITAL ASSETS:**

A summary of changes in capital assets follows:

<b>Governmental Activities:</b>	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2015</b>
Capital assets, not being depreciated:				
Land	\$ 723,510	\$ -	\$ -	\$ 723,510
Construction in progress	458,509	1,998,485	458,509	1,998,485
Total capital asset not being depreciated	1,182,019	1,998,485	458,509	2,721,995
Capital assets, being depreciated:				
Buildings and improvements	83,964,769	9,194,606	-	93,159,375
Furniture and equipment	13,782,149	573,500	-	14,355,649
Total capital assets being depreciated	97,746,918	9,768,106	-	107,515,024
Accumulated depreciation for:				
Buildings and improvements	37,737,047	2,022,240	-	39,759,287
Furniture and equipment	11,881,742	420,974	-	12,302,716
Total accumulated depreciation	49,618,789	2,443,214	-	52,062,003
Total capital assets being depreciated, net	48,128,129	7,324,892	-	55,453,021
Total capital assets, net	\$ 49,310,148	\$ 9,323,377	\$ 458,509	\$ 58,175,016

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

Depreciation expense was charged to functions of the District as follows:

Instructional services:		
Regular programs		\$1,316,982
Special programs		202,346
Other programs		165,273
Supporting services:		
Students		103,722
Instructional staff		72,496
General administration		60,667
School administration		41,371
Business		40,445
Operations and Maintenance		238,276
Food Service		40,445
Staff		161,191
		<u>\$2,443,214</u>

**NOTE 4. CHANGES IN LONG-TERM LIABILITIES:**

Changes in general long-term liabilities are summarized as follows:

<b>Governmental Activities:</b>	<b>Balance July 1, 2014</b>	<b>Additions/ Accretion</b>	<b>Reductions</b>	<b>Balance June 30, 2015</b>	<b>Amount Due In One Year</b>
General Obligation School Bonds*	\$47,847,133	\$10,625,115	\$3,540,000	\$54,932,248	\$3,720,000
Taxable Debt Certificates, 2014A	-	1,340,850	-	1,340,850	148,983
Deferred Amounts for Bond Issuance Premium	-	418,798	6,673	412,125	-
Net Other Postemployment Benefit Obligation	28,833	142,130	143,929	27,034	-
Net Pension Liability – Illinois Municipal Retirement Fund	(3,523,705)	2,275,716	-	(1,247,989)	-
Net Pension Liability – Teachers' Retirement System	6,437,948	-	240,379	6,197,569	-
<b>Total Long-Term Liabilities</b>	<b>\$50,790,209</b>	<b>\$14,802,609</b>	<b>\$3,930,981</b>	<b>\$61,661,837</b>	<b>\$3,868,983</b>

\*Amounts are shown net of accretion.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

Long-term liabilities at June 30, 2015 are comprised of the following:

**General Obligation School Bonds:**

\$31,665,000 General Obligation Bonds, Series 2004, due in annual installments varying from \$3,540,000 to \$4,170,000 through 2021; interest rates varying from 4% to 5%.

\$35,300,000 Capital Appreciation Bonds, Series 2008A, due in annual installments varying from \$580,000 to \$4,960,000 through 2028; interest rates varying from 5.46% to 6%.

\$9,480,000 General Obligation Bonds, Series 2015A, due in annual installments varying from \$1,750,000 to \$2,030,000 through 2033; interest rate at 4%.

**Debt Certificates:**

\$1,340,850 Qualified Zone Academy Bonds, Series 2014A, due in annual installments of \$148,983 through 2024; interest rate at 0.57%

At June 30, 2015, the annual cash flow requirements of all long-term debt to retirement, including interest of \$9,755,893 were as follows:

Fiscal Year Ending June 30,	Bonds Payable		Debt Certificates Payable		Total
	Principal	Interest	Principal	Interest	
2016	\$3,720,000	\$1,522,200	\$148,983	\$7,218	\$5,398,401
2017	3,905,000	1,331,575	148,983	6,369	5,391,927
2018	4,100,000	1,131,450	148,983	5,520	5,385,953
2019	4,305,000	921,325	148,983	4,671	5,379,979
2020	4,520,000	700,700	148,983	3,821	5,373,504
2021-2025	24,590,000	2,000,250	595,935	6,794	27,192,979
2026-2030	18,455,000	1,754,500	-	-	20,209,500
2031-2033	5,905,000	359,500	-	-	6,264,500
<b>Totals</b>	<b>\$69,500,000</b>	<b>\$9,721,500</b>	<b>\$1,340,850</b>	<b>\$34,393</b>	<b>\$80,596,743</b>

The Illinois Compiled Statutes limits the amount of bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was \$145,291,297, providing a debt margin of \$95,608,538.

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$5,249,489 of fund equity available in the Debt Service Fund to service outstanding bonds payable.



**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**NOTE 5. RESTRICTED NET POSITION:**

The government-wide statement of net position reports \$21,440,757 of restricted net position, all of which is restricted by enabling legislation.

**NOTE 6. FUND BALANCES – GOVERNMENTAL FUNDS:**

The District's fund balances for Governmental Funds are classified as follows:

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

**Restricted Fund Balance** – The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes.

**Committed** – The committed fund balance classification refers to amounts that can only be used for specific purposes as determined by a formal action of the District's highest level of decision making authority (the School Board). Commitments may be established, modified, or rescinded only through resolutions approved by the School Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the School Board itself or the School Board may delegate the authority to assign amounts. Currently the School Board has not delegated the authority.

**Unassigned** – The unassigned fund balance classification is the residual classification for amounts in the General Fund that have not been restricted, committed, or assigned to specific purposes and any deficit fund balances in other funds.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

As of June 30, 2015, fund balances are composed of the following:

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable	\$ 774,439	\$ -	\$ -	\$ 774,439
Restricted:				
Debt service	-	-	5,249,489	5,249,489
Transportation	-	-	4,721,450	4,721,450
Retirement	-	-	2,461,321	2,461,321
Tort immunity	-	-	169,477	169,477
Capital projects	-	8,068,339	-	8,068,339
Fire Prevention & Safety	-	-	898,974	898,974
Assigned	1,850,363	-	-	1,850,363
Unassigned	35,078,677	-	-	35,078,677
Total fund balances	<u>\$ 37,703,479</u>	<u>\$ 8,068,339</u>	<u>\$ 13,500,711</u>	<u>\$ 59,272,529</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board or the finance committee has provided otherwise in its commitment or assignment actions.

**NOTE 7. RETIREMENT FUND COMMITMENTS:**

**Retirement Plans**

The District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Members of TRS consist of all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Employees, other than teachers, who meet prescribed annual hourly standards are members of IMRF.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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Illinois Teachers' Retirement System:

**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 non-annuitants 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% of final average salary up to a maximum of 75% 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% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

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

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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Contributions from active members and TRS contributing districts 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, 2015, was 9.4% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

*On behalf contributions to TRS:* The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, 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 \$17,134,903 in pension contributions from the state of Illinois.

*2.2 formula contributions:* Districts contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$132,100, and are deferred because they were paid after the June 30, 2014 measurement date.

*Federal and special trust fund contributions:* When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, District 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, 2015, the District pension contribution was 33.00% of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$684,173 were paid from federal and special trust funds that required District contributions of \$225,777. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

*Employer retirement cost contributions:* Under GASB Statement No. 68, contributions that a district is required to pay because of a TRS member retiring are categorized as specific liability payments. The District 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 District ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District was not required to pay TRS for employer ERO contributions.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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The District is also required to make a one-time contribution to TRS for members granted salary increases over 6% 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, 2015, the District paid \$174,082 to TRS for District contributions due on salary increases in excess of 6% and \$235 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, 2015, 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 follow:

District's proportionate share of the net pension liability	\$ 6,197,569
State's proportionate share of the net pension liability associated with the District	212,827,875
Total	<u>\$ 219,025,444</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. 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, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.0102%.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0103%.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

For the year ended June 30, 2015, the District recognized pension expense of \$17,134,903 and revenue of \$17,134,903 for support provided by the state. At June 30, 2015, 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	\$ 3,274	\$ -
Net difference between projected and actual earnings on pension plan investments	-	311,475
Changes in proportion and differences between District contributions and proportionate share of contributions	-	46,675
District contributions subsequent to the measurement date	357,877	-
Total	<u>\$ 361,151</u>	<u>\$ 358,150</u>

\$357,877 reported 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred (Inflow) Outflow
2016	\$ 269,474
2017	(88,403)
2018	(88,403)
2019	(88,403)
2020	(1,264)
Total	<u>\$ 3,001</u>

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

**Actuarial assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.7%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. 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% to 7.5%. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return assumption was lowered from 8.5% to 8.0% and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

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 Rate of Return</u>
U.S. large cap	18.0%	8.23%
Global equity excluding U.S.	18.0	8.58
Aggregate bonds	16.0	2.27
U.S. TIPS	2.0	3.52
NCREIF	11.0	5.81
Opportunistic real estate	4.0	9.79
ARS	8.0	3.27
Risk parity	8.0	5.57
Diversified inflation strategy	1.0	3.96
Private equity	14.0	13.03
Total	<u>100.0%</u>	

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**Discount rate**

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions, District contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position was 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. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 7.5%, 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 (6.5%) or 1-percentage-point higher (8.5%) than the current rate.

