

**Township High School District 211
Palatine, Illinois**

Comprehensive Annual Financial Report

As of and for the Fiscal Year Ended June 30, 2014

Officials Issuing Report

Lauren C. Hummel	Chief Operating Officer
Barbara J. Peterson	Controller/Treasurer
Dianne S. Cieslak	Accounting Supervisor

Department Issuing Report

Business Office

Township High School District 211
COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2014

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November 13, 2014

President and Members of the Board of Education
Township High School District 211
1750 South Roselle Road, Palatine, Illinois 60067

Dear Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of Township High School District 211 (the District), for the fiscal year ended June 30, 2014, is hereby submitted. Submittal of this report complies with the requirements of the Illinois School Code. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects and represents the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter for transmittal and should be read in conjunction with it.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officers and elected officials. The financial section includes the independent auditors' report on financial statements and schedules, MD&A, and required supplementary information such as the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

History of the District

High school education in the Palatine-Schaumburg Township area began in 1875, with the first graduating class in 1877. Palatine High School is one of the four oldest suburban high schools and the first established northwest of Chicago. The Palatine Township High School District was formed in 1914. Its first classes were held in space rented from the elementary district on the top floor of a school on Wood Street in Palatine.

In 1928, a separate high school building for 300 students was built on a four-acre site at 150 East Wood Street in Palatine. The school opened with 125 students. Schaumburg Township was not part of a high school district, and consequently some Schaumburg students came to Palatine on a tuition basis. Between 1928 and 1950, the enrollment grew from 150 to 391 students and projections indicated dramatic growth ahead. In 1952, an addition to Palatine High School was completed, increasing the building capacity to 700 students.

In 1954, Schaumburg formed Elementary District 54 and joined Palatine Township High School District 211. After 1954, enrollments grew rapidly at all levels. A second addition was approved

for Palatine High School and a second site of 40 acres was purchased at Quentin Road and Illinois Avenue. The second school opened in 1961 and was named “William Fremd High School.” Mr. Fremd had been a member of the high school Board of Education for over 30 years and had served on school boards in the area for a consecutive period of more than 45 years. From 1961 to 1964, the District was organized as a 2-2 system with juniors and seniors at Palatine High School and freshman and sophomores at Fremd High School. This system was phased out when James B. Conant High School, the District’s third school and the first located in Schaumburg Township, opened in 1964 as a three-year school. Fremd High School converted to a three-year program in 1966. In 1967, an administration center was built on Roselle Road near Algonquin Road. It houses all District staff, Board of Education meeting room, and a storage area for school supplies.

In 1967, building additions increased capacity at Conant High School from 1,700 to 2,600 students and Palatine’s capacity from 1,000 to 1,800 students. In 1969, an addition to Fremd High School expanded its capacity from 1,600 to 2,700 students. District 211’s fourth school, Schaumburg High School, opened in September, 1970. Hoffman Estates High School, built to house an enrollment of 2,500 students, opened in 1973 as a freshman-sophomore school in Schaumburg Township.

On October 19, 1974, district residents approved a \$22 million referendum which provided funds for a sixth high school; an addition to Schaumburg High School which increased its capacity to 3,000 students; the addition of auditoriums and pools at Conant, Schaumburg, and Fremd High Schools; a pool at Hoffman Estates High School; and a District warehouse.

In 1976, the Board of Education decided that the building housing Palatine High School was unsuitable for future use as a four-year high school. Insufficient land to expand the building for future growth and the cost of needed repairs necessitated that decision. The building was closed in June, 1977. The sixth high school, located near the intersection of Rohlwing and Cunningham Roads, opened in September, 1977, and was named Palatine High School. The newest building accommodated 2,500 students.

In 1983, physical education additions were completed at Fremd and Conant High Schools, and in 1997, a physical education addition was completed at Palatine High School. Construction was completed in 2002 on an addition at Fremd High School, turning the valuable space in the school’s courtyard into new science laboratories. Construction on an addition at Palatine High School was completed in 2003, adding 24 classrooms to the northeast corner of the building to handle enrollment growth.

On April 5, 2005, District residents approved a referendum resulting in a tax increase in the Education Fund. Passage of this referendum avoided approximately \$18 million in program cuts, while assuring the District would remain on sound financial ground for many years to come.

In 2007, additions to Conant and Fremd High Schools were completed, adding new music facilities at both schools. The administration offices at Fremd High School were remodeled. At Hoffman Estates High School, the auxiliary gymnasiums were expanded. Construction included the addition of a locker room, team room, and an elevator.

In 2008, a science addition was completed at Conant High School. Academic additions that included relocation of administration offices were completed at Schaumburg and Hoffman Estates High Schools. An expanded Board of Education meeting room was completed at the Administration Center. Renovations also were completed to make the building more accessible, including installation of an elevator and a ground floor entry.

District 211 also has two therapeutic special education schools: District 211 Academy-North, located in Palatine, and District 211 Academy-South, located in Streamwood. Each of these facilities serve approximately 40 special needs students. Academy-South was originally founded during the 1975 school year and known as LEAP, Lifeskills Educational Alternatives Program, until changing its name to Academy-South in 2008. Academy-North was founded in 2005.

Currently, District 211 has a combined student enrollment of approximately 12,200. Each of the District's five high schools provide a comprehensive curriculum with over 280 academic courses in all subject areas with 30 Advanced Placement courses and 43 dual credit classes; recognized career certifications available for students including those in the automotive, nursing, construction, and early childhood education fields; over 100 clubs and extracurricular organizations; social, personal, academic, career, and college counseling services; an auditorium; dance and music practice rooms; computer reading, science and vocational laboratories; comprehensive programs of 29 interscholastic sports with facilities, including a swimming pool, gymnasiums, an athletic stadium with artificial surface, baseball, softball and soccer fields, running tracks and tennis courts; and a school cafeteria which serves hot lunch, breakfast, and snacks. The District is committed to integrating technology into the classroom curriculum using research-based instructional methods and ongoing professional development. To do so, students and staff have been equipped with over 13,300 iPads and 8,800 computers.

The District 211 governing body consists of a seven-member Board of Education elected from within the District's boundaries for four-year overlapping terms. The Superintendent and staff administer day-to-day operations. Based on the legislative authority in the Illinois School Code, the Board of Education has the power to sue and be sued in all courts; to levy and collect taxes and to issue bonds; and to contract for appointed administrators, teachers, and other personnel as well as for goods and services.

Recap of Academic Initiatives - The Mission of Township High School District 211 is to serve the educational needs of the community by developing and implementing quality programs which challenge students to achieve their potential to become contributing, informed citizens capable of meeting the demands of a changing world.

The academic goals in Township High School District 211 are based on accelerating academic achievement for all students. Accelerating academic achievement for all students is based on the four District goals: 1) Students will demonstrate academic growth in high school; 2) Students will demonstrate attainment of knowledge and skills defined within local, state, and national high school standards; 3) Students will demonstrate on-time graduation from high school; and 4) Students will demonstrate college and career readiness while in high school. Monitoring of multiple measure indicators provides important guidance to review progress during the current

school year (2013-2014), and to identify target areas for continued improvement during the upcoming school year.

Beginning in 2012-2013, the District established academic goals with yearly targets across multiple indicators for a span of five years. The five-year District academic goals emphasize accelerating academic achievement for all students with a focus on: 1) Student learning and growth; 2) High school standards attainment; 3) High school graduation rate; and 4) College and career readiness.

The District goals reflect significant changes in the Illinois State Board of Education (ISBE) accountability system from a single measurement of adequate yearly progress to a multiple measures accountability system consisting of four main categories: outcomes, achievement, progress and context. The outcome category specifically addresses the high school graduation rate. The achievement category focuses on the percentage of students meeting standards in mathematics, reading and science on the PSAE and EPAS assessment series – which includes the EXPLORE, PLAN and ACT tests. The student progress category includes growth on the EPAS assessment series and on the ACCESS assessment for English language learners. The context category focuses on increasing the percentage of students enrolled in accelerated and dual credit courses.

A balanced and multiple measures accountability system provides the catalyst for student learning and for reflective instructional practices. Multiple measures assist teachers in recognizing student performance variations in order to develop instructional strategies to increase student achievement for student success. Along with defining goals and measurements, a continuous focus on effort toward achieving the goals serves as a guide for teachers indicating what should be emphasized instructionally and defining how to gauge student academic success.

The Academic Goals approved by the Board of Education included baseline data as well as a five-year trajectory of yearly target levels of performance for each of various indicators. School improvement efforts examine and review the evidence of student achievement through data collection and analysis to make informed decisions on programs and interventions to assist and support students.

In working to achieve the District goals of individual student improvement, our teachers are actively engaged in collaborative professional learning teams to conduct purposeful analysis of student performance data. The teams meet to review student academic achievement, best practices, curriculum and progress towards meeting District goals. The teams use formative assessment results to guide instructional practice and foster continuous improvement for both students and educators. The professional learning teams focus on the following three questions:

1. What do we want students to know?
 - Rigorous standards-based curriculum defined as critical learning standards (CLS).
2. How do we know if they know it?
 - Through the use of consistent formative assessment and summative evaluation practices, classroom-based activities and assessment, and district/state assessments.

3. What do we do if they do not know it?
 - Provide multiple opportunities for student learning and demonstration of knowledge along with specific and timely academic interventions.

Professional learning teams in each school develop, implement, and assess the critical learning standards in their respective content areas. Critical learning standards define District 211's expectations for what every student should know and be able to do before graduation, regardless of program of study. These core standards are common to all schools in District 211 and both reflect and exceed expectations of the State of Illinois for academic standards in core areas. The development of critical learning standards reaffirms a commitment to developing a pyramid of interventions for any child who does not initially succeed in demonstrating success in any given standard.

Throughout the year, instructional strategies and interventions documented in School Improvement Plans were evaluated continuously for evidence of impact on students to meet proficiency on the critical learning standards. The evaluation will be accomplished through the use of local, state, and national assessments (such as Explore, PLAN, and ACT). Research has confirmed that an increased frequency of focused assessment is necessary to modify instruction in a meaningful and timely fashion for students who are not successfully mastering course content. Action plans included in the School Improvement Plan detail specific instructional changes each department is implementing to develop and adopt best educational practices to meet District 211's academic goals of individual student academic performance.

During the 2013-2014 school year, the following summary highlights additional actions and accomplishments in the areas of curriculum, technology, and finance/budget:

Curriculum: The curriculum development process in High School District 211 has had a long history of teacher/administration involvement. The Board of Education and administration have encouraged grass roots development of courses and programs shaped within the framework of educational goals and graduation requirements as set by the Board. This is based on the strategy that teachers and principals provide the primary impetus of curriculum development within the District. This approach has been helpful in keeping the District's curriculum dynamic in its scope and sequence.

- The Board approved continuation of late start proposals for all five high schools in order to focus on plans to increase student achievement. The Board of Education has provided schools with opportunities to hold morning work sessions (late start school days for students) on multiple dates throughout the past six school years. District 211 faculty and staff have used this time provided to develop and maintain professional learning teams focused on learning from each other to identify strategies and improve teaching techniques that produce higher student academic achievement. Teachers have embraced the professional responsibility of focusing on learning, rather than concentrating on teaching the prescribed content, as the foundation of the professional learning teams. On a regular basis, these teams of educators meet to review curriculum, best practices, student academic achievement, and progress toward achieving the District goals. Professional learning teams use formative assessments results and student data to guide instructional practice and foster continuous improvement both for students and educators.

Assessment results measure student progress and identify strengths and weaknesses in student academic performance.

- The Board accepted curriculum committee reports, textbooks and software recommendations.
- The Board supported the offering of several in-district courses for using technology in the classroom and other tools for enhancing instruction for teachers.

Technology:

- The Board authorized the expansion of the current one-to-one program from its current status and approved the purchase of materials and training to provide all students with an individual electronic device.
- The Board awarded business for computer, network, audio-visual equipment, software and supplies to several vendors.
- The District switched to a new phone system utilizing voice-over IP technology.

Finance/Budget:

- The Board conducted a public hearing and adopted the 2013-2014 budget.
- The Board received a report on the operating fund balance.
- The Board held a public hearing and adopted the 2013 tax levy.
- The Board approved resolutions authorizing intervention in proceedings before the state property tax appeal board which seek assessed valuation reductions in excess of \$100,000 for property tax years 2010, 2011 and 2012.
- The Board approved a resolution authorizing intervention in tax objection complaint proceedings pending in the Circuit Court of Cook County which seek assessed valuation reductions that could lead to the issuance of real estate tax refunds that constitute a significant, ongoing, and detrimental expense to District 211.
- The Board approved continuation of the health insurance plan structure for union and non-union employees and retirees effective January 1, 2014. Health insurance options and incentives were developed to include five plan choices in addition to a cash-out option.
- The Board adopted a resolution to partially abate and transfer monies from the Working Cash Fund to the Debt Service Fund for approved debt service abatement.
- The Board received recognition from the Illinois State Board of Education for its 2013 school year financial data. The recognition honors the District for its excellence in finance.
- The District completed planned life-safety improvement projects.
- The Board authorized the full implementation of the one-to-one program and executed 2 three-year leases with Apple for the purchase of over 13,300 iPads at a cost of approximately \$2.2 million annually.
- The Board approved the expenditure of \$621,000 of unanticipated funds received due to the early release of revenues from a Tax Increment Funding district; further, the administration was authorized to seek bids for the purchase of technology and operations/maintenance items during the current 2013-2014 fiscal year.
- The Board received a report on post-bond issuance compliance.
- In May, the Board held a public hearing to consider the permanent interfund transfer of \$20 million from the Education Fund to its Operations and Maintenance Fund and a

- separate public hearing to consider the permanent interfund transfer of \$2,500,000 from the Transportation Fund to the Operations and Maintenance Fund. These funds would be used to fund capital projects at all five of the District's main high schools.
- The Board approved a resolution providing for an interfund transfer of \$4 million from the Operations and Maintenance Fund to the Capital Projects Fund effective July 1, 2014; the transfer of \$2.5 million from Working Cash to Debt Service effective prior to June 30, 2014; and the transfer of \$2 million from Working Cash to Debt Service effective July 1, 2014.
 - In May 2014 the District received a Standard & Poors rating of AA+.