	Discount Rate	Net pension liability (asset)
1% decrease	6.50%	\$ 7,653,694
Current discount rate	7.50%	\$ 6,197,569
1% increase	8.50%	\$ 4,991,732

**TRS fiduciary net position**

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

**Illinois Municipal Retirement Fund:**

*Plan Description:* The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section 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.



**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

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

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

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

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

*Employees Covered by Benefit Terms:* At December 31, 2014, following employees were covered by the benefit terms:

Active members	220
Retirees and beneficiaries	283
Inactive, non-retired members	<u>120</u>
Total	<u>623</u>

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

*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 the District 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 2014 was 9.93% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Required contributions were \$1,040,554 and actual contributions were \$1,040,884, or 100.03% of required contributions.

*Net Pension Liability:* The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The following are the methods and assumptions used to determine the Total Pension Liability at December 31, 2014:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based Table of Rates that are specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality Non-disabled Retirees	The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
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 were applied for non-disabled lives.
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.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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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:

<u>Asset Class</u>	<u>Approximate Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38.0%	7.6%
International equity	17.0	7.8
Fixed income	27.0	3.0
Real estate	8.0	6.15
Alternative investments	9.0	5.25-8.50
Cash equivalents	<u>1.0</u>	2.25
Total	<u>100.0</u>	

*Single Discount Rate:* A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.56%; and the resulting single discount rate is 7.50%.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

*Changes in the District's Net Pension Liability:* Changes in the District's Net Pension Liability for the year ended December 31, 2014 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) – (b)
Balance, December 31, 2013	\$ 52,945,703	\$ 56,469,408	\$ (3,523,705)
Charges for the year:			
Service cost	1,220,686	-	1,220,686
Interest	3,899,352	-	3,899,352
Difference between expected and actual experience	135,524	-	135,524
Changes in assumptions	2,319,318	-	2,319,318
Net investment income	-	3,395,322	(3,395,322)
Contributions – employees	-	471,697	(471,697)
Contributions – employers	-	1,040,884	(1,040,884)
Benefit payments including refunds of employee contributions	(3,129,379)	(3,129,379)	-
Other changes	-	391,261	(391,261)
Net changes	4,445,501	2,169,785	2,275,716
Balance, December 31, 2014	<u>\$ 57,391,204</u>	<u>\$ 58,639,193</u>	<u>\$ (1,247,989)</u>

*Sensitivity of the Net Pension Liability to Changes in the Single Discount Rate:* The following presents the Net Pension Liability calculated using the single discount rate of 7.50%, as well as what the Net Pension Liability would be if it were calculated using a single discount rate that is 1% higher and lower:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	\$ 5,546,590
Current discount rate	7.50	(1,247,989)
1% increase	8.50	(6,836,264)

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* For the year ended June 30, 2015, the District recognized pension expense of \$935,535. At June 30, 2015, 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	Net Deferred Outflows / (Inflows) of Resources
Differences between expected and actual experience	\$ 96,387	\$ -	\$ 96,387
Changes of assumptions	1,649,537	-	1,649,537
Net difference between projected and actual earnings on plan investments	635,141	-	635,141
Employer contributions to plan after measurement date	518,314	-	518,314
Total	<u>\$ 2,899,379</u>	<u>\$ -</u>	<u>\$ 2,899,379</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	Net Deferred Outflows (Inflows)
2015	\$ 1,386,017
2016	867,703
2017	486,873
2018	158,786
Total	<u>\$ 2,899,379</u>

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS:**

Teacher Health Insurance Security:

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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

**On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02% of pay during the year ended June 30, 2014. State of Illinois contributions were \$232,313, and the District recognized revenue and expenditures of this amount during the year.

**Employer contributions to the THIS Fund.** The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76% during the year ended June 30, 2014. For the year ended June 30, 2015, the District paid \$173,096 to the THIS Fund.

**Further information on 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."

Defined Other Postemployment Benefit Plan:

*Plan Description:* The District's Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit healthcare plan that is administered by the District. The District provides postemployment benefits for eligible participants enrolled in the District sponsored plans. Benefits are provided in the form of an implicit rate subsidy where pre 65 retirees receive health insurance coverage by paying a combined retiree/active rate. Benefit provisions are established through contractual agreements and may only be amended through negotiations with the Board. The plan does not issue a separate, publicly available report.

*Funding Policy:* Contribution requirements are established through contractual agreements and may only be amended through negotiations with the Board. The retiree is responsible for paying the full monthly premium. The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

*Annual OPEB Cost and Net OPEB Obligation:* For fiscal year 2015, the District's annual OPEB cost for the plan was \$142,130. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015, were as follows:

Annual required contribution	\$ 141,938
Interest on net OPEB obligation	1,153
Adjustment to annual required contribution	<u>(961)</u>
Annual OPEB cost	142,930
Contributions made	<u>(143,929)</u>
Decrease in net OPEB obligation	(1,799)
Net OPEB obligation—July 1, 2014	<u>28,833</u>
Net OPEB obligation—June 30, 2015	<u>\$ 27,034</u>

*Trend Information:* The District's annual OPEB cost, the percentage of the annual OPEB cost contribution to the plan, and the net OPEB obligation is as follows:

**Trend Information for the Plan**

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Actual Employer Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/15	\$142,930	\$143,929	100.7%	\$27,034
6/30/14	133,495	104,662	78.4	28,833
6/30/13	96,068	104,662	108.9	-

*Funding Status and Funding Progress:* The funded status of the plan as of June 30, 2015, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 1,584,844
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,584,844</u>
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$26,205,275
UAAL as a percentage of covered payroll	6.0%

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions:* Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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Although the valuation results are based on values which the District's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial 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. In the most recent actuarial valuation for the plan as of June 30, 2015 the entry age actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 0.9% initially, 8.0% in the second year, and reduced by decrements to an ultimate rate of 5.5%. Both rates included a 3.0% inflation assumption. The UAAL is amortized as a level percentage of pay on an open 30-year period.

**NOTE 9. RISK MANAGEMENT:**

The District participates in various public entity risk pools which operate as common risk management and insurance programs (See Notes 10 and 11). Risks covered include general liability, property damage and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self-insurance program for medical coverage for employees (see Note 12). Insurance settlements have not exceeded insurance coverage during the current fiscal year.

**NOTE 10. RISK POOL - COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC):**

The District is a member of CLIC, which has been formed to provide casualty, property and liability protections and to administer some or all insurance coverages and protection other than health, life and accident coverages procured by the member districts. It is intended, by the creation of CLIC to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC.

Complete financial statements for CLIC can be obtained from its administrator at 1441 Lake Street, Libertyville, Illinois 60048.



**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**NOTE 11. SCHOOL EMPLOYEES LOSS FUND (SELF):**

The District is a member of SELF, which has been formed to reduce local school districts' workers' compensation costs. SELF is controlled by a Board of Directors which is composed of representatives designated by each school district. The day-to-day operations of SELF are managed through an Executive Board elected by the Board of Directors. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

Complete financial statements for SELF can be obtained from their accountant at Two Pierce Place, Itasca, Illinois 60143.

**NOTE 12. SELF-INSURANCE PLAN:**

In the current fiscal year, the District implemented a health and medical benefit program which is available to District personnel. The District has elected to become self insured for this plan. Stop-loss insurance has been obtained to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the year ended June 30, 2015 were \$125,000 for individual claims and \$6,602,548 for aggregate claims. A liability for estimated unpaid insurance claims, a component of which represents claims incurred but not reported, has been recorded in the financial statements at June 30, 2015, in the amount of \$605,551.

Changes in claims liability amounts during the current and prior fiscal years ended were as follows:

	<u>June 30, 2015.</u>	<u>June 30, 2014</u>
Claims liability as of beginning of year	\$ 631,909	\$ -
Claims and changes in estimates	6,504,686	3,833,467
Claims paid	(6,531,044)	(3,201,558)
Claims liability as of end of year	<u>\$ 605,551</u>	<u>\$ 631,909</u>

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**JUNE 30, 2015**

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**NOTE 13. JOINT VENTURE – PROVISO AREA FOR EXCEPTIONAL CHILDREN (PAEC):**

The District is a member of the Proviso Area for Exceptional Children, a joint agreement that provides special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for PAEC can be obtained from the Administrative Offices at 100 Van Buren St., Maywood, IL 60153.

**NOTE 14. JOINT VENTURE – DES PLAINES VALLEY REGION (DVR):**

The District and other Districts within the Des Plaines area have entered into a Joint Agreement to provide vocational education programs and services to students enrolled. Each member District has a financial responsibility for annual tuition costs as established by the Board of Directors.

Complete financial statements for DVR can be obtained from the Administrative Offices at 200 Fifth Avenue, River Grove, Illinois 60171.

**NOTE 15. COMMITMENTS:**

The District has entered into contractual commitments related to various construction projects. As of June 30, 2015, remaining commitments under these contracts are approximately \$3,692,023.

**NOTE 16. INTERFUND TRANSFERS:**

As of June 30, 2015, interfund transfers consisted of the following:

Transfer to	Transfer from	Amount
Capital Projects Fund	General Fund's Working Cash Account	~ \$9,700,000

The purpose of the transfer is to support various construction projects.

## REQUIRED SUPPLEMENTARY INFORMATION

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2015**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	
<b>REVENUES:</b>				
Local sources	\$ 55,038,770	\$ 55,038,770	\$ 51,575,455	\$ (3,463,315)
State sources	23,838,133	23,838,133	32,688,095	8,849,962
Federal sources	3,914,251	3,914,251	3,537,847	(376,404)
Total Revenues	<u>82,791,154</u>	<u>82,791,154</u>	<u>87,801,397</u>	<u>5,010,243</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	41,012,087	42,119,717	46,916,143	(4,796,426)
Supporting services	31,991,505	32,146,731	28,337,529	3,809,202
Community services	171,127	193,197	78,128	115,069
Payments to other districts and governmental units	9,091,869	7,963,869	6,913,148	1,050,721
Total Expenditures	<u>82,266,588</u>	<u>82,423,514</u>	<u>82,244,948</u>	<u>178,566</u>
Excess of revenues over expenditures	<u>524,566</u>	<u>367,640</u>	<u>5,556,449</u>	<u>5,188,809</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(9,700,000)	(9,700,000)	-
Principal on bonds sold	-	9,480,000	9,288,529	(191,471)
Premium on bonds sold	-	418,798	418,798	-
Total other financing sources (uses)	<u>-</u>	<u>198,798</u>	<u>7,327</u>	<u>(191,471)</u>
Net change in fund balances	<u>\$ 524,566</u>	<u>\$ 566,438</u>	<u>5,563,776</u>	<u>\$ 4,997,338</u>
Fund balances at beginning of year			<u>32,139,703</u>	
FUND BALANCES AT END OF YEAR			<u>\$ 37,703,479</u>	

The notes to the required supplementary information are an integral part of this statement.

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**JUNE 30, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
6/13/15	\$-	\$1,584,844	\$1,584,844	\$-	\$26,205,275	6.0%
6/13/13	-	1,181,886	1,181,886	-	N/A	N/A
6/30/11	-	881,510	881,510	-	N/A	N/A

**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**ILLINIOS MUNICIPAL RETIREMENT FUND**  
**JUNE 30, 2015**

Calendar year ending December 31,	<u>2014</u>
<u>Total pension liability:</u>	
Service cost	\$ 1,220,686
Interest on the total pension liability	3,899,352
Difference between expected and actual experience of the total pension liability	135,524
Changes in assumptions	2,319,318
Benefit payments, including refunds of employee contributions	<u>(3,129,379)</u>
Net change in total pension liability	4,445,501
Total pension liability, beginning	<u>52,945,703</u>
Total pension liability, ending (A)	<u><u>\$ 57,391,204</u></u>
<u>Plan fiduciary net position:</u>	
Contributions - Employer	\$ 1,040,884
Contributions - Employee	471,697
Net investment income	3,395,322
Benefit payments and refunds	(3,129,379)
Other	<u>391,261</u>
Net change in plan fiduciary net position	2,169,785
Plan fiduciary net position, beginning	<u>56,469,408</u>
Plan fiduciary net position, ending (B)	<u><u>\$ 58,639,193</u></u>
Net pension liability/(asset), ending (A) - (B)	<u><u>\$ (1,247,989)</u></u>
Plan fiduciary net position as a percentage of total pension liability	102.17%
Covered valuation payroll	<u><u>\$ 10,478,898</u></u>
Net pension liability as a percentage of covered valuation payroll	-11.91%

The notes to the required supplementary information are an integral part of this statement

**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**SCHEDULE OF CONTRIBUTIONS**  
**ILLINIOS MUNICIPAL RETIREMENT FUND**  
**JUNE 30, 2015**

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Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 1,040,554	\$ 1,040,884	\$ (330)	\$ 10,478,898	9.93%

The notes to the required supplementary information are an integral part of this statement

**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**FISCAL YEAR 2015\***

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District's proportion of the net pension liability	0.0102%
District's proportionate share of the net pension liability	\$ 6,197,569
State's proportionate share of the net pension liability associated with the District	<u>212,827,875</u>
Total	<u><u>\$ 219,025,444</u></u>
District's covered-employee payroll	23,255,026
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.65%
Plan fiduciary net position as a percentage of the total pension liability	43.00%

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

The notes to the required supplementary information are an integral part of this statement



**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**SCHEDULE OF CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**JUNE 30, 2015**

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Contractually-required contribution	\$ 357,875
Contributions in relation to the contractually-required contribution	368,870
Contribution deficiency (excess)	<u>\$ (10,995)</u>
 District's covered-employee payroll	 \$ 22,775,787
 Contribution as a percentage of covered-employee payroll	 1.57%

The notes to the required supplementary information are an integral part of this statement

**PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

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**NOTE 1. BUDGETARY DATA:**

Budgeted amounts for all Governmental Funds are adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues. The budget was adopted on September 16 2014, and was amended on June 23, 2015.
4. 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 any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget lapses at the end of each fiscal year. (All appropriations lapse at year end.)

**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 2. ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES:**

Expenditures disbursed exceeded the budgeted amount in the following funds:

Fund/Account	Budget	Actual	Excess
General Fund's Educational Account	\$72,384,053	\$73,467,954	\$1,083,901
Debt Service Fund	4,932,500	5,167,828	235,328
Transportation Fund	3,330,470	3,542,434	211,964
Capital Projects Fund	3,214,033	12,317,896	9,103,863

The above budget and actual comparison for the Educational Account includes on-behalf budget and related expenditures disbursed. If on-behalf amounts were not included, the Educational Account expenditures disbursed would not have exceeded the budgeted amount.

**NOTE 3. SCHEDULE OF CONTRIBUTIONS – ILLINOIS MUNICIPAL RETIREMENT FUND:**

The following describes the summary of actuarial methods and assumptions used in the calculation of the 2014 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: 29-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.
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 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For

**PROVISO TOWNSHIP HIGH SCHOOL DIST 209**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

	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.
Valuation Date	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.
Other Information	There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

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

**NOTE 4. SCHEDULE OF CONTRIBUTIONS – TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

**Changes of assumptions**

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

COMBINING AND INDIVIDUAL  
FUND SCHEDULES

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## **GENERAL FUND**

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

**Educational Account** – To account for most of the instructional and administrative aspects of the District's operations.

**Operations and Maintenance Account** – To account for repair and maintenance of the District's property.

**Working Cash Account** – To account for financial resources held by the District to be used for loans for working capital requirements to any other fund for which taxes are levied.

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**COMBINING BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2015**

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 31,472,885	\$ 2,841,941	\$ 3,073,745	\$ 37,388,571
Receivables (net of allowance for uncollectibles):				
Property taxes	20,429,148	4,085,629	15,073	24,529,850
Intergovernmental	1,716,251	-	-	1,716,251
Interest	59,761	5,305	9,201	74,267
Prepaid items	774,439	-	-	774,439
<b>TOTAL ASSETS</b>	<b>\$ 54,452,484</b>	<b>\$ 6,932,875</b>	<b>\$ 3,098,019</b>	<b>\$ 64,483,378</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,843,767	\$ 274,613	\$ -	\$ 2,118,380
Payroll deductions and withholdings	23,715	107,954	-	131,669
<b>Total Liabilities</b>	<b>1,867,482</b>	<b>382,567</b>	<b>-</b>	<b>2,250,049</b>
<b>Deferred inflows of resources:</b>				
Property taxes levies for subsequent year	20,429,148	4,085,629	15,073	24,529,850
<b>Total deferred inflows of resources</b>	<b>20,429,148</b>	<b>4,085,629</b>	<b>15,073</b>	<b>24,529,850</b>
<b>Fund Balances:</b>				
Nonspendable	774,439	-	-	774,439
Assigned	1,850,363	-	-	1,850,363
Unassigned	29,531,052	2,464,679	3,082,946	35,078,677
<b>Total Fund Balances</b>	<b>32,155,854</b>	<b>2,464,679</b>	<b>3,082,946</b>	<b>37,703,479</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 54,452,484</b>	<b>\$ 6,932,875</b>	<b>\$ 3,098,019</b>	<b>\$ 64,483,378</b>