Economic Condition and Outlook

The economic outlook for the District 211 communities remains stable. Despite decreases in property values, the financial, commercial, and industrial businesses represent a broad diversity in the area, and have withstood difficulties in any one area. Long-term planning by all of the District communities, reflect continued efforts to foster community development into the future. Commercial businesses in the Greater Woodfield Area of Schaumburg continue to report strong sales growth and stability.

Long-Term Financial Planning

Although the District's five-year financial projections point toward continued overall financial strength, several key areas of concern are monitored for probable adverse impact on operations. Key areas of concern include property tax refunds, state legislation regarding pension reform and state funding, utility costs, growing special education program needs, increasing and changing health care costs, decreasing investment earnings, and overall impact of these unprecedented economic conditions.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, expenditures to revenue ratio, and fund balance as a percentage of next year's expenditures. However, with potential decreases in state funding projected, the dependence upon local property taxes will become a growing challenge for taxing districts, District 211 notwithstanding. Because property tax increases are limited by the Tax Cap Law, it remains a priority to keep overall expenditures in line with revenue. All levy projections provide for maximum increases in accordance with the Tax Cap limitations.

The District has completed a long-term facility and capital improvements plan, identifying over \$50,000,000 in projects to be completed over the next five years. These projects include renovations at all five District swimming pools and related locker rooms, District-wide wireless access point expansion, athletic field upgrades, auditorium lighting and sound upgrades, the remodel of a leased office building for centralized special education use, and a Palatine High School addition to facilitate the relocation of the Alternative Transition Program. Currently, it is anticipated that all projects will be funded through reserves.

Over the past several years, the District has implemented a budget review process to identify areas of operations for improvements in efficiencies. This on-going review resulted in major cost savings. District finances are monitored through such means as monthly financial reports to

the Board of Education, and annual budget process and long-term financial projections. As a result, the District will continue to maintain balanced budgets and align resources to support the instructional programs.

Relevant Financial Policies

Budget planning begins no later than November by adopting a proposed budget calendar. The proposed budget is available for public inspection and comment at least 30 days before the budget hearing. Within 30 days of adoption, the budget is filed with the Cook County Clerk and Illinois State Board of Education. The District budget is posted on the District's website. The Board of Education may amend the budget by following the same procedure as provided for in the original adoption. The certificate of property tax levy is filed with the Cook County Clerk by the last Tuesday in December. The District annually publishes a statement of affairs regarding its financial position by December 1.

The Board of Education maintains established budget and operating fund balance policies that outline parameters for the distribution of resources, provisions for safe and operational facilities, compliance with all applicable regulations, and continuous monitoring of efficiencies. Budgetary controls are in place to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end. Adequate fund balance levels are maintained for operational and financial planning purposes, and establish a minimum fund balance level of approximately 33% of the next budget year's expenditures. This level of fund balance represents approximately 4 months of operations. Expenditures are measured from the following two perspectives as of June 30 of each fiscal year: 1) within the Educational Fund as an individual fund; 2) against a cumulative total of the operating funds including: Educational, Operations and Maintenance, Transportation, Municipal Retirement and Social Security, and Working Cash.

As of June 30, 2014, the District reported a favorable Educational Fund balance level of 57% of next year's expenditures and a cumulative operating fund balance level of 64% of next year's expenditures. The District assigned fund balance for transfers to the Debt Service Fund for planned abatements and technology leases and transfers to the Capital Projects Fund for construction projects. By accruing and safeguarding these positive levels of fund balance, the District will be afforded greater measures of financial certainty for both the short term and the long term. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control

structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

As part of the audit of the District, the District's independent auditor considered the District's internal controls to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The auditor also performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. The results of the audit for the fiscal year ended June 30, 2014 are included.

Cash Management

Cash and investments of the District, including the Agency fund, are maintained by the District Treasurer. The Treasurer is responsible for investing the funds temporarily idle during the year in demand deposits, certificates of deposit, money market deposit accounts, and obligations of the U.S. Treasury. The Treasurer maintains investment relationships with several major local and Chicago-based commercial banks and brokerage firms. Investment strategies are structured to obtain the best yield for all invested funds, which may require rapid turnover of investments among several depositories. Except for cash in certain restricted and special funds, the District consolidates cash balances from all funds to maximize investment earnings. Investment income is allocated to the various funds based on their respective participation. The Treasurer complies with the requirements of the Illinois School Code in making investments. It is the policy of the District to diversify its investment portfolio. Diversification strategies are determined and revised periodically by the Treasurer. Time deposits in excess of Federal Depository Insurance Corporation (FDIC) insurable limits are secured by an approved form of collateral or private insurance to protect public deposits in the event a single financial institution was to default. Third-party safekeeping is required for all securities. The Treasurer submits monthly investment reports to the Board of Education describing the portfolio in terms of investment securities, maturities, and earnings for the current period and the name of the respective institutions where the investments have been placed.

Other Information

Independent Audit – The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of Baker Tilly Virchow Krause, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Revisions of 1996 and related U.S. Office of Management and Budget's (OMB) Circular A-133, "*Audits of States, Local Governments, and Non-profit Organizations*." The auditors' report on the general purpose financial statements is included in the financial section of this report.

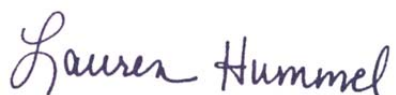
Awards/Recognitions – District 211 students, staff and its high schools have been recognized both locally and nationally for a number of achievements:

- Each of the District's five high schools has been recognized for excellence with the United States Department of Education's National Secondary School Recognition Program's Blue Ribbon Award.
- Palatine, William Fremd, and Schaumburg High Schools have been named among the nation's "Top High Schools" by *U.S. News & World Report*, and Palatine High School was named a "New American High School" by the United States Department of Education.
- District 211 schools have a tradition of excellence, service and leadership. For 2013-2014 the Board of Education recognized the achievement of 189 Academic Scholars; 7 perfect ACT scores; 19 National Merit Scholars; 545 Illinois State Scholars; 1 student received first place in the prestigious Congressional Art Competition, while 1 student received second place in the National Scholastic Writing Competition; 6 Golden Apple Scholars; and 6 students named to the Daily Herald Academic and Leadership teams.
- One Hundred-seven District 211 teachers have achieved National Board Certification.
- Palatine, William Fremd, James B. Conant and Schaumburg High Schools were all recognized as Energy Star building recipients by the Environmental Protection Agency and the Department of Energy.

The Association for School Business Officials, International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Township High School District 211 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Excellence, the District had to prepare and issue a high-quality CAFR that met or exceeded the standards of the program. A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence Program's requirements, and we are submitting it to the ASBO to determine its eligibility for another certificate.

Acknowledgments – I would like to extend my appreciation to the Board of Education for their support and direction in planning and conducting the financial affairs of the District for the 2014 fiscal year.

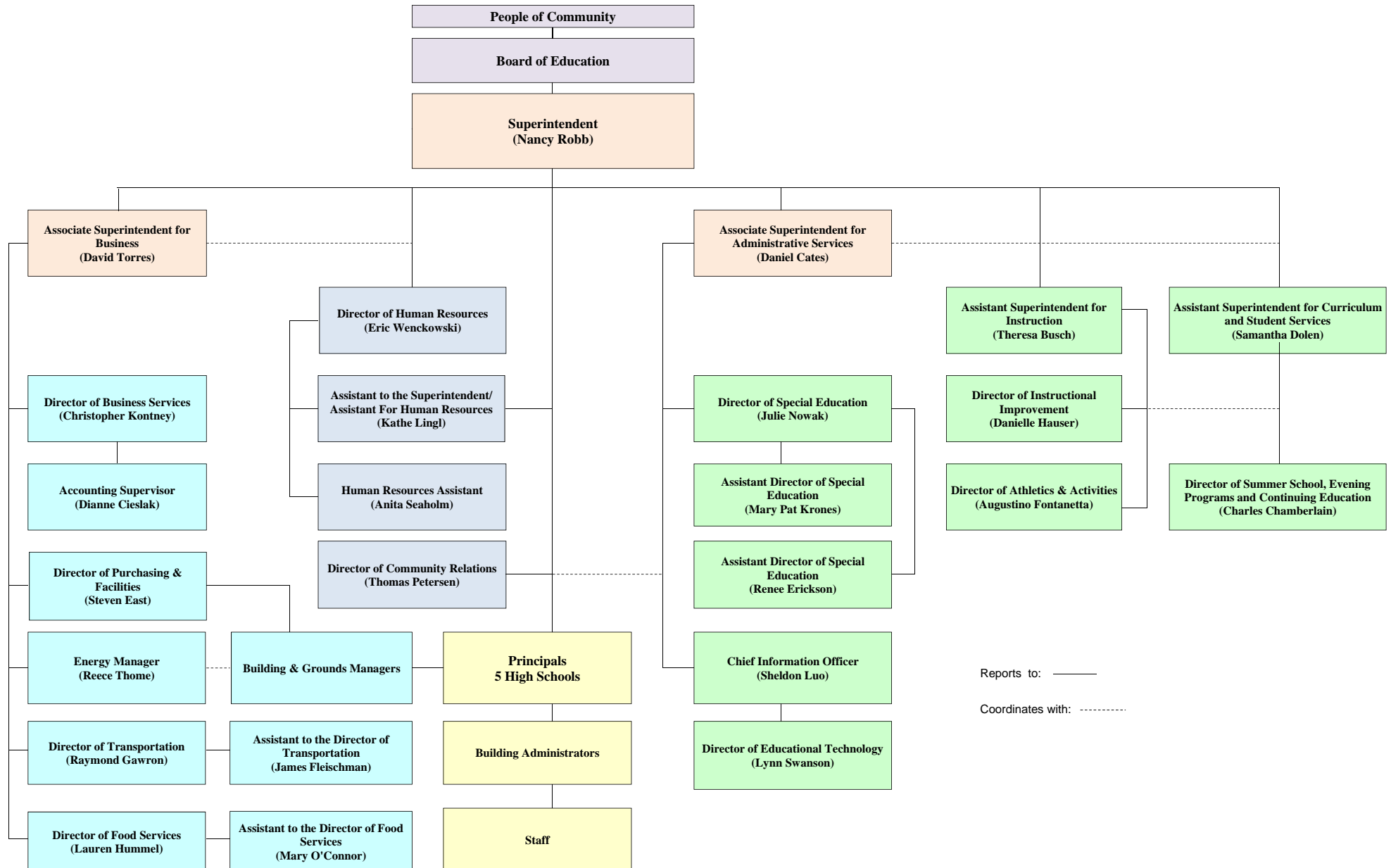
Respectfully submitted,

A handwritten signature in purple ink that reads "Lauren Hummel".

Lauren C. Hummel
Chief Operating Officer and District Assistant Treasurer

TOWNSHIP HIGH SCHOOL DISTRICT 211 ORGANIZATIONAL CHART

2013-2014 School Year



TOWNSHIP HIGH SCHOOL DISTRICT 211

Principal Officers and Advisors

June 30, 2014

Board of Education Members

Bill Robertson	President
Mucia Burke	Vice President
Anna Klimkowicz	Secretary
George Brandt	Member
Richard Gerber	Member
Robert LeFevre, Jr.	Member
Mike Scharringhausen	Member

District Administration

Superintendent	Nancy Robb
Associate Superintendent/Business and District Treasurer	David Torres
Associate Superintendent/Administrative Services	Daniel Cates
Assistant Superintendent/Instruction	Theresa Busch
Assistant Superintendent/Student Services	Samantha Dolen
Chief Information Officer	Sheldon Luo
Director/Human Resources	Eric Wenckowski
Director/Special Education	Julie Nowak
Director/Summer School, Evening Programs, and Continuing Education	Charles Chamberlain
Director/Purchasing and Facilities	Steven East
Director/Transportation	Raymond Gawron
Director/Food Services	Lauren Hummel
Director/Business Services	Christopher Kontney
Director/Community Relations	Thomas Petersen
Director/Athletics & Activities	Augustino Fontanetta
Director/Educational Technology	Lynn Swanson
Director/Instructional Improvement	Danielle Hauser
Assistant to the Superintendent/Assistant for Human Resources	Kathe Lingl
Assistant Director of Special Education	Renee Erickson
Assistant Director of Special Education	Mary Pat Krones
Assistant to the Director of Transportation	James Fleischman
Assistant to the Director of Food Services	Mary O'Connor
Human Resources Assistant	Anita Seaholm
Energy Manager	Reece Thome
Accounting Supervisor	Dianne Cieslak
Accounting Assistant	Barbara Peterson

Principals

Palatine High School	Gary Steiger
William Fremd High School	Lisa Small
James B. Conant High School	Timothy Cannon
Schaumburg High School	Timothy Little
Hoffman Estates High School	James Britton
District 211 Academy-North Program Administrator	Francesca Anderson
District 211 Academy-South Program Administrator	Amy Friel

Association of School Business Officials International



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

Township High School District 211

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director



Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Township High School District 211
Palatine, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township High School District 211, Illinois, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Township High School District 211'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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Township High School District 211'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 Township High School District 211'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.

To the Board of Education
Township High School District 211

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 Township High School District 211, Illinois, as of June 30, 2014 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O, Township High School District 211 adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

We have previously audited Township High School District 211's 2013 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 November 20, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Education
Township High School District 211

Supplementary Information

Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township High School District 211's basic financial statements. The supplementary information for the year ended June 30, 2014 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2014, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Township High School District 211 as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated November 20, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information as listed in the table of contents for the year ended June 30, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township High School District 211's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the Board of Education
Township High School District 211

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014 on our consideration of Township High School District 211'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 Township High School District 211's internal control over financial reporting and compliance.

Oak Brook, Illinois
November 13, 2014

Beth Telly Vuchowich, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The discussion and analysis of Township High School District 211's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The management of the District encourages readers to consider the information presented herein, in conjunction with the transmittal letter found in the introductory section and the basic financial statements, to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A").