**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2015**

	Educational	Operations and Maintenance	Working Cash	Total General
<b>REVENUES:</b>				
Property taxes	\$ 39,500,809	\$ 7,846,630	\$ 17,082	\$ 47,364,521
Other local sources	2,673,080	1,542,788	(4,934)	4,210,934
State sources	32,655,645	32,450	-	32,688,095
Federal sources	3,537,847	-	-	3,537,847
Total Revenues	<u>78,367,381</u>	<u>9,421,868</u>	<u>12,148</u>	<u>87,801,397</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	46,916,143	-	-	46,916,143
Supporting services	19,889,810	8,447,719	-	28,337,529
Community services	78,128	-	-	78,128
Payments to other districts and governmental units	6,583,873	329,275	-	6,913,148
Total Expenditures	<u>73,467,954</u>	<u>8,776,994</u>	<u>-</u>	<u>82,244,948</u>
Excess of revenues over expenditures	<u>4,899,427</u>	<u>644,874</u>	<u>12,148</u>	<u>5,556,449</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(9,700,000)	(9,700,000)
Principal on bonds sold	-	-	9,288,529	9,288,529
Premium on bonds sold	-	-	418,798	418,798
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,327</u>	<u>7,327</u>
Net change in fund balances	4,899,427	644,874	19,475	5,563,776
Fund balances at beginning of year	<u>27,256,427</u>	<u>1,819,805</u>	<u>3,063,471</u>	<u>32,139,703</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 32,155,854</u></u>	<u><u>\$ 2,464,679</u></u>	<u><u>\$ 3,082,946</u></u>	<u><u>\$ 37,703,479</u></u>

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**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
Property taxes -general tax levy	\$ 41,901,432	\$ 41,901,432	\$ 39,500,809	\$ 39,309,197
Corporate replacement taxes	400,000	400,000	442,476	3,349,810
Tuition	80,000	80,000	60,135	83,099
Earnings (loss) on investments	130,000	130,000	(91,517)	178,764
Food service - sales to pupils and adults	359,000	359,000	249,881	361,544
Pupil activities	720,400	720,400	585,976	753,287
Textbooks	-	-	21,580	20,934
Contributions & donations from private source	21,800	21,800	-	-
Refund of prior years' expenditures	210,000	210,000	1,032,544	390,438
Drivers' education fees	-	-	50,478	56,854
Sale of vocational projects	300,000	300,000	-	-
Local fees	57,000	57,000	175	-
Other	1,000,000	1,000,000	321,352	388,316
Total Local Sources	45,179,632	45,179,632	42,173,889	44,892,243
State Sources:				
General state aid	11,900,000	11,900,000	11,886,905	8,722,763
Special education	2,054,533	2,054,533	2,516,426	3,035,903
Career and technical education	116,000	116,000	108,599	95,644
Bilingual education	210,000	210,000	208,610	199,539
State free lunch and brakfast	15,000	15,000	10,937	16,434
Drivers' education	70,000	70,000	105,557	100,424
On-behalf payments - State of Illinois	9,000,000	9,000,000	17,367,216	8,316,241
Other	3,600	3,600	451,395	118,612
Total State Sources	23,369,133	23,369,133	32,655,645	20,605,560
Federal Sources:				
Food service	725,000	725,000	944,223	975,088
Title I - low income	2,010,251	2,010,251	1,737,685	1,476,118
Title IV	150,000	150,000	-	-
Perkins Title IIC - Tech Prep	240,000	240,000	253,129	232,648
Title III - english language acquisition	79,000	79,000	78,941	56,429
Title II - teacher quality	250,000	250,000	207,093	117,743
Medicaid fee for service	350,000	350,000	238,584	196,136
Other	110,000	110,000	78,192	149,347
Total Federal Sources	3,914,251	3,914,251	3,537,847	3,203,509
Total Revenues	\$ 72,463,016	\$ 72,463,016	\$ 78,367,381	\$ 68,701,312

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>EXPENDITURES:</b>			
Current operating:			
Instruction:			
Regular programs:			
Salaries	\$ 14,326,748	\$ 14,423,520	\$ 13,762,852
Employee benefits	4,003,366	3,729,233	3,438,370
On-behalf payments - State of Illinois	9,000,000	9,000,000	17,367,216
Purchased services	79,382	104,623	89,371
Supplies and materials	760,242	700,014	666,052
Capital outlay	-	8,159	6,660
Other	13,700	24,105	15,315
Non-capitalized equipment	3,661	36,712	62,709
Total	28,187,099	28,026,366	35,408,545
Special programs:			
Salaries	3,767,633	3,774,533	3,322,033
Employee benefits	973,680	883,924	879,060
Purchased services	11,500	41,314	32,457
Supplies and materials	7,271	7,122	3,399
Tuition	-	-	2,251,635
Total	4,760,084	4,706,893	6,488,584
Educationally deprived:			
Salaries	697,412	700,435	565,517
Employee benefits	226,409	253,412	197,748
Purchased services	156,864	239,894	200,232
Supplies and materials	177,688	88,699	37,405
Non-capitalized equipment	84,232	221,332	353,872
Total	1,342,605	1,503,772	1,354,774
Vocational programs:			
Salaries	709,054	727,446	664,415
Employee benefits	68,418	57,370	49,878
Purchased services	49,892	64,346	32,574
Supplies and materials	235,137	221,529	109,622
Capital outlay	-	34,556	33,973
Other	615	4,700	720
Non-capitalized equipment	160,416	120,912	109,633
Total	\$ 1,223,532	\$ 1,230,859	\$ 1,000,815
Total			\$ 975,678

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>				
Interscholastic programs:				
Salaries	\$ 1,240,619	\$ 1,240,619	\$ 1,170,431	\$ 774,453
Employee benefits	150,214	134,321	89,229	31,927
Purchased services	335,419	353,986	307,092	181,022
Supplies and materials	94,642	105,477	93,986	50,487
Capital outlay	12,000	16,075	14,375	-
Other	48,200	45,652	28,111	33,933
Non-capitalized equipment	15,151	8,458	10,975	9,276
Total	1,896,245	1,904,588	1,714,199	1,081,098
Summer school:				
Salaries	323,660	323,660	227,549	298,968
Employee benefits	2,100	2,100	1,095	1,501
Supplies and materials	-	2,000	-	-
Total	325,760	327,760	228,644	300,469
Gifted:				
Purchased services	28,500	28,500	21,530	-
Supplies and materials	-	387	-	-
Total	28,500	28,887	21,530	-
Driver's education programs:				
Salaries	89,000	86,191	70,704	70,887
Employee benefits	725	725	410	413
Purchased services	35,150	37,559	31,568	22,780
Supplies and materials	20,500	20,500	16,275	10,684
Other	-	400	400	-
Total	145,375	145,375	119,357	104,764
Bilingual:				
Salaries	50,000	48,720	31,052	153,000
Employee benefits	-	893	893	-
Purchased services	-	609	609	-
Supplies and materials	67,178	74,851	116,322	184,374
Capital outlay	-	7,069	5,869	-
Non-capitalized equipment	-	-	1,200	8,597
Total	\$ 117,178	\$ 132,142	\$ 155,945	\$ 345,971

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015			2014
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>				
Truant alternative and optional:				
Salaries	\$ 46,216	\$ 67,216	\$ 5,669	\$ 45,443
Employee benefits	26,993	22,359	21,984	24,534
Purchased services	424,000	480,000	375,441	390,453
Supplies and materials	500	75,500	9,916	-
Other	2,488,000	3,458,000	8,727	-
Non-capitalized equipment	-	10,000	2,013	-
Total	2,985,709	4,113,075	423,750	460,430
Total Instruction	41,012,087	42,119,717	46,916,143	37,841,670
Support Services:				
Pupils:				
Attendance and social work :				
Salaries	1,571,492	1,570,864	1,453,924	1,598,748
Employee benefits	258,320	326,251	317,353	310,719
Purchased services	-	-	-	21
Supplies and materials	29,500	35,128	18,774	-
Other	5,000	-	-	-
Total	1,864,312	1,932,243	1,790,051	1,909,488
Guidance services				
Salaries	1,353,890	1,356,122	1,362,683	1,193,383
Employee benefits	320,002	486,722	313,838	273,221
Purchased services	14,180	30,093	22,792	8,200
Supplies and materials	32,636	6,470	6,064	27,184
Total	1,720,708	1,879,407	1,705,377	1,501,988
Health services:				
Salaries	253,621	253,621	248,163	244,618
Employee benefits	120,234	107,673	95,817	88,263
Purchased services	550	698	702	1,158
Supplies and materials	3,150	3,002	2,190	4,565
Total	\$ 377,555	\$ 364,994	\$ 346,872	\$ 338,604