Financial Highlights

- The District's financial status continues to be strong. The net position of governmental activities increased \$2.6 million, which represents a .9 percent increase from fiscal year 2013.
- General revenues accounted for \$216.8 million, or 77.4 percent of all governmental activities revenue for the fiscal year. Program specific revenues in the form of charges for services and grants and contributions accounted for \$63.4 million, or 22.6 percent of total revenues of \$280.2 million.
- The District had \$277.6 million in expenses related to governmental activities, of which \$63.4 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$216.8 million were adequate to provide for the remaining costs of these programs.
- Among major funds, the General Fund had \$224.3 million in revenue for fiscal year 2014, which primarily consisted of property taxes and state aid, and \$222.6 million in expenditures. The General Fund includes the recognized revenue and expenditures of \$37.6 million in pension contributions that the state of Illinois paid directly to the Teachers' Retirement System (TRS) on behalf of the District's TRS-covered employees. The Operations and Maintenance Fund had \$29.1 million in revenue for fiscal year 2014, compared to \$25.6 million in expenditures. The Transportation Fund had \$11.4 million in revenue for fiscal year 2014, compared to \$10.8 million in expenditures. The excess of revenues over expenditures in these funds is attributed primarily to funds from state and federal grants being higher than anticipated and cost reduction measures.
- During the year, the Board of Education authorized the transfer of \$15,000,000 from the General Fund to the Operations and Maintenance Fund. The Operations and Maintenance Fund was then authorized to transfer \$21,100,000 to the Capital Projects Fund. A transfer of \$2,500,000 from the General Fund (Working Cash accounts) to the Debt Service Fund for approved debt service abatement was also approved. These transfers were authorized by proper resolution as part of the budget adoption.
- The District abated \$2.0 million of the 2013 debt service levy to pay principal and interest on outstanding bonds. This planned levy reduction was part of a multi-year levy abatement plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

- For tax year 2013, payable in 2014, the District's aggregate equalized assessed value for all real property within the District's boundaries decreased 12% from the prior year.
- The District spent over \$19 million on capital improvements during fiscal 2014 on a variety of projects including: main office remodeling and life/safety work at Conant High School; wireless access expansion across the district; paving work at all schools; and preliminary work to renovate all five district swimming pools.
- The District maintained a balanced budget and adequate fund balance in accordance with the District's operating fund balance policy.
- In May 2014, the District received a Standard & Poor's Rating of AA+.
- The District achieved Financial Recognition status with the highest ranking of a 4.0 Financial Profile Score from the Illinois State Board of Education for 2014.

Overview of the Financial Statements

This discussion and analysis are 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, and
- Notes to basic 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/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the 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.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District's

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

governmental activities include instructional services (regular education, special education and other), supporting services, operations and maintenance of facilities and transportation services.

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 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund (Educational and Working Cash combined per GASB Statement No. 54), Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund. All seven funds are considered to be major funds.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement 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 basic financial statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

District-wide Financial Analysis

As indicated in Table 1 below, the District's combined net position as of June 30, 2014 increased \$2.6 million or .9 percent to \$287.2 million from the prior year.

Table 1 <i>Condensed Statement of Net Position (in millions of dollars)</i>			
	2014	2013*	% Inc. (Dec.)
Current and other assets	\$278.7	\$287.7	(3.1%)
Capital assets	\$160.3	\$151.0	6.2%
Total assets	\$439.0	\$438.7	0.1%
Long-term debt outstanding	\$39.1	\$41.2	(5.1%)
Other liabilities	\$11.7	\$112.9	(89.6%)
Total liabilities	\$50.8	\$154.1	(67.0%)
Total deferred inflows of resources	\$101.0	\$0.0	
Net investment in capital assets	\$148.6	\$136.2	9.1%
Restricted	\$38.8	\$36.8	5.4%
Unrestricted	\$99.8	\$111.6	(10.6%)
Total net position	\$287.2	\$284.6	0.9%

*Prior year information has not been updated for the District's implementation of GASB Statement No. 65 in fiscal year 2014.

The decrease in current and other assets in fiscal year 2014 of \$9.0 million or 3.1 percent was due primarily to a decrease in cash and investments resulting from increased spending on capital projects. The District's fiscal year 2014 long-term debt outstanding includes a liability of \$16.4 million for other post-employment benefits (OPEB). The District's annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The annual required contribution represents the level of employer contribution effort that is required on an ongoing basis to fund the benefit plan. The annual required contribution, less the contributions made by the District, represents a long-term liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Table 2, Changes in Net Position, illustrates in summary form revenues and expenses from fiscal year 2014 and the increase in net position. Comparative data from fiscal year 2013 is also illustrated.

Table 2				
<i>Changes in Net Position from Operating Results (in millions of dollars)</i>				
	Governmental Activities 2014	% of Total	Governmental Activities 2013	% Inc. (Dec.)
Revenues				
Program revenues				
Charges for services	\$9.1	3.2%	\$9.7	(6.2%)
Operating Grants and Contributions	\$54.3	19.4%	\$44.6	21.7%
General revenues				
Property Taxes	\$210.1	75.0%	\$204.0	3.0%
State formula aid	\$5.7	2.0%	\$5.4	5.6%
Other	\$1.0	0.4%	\$1.3	(23.1%)
Total revenues	\$280.2	100%	\$265.0	5.7%
Expenses				
Instruction	\$185.1	66.7%	\$165.4	11.9%
Pupil and Instructional Services	\$22.9	8.2%	\$21.8	5.0%
Administration and Business	\$20.0	7.2%	\$19.8	1.0%
Operations and Maintenance	\$33.7	12.1%	\$33.3	1.2%
Transportation	\$11.9	4.3%	\$11.7	1.7%
Other	\$4.0	1.4%	\$4.5	(11.1%)
Total expenses	\$277.6	100%	\$256.5	8.2%
Increase (decrease) in net position	\$2.6		\$8.5	
Net Position				
Net Position - beginning	\$284.6		\$276.1	
Net Position - ending	\$287.2		\$284.6	

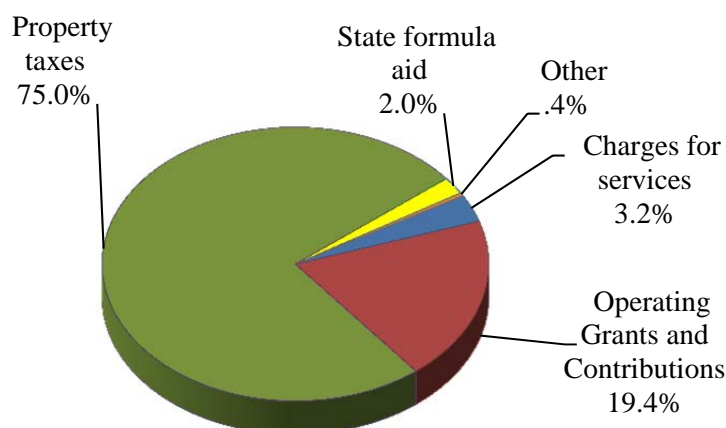
Revenues for the District's governmental activities were \$280.2 million and total expenses were \$277.6 million, resulting in net position increasing \$2.6 million in 2014. This favorable change in net position reflects the ongoing stability of the District's finances credited both to an established real estate tax base and budgetary controls put in place by the Board of Education.

Property taxes accounted for the largest portion of the District's revenue, contributing 75.0 percent despite the fact that property tax appeals continue to result in refund losses assessed against current year tax collections. The remainder of revenue came from state and federal aid for specific programs and fees charged for services and miscellaneous sources. The total cost of all District programs and services was \$277.6 million, an 8.2% increase over the prior year. The District's expenses are predominately related to instructing, caring for (pupil services), and transporting students (79.2 percent). The District's administrative and business activities accounted for 7.2 percent of total costs. Approximately \$8.6 million of the increase in the total expenses from the prior year is due to an

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

increase in State Retirement Contributions Expense. These expenses are offset 100% by State Contributions Revenue. Another \$6 million of the increase from the prior year relates to the acquisition of over 13,300 new iPads for the full expansion of the one-to-one program. These iPads were funded through two new capital leases.

District-Wide Revenues by Source - 2014



District-Wide Expenses by Function - 2014

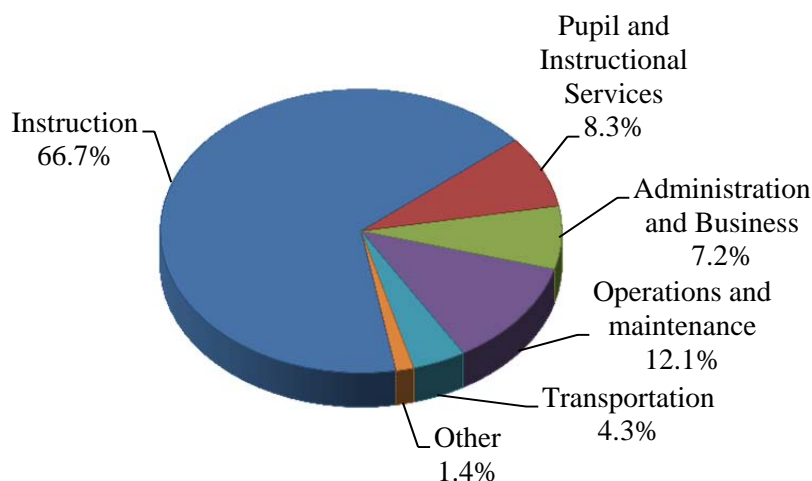


Table 3, Net Cost of Governmental Activities, illustrates in summary form the net costs (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) for each of the District's major activities from fiscal year 2014. Comparative data from fiscal year 2013 is also illustrated. The net cost shows the financial impact placed on the District's taxpayers by each of these functions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Table 3 <i>Net Cost of Governmental Activities (in millions of dollars)</i>				
	<u>Total Cost</u> of Services	<u>Net Cost</u> of Services	<u>Total Cost</u> of Services	<u>Net Cost</u> of Services
	2014		2013	
Instruction	\$185.1	\$132.6	\$165.4	\$121.4
Pupil and Instructional Services	\$22.9	\$22.7	\$21.8	\$21.7
Administration and Business	\$20.0	\$14.4	\$19.8	\$14.1
Operations and Maintenance	\$33.7	\$33.1	\$33.3	\$32.7
Transportation	\$11.9	\$7.4	\$11.7	\$7.8
Other	\$4.0	\$4.0	\$4.5	\$4.5
Total	\$277.6	\$214.2	\$256.5	\$202.2

- The cost of all governmental activities this year was \$277.6 million.
- Some of the cost was financed by the users of the District's programs (\$9.1 million).
- The federal and state governments subsidized certain programs with grants and contributions (\$54.3 million).
- Most of the District's costs (\$214.2 million), however, were financed by property taxes.

Financial Analysis of the District's Funds

The District's governmental funds reported fiscal year 2014 combined fund balances of \$165.6 million. This is a decrease from last year's ending fund balance of \$8.8 million and is attributed primarily to a planned increase in capital outlay.

The fund balance in the General Fund decreased over \$11 million due to transfers of \$17.5 million in reserves to other funds during the year for use in funding capital projects and debt abatement. These transfers were offset by capital lease proceeds of \$6.4 million for the expansion of the iPad one-to-one program.

The Operations and Maintenance fund balance decreased \$2.6 million during fiscal 2014. Both revenues and expenditures ended the year with favorable budget variances; however \$6.1 million in reserves was transferred to capital projects to fund construction in progress needs.

Revenues in the Transportation Fund were higher than expected due to the unanticipated receipt of categorical state aid. Purchased services ended the year over budget due to increased bus repairs and special education transportation needs. Nine new school buses were purchased at a cost of almost \$700,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Property taxes and corporate personal property taxes were the primary source of revenue for the Municipal Retirement/Social Security Fund for the year. Actual revenues came in very close to budget. Expenditure variances were positive and in line with lower than anticipated salary expense. The fund balance in this fund increased \$0.5 million over fiscal 2014.

The reported deficit in the Debt Service Fund of \$6.8 million was partially attributed to the planned levy abatement for the 2013 levy. As operating fund balances remain sound, the Board of Education approved continuation of a tax levy abatement plan that began in 2007. Through the 2013 levy, the Board of Education has reduced the Debt Service Levy by \$26.3 million by using existing Working Cash Fund reserves and Debt Service fund balance reserves to pay an apportionment of outstanding bonds.

The tax levy abatement plan was advanced in 2007 by the Board of Education for the purpose of lessening the overall tax increase, while maximizing the aggregate levy extension as limited by the Property Tax Extension Limitation Act (Tax Cap). Property tax abatement resolutions were filed with each levy to pay the established abatement amount towards the principal and interest on the 2006 Working Cash bonds and recently, the 2012/2013 Life Safety Bonds. A summary of the levy abatement plan to decrease the Debt Service Levy for the past seven years is illustrated below.

Principal/ Interest Due	Levy Year	Life Safety Bonds Series 2002	Life Safety Bonds Series 2012/ 2013	Working Cash Bonds Series 2006	Levy	(Levy Reduction)	Net Levy
6/1/07-12/1/07	2006	5,766,075		4,532,250	10,298,325		10,298,325
6/1/08-12/1/08	2007	3,931,200		6,365,050	10,296,250	(3,000,000)	7,296,250
6/1/09-12/1/09	2008			10,296,000	10,296,000	(5,000,000)	5,296,000
6/1/10-12/1/10	2009			10,295,750	10,295,750	(5,000,000)	5,295,750
6/1/11-12/1/11	2010			8,995,000	8,995,000	(3,700,000)	5,295,000
6/1/12-12/1/12	2011			8,997,750	8,997,750	(3,700,000)	5,297,750
6/1/13-12/1/13	2012		203,349	8,996,000	9,199,349	(3,958,372)	5,240,977
6/1/14-12/1/14	2013		4,687,050	609,000	5,296,050	(2,000,000)	3,296,050

In addition, the Debt Service Fund recognized over \$2 million of expense for the principal and interest payments on new capital leases relating to the new iPads. These capital leases were paid by a transfer from the General Fund.

The fund balance in the Capital Projects Fund increased \$12.2 million over the year due to the transfer of \$21.1 million of reserves from the General and Operations and Maintenance Funds combined. Major capital projects accounted for in this fund include renovations to all five district swimming pools and related locker rooms; office renovations at Conant High School; and expansion of the wireless network at all buildings.

Fund balance in the Fire Prevention and Life Safety Fund decreased \$5.9 million during fiscal 2014 due to life safety work completed and in progress at Palatine and Conant High Schools.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

General Fund Budgetary Highlights

The 2013-2014 budget was adopted by the Board of Education in September 2013. For 2013-2014, the largest category of revenue is local property taxes and reflected a \$0.9 million over-budget position, less than a 1% fluctuation from the amount anticipated. Overall, the General Fund revenue ended the year with a favorable \$13.4 million over-budget condition. However, \$11.4 million of this increase is attributable to the TRS on-behalf payments from the state being higher than anticipated. Expenditures were similarly over-budget in this category.