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
			Actual
<b>EXPENDITURES - Continued:</b>			
Other support - pupil:			
Salaries	\$ 1,720,558	\$ 1,733,508	\$ 1,673,839
Employee benefits	376,996	272,499	259,654
Purchased services	288,895	285,482	329,788
Supplies and materials	73,966	77,836	71,930
Capital outlay	-	8,000	7,070
Non-capitalized equipment	3,000	3,000	1,295
Total	2,463,415	2,380,325	2,343,576
Total Pupils	6,425,990	6,556,969	6,185,876
Instructional Staff:			
Improvement of instructional services:			
Salaries	450,185	577,264	429,477
Employee benefits	128,563	157,740	116,887
Purchased services	1,337,098	1,299,924	1,224,300
Supplies and materials	732,561	575,638	519,708
Capital outlay	-	41,251	31,855
Other	3,000	-	-
Non-capitalized equipment	100,000	70,373	19,668
Total	2,751,407	2,722,190	2,341,895
Educational media services:			
Salaries	273,214	287,558	225,302
Employee benefits	31,371	48,898	37,211
Purchased services	2,230	2,230	2,187
Supplies and materials	41,079	40,218	30,309
Non-capitalized equipment	-	770	898
Total	347,894	379,674	295,907
Assessment and testing:			
Salaries	184,471	186,871	125,813
Employee benefits	63,914	34,977	26,439
Purchased services	21,800	38,572	27,530
Supplies and materials	19,501	14,946	6,883
Total	289,686	275,366	186,665
Total Instructional Staff	\$ 3,388,987	\$ 3,377,230	\$ 2,824,467

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>				
General Administration:				
Board of education:				
Salaries	\$ -	\$ 28,516	\$ -	\$ -
Employee benefits	-	-	-	31,600
Purchased services	1,853,759	1,862,959	2,014,851	1,735,506
Supplies and materials	6,200	9,100	2,859	389
Other	83,594	89,076	34,656	92,002
Non-capitalized equipment	-	966	-	907
Total	1,943,553	1,990,617	2,052,366	1,860,404
Executive administration:				
Salaries	645,911	645,911	580,470	612,086
Employee benefits	167,656	194,786	162,057	120,540
Purchased services	41,650	45,230	36,133	28,199
Supplies and materials	29,725	4,225	1,015	3,682
Other	3,725	2,827	3,207	3,281
Non-capitalized equipment	966	-	-	-
Total	889,633	892,979	782,882	767,788
Special area administration:				
Salaries	99,277	221,827	80,320	169,090
Employee benefits	56,793	42,289	16,089	39,417
Purchased services	-	600	371	15,957
Supplies and materials	-	-	-	1,612
Non-capitalized equipment	-	-	-	-
Total	156,070	264,716	96,780	226,076
Tort immunity:				
Employee benefits	500,000	500,000	455,065	453,326
Other	50,000	50,000	-	-
Total	550,000	550,000	455,065	453,326
Total General Administration	\$ 3,539,256	\$ 3,698,312	\$ 3,387,093	\$ 3,307,594

(Continued)



**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>				
School Administration:				
Office of the principal:				
Salaries	\$ 1,785,894	\$ 1,803,169	\$ 1,728,199	\$ 1,663,418
Employee benefits	565,002	535,392	490,815	392,410
Purchased services	22,250	19,650	7,043	8,295
Supplies and materials	24,600	21,786	14,713	20,855
Capital outlay	6,000	4,522	2,509	-
Other	14,925	16,925	16,025	11,977
Non-capitalized equipment	-	-	1,975	-
Total	2,418,671	2,401,444	2,261,279	2,096,955
Other support - school administration:				
Salaries	89,508	79,180	61,967	-
Employee benefits	26,518	9,654	2,055	-
Total	116,026	88,834	64,022	-
Total School Administration	2,534,697	2,490,278	2,325,301	2,096,955
Business:				
Direction of business support services:				
Salaries	133,300	133,300	133,227	164,599
Employee benefits	44,658	44,658	45,504	41,521
Purchased services	5,800	5,800	3,677	1,176
Supplies and materials	1,000	2,802	394	671
Other	1,300	1,300	1,269	1,161
Total	186,058	187,860	184,071	209,128
Fiscal services:				
Salaries	642,189	642,189	586,395	437,587
Employee benefits	188,655	209,463	169,951	75,505
Purchased services	56,200	56,200	42,874	41,251
Supplies and materials	1,200	1,200	1,059	601
Other	2,200	2,945	1,795	950
Non-capitalized equipment	3,000	3,000	2,997	-
Total	893,444	914,997	805,071	555,894
Pupil transportation services:				
Purchased services	17,849	17,849	9,333	11,405
Total	\$ 17,849	\$ 17,849	\$ 9,333	\$ 11,405

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>EXPENDITURES - Continued:</b>			
Food services			
Purchased services	\$ 1,099,831	\$ 1,111,774	\$ 1,039,957
Supplies and materials	18,000	19,495	19,550
Non-capitalized equipment	40,000	26,562	24,788
Total	1,157,831	1,157,831	1,084,295
Total Business	2,255,182	2,278,537	2,082,770
Central:			
Information services:			
Salaries	23,506	23,506	25,174
Employee benefits	27,496	33,821	22,638
Purchased services	138,300	132,723	110,188
Supplies and materials	500	500	56
Other	150	150	90
Total	189,952	190,700	158,146
Staff services:			
Purchased services	5,544	5,544	1,560
Supplies and materials	1,000	1,000	931
Total	6,544	6,544	2,491
Data processing services:			
Salaries	1,248,920	1,257,471	989,922
Employee benefits	353,845	327,618	312,753
Purchased services	1,089,000	1,089,000	692,191
Supplies and materials	120,000	120,000	91,252
Capital outlay	600,000	716,974	307,987
Non-capitalized equipment	200,000	200,000	475,698
Total	3,611,765	3,711,063	2,869,803
Total Central	3,808,261	3,908,307	3,030,440
Other Support Services:			
Purchased services	69,413	69,413	12,011
Supplies and materials	40,000	42,093	41,852
Total Other Support Services	109,413	111,506	53,863
Total Support Services	\$ 22,061,786	\$ 22,421,139	\$ 19,889,810

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015			2014
	Original Budget	Final Budget	Actual	Actual
<b>EXPENDITURES - Continued:</b>				
Community Services:				
Salaries	\$ 47,833	\$ 36,649	\$ 23,253	\$ 22,587
Employee benefits	8,814	5,123	-	-
Purchased services	74,835	89,526	45,890	48,082
Supplies and materials	39,645	61,899	8,985	11,349
Total Community Services	171,127	193,197	78,128	82,018
Payments to other districts and governmental units:				
Purchased services	-	-	149,261	-
Tuition	8,778,000	7,500,000	6,434,612	6,905,780
Other	-	150,000	-	9,048
Total payments to other districts and governmental units	8,778,000	7,650,000	6,583,873	6,914,828
Total Expenditures	72,023,000	72,384,053	73,467,954	63,152,600
Net change in fund balances	\$ 440,016	\$ 78,963	4,899,427	5,548,712
Fund balances at beginning of year			27,256,427	21,707,715
FUND BALANCES AT END OF YEAR			\$ 32,155,854	\$ 27,256,427

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014	
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
Property taxes	\$ 8,237,206	\$ 8,237,206	\$ 7,846,630	\$ 7,741,424
Personal property replacement taxes	1,200,000	1,200,000	1,407,361	-
Earnings (loss) on investments	10,000	10,000	(4,388)	11,408
Rentals	70,000	70,000	70,390	61,889
Refund of prior years' expenditures	220,000	220,000	68,772	38,660
Other	107,000	107,000	653	140,903
Total Local Sources	9,844,206	9,844,206	9,389,418	7,994,284
State Sources:				
General-state aid	100,000	100,000	-	1,500,000
School infrastructure	50,000	50,000	32,450	207,559
Energy efficient grant	319,000	319,000	-	108,486
Total State Sources	469,000	469,000	32,450	1,816,045
Total Revenues	10,313,206	10,313,206	9,421,868	9,810,329
<b>EXPENDITURES:</b>				
Current operating:				
Support services:				
Business:				
Operation and maintenance of plant services:				
Salaries	4,664,311	4,512,311	4,275,428	4,404,709
Benefits	998,182	1,074,915	979,234	728,069
Purchased services	1,293,616	1,402,496	1,118,121	1,299,844
Supplies and materials	1,876,110	1,757,055	1,511,666	1,884,694
Capital outlay	495,054	512,003	453,991	435,902
Other	5,000	6,720	1,935	7,801
Non-capitalized equipment	597,446	460,092	107,344	75,215
Total Support Services	9,929,719	9,725,592	8,447,719	8,836,234
Payments to other districts and governmental units:				
Other	313,869	313,869	329,275	242,459
Total payments to other districts and governmental units	313,869	313,869	329,275	242,459
Total Expenditures	10,243,588	10,039,461	8,776,994	9,078,693
Excess of revenues over expenditures	\$ 69,618	\$ 273,745	\$ 644,874	\$ 731,636

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>OTHER FINANCING USES:</b>			
Transfers out	\$ -	\$ -	\$ (500,000)
Total other financing uses	-	-	(500,000)
Net change in fund balances	<u>\$ 69,618</u>	<u>\$ 273,745</u>	644,874
Fund balances at beginning of year			<u>1,819,805</u>
FUND BALANCES AT END OF YEAR			<u>\$ 2,464,679</u>

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 4,932	\$ 4,932	\$ 17,082
Earnings (loss) on investments	10,000	10,000	(4,934)
Excess of revenues over expenditures	14,932	14,932	12,148
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	(9,700,000)	(9,700,000)
Principal on bonds sold	-	9,480,000	9,288,529
Premium on bonds sold	-	418,798	418,798
Total other financing sources (uses)	-	198,798	7,327
Net change in fund balances	\$ 14,932	\$ 213,730	19,475
Fund balances at beginning of year			3,063,471
<b>FUND BALANCES AT END OF YEAR</b>			<b>\$ 3,082,946</b>

## **MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

**Capital Projects Fund** – To account for financial resources to be used for the acquisition, construction and/or additions related to major capital projects, other than those required to be accounted for in the Fire Prevention and Safety Fund.

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	Original Budget	2015 Final Budget	Actual	2014 Actual
<b>REVENUES:</b>				
Local Sources:				
Corporate replacement taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,688,693	\$ -
Earnings (loss) on investments	7,500	7,500	10,829	1,833
Insurance recovery	-	-	7,564,860	-
Total Local Sources	1,807,500	1,807,500	9,264,382	1,833
Federal Sources:				
Stimulus programs	1,315,000	1,315,000	-	-
Total Federal Sources	1,315,000	1,315,000	-	-
Total Revenues	3,122,500	3,122,500	9,264,382	1,833
<b>EXPENDITURES:</b>				
Current operating:				
Support Services:				
Business:				
Facilities Acquisition and Construction:				
Purchased services	-	-	1,907,873	53,763
Capital outlay	3,214,033	3,214,033	10,401,673	1,940,673
Non-capitalized equipment	-	-	8,350	-
Total Expenditures	3,214,033	3,214,033	12,317,896	1,994,436
Deficiency of revenues over expenditures	(91,533)	(91,533)	(3,053,514)	(1,992,603)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	9,700,000	9,700,000	500,000
Principal on bonds sold	1,314,033	-	1,314,033	-
Total other financing sources	1,314,033	9,700,000	11,014,033	500,000
Net change in fund balances	\$ 1,222,500	\$ 9,608,467	7,960,519	(1,492,603)
Fund balances at beginning of year			107,820	1,600,423
FUND BALANCES AT END OF YEAR			\$ 8,068,339	\$ 107,820



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Nonmajor Special Revenue Funds:

**Transportation Fund** – To account for activity relating to student transportation to and from school.

**Municipal Retirement/Social Security Fund** – To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for non-certified employees.

**Tort Immunity Fund** - To account for taxes levied or bonds sold by the District for tort immunity or tort judgment purposes.

### **DEBT SERVICE FUND**

**Debt Service Fund** – To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

### **CAPITAL PROJECTS FUND**

**Fire Prevention and Safety Fund** – To account for financial resources to be used for the acquisition, construction, and/or additions related to qualifying fire prevention and safety projects.

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	Special Revenue			
	Transportation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
<b><u>ASSETS</u></b>				
Cash and investments	\$ 4,687,286	\$ 2,456,888	\$ 169,192	\$ 7,313,366
Receivables (net of allowance for uncollectibles):				
Property taxes	824,963	1,225,890	5,024	2,055,877
Intergovernmental	195,780	-	-	195,780
Interest	8,598	4,433	285	13,316
<b>TOTAL ASSETS</b>	<b>\$ 5,716,627</b>	<b>\$ 3,687,211</b>	<b>\$ 174,501</b>	<b>\$ 9,578,339</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 170,214	\$ -	\$ -	\$ 170,214
<b>Total Liabilities</b>	<b>170,214</b>	<b>-</b>	<b>-</b>	<b>170,214</b>
<b>Deferred inflows of resources:</b>				
Property taxes levies for subsequent year	824,963	1,225,890	5,024	2,055,877
<b>Total deferred inflows of resources</b>	<b>824,963</b>	<b>1,225,890</b>	<b>5,024</b>	<b>2,055,877</b>
<b>Fund Balances:</b>				
Restricted	4,721,450	2,461,321	169,477	7,352,248
<b>Total Fund Balances</b>	<b>4,721,450</b>	<b>2,461,321</b>	<b>169,477</b>	<b>7,352,248</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 5,716,627</b>	<b>\$ 3,687,211</b>	<b>\$ 174,501</b>	<b>\$ 9,578,339</b>

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>Debt Service</u>	<u>Fire Prevention and Safety</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 5,239,932	\$ 897,475	\$ 13,450,773
2,483,257	197,951	4,737,085
-	-	195,780
9,557	1,499	24,372
<u>\$ 7,732,746</u>	<u>\$ 1,096,925</u>	<u>\$ 18,408,010</u>
\$ -	\$ -	\$ 170,214
-	-	170,214
<u>2,483,257</u>	<u>197,951</u>	<u>4,737,085</u>
<u>2,483,257</u>	<u>197,951</u>	<u>4,737,085</u>
<u>5,249,489</u>	<u>898,974</u>	<u>13,500,711</u>
<u>5,249,489</u>	<u>898,974</u>	<u>13,500,711</u>
<u>\$ 7,732,746</u>	<u>\$ 1,096,925</u>	<u>\$ 18,408,010</u>

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Special Revenue			
	Transportation	Municipal Retirement/ Social Security	Tort Immunity	Subtotal
<b>REVENUES:</b>				
Property taxes	\$ 1,553,862	\$ 2,395,306	\$ 7,122	\$ 3,956,290
Other local sources	373,801	204,473	(459)	577,815
State sources	815,826	-	-	815,826
Total Revenues	2,743,489	2,599,779	6,663	5,349,931
<b>EXPENDITURES:</b>				
Current operating:				
Instruction	-	566,371	-	566,371
Support services	2,485,101	1,671,610	-	4,156,711
Payments to other districts and governmental units	1,057,333	-	-	1,057,333
Debt service:				
Payment of principal on long-term debt	-	-	-	-
Interest on long-term debt	-	-	-	-
Service charges	-	-	-	-
Total Expenditures	3,542,434	2,237,981	-	5,780,415
Excess (deficiency) of revenues over expenditures	(798,945)	361,798	6,663	(430,484)
<b>OTHER FINANCING SOURCES:</b>				
Principal on bonds sold	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(798,945)	361,798	6,663	(430,484)
Fund balances at beginning of year	5,520,395	2,099,523	162,814	7,782,732
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 4,721,450</b>	<b>\$ 2,461,321</b>	<b>\$ 169,477</b>	<b>\$ 7,352,248</b>

<u>Debt Service</u>	<u>Capital Projects</u>	
		Total
<u>Debt Service</u>	<u>Fire Prevention and Safety</u>	<u>Nonmajor Governmental Funds</u>
\$ 4,870,930	\$ 284,983	\$ 9,112,203
(17,162)	(1,584)	559,069
-	-	815,826
<u>4,853,768</u>	<u>283,399</u>	<u>10,487,098</u>
-	-	566,371
-	42,120	4,198,831
	-	1,057,333
3,540,000	-	3,540,000
1,406,730	-	1,406,730
221,098	-	221,098
<u>5,167,828</u>	<u>42,120</u>	<u>10,990,363</u>
<u>(314,060)</u>	<u>241,279</u>	<u>(503,265)</u>
<u>218,288</u>	<u>-</u>	<u>218,288</u>
<u>218,288</u>	<u>-</u>	<u>218,288</u>
(95,772)	241,279	(284,977)
<u>5,345,261</u>	<u>657,695</u>	<u>13,785,688</u>
<u>\$ 5,249,489</u>	<u>\$ 898,974</u>	<u>\$ 13,500,711</u>