School districts and units of local government across Cook County continue to lose millions of dollars in property tax revenue every year from refunds resulting from assessment valuation challenges brought before the Illinois Property Tax Appeal Board or circuit court, exemption decisions of the Illinois Department of Revenue, or certificates of error issued by local assessing officials. Despite levies that are being properly approved and statutorily limited, schools and local governments do not receive the full amount of their extensions because taxpayers have won or settled these over-assessment or exemption cases for prior tax years. These refunds for assessment errors and exemptions in prior years are taken out of current collections, leaving schools and local governments with less property tax revenue than they are legally entitled to each year. District 211 recognized refund losses of \$5.6 million during the 2013-2014 fiscal year.

General state aid and categorical state aid reflected a \$12.4 million over-budget condition and was due primarily to the TRS on-behalf payments which were \$11.4 million more than budgeted. Federal aid reflected a \$0.3 million over-budget condition and was due primarily to receipt of unbudgeted aid such as USDA Food Commodities and the NSSEO Step Program.

For 2013-2014, total expenditures were \$16.6 million over budget including contingency. An unfavorable variance in the amount of \$11.4 million was recognized relating to under-budgeting the expense of TRS on-behalf payments by the State of Illinois. As discussed earlier, the reverse over budget condition offsets this in revenue. Non-capitalized equipment of \$6.1 million was expensed in Instruction for the acquisition of 13,300 iPads. This transaction was not budgeted. A positive budget balance in purchased services and supplies was due in part to timing of appropriations and bid savings on contracted services and supply items.

The District's revenue budget reflected a favorable over-plan condition due in part to unanticipated revenue realized from a \$621,640 surplus distribution from the Dundee Road Tax Increment Financing (TIF) district in Palatine. This unanticipated revenue was used to purchase additional capital outlay items for technology.

Capital Asset and Debt Administration

Table 4 illustrates capital assets, net of depreciation. By the end of 2014, the District had invested \$160.3 million in a broad range of capital assets, including school buildings, building improvements, vehicles, and equipment. This amount represents a net increase of \$9.3 million from the prior year. (More detailed information about capital assets can be found in Note D to the financial statements.)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

<i>Table 4</i>		
<i>Capital Assets (net of depreciation, in millions of dollars)</i>		
	Governmental Activities	Governmental Activities
	<u>2014</u>	<u>2013</u>
Land	\$1.5	\$1.5
Construction in progress	\$8.5	\$7.3
Depreciable buildings, property, and equipment, net	\$150.3	\$142.2
Total	\$160.3	\$151.0

Long-Term Debt

At year-end, the District had \$39.1 million in general obligation bonds and other long-term debt outstanding as shown in Table 5. (More detailed information about the District's long-term liabilities is presented in Note F to the financial statements.)

<i>Table 5</i>		
<i>Outstanding Long-Term Debt (in millions of dollars)</i>		
	Total School District	Total School District
	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$16.4	\$25.0
Unamortized Premium	\$0.4	\$0.8
Capital Lease	\$4.3	\$0.0
Other Postemployment Benefits	\$16.4	\$13.7
Compensated Absences	\$1.6	\$1.7
Total	\$39.1	\$41.2

- The District continued to pay down its debt, retiring \$8.5 million of outstanding general obligation bonds.
- The District entered into two new capital lease agreements during the year with combined proceeds of over \$6.4 million relating to the acquisition of over 13,300 new iPad devices.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Factors Bearing on the District's Future

The following are significant issues that may affect the District's financial health in the future:

- Collective bargaining agreements for teachers, teacher assistants, and support staff personnel groups were in place through June 30, 2014. New four-year agreements were executed in the fall of 2014 with parameters set by the Board of Education.
- In fiscal year 2014, the District began incurring costs under the Health Care Reform laws. Projected costs are \$1.2 million over the next three-year period. Due to the complexities of the Health Care Reform legislation, costs above this projection are possible, but unpredictable. Beginning January 1, 2015, all District health insurance plans will offer a wellness program to employees, with discounted premiums available to those who participate.
- Over the last three years, the District's aggregate equalized assessed value (EAV) for all real property within its boundaries has declined by 27%. While this decline has not affected tax collections, it has produced an overall higher District tax rate. Should the District's EAV experience additional decreases in the ensuing years, individual fund tax rates for the Educational Fund, Operations/Maintenance Fund and Working Cash Fund will be monitored in connection with statutory rate limitations.
- Due to the recent expiration of a significant Tax Increment Financing District within the District 211 boundaries, incremental EAV of approximately \$26.8 million was recognized as accessible new property in the 2013 tax levy year. This new property is projected to generate an additional \$750,000 in revenue for the District, only a portion of which was recognized in fiscal 2014.
- Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System. The State of Illinois continues its' long-standing debate on pensions and the need for funding reforms to address an increasing unfunded liability in the system. Currently, employers are mandated to contribute 0.58% of all creditable salary earnings to the Teachers' Retirement System. Due to the complexities of the pension system and various funding reform issues being discussed in the legislature, added employer contributions may be a future consideration.
- The State of Illinois is reviewing state funding alternatives, which may materially impact the amount of state funding received by the District and surrounding elementary school districts. Currently over 6.5% of the District's revenues are from state sources and if reduced, would put an increased dependency on local property taxes.
- Student enrollment within the District is projected to decline slightly.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Township High School District 211, 1750 South Roselle Road, Palatine, Illinois 60067.

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BASIC FINANCIAL STATEMENTS

Township High School District 211

STATEMENT OF NET POSITION

As of June 30, 2014

With Comparative Actual Totals as of June 30, 2013

	Total	
	2014	2013
ASSETS		
Cash and investments	\$ 170,919,882	\$ 177,239,188
Receivables (net of allowance for uncollectibles):		
Interest	40,430	44,859
Property taxes	100,126,904	99,570,975
Replacement taxes	515,312	579,080
Accounts	239,229	231,869
Intergovernmental	2,376,575	4,300,648
Inventory	3,928,112	4,667,865
Prepaid items	398,908	948,833
Other current assets	150,000	150,000
Capital assets:		
Land	1,456,291	1,456,291
Construction in progress	8,488,932	7,311,291
Depreciable buildings, property, and equipment, net	<u>150,344,036</u>	<u>142,184,351</u>
Total assets	<u>438,984,611</u>	<u>438,685,250</u>
LIABILITIES		
Accounts payable	7,344,171	8,182,248
Salaries and wages payable	975,794	1,036,723
Payroll deductions payable	96,132	85,989
Claims payable	2,640,787	2,524,699
Interest payable	20,504	56,088
Unearned revenue	588,958	101,025,308
Long-term liabilities:		
Due within one year	8,795,969	10,263,396
Due after one year	<u>30,275,079</u>	<u>30,908,122</u>
Total liabilities	<u>50,737,394</u>	<u>154,082,573</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for a future period	<u>100,998,641</u>	<u>-</u>
Total deferred inflows of resources	<u>100,998,641</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	148,610,964	136,218,876
Restricted for:		
Operations and maintenance	15,508,122	18,096,264
Debt service	1,864,610	4,579,219
Student transportation	8,833,881	8,158,191
Retirement benefits	6,518,896	5,991,347
Capital projects	6,100,000	-
Unrestricted	<u>99,812,103</u>	<u>111,558,780</u>
Total net position	<u>\$ 287,248,576</u>	<u>\$ 284,602,677</u>

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

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Township High School District 211
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014
With Comparative Totals for the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Totals			
		PROGRAM REVENUES		2014	2013
		Charges for	Operating	Net (Expenses)	Net (Expenses)
		Services	Grants and	Revenue and	Revenue and
			Contributions	Changes in	Changes in
				Net Position	Net Position
Governmental activities					
Instruction:					
Regular programs	\$ 86,619,115	\$ 1,374,476	\$ 18,006	\$ (85,226,633)	\$ (76,320,125)
Special programs	32,340,462	82,002	9,099,366	(23,159,094)	(21,979,216)
Other instructional programs	28,501,098	2,990,590	1,263,984	(24,246,524)	(23,067,192)
State retirement contributions	37,614,395		37,614,395	-	-
Support services:					
Pupils	18,376,355	-	-	(18,376,355)	(17,744,661)
Instructional staff	4,502,240	-	200,636	(4,301,604)	(3,930,871)
General administration	2,093,686	-	-	(2,093,686)	(1,761,009)
School administration	10,471,755	-	-	(10,471,755)	(10,360,558)
Business	7,442,538	3,878,018	1,776,694	(1,787,826)	(1,949,748)
Transportation	11,943,912	277,002	4,284,390	(7,382,520)	(7,819,033)
Operations and maintenance	33,651,920	485,956	69,903	(33,096,061)	(32,732,316)
Central	3,904,987	-	-	(3,904,987)	(4,058,567)
Other supporting services	101,689	-	-	(101,689)	(33,621)
Community services	6,479	-	-	(6,479)	(8,525)
Interest on long-term debt	27,590	-	-	(27,590)	(380,528)
Total governmental activities	\$ 277,598,221	\$ 9,088,044	\$ 54,327,374	(214,182,803)	(202,145,970)
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes				158,760,245	153,273,721
Real estate taxes, levied for specific purposes				43,386,712	42,334,291
Real estate taxes, levied for debt service				4,345,183	5,403,829
Real estate taxes, TIF Surplus				621,640	-
Personal property replacement taxes				3,035,673	3,000,856
State aid-formula grants				5,724,497	5,353,856
Investment earnings				313,000	422,545
Miscellaneous				641,752	869,849
Total general revenues				216,828,702	210,658,947
Change in net position				2,645,899	8,512,977
Net position, beginning of year				284,602,677	276,089,700
Net position, end of year				\$ 287,248,576	\$ 284,602,677

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

Township High School District 211

Governmental Funds

BALANCE SHEET

As of June 30, 2014

With Comparative Totals as of June 30, 2013

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Transportation</u>	<u>Municipal Retirement/ Soc. Sec.</u>
ASSETS				
Cash and investments	\$ 119,274,971	\$ 16,645,722	\$ 9,219,631	\$ 6,187,228
Receivables (net of allowance for uncollectibles):				
Interest	28,014	2,511	1,293	1,686
Property taxes	77,409,974	13,296,646	3,341,204	4,457,864
Replacement taxes	-	-	-	515,312
Accounts	239,229	-	-	-
Intergovernmental	2,376,575	-	-	-
Inventory	3,928,112	-	-	-
Prepaid Items	-	338,172	60,736	-
Other current assets	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 203,406,875</u>	<u>\$ 30,283,051</u>	<u>\$ 12,622,864</u>	<u>\$ 11,162,090</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,113,821	\$ 1,272,680	\$ 307,421	\$ 53,421
Salaries and wages payable	781,098	81,690	113,006	-
Payroll deductions payable	-	-	-	96,132
Claims payable	2,640,787	-	-	-
Unearned revenue	<u>588,958</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,124,664</u>	<u>1,354,370</u>	<u>420,427</u>	<u>149,553</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for a future period	78,070,396	13,420,561	3,368,556	4,493,642
Unavailable revenue	<u>441,438</u>	<u>1,339</u>	<u>832</u>	<u>1,218</u>
Total deferred inflows of resources	<u>78,511,834</u>	<u>13,421,900</u>	<u>3,369,388</u>	<u>4,494,860</u>
FUND BALANCES:				
Non-spendable fund balance:				
Inventory	3,928,112	-	-	-
Prepaid items	-	338,172	60,736	-
Deposit for employee benefits	150,000	-	-	-
Restricted fund balance	-	15,168,609	8,772,313	6,517,677
Assigned fund balance:				
For capital projects	-	-	-	-
For transfer to debt service fund	6,313,042	-	-	-
For transfer to operations & maintenance fund	20,000,000	-	-	-
For future insurance claims	-	-	-	-
Unassigned fund balance	<u>87,379,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>117,770,377</u>	<u>15,506,781</u>	<u>8,833,049</u>	<u>6,517,677</u>
Total liabilities and fund balance	<u>\$ 203,406,875</u>	<u>\$ 30,283,051</u>	<u>\$ 12,622,864</u>	<u>\$ 11,162,090</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fire Prevention and Life Safety</u>	<u>2014</u>	<u>Total</u>	<u>2013</u>
\$ 1,909,384	\$ 11,271,774	\$ 6,411,172	\$ 170,919,882	\$ 177,239,188	
-	-	6,926	40,430	44,859	
1,621,216	-	-	100,126,904	99,570,975	
-	-	-	515,312	579,080	
-	-	-	239,229	231,869	
-	-	-	2,376,575	4,300,648	
-	-	-	3,928,112	4,667,865	
-	-	-	398,908	948,833	
-	-	-	150,000	150,000	
<u>\$ 3,530,600</u>	<u>\$ 11,271,774</u>	<u>\$ 6,418,098</u>	<u>\$ 278,695,352</u>	<u>\$ 287,733,317</u>	
\$ -	\$ 1,318,059	\$ 1,278,769	\$ 7,344,171	\$ 8,182,248	
-	-	-	975,794	1,036,723	
-	-	-	96,132	85,989	
-	-	-	2,640,787	2,524,699	
-	-	-	588,958	101,466,440	
-	1,318,059	1,278,769	11,645,842	113,296,099	
1,645,486	-	-	100,998,641	-	
-	-	5,997	450,824	-	
1,645,486	-	5,997	101,449,465	-	
-	-	-	3,928,112	4,667,865	
-	-	-	398,908	948,833	
-	-	-	150,000	150,000	
1,885,114	6,100,000	5,133,332	43,577,045	46,939,504	
-	3,853,715	-	3,853,715	-	
-	-	-	6,313,042	4,753,762	
-	-	-	20,000,000	15,000,000	
-	-	-	-	2,524,699	
-	-	-	87,379,223	99,452,555	
1,885,114	9,953,715	5,133,332	165,600,045	174,437,218	
<u>\$ 3,530,600</u>	<u>\$ 11,271,774</u>	<u>\$ 6,418,098</u>	<u>\$ 278,695,352</u>	<u>\$ 287,733,317</u>	

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Township High School District 211
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**
For the Fiscal Year Ended June 30, 2014

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

Total fund balances - governmental funds	\$ 165,600,045
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	160,289,259
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Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are deferred in the governmental fund balance sheet, as follows:

Interest revenue	\$ 32,297	
State and federal aid	<u>418,527</u>	
		450,824

Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly are not included in the governmental fund balance sheet, as follows:

General obligation bonds	\$ (16,430,000)	
Capital lease	(4,261,792)	
Net other post employment benefits	(16,397,918)	
Unamortized premium	(360,867)	
Compensated absences	<u>(1,620,471)</u>	
		(39,071,048)

Interest on long-term liabilities (interest payable) accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental fund balance sheet.	<u>(20,504)</u>
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Net position of governmental activities	<u><u>\$ 287,248,576</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

Township High School District 211
Governmental Funds
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Totals for the Fiscal Year Ended June 30, 2013

	General	Operations and Maintenance	Transportation	Municipal/Retirement Soc. Sec.
Revenues				
Property taxes	\$ 158,760,245	\$ 27,429,168	\$ 6,849,248	\$ 9,108,296
Replacement taxes	1,049,441	700,000	-	1,286,232
State aid	49,377,452	69,903	4,284,390	-
Federal aid	6,308,746	-	-	-
Interest	231,915	27,238	14,155	12,072
Other	8,531,837	912,569	285,333	-
Total revenues	224,259,636	29,138,878	11,433,126	10,406,600
Expenditures				
Current:				
Instruction:				
Regular programs	83,261,562	-	-	624,531
Special programs	22,019,677	-	-	1,488,854
Other instructional programs	27,506,615	-	-	907,116
State retirement contributions	37,614,395	-	-	-
Support services:				
Pupils	17,485,084	-	-	891,271
Instructional staff	4,276,745	-	-	222,054
General administration	2,036,756	-	-	56,930
School administration	9,855,101	-	-	616,654
Business	6,749,873	-	-	677,627
Transportation	-	-	10,060,657	1,219,680
Operations and maintenance	-	22,558,932	-	2,427,729
Central	3,304,044	-	-	407,531
Other supporting services	101,689	-	-	-
Community services:				
Other	6,479	-	-	-
Payments to other districts and govt. units	7,936,904	456,960	-	339,031
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	480,688	2,609,904	696,383	-
Total expenditures	222,635,612	25,625,796	10,757,040	9,879,008
Excess (deficiency) of revenues over expenditures	1,624,024	3,513,082	676,086	527,592
Other financing sources (uses)				
Transfers in	-	15,000,000	-	-
Transfers (out)	(17,500,000)	(21,100,000)	-	-
Transfer of principal on leases	(1,563,132)	-	-	-
Transfer of interest on leases	(431)	-	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Capital lease proceeds	6,409,020	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(12,654,543)	(6,100,000)	-	-
Net change in fund balance	(11,030,519)	(2,586,918)	676,086	527,592
Fund balance (deficit), beginning of year	128,800,896	18,093,699	8,156,963	5,990,085
Fund balance, end of year	\$ 117,770,377	\$ 15,506,781	\$ 8,833,049	\$ 6,517,677

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

Debt Service		Capital Projects	Fire Prevention and Life Safety	Total	
				2014	2013
\$	4,345,183	\$ -	\$ -	\$ 206,492,140	\$ 201,011,841
	-	-	-	3,035,673	3,000,856
	-	-	-	53,731,745	46,122,684
	-	-	-	6,308,746	7,083,443
	5,880	11,769	11,659	314,688	457,886
	57	621,640	-	10,351,436	10,585,237
	4,351,120	633,409	11,659	280,234,428	268,261,947
	-	-	-	83,886,093	74,932,979
	-	-	-	23,508,531	22,871,073
	-	-	-	28,413,731	27,790,139
	-	-	-	37,614,395	29,050,370
	-	-	-	18,376,355	17,744,661
	-	-	-	4,498,799	4,089,703
	-	-	-	2,093,686	1,761,009
	-	-	-	10,471,755	10,360,558
	-	-	-	7,427,500	7,652,600
	-	-	-	11,280,337	10,927,709
	-	-	-	24,986,661	25,172,738
	-	-	-	3,711,575	3,865,155
	-	-	-	101,689	33,621
	-	-	-	6,479	8,525
	-	-	-	8,732,895	7,782,736
	10,702,371	-	-	10,702,371	8,143,646
	461,031	-	-	461,031	755,673
	-	9,527,679	5,892,084	19,206,738	12,209,072
	11,163,402	9,527,679	5,892,084	295,480,621	265,151,967
	(6,812,282)	(8,894,270)	(5,880,425)	(15,246,193)	3,109,980
	2,500,000	21,100,000	-	38,600,000	6,925,235
	-	-	-	(38,600,000)	(6,925,235)
	1,563,132	-	-	-	-
	431	-	-	-	-
	-	-	-	-	15,850,000
	-	-	-	-	353,775
	-	-	-	6,409,020	-
	-	-	-	-	-
	4,063,563	21,100,000	-	6,409,020	16,203,775
	(2,748,719)	12,205,730	(5,880,425)	(8,837,173)	19,313,755
	4,633,833	(2,252,015)	11,013,757	174,437,218	155,123,463
\$	1,885,114	\$ 9,953,715	\$ 5,133,332	\$ 165,600,045	\$ 174,437,218

Township High School District 211
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds \$ (8,837,173)

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

Capital outlay	\$ 19,206,738	
Depreciation expense	<u>(9,869,412)</u>	
		9,337,326

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are deferred in the fund statements:

Interest revenue	\$ (1,688)	
State and federal aid	<u>11,380</u>	
		9,692

Governmental funds report the effects of premiums, discounts, and similar items when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year, net effect of these differences. 397,857

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 35,584

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain expenditures are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Net OPEB obligation	\$ (2,684,674)	
Compensated absences	<u>93,936</u>	
		(2,590,738)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 4,293,351

Change in net position of governmental activities	\$ <u><u>2,645,899</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

Township High School District 211
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
As of June 30, 2014

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>1,922,148</u>
LIABILITIES	
Due to student groups	\$ <u>1,922,148</u>

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Township High School District No. 211 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Fund Accounting

The accounts of the District are organized on the basis of funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

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

2. Government-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues instead.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. **Government-Wide and Fund Financial Statements** (Continued)

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

a. **General Fund**

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The General Fund includes the educational accounts and the working cash accounts.

b. **Special Revenue Funds**

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

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

Operations and Maintenance Fund - accounts for expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Debt Service Fund

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

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities.

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

e. Fiduciary Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, and certain compensated absences and other post-employment benefits are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System and Teachers' Health Insurance Security Fund) have been recognized in the financial statements.

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

The Governmental Funds report unearned and unavailable revenue in connection with receivables for revenue that does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Interest income receivable	\$ 32,297
Local state and federal aid receivable	418,527
Total Unavailable Revenue	<u>\$ 450,824</u>

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Budgetary Data

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

5. Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

6. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to funds where taxes were automatically abated by the county clerk and the Municipal Retirement/Social Security Fund, with the balance at the discretion of the District.

7. Inventory

Inventory consists of residential homes held for sale, built by District students as part of the Career Technical Education Program (Building Construction Program), as well as unimproved lots which are held for future development. Inventory is accounted for using the consumption method, and is valued at cost by applying the specific valuation method.

8. Capital Assets

Capital assets, which include land, buildings, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated fair value at the date of donation.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets (Continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Equipment	5 - 20
Vehicles	5

9. Prepaid Items

Prepaid items, primarily insurance premiums and maintenance agreements, are recorded at cost and amortized over the term of the underlying agreements using the consumption method of accounting. Reported prepaid expenditures are equally offset by non-spendable fund balance, which indicate that they do not constitute "available spendable resources" even though they are a component of current assets.

10. Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. The entire liability for unused compensated absences is reported on the government-wide financial statements.

For government funds, the current portion of the compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated vacation leave are paid.

All certified employees receive a specified number of sick days per year in accordance with the agreement between the Board of Education and the Teachers Union. The District does not compensate for unused sick days; however, unused sick days can be carried forward at the end of each fiscal year. Upon retirement, a certified employee may apply up to 340 days of unused sick leave toward service credit for the Teachers' Retirement System. Ten-month Illinois Municipal Retirement Fund (IMRF) employees receive up to 12 and IMRF twelve-month employees receive 15 sick days per year. Upon retirement, IMRF employees are granted one month of service for every 20 days of unused sick leave, not to exceed 240 days (one year of service credit).

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Comparative Total Data

The financial statements include summarized prior year comparative information. Such information does not constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2013, from which such summarized information was derived.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. Bonds payable are reported independently of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

13. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

14. Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. **Equity Classifications** (Continued)

Equity is classified as fund balance in the governmental funds financial statements and displayed in five components:

Non-spendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually.

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects).

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education that originally created the commitment.

Assigned - includes General Fund amounts constrained for a specific purpose by the Board of Education or by an official who has been delegated authority to assign amounts. The Board of Education has declared that the Associate Superintendent for Business and District Treasurer may assign amounts for a specific purpose. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

All fund balances presented as restricted are for the purpose of each of the respective funds as described above in the Government-Wide and Fund Financial Statements section of this note. At June 30, 2014, the assigned fund balance of \$6,313,042 in the General Fund is cash to be transferred to the Debt Service Fund over the next two fiscal years for capital lease obligations and principle repayment. Similarly, \$20,000,000 is assigned in the general fund at June 30, 2014 for transfer to other funds. Assigned fund balance in the Capital Projects Fund of \$3,853,715 is for capital project spending. The non-spendable fund balance of \$150,000 at June 30, 2014 in the General Fund is funds held by the District's flexible benefit plan provider as required under contract. The non-spendable fund balance of \$338,172 and \$60,736 in the Operations and Maintenance and Transportations funds, respectively, is for prepaid insurance. Lastly, \$3,928,112 is non-spendable in the General Fund for inventory of student built residential homes held for sale.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Equity Classifications (Continued)

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

The District targets an operating fund balance, excluding non-spendable fund balance, of approximately 33% of the next budget year's expenditures, representing approximately 4 months of operations.

15. Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

16. Expenditures in Excess of Budget

The Fire Prevention and Life Safety Fund and Transportation Fund had expenditures in excess of the budgeted amount of \$1,310,084 and \$27,040, respectively, for the year ended June 30, 2014. These excesses were funded by available revenue and fund balance. The Capital Projects Fund and the Debt Service Fund had expenditures in excess of the budgeted amount of \$1,427,679 and \$2,161,402, respectively for the year ended June 30, 2014. These excesses were funded by other financing sources. The general fund had expenditures in excess of the budgeted amount of \$16,560,209 for the year ended June 30, 2014. A large portion of this fluctuation is attributable to On-behalf payments to TRS from the State in excess of budget of \$11,436,395. Similarly, On-behalf revenues were over budget by the same amount. The remainder of the fluctuation in the general fund is due to 13,300 new iPads totaling \$6,409,020 recorded as non-capitalized equipment. These iPads were funded through 2 capital leases, funded by reserves in the general fund.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE B - DEPOSITS AND INVESTMENTS

At June 30, 2014, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>170,919,882</u>	\$ <u>1,922,148</u>	\$ <u>172,842,030</u>

For disclosure purposes, this amount is classified into the following categories: cash on hand and deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and nonnegotiable certificates of deposit.

	<u>Total</u>
Cash on hand	\$ 15,350
Deposits with financial institutions	<u>172,826,680</u>
	<u>\$ 172,842,030</u>

1. **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 required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. 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.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy authorizes investments in any type of security as permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act.

3. Concentration of Credit Risk

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

4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2014, the bank balance of the District's deposits with financial institutions totaled \$176,880,382, of which \$2,240,199 was uninsured and uncollateralized.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be secured by private insurance or collateral.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE C - PROPERTY TAX RECEIVABLE

The District must file its tax levy ordinance by the last Tuesday in December of each year. The tax levy ordinance was approved by the Board on December 12, 2013. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County except for certain railroad property, which is assessed directly by the state. One third of the County is reassessed every year by the assessor.

The County Clerk adds the equalized assessed valuation of all real property in the County to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2013 tax levy was \$6,646,415,927.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments on March 1 and approximately thirty days after the final bills are mailed of the following year. 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 balance of the 2013 property tax levy not received as of June 30, net of 1% estimated uncollectable, is recorded as a receivable for fiscal 2014. The first installment of the 2013 levy and all receipts for levy years 2012 and prior received within 60 days of June 30 are recognized as revenue and are used to finance operations in fiscal 2014. The second installment of the 2013 levy and other levy year receipts received after 60 days of June 30 are reflected as a deferred inflow of resources and will be used to finance operations in fiscal 2015.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,456,291	\$ -	\$ -	\$ 1,456,291
Construction in progress	7,311,291	17,913,503	16,735,862	8,488,932
		-		
Total capital assets not being depreciated	8,767,582	17,913,503	16,735,862	9,945,223
Capital assets, being depreciated				
Buildings	219,297,597	14,069,528	-	233,367,125
Site improvements	31,096,885	1,985,244	-	33,082,129
Equipment	31,792,540	1,277,942	1,905,205	31,165,277
Vehicles	10,014,127	696,383	314,930	10,395,580
Total capital assets being depreciated	292,201,149	18,029,097	2,220,135	308,010,111
Less accumulated depreciation for:				
Buildings	98,372,386	5,900,933	-	104,273,319
Site improvements	15,036,552	2,393,396	-	17,429,948
Equipment	27,931,804	911,508	1,905,205	26,938,107
Vehicles	8,676,056	663,575	314,930	9,024,701
Total accumulated depreciation	150,016,798	9,869,412	2,220,135	157,666,075
Total capital assets being depreciated, net	142,184,351	8,159,685	-	150,344,036
Governmental activities capital assets, net	\$ 150,951,933	\$ 26,073,188	\$ 16,735,862	\$ 160,289,259

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE D - CAPITAL ASSETS (Continued)

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

Governmental activities		
General Government		
Regular programs	\$	142,284
Special programs		99,037
Other instructional programs		87,367
Instructional staff		3,440
Facilities acquisition and construction		8,286,801
Operations and maintenance		378,458
Transportation		663,575
Food services		15,038
Central		<u>193,412</u>
	\$	<u><u>9,869,412</u></u>

As of June 30, 2014 the District had approximately \$37,200,000 in outstanding commitments to contractors relating to construction in progress.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE E - OPERATING LEASES

The District leases equipment, building and office facilities under non-cancelable operating leases. Total costs for such leases were \$929,556 for the year ended June 30, 2014.