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 1,570,431	\$ 1,570,431	\$ 1,553,862
Transportation fees	10,000	10,000	4,200
Earnings (loss) on investments	20,000	20,000	(15,505)
Refund of prior year's expenditures	200,000	200,000	385,106
Total Local Sources	1,800,431	1,800,431	1,927,663
State Sources:			
General state aid	-	-	-
Transportation aid			500,000
Regular	500,000	500,000	438,507
Special education	600,000	600,000	377,319
Total State Sources	1,100,000	1,100,000	815,826
Total Revenues	2,900,431	2,900,431	2,743,489
<b>EXPENDITURES:</b>			
Current operating:			
Support Services:			
Business - Pupil Transportation Services:			
Salaries	165,000	165,000	158,361
Purchased services	2,230,628	2,230,622	2,303,970
Supplies and materials	45,000	45,000	22,770
Total Support Services	2,440,628	2,440,622	2,485,101
Payments to other districts and governmental units:			
Special education transportation services	889,842	889,848	1,057,333
Total payments to other districts and governmental units	889,842	889,848	1,057,333
Total Expenditures	3,330,470	3,330,470	3,542,434
Net change in fund balances	\$ (430,039)	\$ (430,039)	(798,945)
Fund balances at beginning of year			5,520,395
FUND BALANCES AT END OF YEAR			\$ 4,721,450

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015			2014
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES:</b>				
Local Sources:				
Property taxes				
General tax levy	\$ 1,284,285	\$ 1,284,285	\$ 1,197,653	\$ 1,215,787
Social security/medicare tax levy	1,284,285	1,284,285	1,197,653	1,215,787
Corporate replacement taxes	100,000	100,000	211,308	114,450
Earnings (loss) on investments	10,000	10,000	(6,835)	13,176
Total Revenues	<u>2,678,570</u>	<u>2,678,570</u>	<u>2,599,779</u>	<u>2,559,200</u>
<b>EXPENDITURES:</b>				
Current operating:				
Instruction - employee benefits	663,000	664,339	566,371	587,536
Support Services - employee benefits	1,974,699	1,976,174	1,671,610	1,711,118
Total Expenditures	<u>2,637,699</u>	<u>2,640,513</u>	<u>2,237,981</u>	<u>2,298,654</u>
Net change in fund balances	<u>\$ 40,871</u>	<u>\$ 38,057</u>	361,798	260,546
Fund balances at beginning of year			<u>2,099,523</u>	<u>1,838,977</u>
FUND BALANCES AT END OF YEAR			<u>\$ 2,461,321</u>	<u>\$ 2,099,523</u>

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**TORT IMMUNITY FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original & Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 7,588	\$ 7,122	\$ 4,152
Earnings (loss) on investments	500	(459)	901
Total Revenues	8,088	6,663	5,053
Net change in fund balances	<u>\$ 8,088</u>	6,663	5,053
Fund balances at beginning of year		162,814	157,761
FUND BALANCES AT END OF YEAR		<u>\$ 169,477</u>	<u>\$ 162,814</u>



**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original Budget	Final Budget	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes	\$ 5,233,906	\$ 5,233,906	\$ 4,870,930
Earnings (loss) on investments	30,000	30,000	(17,162)
Total Local Sources	5,263,906	5,263,906	4,853,768
Federal Sources:			
Stimulus programs	68,000	68,000	-
Total Federal Sources	68,000	68,000	-
Total Revenues	5,331,906	5,331,906	4,853,768
<b>EXPENDITURES:</b>			
Debt Service:			
Payment of principal on long-term debt	-	-	3,540,000
Interest on short-term debt	1,324,500	1,324,500	-
Interest on long-term debt	3,540,000	3,540,000	1,406,730
Service charges	68,000	68,000	221,098
Total Expenditures	4,932,500	4,932,500	5,167,828
Excess (deficiency) of revenues over expenditures	399,406	399,406	(314,060)
<b>OTHER FINANCING SOURCES:</b>			
Principal on bonds sold	26,800	-	218,288
Total other financing sources	26,800	-	218,288
Net change in fund balances	\$ 426,206	\$ 399,406	(95,772)
Fund balances at beginning of year			5,345,261
FUND BALANCES AT END OF YEAR			\$ 5,249,489

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR 2014**

	2015		2014
	Original & Final Budget	Actual	Actual
<b>REVENUES:</b>			
Local Sources:			
Property taxes - general levies	\$ 192,952	\$ 284,983	\$ 179,496
Earnings (loss) on investments	1,000	(1,584)	3,517
Total Revenues	193,952	283,399	183,013
<b>EXPENDITURES:</b>			
Current operating:			
Support Services:			
Business - Facilities Acquisition and Construction:			
Purchased services	175,000	-	18,952
Capital outlay	-	42,120	-
Total Expenditures	175,000	42,120	18,952
Net change in fund balances	\$ 18,952	241,279	164,061
Fund balances at beginning of year		657,695	493,634
FUND BALANCES AT END OF YEAR		\$ 898,974	\$ 657,695

**FIDUCIARY FUNDS -  
AGENCY FUNDS**

**Activity Funds** – To account for assets held by the District in a trustee capacity as an agent for student organizations.

PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
ACTIVITY FUNDS  
YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Assets:				
Cash and due from district	\$ 417,541	\$ 484,695	\$ 500,011	\$ 402,225
Liabilities:				
Due to student activity funds:				
Academic Bowl West	2	-	-	2
Advantage East	494	-	-	494
Afro American Club East	20	-	-	20
Afro American Club West	1,688	-	-	1,688
Alumni Hall of Fame West	2,057	-	-	2,057
Anime Club PMSA	741	-	-	741
Art Fundraiser East	3,448	90	478	3,060
Art Scholars West	99	-	-	99
Asian Club West	502	-	-	502
Athletic East Gate Sales	8,890	-	8,890	-
Athletic West Gate Sales	2,041	-	2,041	-
Athletics East	905	1,151	1,503	553
Band East	10,009	21,766	28,766	3,009
Band West	687	12,577	13,311	(47)
Bowling West/Strikers	826	-	-	826
Boys Baseball East	935	-	594	341
Boys Baseball West	597	-	495	102
Boys Basketball East	15	181	-	196
Boys Soccer	342	-	-	342
Boys Track East	4,299	15,117	11,590	7,826
Boys Track West	304	842	799	347
Boys Volleyball West	195	-	195	-
Cadet East	1,076	4,300	5,263	113
Cadets Fund West	15,926	4,720	12,240	8,406
Cap & Gown for Seniors	495	12,835	9,160	4,170
CC Taggart Memorial	1,000	-	-	1,000
Cheerleaders East	3,320	8,910	8,083	4,147
Cheerleaders West	792	7,167	5,856	2,103
Chess Club East	157	-	-	157
Chess Club West	382	500	494	388
Child Care Career West	985	-	-	985
Choir East	104	76	160	20
Choir West	1,182	414	1,409	187
Chorus PMSA	3,661	-	1,817	1,844
Class of 2011 PMSA	\$ 719	\$ -	\$ -	\$ 719

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>Liabilities:</b>				
Due to student activity funds (Continued):				
Class of 2014 East	\$ 8,593	\$ 225	\$ 4,670	\$ 4,148
Class of 2014 PMSA	6,994	-	558	6,436
Class of 2014 West	7,185	-	7,185	-
Class of 2015 East	3,531	40,504	25,274	18,761
Class of 2015 PMSA	1,379	24,962	19,234	7,107
Class of 2015 West	1,374	58,476	32,841	27,009
Class of 2016 East	1,270	250	582	938
Class of 2016 West	1,880	197	-	2,077
Class of 2016 PMSA	996	3,820	2,152	2,664
Class of 2017 PMSA	303	1,364	-	1,667
Class of 2018 PMSA	-	560	97	463
Club Mix	174	-	-	174
Commencement PMSA	23,057	18,640	14,717	26,980
Cosmetology West	1,350	-	-	1,350
County Needy Student Fund West	185	-	-	185
CWT CC West	482	-	-	482
DECA (Marketing) East	1,041	-	-	1,041
Dev off Western Thought	-	421	402	19
District 209 Foundation	624	-	624	-
Dr. Baker Scholarship East	600	-	-	600
Drama I East	198	300	-	498
Drama Plays West	2,429	4,000	2,492	3,937
East/West Magnet Program	865	-	-	865
Ecology Club East	271	-	-	271
F & S Recognition East	5,563	19,923	21,555	3,931
F & S Recognition PMSA	2,564	5,613	4,596	3,581
F & S Recognition Superintendent	12,980	5,623	4,695	13,908
F & S Recognition West	60,012	33,131	54,700	38,443
Fashion Merchandising West	353	-	-	353
Fine Arts Festival West	202	-	-	202
Flag & Rifle Corp. West	15	300	-	315
G.R.A.C.E. East	163	-	-	163
Gay Straight Alliance	266	-	-	266
Girl Talk East	221	-	-	221
Girls Basketball Club East	424	257	94	587
Girls League West	103	369	168	304
Girls Running Club West	1,370	302	1,370	302
Girls Soccer Club East	24	55	-	79
Girls Soccer Club West	1,242	-	1,080	162
Girls Track East	8,025	3,500	4,002	7,523
Girls Track West	-	1,436	1,113	323
Girls Volleyball Club East	610	1,325	1,855	80
Girls Volleyball Club West	2,766	4,201	4,563	2,404
Golf Club West	\$ 167	\$ 540	\$ -	\$ 707