Commencing February 1, 2005, the District began leasing building and office space at 335 E. Illinois Ave., Palatine. Minimum lease payment under this ten year operating lease are \$64,880 annually, adjusted for CPI, plus real estate taxes. The District subleases a portion of this building to an educational academy. The ten year sublease began August 1, 2006 and requires monthly lease payments of \$6,000, increasing annually. Rent received for this sublease was \$85,851 for the year ended June 30, 2014.

The District also leases building and office space at 1544 Brand Parkway, Streamwood. The three year renewal began on July 15, 2010 and required monthly rent of \$3,600 plus real estate taxes. On October 18, 2012, the Board of Education authorized the extension of this lease for an additional three year term with monthly rent of \$3,850.

In December, 2011 the District entered into a 48 month non-cancelable operating lease for various copy machines. Minimum monthly payments under this lease are \$57,434.

Future minimum lease payments under the operating leases are as follows:

Year ended <u>June 30:</u>	Office <u>Leases</u>	Equipment <u>Leases</u>	Total Future Minimum <u>Lease Payments</u>
2015	\$ 127,456	\$ 689,208	\$ 816,664
2016	46,200	344,604	390,804
2017	-	-	-
2018	-	-	-
2019	-	-	-
Thereafter:	-	-	-
	\$ <u>173,656</u>	\$ <u>1,033,812</u>	\$ <u>1,207,468</u>

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE E - OPERATING LEASES (Continued)

The District currently rents use of three schools' stadium light poles and the ground at the base of the light poles for use by four mobile service providers for the operation of antenna facilities. Total rent received under these leases was \$115,946 for the year ended June 30, 2014. Lease terms are for 5 years, with a provision for three 5-year extensions.

Future projected receipts under the operating leases and building sublease are as follows:

Year ended <u>June 30:</u>	Office <u>Leases</u>	Site <u>Leases</u>	Total Rent <u>Receivable</u>
2015	\$ 89,702	\$ 102,118	\$ 191,820
2016	7,509	96,190	103,699
2017	-	99,073	99,073
2018	-	60,676	60,676
	<u>\$ 97,211</u>	<u>\$ 358,057</u>	<u>\$ 455,268</u>

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
General obligation bonds	\$ 24,970,000	\$ -	\$ 8,540,000	\$ 16,430,000
Unamortized premium	<u>758,724</u>	<u>-</u>	<u>397,857</u>	<u>360,867</u>
Total bonds payable	25,728,724	-	8,937,857	16,790,867
Capital Lease	15,143	6,409,020	2,162,371	4,261,792
Other post employment benefits	13,713,244	3,655,086	970,412	16,397,918
Compensated absences	<u>1,714,407</u>	<u>1,620,471</u>	<u>1,714,407</u>	<u>1,620,471</u>
Total	<u>\$ 41,171,518</u>	<u>\$ 11,684,577</u>	<u>\$ 13,785,047</u>	<u>\$ 39,071,048</u>

	Due within one year
General obligation bonds	\$ 5,050,000
Capital Lease	2,125,498
Compensated Absences	<u>1,620,471</u>
	<u>\$ 8,795,969</u>

The obligations for the compensated absences and other post-employment benefits will be paid from the General Fund.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds

The summary of activity in bonds payable for the year ended June 30, 2014 is as follows:

	<u>Bonds Payable</u> <u>June 30, 2013</u>	<u>Debt</u> <u>Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2014</u>
School Bonds, Series 2006, (original amount \$50,470,000) due December 2014, interest at 4.5% to 5.0%	\$ 9,120,000	\$ -	\$ 8,540,000	\$ 580,000
School Bonds, Series 2012, (original amount \$9,995,000) due December 2016, interest at 1.00%	9,995,000	-	-	9,995,000
School Bonds, Series 2013, (original amount \$5,855,000) due December 2017, interest at 2.00%	<u>5,855,000</u>	<u>-</u>	<u>-</u>	<u>5,855,000</u>
Total	<u>\$ 24,970,000</u>	<u>\$ -</u>	<u>\$ 8,540,000</u>	<u>\$ 16,430,000</u>

At June 30, 2014, the District's future cash flow requirements for retirement of bond principal were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,050,000	\$ 196,850	\$ 5,246,850
2016	5,150,000	106,150	5,256,150
2017	3,210,000	47,425	3,257,425
2018	<u>3,020,000</u>	<u>15,100</u>	<u>3,035,100</u>
	<u>\$ 16,430,000</u>	<u>\$ 365,525</u>	<u>\$ 16,795,525</u>

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE F - LONG-TERM LIABILITIES (Continued)

1. **General Obligation Bonds** (Continued)

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$1,885,114 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2014, the District was in compliance with all significant bond covenants.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$458,602,699, of which \$437,910,907 is fully available.

2. **Capital Leases**

In a prior year, the District entered into a lease agreement for financing the acquisition of a mailing machine. The provisions of the lease agreement require monthly payments of \$785 for sixty months. The obligation for this loan will be repaid from the Debt Service Fund.

In 2014, the District entered into two capital lease agreements with Apple, Inc. for the financing of approximately 13,300 iPad devices with combined proceeds of \$6,409,020. The provisions of the first lease agreement, executed in July 2013, requires three annual payments of \$1,127,696. The first payment was made upon execution of the lease, with subsequent payments to be made annually on the anniversary of the lease commencement date. Similarly, the second lease agreement, executed in May 2014, requires three annual payments of \$1,025,686. The first payment on this lease was made upon contract execution in May 2014 with subsequent payments to be made in May of the following two years. The obligation for these leases will be paid out of the debt service fund. The iPad devices acquired under these lease agreements are not included in capital assets since the individual devices do not meet the District's capitalization threshold.

The future cash flow requirements for these leases are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 2,125,498	\$ 34,163	\$ 2,159,661
2016	<u>2,136,294</u>	<u>17,087</u>	<u>2,153,381</u>
	<u>\$ 4,261,792</u>	<u>\$ 51,250</u>	<u>\$ 4,313,042</u>

Included in capital assets at June 30, 2014 are \$42,700 of assets held under capital leases.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits, worker's compensation claims, theft of, damage to, and destruction of assets, and natural disasters. To protect from the risk associated with worker's compensation claims, property damage and liability exposure, the District participates in a public entity risk pool: Secondary School Cooperative Risk Management Program (SSCRMP). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. The District has purchased insurance from private insurance companies for life insurance and long-term disability insurance that is provided to District personnel. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage in any of the past four years.

The District is self-insured for medical and dental coverage that is provided to District personnel. A third-party administrator processes claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third-party administrator for payment of employee health claims and administration fees. The District's liability will not exceed certain specified amounts per employee (\$250,000) or in the aggregate (125% of prior year claims), as provided by stop-loss provisions incorporated in the plan.

At June 30, 2014, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$2,640,787. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2014 and June 30, 2013, changes in the liability reported in the General Fund for unpaid claims are summarized below:

	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2013	\$ 2,462,567	\$ 27,191,503	\$ 27,129,371	\$ 2,524,699
Fiscal Year 2014	\$ 2,524,699	\$ 28,472,579	\$ 28,356,491	\$ 2,640,787

NOTE H - RETIREMENT FUND COMMITMENTS

1. Teachers' Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action, with the Governor's approval. The state of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011. These contributions, which may be paid on behalf of the employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

On-behalf Contributions

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, the state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$36,608,696 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the state of Illinois contribution rates as percentages of creditable earnings were 28.05%, or \$28,126,511 and 24.91%, or \$24,586,844, respectively.

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

2.2 Formula Contributions

Employers contributed 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$601,345. Contributions for the years ended June 30, 2013 and June 30, 2012 were \$582,433 and \$574,208, respectively.

Federal and 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 additional employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective beginning in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer pension contribution was 28.05 and 24.91 percent, respectively of salaries paid from federal and special trust funds. For the year ended June 30, 2014, salaries totaling \$295,064 were paid from federal and trust funds that required employer contributions of \$104,482. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$41,130 and \$74,396, respectively.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

Early Retirement Option (ERO)

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

Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

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

For the year ended June 30, 2014, the District incurred \$1,762,962 of TRS employer contributions under the ERO program. For the years ended June 30, 2013 and June 30, 2012, the District paid \$673,984 and \$1,864,308 in employer ERO contributions, respectively.

Salary Increased Over 6 percent and Excess Sick Leave

Public Act 94-0004 added two additional employer contributions to TRS.

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

For the year ended June 30, 2014, the District incurred \$15,402 of TRS employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013 and June 30, 2012, the District paid \$37,291 and \$93,044, respectively to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2014, as recertified pursuant to Public Act 96-1511).

For the year ended June 30, 2014, the District made no payments to TRS for sick leave days granted in excess of the normal annual allotment. For both the years ended June 30, 2013 and June 30, 2012, the District made no payments relating to employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014 is expected to be available in late 2014.

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions

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

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The Director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state to make a contribution to the THIS.

The percentage of employer required contributions in the future will be determined by the Director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf Contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$1,005,699 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and 2012 were 0.92 percent and 0.88 percent, respectively of pay. State contributions on behalf of District employees were \$923,859 and \$871,212 for those years, respectively.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

Employer Contributions to THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 percent and 0.66 percent, respectively during the years ended June 30, 2013 and June 30, 2012. For the year ended June 30, 2014 the District paid \$746,498 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$692,894 and \$653,409, respectively to the THIS Fund, which was 100 percent of the required contribution.

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

2. Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by state statute, the District's Regular plan members are required to contribute 4.5 percent 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 employer contribution rate for calendar year 2013 was 12.22 percent 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 state statute.

Annual Pension Cost

For the year ending December 31, 2013, the District's annual pension cost of \$4,978,422 for the Regular plan was equal to the District's required and actual contributions.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Trend Information				
Actuarial Valuation Date		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$	4,978,422	100.0%	\$ -
12/31/12	\$	4,801,590	100.0%	\$ -
12/31/11	\$	4,469,399	100.0%	\$ -

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 74.39 percent funded. The actuarial accrued liability for benefits was \$97,240,663 and the actuarial value of assets was \$72,341,390, resulting an underfunded actuarial accrued liability (UAAL) of \$24,899,273. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$40,739,949. The ratio of the UAAL to the covered payroll was 61 percent.

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

The IMRF 2013 Popular annual report for Members can be viewed online by visiting www.imrf.org, or a copy can be requested by calling 1-800-ASK-IMRF.

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

3. Social Security/Medicare

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

NOTE I - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Effective in 2008, only Illinois Municipal Retirement Fund (IMRF) retirees may access the health insurance plan during retirement years. If a retiree elects to leave the health plan they may not return to the plan in a future year. Retirees are responsible to contribute a premium toward the cost of their insurance. Retirees may also access dental and life insurance benefits on a "direct pay" basis. For 2014, 984 former employees or spouses accessed a postemployment benefit(s) through the District.

Funding Policy

Retirees under the age of 65 contribute the full Consolidated Omnibus Budget Reconciliation Act (COBRA) equivalent rate. The contributions required by the District are negotiated between the District and union representatives. Retirees who are Medicare eligible may access a Medicare supplemental policy through the District. Currently, the District contributes 26.5% percent of the postemployment benefits. For fiscal year 2014, the District contributed \$970,412 toward the cost of the postemployment benefits for retirees.

Annual OPEB Cost and Net OPEB Obligation

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE I - OTHER POST EMPLOYMENT BENEFITS (Continued)

	June 30, 2014
Annual required contribution	\$ 3,563,664
Interest on net OPEB obligation	548,530
Adjustment to annual required contribution	<u>(457,108)</u>
Annual OPEB cost	3,655,086
Contributions made	<u>970,412</u>
Increase in net OPEB obligation	2,684,674
Net OPEB obligation beginning of year	<u>13,713,244</u>
Net OPEB obligation end of year	<u><u>\$ 16,397,918</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding fiscal years were as follows:

Actuarial Valuation Date	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 3,655,086	26.5%	\$ 16,397,918
6/30/13	\$ 3,531,520	28.3%	\$ 13,713,244
6/30/12	\$ 3,773,869	32.9%	\$ 11,181,724

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE I - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Status and Funding Progress

As of June 30, 2014, the actuarial accrued liability for benefits was \$20,543,547, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$135,589,037 for the year ended June 30, 2014; and the ratio of the unfunded actuarial liability to the covered payroll was 15.2%.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE I - OTHER POST EMPLOYMENT BENEFITS (Continued)

The following simplifying assumptions were made:

Contribution rates:	
District	0.72%
Plan members	0%
Actuarial valuation date	6/30/2014
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	0.00% initial 5.50% ultimate
Mortality, Turnover, Disability, Retirement ages	Same rate utilized for IMRF
Percentage of active employees assumed to elect benefit	60%
Employer provided benefit	Age adjusted averages Represents the average of the averages \$745/month to age 65 \$199/month from age 65 for life

*Includes inflation at 3.00%

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE J - JOINT AGREEMENTS

The District is a member of various joint agreements that provide certain special education services to residents of many school districts. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint governing boards, these are not included as component units of the District.

NOTE K - INTERFUND TRANSFERS

The District transferred \$2,500,000 from the General Fund to the Debt Service Fund during the year ended June 30, 2014. This amount was used to pay bond principal. The District also transferred \$1,563,132 and \$431 from the General Fund to the Debt Service Fund during the year ended June 30, 2014. These amounts represent principal and interest, respectively, on capital leases.

The District transferred \$15,000,000 from the General Fund to the Operations and Maintenance Fund at June 30, 2014. This money was used to fund capital projects.

The District transferred \$21,100,000 from the Operations and Maintenance Fund to the Capital Projects Fund at June 30, 2014 to fund capital projects.

State law allows for the above transfers.

NOTE L - CONTINGENCIES

1. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District and its attorneys believe that the District has meritorious defenses against each and will vigorously defend each suit.