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>Liabilities:</b>				
Due to student activity funds (Continued):				
Golf East	\$ 49	\$ -	\$ -	\$ 49
Government NJROTC West	443	-	408	35
Gridiron East	1,110	724	1,225	609
Gridiron/Football Club West	304	1,530	1,834	-
HERO East	620	210	226	604
HERO West	334	-	-	334
Holiday Tournament West	50,943	65,925	63,316	53,552
Hoop Club West	123	645	-	768
IHSA G&B St. Playoffs West	261	-	-	261
Interact East	313	-	-	313
Key Club PMSA	109	276	241	144
Key Club West	3,647	2,189	1,144	4,692
La Societe Honoraire Francaise	395	-	-	395
Ladies of Integrity	575	-	-	575
Lady Panther Club West	135	-	-	135
Le Cercle Francais West	342	-	-	342
Madrigal West	321	1,883	487	1,717
Math Club Freshmen/Sophomore	555	825	852	528
Math Club West	149	-	-	149
Math Department PE	54	-	-	54
Men of Opportunity	100	-	-	100
Misc Deposit	8,745	2,621	7,428	3,938
Multi-Cultural Club West	3,678	-	369	3,309
Mural Yearbook West	2,469	2,630	1,340	3,759
National Honor Society East	243	88	85	246
National Honor Society West	2,531	7,901	5,118	5,314
Needy Student Fund East	22	-	-	22
Needy Student Fund West	144	-	-	144
Newspaper Club PMSA	672	-	-	672
NJROTC East	1,087	3,728	4,644	171
Orchesis West	2,636	-	-	2,636
P.E. Activities East	800	-	-	800
P.E. Activities West	507	-	-	507
P.T.O. West	860	-	-	860
Panther Club West	1,907	22,129	10,961	13,075
Panther Video Club West	5,052	-	-	5,052
Pantherettes	393	4,141	3,313	1,221
Parent CORP NJROTC West	324	-	-	324
PAWS/Gospel Choir West	2,793	-	-	2,793
Peer Mediation/Peace Team PMSA	95	-	-	95
Photography Club West	441	-	-	441
Physics Club	\$ 1,200	\$ -	\$ -	\$ 1,200

(Continued)

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>Liabilities:</b>				
Due to student activity funds (Continued):				
Pirateers East	\$ 391	\$ 167	\$ -	\$ 558
PMSA Debate	482	141	-	623
PMSA Talent Show 2011	131	-	-	131
Profile West	6,404	250	1,220	5,434
Proviso East Donations	-	3,000	-	3,000
Proviso East Yearbook	1,380	1,480	1,460	1,400
Proviso Interpretive PIP West	432	-	-	432
Proviso Township HS	(3,700)	-	-	(3,700)
Proviso West Donations	-	3,847	847	3,000
PTHS General	-	401	399	2
PTSA East	305	-	-	305
Raz Unida East	790	-	-	790
Readings Incentives Club West	133	-	-	133
Robotics Team PMSA	215	74	289	-
Runners Club East	496	-	418	78
S.E.E.D. Club West	942	33	536	439
SADD West	2,532	-	1,642	890
School Store Fund West	22,091	-	17,787	4,304
SHH - Spanish Honor Society West	547	-	131	416
Social Studies Department	339	-	-	339
Softball Club East	17	679	413	283
Softball Club West	25	1,640	-	1,665
Spanish Club West	96	-	-	96
Speech Team West	333	-	-	333
Student Council East	5,059	6,813	6,692	5,180
Student Council PMSA	7,551	10,208	5,085	12,674
Student Council West	14,601	9,068	18,370	5,299
Studio & Art Club	49	-	-	49
Suspense	60	-	-	60
Swim Club West	57	3,158	2,460	755
T.S.T. West	3,494	168	-	3,662
Teen Issues West	374	-	-	374
Tennis Club West	578	140	-	718
Tennis East	166	-	114	52
Time Travelers Club	323	78	-	401
Torch Club	96	150	-	246
Unidos West	611	-	-	611
Uniform/Books NJROTC West	237	-	-	237
WAC West	627	-	-	627
Wall of Fame East	5,563	-	-	5,563
Wellness Club	2,107	1,114	3,221	-
Wrestling Club East	2,688	1,300	3,218	770
Wrestling Club West	75	-	-	75
Charge Backs	(90)	-	-	(90)
Yearbook Club PMSA	10,707	2,401	8,955	4,153
<b>TOTAL ACTIVITY FUNDS</b>	<b>\$ 417,541</b>	<b>\$ 484,695</b>	<b>\$ 500,011</b>	<b>\$ 402,225</b>

## OTHER FINANCIAL INFORMATION



**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX EXTENSIONS**  
**AND COLLECTIONS**  
**YEARS ENDED JUNE 30, 2015, 2014 AND 2013**

	TAX LEVY YEAR		
	2014	2013	2012
ASSESSED VALUATION	<u>\$ 2,105,670,969</u>	<u>\$ 2,170,754,782</u>	<u>\$ 2,309,493,614</u>
TAX EXTENSIONS BY LEVY:			
Educational	\$ 42,810,396	\$ 41,444,050	\$ 40,738,002
Operations and maintenance	8,561,658	8,133,818	8,000,000
Debt services	5,203,800	5,200,650	5,201,910
Transportation	1,728,755	1,549,918	1,500,000
Municipal retirement	1,284,459	1,269,891	1,250,000
Working cash	31,585	10,853	10,000
Tort immunity	10,528	10,853	10,000
Fire prevention and safety	414,817	191,026	185,000
Social security	1,284,459	1,269,891	1,250,000
TOTAL	<u>\$ 61,330,457</u>	<u>\$ 59,080,950</u>	<u>\$ 58,144,912</u>
TAX COLLECTIONS:			
Year Ended June 30:			
2013	\$ -	\$ -	\$ 28,075,630
2014	-	28,542,670	28,266,417
2015	28,997,001	28,391,111	-
TOTAL	<u>\$ 28,997,001</u>	<u>\$ 56,933,781</u>	<u>\$ 56,342,047</u>
Percent of Total Levy Collected To June 30, 2015	<u>47.28%</u>	<u>96.37%</u>	<u>96.90%</u>

**PROVISO TOWNSHIP HIGH SCHOOLS DISTRICT 209**  
**SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST**  
**JUNE 30, 2015**

Due Year Ended June 30,	Series 2004 General Obligation Bonds		Series 2008A Capital Appreciation Bonds		Series 2015A General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	3,720,000	1,143,000	-	-	-	379,200
2017	3,905,000	952,375	-	-	-	379,200
2018	4,100,000	752,250	-	-	-	379,200
2019	4,305,000	542,125	-	-	-	379,200
2020	4,520,000	321,500	-	-	-	379,200
2021	4,170,000	104,250	580,000	-	-	379,200
2022	-	-	4,960,000	-	-	379,200
2023	-	-	4,960,000	-	-	379,200
2024	-	-	4,960,000	-	-	379,200
2025	-	-	4,960,000	-	-	379,200
2026	-	-	4,960,000	-	-	379,200
2027	-	-	4,960,000	-	-	379,200
2028	-	-	4,960,000	-	-	379,200
2029	-	-	-	-	1,750,000	344,200
2030	-	-	-	-	1,825,000	272,700
2031	-	-	-	-	1,900,000	198,200
2032	-	-	-	-	1,975,000	120,700
2033	-	-	-	-	2,030,000	40,600
<b>TOTAL</b>	<b>\$ 24,720,000</b>	<b>\$ 3,815,500</b>	<b>\$ 35,300,000</b>	<b>\$ -</b>	<b>\$ 9,480,000</b>	<b>\$ 5,906,000</b>

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Total		
Principal	Interest	Total
3,720,000	1,522,200	5,242,200
3,905,000	1,331,575	5,236,575
4,100,000	1,131,450	5,231,450
4,305,000	921,325	5,226,325
4,520,000	700,700	5,220,700
4,750,000	483,450	5,233,450
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
4,960,000	379,200	5,339,200
1,750,000	344,200	2,094,200
1,825,000	272,700	2,097,700
1,900,000	198,200	2,098,200
1,975,000	120,700	2,095,700
2,030,000	40,600	2,070,600
<u>\$ 69,500,000</u>	<u>\$ 9,721,500</u>	<u>\$ 79,221,500</u>