2. Grants

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

Township High School District No. 211
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Fiscal Year Ended June 30, 2014

NOTE M - STATE OF ILLINOIS FUNDING

For the year ended June 30, 2014, the District is required to recognize revenue and expenditures in the amount of \$37,614,395 for contributions paid directly to the Teachers' Retirement System (TRS) on behalf of all TRS-covered employees. Due in part to the financial difficulties of the state, the Teachers' Retirement System holds a significant unfunded liability on its pension obligations. This unfunded pension liability is not a current obligation of the District and as such, has not been recognized as a liability in the financial statements.

It is believed that the state will continue to delay funding its pension obligations during subsequent fiscal years. At June 30, 2014, the District feels it has adequate fund balance reserves to sustain a change in the method of state funding if mandated; however, such a change could have an adverse effect on future District financial results.

NOTE N - SUBSEQUENT EVENT - OPERATING LEASE AGREEMENT

Management has evaluated subsequent events through November 13, 2014, the date that these financial statements were available to be issued. In July 2014, the District entered into a ten-year, triple-net, operating lease agreement for the rental of an office building located at 1030 W. Higgins Road in Hoffman Estates, Illinois. This property will be renovated in anticipation of its intended use as a special education facility opening in the fall of 2015. Annual base rent for this property commences at \$72,000 with annual increases over the lease term. The District has an option to purchase this property at a pre-determined price any time during the term of the lease. No other events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

NOTE O - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

In March 2012, the GASB issued statement No. 65 - Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective July 1, 2013.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Township High School District 211
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
As of June 30, 2014

	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation		
	12/31/13	\$ 4,978,422	100.0%	\$ -		
	12/31/12	\$ 4,801,590	100.0%	\$ -		
	12/31/11	\$ 4,469,399	100.0%	\$ -		
	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
Actuarial Valuation Date						
12/31/13	\$ 72,341,390	\$ 97,240,663	74.39%	\$ 24,899,273	\$ 40,739,949	61.12%
12/31/12	\$ 72,232,174	\$ 100,895,896	71.59%	\$ 28,663,722	\$ 39,979,934	71.70%
12/31/11	\$ 71,205,111	\$ 98,259,946	72.47%	\$ 27,054,835	\$ 38,796,862	69.73%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$90,494,705. On a market basis, the funded ratio would be 93.06%.

The IMRF 2013 Popular Annual Report for Members can be viewed online by visiting www.imrf.org, or a copy can be requested by calling 1-800-ASK-IMRF.

Township High School District 211
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS
As of June 30, 2014

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/14	\$ -	\$ 20,543,547	0.0%	\$ 20,543,547	\$ 135,589,037	15.2%
6/30/13	\$ -	\$ 33,687,659	0.0%	\$ 33,687,659	\$ 132,615,574	25.4%
6/30/12	\$ -	\$ 31,671,189	0.0%	\$ 31,671,189	\$ 130,727,615	24.2%

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Revenue				
Local sources				
General levy	\$ 157,825,000	\$ 158,760,245	\$ 935,245	\$ 153,273,721
Corporate Personal Property Replacement Tax	950,000	1,049,441	99,441	1,357,461
Regular tuition from pupils or parents	16,000	80,486	64,486	15,930
Summer school tuition from pupils or parents	988,000	862,350	(125,650)	998,094
Special education tuition from other LEAs	180,000	84,911	(95,089)	172,937
Adult tuition from pupils or parents	116,000	126,903	10,903	115,480
Interest on investments	289,000	231,915	(57,085)	357,976
Sales to pupils - lunch	2,275,000	2,254,749	(20,251)	2,272,314
Sales to pupils - a la carte	1,165,000	914,239	(250,761)	1,163,390
Sales to adults	214,000	211,825	(2,175)	210,288
Other food service	474,000	497,205	23,205	494,178
Admissions - athletic	115,000	120,265	5,265	113,023
Other district/school activity revenue	573,500	567,981	(5,519)	572,685
Rentals - regular textbook	1,395,000	1,365,712	(29,288)	1,393,991
Other - textbooks	23,500	8,764	(14,736)	24,066
Contributions and donations from private sources	23,900	184,031	160,131	106,296
Refund of prior years' expenditures	100,000	119,032	19,032	283,005
Drivers' education fees	113,000	115,443	2,443	113,513
Sale of vocational projects	950,000	958,206	8,206	1,142,614
Other	51,100	59,735	8,635	79,754
Total local sources	167,837,000	168,573,438	736,438	164,260,716

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
State sources				
General state aid	\$ 5,537,000	\$ 5,724,497	\$ 187,497	\$ 5,353,856
Special education - private facility tuition	392,000	625,605	233,605	521,557
Special education - extraordinary	1,608,000	1,552,192	(55,808)	2,077,410
Special education - personnel	1,965,000	2,458,422	493,422	3,094,614
Special education - orphanage - individual	360,000	417,013	57,013	513,570
Special education				
Orphanage - summer individual	20,000	24,048	4,048	26,771
Special education - summer school	30,000	27,215	(2,785)	32,727
CTE - secondary programs improvement (CTEI)	220,000	254,201	34,201	268,715
Bilingual education - downstate - T.P.I and T.B.E.	220,000	187,037	(32,963)	199,409
State free lunch and breakfast	37,000	25,553	(11,447)	27,739
Driver education	195,000	228,599	33,599	219,531
Adult education (from ICCB)	195,000	210,169	15,169	224,381
Other restricted revenue from state sources	9,000	28,506	19,506	18,552
On behalf payments to TRS from the state	26,178,000	37,614,395	11,436,395	29,050,370
Total state sources	36,966,000	49,377,452	12,411,452	41,629,202
Federal sources				
National school lunch program	1,112,000	1,249,148	137,148	1,092,964
School breakfast program	305,000	307,916	2,916	302,626
Title I - low income	1,395,000	1,252,004	(142,996)	1,002,746
Fed. - Sp. Ed. - I.D.E.A. - flow through/low incidence	2,052,000	1,904,801	(147,199)	3,183,678
Fed. - Sp. Ed. - I.D.E.A. - room and board	110,000	276,035	166,035	172,254
C.T.E. - Perkins - Title IIC secondary	241,000	241,115	115	265,942
Fed. - adult education	120,000	114,081	(5,919)	142,979
Race to the Top Program	23,000	77,784	54,784	22,562
Title III - english language acquisition	59,000	65,167	6,167	66,279
Title II - teacher quality	148,000	190,136	42,136	162,273
Medical matching funds -				
Administrative outreach	200,000	260,566	60,566	237,291
Fee-for-service program	215,000	44,934	(170,066)	215,945
Other federal sources	65,000	325,059	260,059	215,904
Total federal sources	6,045,000	6,308,746	263,746	7,083,443
Total revenue	210,848,000	224,259,636	13,411,636	212,973,361

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 55,159,219	\$ 55,173,984	\$ (14,765)	\$ 53,310,923
Employee benefits	19,424,318	18,874,343	549,975	17,699,498
On-behalf payments to TRS from the state	26,178,000	37,614,395	(11,436,395)	29,050,370
Purchased services	423,680	265,164	158,516	419,683
Supplies and materials	1,379,909	1,289,397	90,512	1,484,662
Capital outlay	-	-	-	129,608
Other objects	35,313	20,194	15,119	16,885
Non-capitalized equipment	1,585,900	7,638,480	(6,052,580)	1,368,136
Termination Benefits	-	-	-	10,917
Total	<u>104,186,339</u>	<u>120,875,957</u>	<u>(16,689,618)</u>	<u>103,490,682</u>
Special education programs				
Salaries	16,476,805	16,694,311	(217,506)	16,354,351
Employee benefits	4,626,191	4,915,651	(289,460)	4,703,929
Purchased services	221,000	237,298	(16,298)	232,727
Supplies and materials	138,530	154,385	(15,855)	168,280
Other objects	2,360,000	-	2,360,000	-
Non-capitalized equipment	<u>42,200</u>	<u>18,032</u>	<u>24,168</u>	<u>13,454</u>
Total	<u>23,864,726</u>	<u>22,019,677</u>	<u>1,845,049</u>	<u>21,472,741</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Adult/continuing education programs				
Salaries	\$ 727,300	\$ 779,494	\$ (52,194)	\$ 712,643
Employee benefits	18,048	15,849	2,199	16,438
Purchased services	45,300	42,764	2,536	40,787
Supplies and materials	39,800	43,945	(4,145)	38,068
Termination benefits	-	6,245	(6,245)	-
Total	830,448	888,297	(57,849)	807,936
CTE Programs				
Salaries	6,241,741	6,224,489	17,252	5,934,711
Employee benefits	2,228,482	2,166,918	61,564	2,004,596
Purchased services	47,145	55,350	(8,205)	48,395
Supplies and materials	307,585	271,881	35,704	321,965
Capital outlay	-	407,821	(407,821)	53,935
Other objects	816,817	1,341,385	(524,568)	1,710,510
Non-capitalized equipment	427,950	45,832	382,118	95,091
Total	10,069,720	10,513,676	(443,956)	10,169,203
Interscholastic programs				
Salaries	6,739,400	6,638,637	100,763	6,577,754
Employee benefits	635,755	481,426	154,329	480,498
Purchased services	1,207,645	1,182,671	24,974	1,051,842
Supplies and materials	438,930	411,972	26,958	350,126
Capital outlay	-	54,756	(54,756)	-
Other objects	257,175	274,467	(17,292)	256,209
Non-capitalized equipment	114,000	115,306	(1,306)	76,398
Total	9,392,905	9,159,235	233,670	8,792,827
Summer school program				
Salaries	2,685,000	2,749,088	(64,088)	2,607,556
Employee benefits	187,295	200,996	(13,701)	192,541
Purchased services	43,000	67,740	(24,740)	35,652
Supplies and materials	19,000	20,980	(1,980)	19,003
Total	2,934,295	3,038,804	(104,509)	2,854,752

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Driver's education program				
Salaries	\$ 1,065,830	\$ 1,036,649	\$ 29,181	\$ 1,036,609
Employee benefits	383,172	365,764	17,408	353,408
Supplies and materials	1,470	1,550	(80)	44,969
Capital outlay	-	18,111	(18,111)	-
Total	1,450,472	1,422,074	28,398	1,434,986
Bilingual programs				
Salaries	2,142,863	2,148,049	(5,186)	2,611,817
Employee benefits	680,850	661,416	19,434	148,983
Supplies and materials	1,627	1,374	253	1,350
Non-Capitalized Equipment	400	353	47	-
Total	2,825,740	2,811,192	14,548	2,762,150
Truant's alternative and optional programs				
Salaries	51,000	46,619	4,381	51,294
Employee benefits	4,794	4,240	554	5,220
Purchased services	87,000	103,166	(16,166)	85,978
Total	142,794	154,025	(11,231)	142,492
Total instruction	155,697,439	170,882,937	(15,185,498)	151,927,769
Support services				
Pupils				
Attendance and social work services				
Salaries	1,365,155	1,358,816	6,339	1,275,554
Employee benefits	452,537	432,703	19,834	394,595
Purchased services	749,235	720,751	28,484	734,930
Supplies and materials	10,490	7,438	3,052	13,355
Total	2,577,417	2,519,708	57,709	2,418,434

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Guidance services				
Salaries	\$ 6,213,996	\$ 6,178,360	\$ 35,636	\$ 6,102,726
Employee benefits	2,075,769	1,987,109	88,660	1,895,465
Purchased services	26,235	23,570	2,665	17,828
Supplies and materials	471,718	518,805	(47,087)	470,537
Other objects	2,865	2,025	840	1,646
Non-capitalized equipment	1,200	976	224	-
Termination benefits	-	-	-	12,931
Total	8,791,783	8,710,845	80,938	8,501,133
Health services				
Salaries	597,703	551,221	46,482	595,430
Employee benefits	189,271	147,823	41,448	152,834
Purchased services	1,045	23,378	(22,333)	488
Supplies and materials	37,041	30,447	6,594	37,690
Non-capitalized equipment	-	3,416	(3,416)	3,277
Termination benefits	-	2,881	-	-
Total	825,060	759,166	68,775	789,719
Psychological services				
Salaries	1,316,255	1,407,951	(91,696)	1,256,286
Employee benefits	467,231	478,805	(11,574)	415,328
Total	1,783,486	1,886,756	(103,270)	1,671,614
Speech pathology and audiology services				
Salaries	936,945	955,285	(18,340)	890,750
Employee benefits	336,837	334,508	2,329	303,883
Total	1,273,782	1,289,793	(16,011)	1,194,633
Other support services - pupils				
Salaries	1,946,800	1,926,392	20,408	1,904,194
Employee benefits	453,181	391,902	61,279	383,441
Termination benefits	-	522	-	-
Total	2,399,981	2,318,816	81,687	2,287,635
Total pupils	17,651,509	17,485,084	169,828	16,863,168

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Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Instructional staff				
Improvement of instruction services				
Salaries	\$ 1,358,075	\$ 1,427,685	\$ (69,610)	\$ 1,226,692
Employee benefits	405,837	401,858	3,979	338,544
Purchased services	145,000	224,839	(79,839)	143,751
Supplies and materials	39,200	44,920	(5,720)	20,367
Total	1,948,112	2,099,302	(151,190)	1,729,354
Educational media services				
Salaries	1,463,188	1,446,860	16,328	1,413,711
Employee benefits	456,895	430,968	25,927	406,932
Purchased services	78,065	55,880	22,185	76,549
Supplies and materials	126,590	93,317	33,273	104,885
Non-capitalized equipment	37,400	36,400	1,000	990
Termination benefits	-	-	-	3,928
Total	2,162,138	2,063,425	98,713	2,006,995
Assessment and testing				
Salaries	30,000	-	30,000	28,671
Employee benefits	10,785	-	10,785	9,775
Purchased services	4,500	-	4,500	-
Supplies and materials	100,500	114,018	(13,518)	107,104
Total	145,785	114,018	31,767	145,550
Total instructional staff	4,256,035	4,276,745	(20,710)	3,881,899

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
General administration				
Board of education services				
Purchased services	\$ 240,500	\$ 437,814	\$ (197,314)	\$ 268,906
Supplies and materials	1,000	697	303	1,318
Other objects	<u>31,000</u>	<u>31,915</u>	<u>(915)</u>	<u>30,362</u>
Total	<u>272,500</u>	<u>470,426</u>	<u>(197,926)</u>	<u>300,586</u>
Executive administration services				
Salaries	387,020	510,008	(122,988)	369,785
Employee benefits	124,180	142,774	(18,594)	109,919
Purchased services	9,600	8,895	705	8,575
Supplies and materials	2,200	3,391	(1,191)	2,249
Other objects	<u>3,400</u>	<u>3,794</u>	<u>(394)</u>	<u>960</u>
Total	<u>526,400</u>	<u>668,862</u>	<u>(142,462)</u>	<u>491,488</u>
Special area administrative services				
Salaries	670,635	668,184	2,451	686,561
Employee benefits	227,931	209,962	17,969	216,178
Purchased services	18,000	16,552	1,448	15,695
Supplies and materials	2,000	2,590	(590)	2,161
Other objects	<u>300</u>	<u>180</u>	<u>120</u>	<u>-</u>
Total	<u>918,866</u>	<u>897,468</u>	<u>21,398</u>	<u>920,595</u>
Total general administration	<u>1,717,766</u>	<u>2,036,756</u>	<u>(318,990)</u>	<u>1,712,669</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
School administration				
Office of the principal services				
Salaries	\$ 6,456,060	\$ 6,482,241	\$ (26,181)	\$ 6,404,978
Employee benefits	1,978,767	1,873,988	104,779	1,807,957
Purchased services	1,197,350	984,344	213,006	984,339
Supplies and materials	765,310	425,405	339,905	490,631
Other objects	18,030	19,056	(1,026)	16,856
Non-capitalized equipment	61,250	52,202	9,048	30,695
Termination benefits	-	17,865	(17,865)	18,861
Total	10,476,767	9,855,101	621,666	9,754,317
Business				
Direction of business support services				
Salaries	260,595	312,607	(52,012)	248,560
Employee benefits	86,387	92,698	(6,311)	76,914
Purchased services	10,400	2,825	7,575	9,353
Supplies and materials	2,700	2,683	17	2,595
Other objects	1,100	1,582	(482)	1,086
Total	361,182	412,395	(51,213)	338,508
Fiscal services				
Salaries	648,295	633,778	14,517	666,025
Employee benefits	168,525	151,605	16,920	151,225
Purchased services	52,500	58,566	(6,066)	53,208
Supplies and materials	4,200	11,900	(7,700)	4,149
Other objects	1,000	1,366	(366)	851
Termination benefits	-	-	-	17,531
Total	874,520	857,215	17,305	892,989

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Food services				
Salaries	\$ 2,339,500	\$ 2,313,050	\$ 26,450	\$ 2,290,370
Employee benefits	544,594	494,986	49,608	486,361
Purchased services	38,200	33,804	4,396	34,856
Supplies and materials	2,464,500	2,395,446	69,054	2,512,860
Capital outlay	-	-	-	35,550
Other objects	61,500	25,497	36,003	60,382
Non-capitalized equipment	47,700	52,155	(4,455)	6,610
Total	5,495,994	5,314,938	181,056	5,426,989
Internal services				
Salaries	128,555	129,431	(876)	125,443
Employee benefits	29,925	26,331	3,594	25,260
Purchased services	5,100	8,784	(3,684)	5,389
Supplies and materials	2,700	779	1,921	2,254
Total	166,280	165,325	955	158,346
Total business	6,897,976	6,749,873	148,103	6,816,832
Central				
Information services				
Salaries	325,470	333,149	(7,679)	310,452
Employee benefits	75,764	67,775	7,989	63,106
Purchased services	21,600	21,523	77	21,177
Supplies and materials	290,000	296,480	(6,480)	291,376
Termination benefits	-	3,918	(3,918)	-
Total	712,834	722,845	(10,011)	686,111

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Staff services				
Salaries	\$ 399,820	\$ 400,913	\$ (1,093)	\$ 390,731
Employee benefits	108,518	99,806	8,712	95,342
Purchased services	42,500	38,606	3,894	44,685
Supplies and materials	7,000	7,429	(429)	7,118
Other objects	500	-	500	495
Total	<u>558,338</u>	<u>546,754</u>	<u>11,584</u>	<u>538,371</u>
Data processing services				
Salaries	1,366,775	1,200,527	166,248	1,317,696
Employee benefits	318,161	244,233	73,928	265,340
Purchased services	470,000	314,069	155,931	503,217
Supplies and materials	200,000	275,616	(75,616)	129,732
Total	<u>2,354,936</u>	<u>2,034,445</u>	<u>320,491</u>	<u>2,215,985</u>
Total central	<u>3,626,108</u>	<u>3,304,044</u>	<u>322,064</u>	<u>3,440,467</u>
Other support services				
Purchased services	331,900	94,620	237,280	25,518
Supplies and materials	31,500	7,069	24,431	8,103
Total	<u>363,400</u>	<u>101,689</u>	<u>261,711</u>	<u>33,621</u>
Total support services	<u>44,989,561</u>	<u>43,809,292</u>	<u>1,183,672</u>	<u>42,502,973</u>
Community services				
Purchased services	14,500	2,621	11,879	5,485
Supplies and materials	10,500	3,858	6,642	3,040
Total	<u>25,000</u>	<u>6,479</u>	<u>18,521</u>	<u>8,525</u>
Payments to other districts and govt. units				
Payments for regular programs				
Other objects	<u>600,000</u>	<u>641,072</u>	<u>(41,072)</u>	<u>566,354</u>
Total	<u>600,000</u>	<u>641,072</u>	<u>(41,072)</u>	<u>566,354</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
General Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Payments for special education programs				
Other objects	\$ 4,100,000	\$ 7,142,036	\$ (3,042,036)	\$ 6,362,248
Total	<u>4,100,000</u>	<u>7,142,036</u>	<u>(3,042,036)</u>	<u>6,362,248</u>
Payments for CTE programs				
Other objects	160,000	153,796	6,204	149,933
Total	<u>160,000</u>	<u>153,796</u>	<u>6,204</u>	<u>149,933</u>
Total payments to other districts and govt. units	<u>4,860,000</u>	<u>7,936,904</u>	<u>(3,076,904)</u>	<u>7,078,535</u>
Provision for contingencies	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Total expenditures	<u>206,072,000</u>	<u>222,635,612</u>	<u>(16,560,209)</u>	<u>201,517,802</u>
Excess of revenues over expenditures	<u>4,776,000</u>	<u>1,624,024</u>	<u>(3,148,573)</u>	<u>11,455,559</u>
Other financing sources (uses)				
Fund balance transfers pledged to prepay principal on future capital leases	-	-	-	(599,238)
Permanent transfer to debt service fund	-	(2,500,000)	(2,500,000)	(1,200,000)
Fund balance transfers pledged to pay principal on capital leases	-	(1,563,132)	(1,563,132)	(8,646)
Fund balance transfers pledged to pay interest on capital leases	-	(431)	(431)	(774)
Permanent transfer to operations & maintenance fund	(15,000,000)	(15,000,000)	-	-
Capital lease proceeds	<u>-</u>	<u>6,409,020</u>	<u>6,409,020</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,000,000)</u>	<u>(12,654,543)</u>	<u>2,345,457</u>	<u>(1,808,658)</u>
Net change in fund balance	<u>\$ (10,224,000)</u>	<u>(11,030,519)</u>	<u>\$ (803,116)</u>	<u>9,646,901</u>
Fund balance, beginning of year		<u>128,800,896</u>		<u>119,153,995</u>
Fund balance, end of year		<u>\$ 117,770,377</u>		<u>\$ 128,800,896</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Operations and Maintenance Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Revenue				
Local sources				
General levy	\$ 27,506,000	\$ 27,429,168	\$ (76,832)	\$ 26,862,231
Corporate personal property replacement taxes	700,000	700,000	-	700,000
Interest on investments	22,000	27,238	5,238	38,484
Contributions and donations	-	28,583	-	
Other district/school activity revenue	142,000	156,047	14,047	142,477
Rentals	461,000	485,956	24,956	467,866
Refund of prior years' expenditures	1,000	148,904	147,904	272,714
Other	11,000	93,079	82,079	111,565
Total local sources	28,843,000	29,068,975	197,392	28,595,337
State sources				
Other state sources	-	69,903	69,903	66,558
Total state sources	-	69,903	69,903	66,558
Total revenue	28,843,000	29,138,878	267,295	28,661,895

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Operations and Maintenance Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Expenditures				
Support services				
Business				
Operations and maintenance of plant services				
Salaries	\$ 11,197,000	\$ 10,404,517	\$ 792,483	\$ 11,035,078
Employee benefits	2,265,000	2,245,120	19,880	2,141,160
Purchased services	4,018,000	4,089,526	(71,526)	3,750,673
Supplies and materials	5,328,000	5,403,112	(75,112)	5,215,176
Capital outlay	3,000,000	2,609,904	390,096	4,276,728
Other objects	-	-	-	2,895
Non-capitalized equipment	-	370,590	(370,590)	434,532
Termination benefits	-	46,067	(46,067)	107,494
Total	<u>25,808,000</u>	<u>25,168,836</u>	<u>639,164</u>	<u>26,963,736</u>
Total business	<u>25,808,000</u>	<u>25,168,836</u>	<u>639,164</u>	<u>26,963,736</u>
Total support services	<u>25,808,000</u>	<u>25,168,836</u>	<u>639,164</u>	<u>26,963,736</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Operations and Maintenance Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Payments to other districts and governmental units				
Payment to other governmental units (in-state)				
Payments for special education programs				
Other objects	\$ 429,000	\$ 456,960	\$ (27,960)	\$ 394,951
Total payments to other districts and govt. units	429,000	456,960	(27,960)	394,951
Provision for contingencies	200,000	-	200,000	-
Total expenditures	26,437,000	25,625,796	811,204	27,358,687
Excess of revenues over expenditures	2,406,000	3,513,082	1,078,499	1,303,208
Other financing sources (uses)				
Permanent transfer from general fund	15,000,000	15,000,000	-	-
Permanent transfer to capital projects fund	(21,100,000)	(21,100,000)	-	(2,350,000)
Permanent transfer from fire prevention and life safety fund	-	-	-	2,773,383
Total other financing sources (uses)	(6,100,000)	(6,100,000)	-	423,383
Net change in fund balance	\$ (3,694,000)	(2,586,918)	\$ 1,078,499	1,726,591
Fund balance, beginning of year		18,093,699		16,367,108
Fund balance, end of year		\$ 15,506,781		\$ 18,093,699

See Auditors' Report and Notes to Required Supplementary Information

Township High School District 211
Transportation Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Revenue				
Local sources				
General levy	\$ 6,798,000	\$ 6,849,248	\$ 51,248	\$ 6,681,038
Regular transportation fees				
from pupils or parents	97,000	89,961	(7,039)	97,276
Regular transportation fees from other Districts	72,000	69,698	(2,302)	78,241
Regular transportation fees from				
co-curricular activities	52,000	44,744	(7,256)	52,106
Summer school transportation				
fees from pupils or parents	75,000	72,599	(2,401)	74,920
Interest on investments	14,000	14,155	155	16,931
Refund of prior years' expenditures	1,000	284	(716)	223
Other	1,000	8,047	7,047	4,188
Total local sources	7,110,000	7,148,736	38,736	7,004,923
State sources				
Transportation - Regular/Vocational	263,000	239,287	(23,713)	296,179
Transportation - Special Education	3,370,000	3,866,641	496,641	4,130,745
Other State Sources	-	178,462	178,462	-
Total state sources	3,633,000	4,284,390	651,390	4,426,924
Total revenue	10,743,000	11,433,126	690,126	11,431,847

See Auditor's Report and Notes to Required Supplementary Information.

Township High School District 211
Transportation Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Expenditures				
Support services				
Business				
Pupil transportation services				
Salaries	\$ 5,480,000	\$ 5,316,669	\$ 163,331	\$ 5,334,186
Employee benefits	1,810,000	1,735,927	74,073	1,712,083
Purchased services	1,396,000	1,770,008	(374,008)	1,442,086
Supplies and materials	1,212,000	1,236,407	(24,407)	1,148,017
Capital outlay	732,000	696,383	35,617	763,981
Other objects	-	1,646	(1,646)	105
Termination benefits	-	-	-	17,292
Total	<u>10,630,000</u>	<u>10,757,040</u>	<u>(127,040)</u>	<u>10,417,750</u>
Total support services	<u>10,630,000</u>	<u>10,757,040</u>	<u>(127,040)</u>	<u>10,417,750</u>
Provision for contingencies	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>10,730,000</u>	<u>10,757,040</u>	<u>(27,040)</u>	<u>10,417,750</u>
Excess of revenues over expenditures	<u>\$ 13,000</u>	676,086	<u>\$ 663,086</u>	1,014,097
Net change in fund balance	<u>\$ 13,000</u>	676,086	<u>\$ 663,086</u>	1,014,097
Fund balance, beginning of year		<u>8,156,963</u>		<u>7,142,866</u>
Fund balance, end of year		<u>\$ 8,833,049</u>		<u>\$ 8,156,963</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Municipal Retirement / Social Security Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2014

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Revenue				
Local sources				
General levy	\$ 4,502,000	\$ 4,554,148	\$ 52,148	\$ 4,395,511
Social security/medicare levies	4,502,000	4,554,148	52,148	4,395,511
Corporate personal property replacement taxes	1,350,000	1,286,232	(63,768)	943,395
Interest on investments	14,000	12,072	(1,928)	16,366
Refund of prior years' expenditures	-	-	-	12,103
Total local sources	<u>10,368,000</u>	<u>10,406,600</u>	<u>38,600</u>	<u>9,762,886</u>
Total revenue	<u>10,368,000</u>	<u>10,406,600</u>	<u>38,600</u>	<u>9,762,886</u>
Expenditures				
Instruction				
Regular programs	649,700	624,531	25,169	622,275
Special education programs	1,548,900	1,488,854	60,046	1,398,332
Adult/continuing education programs	137,200	131,862	5,338	115,170
CTE programs	23,200	22,315	885	26,597
Interscholastic programs	471,200	452,528	18,672	429,363
Summer school programs	166,000	159,531	6,469	155,491
Bilingual programs	<u>146,600</u>	<u>140,880</u>	<u>5,720</u>	<u>153,107</u>
Total instruction	<u>3,142,800</u>	<u>3,020,501</u>	<u>122,299</u>	<u>2,900,335</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Municipal Retirement / Social Security Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2014

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Support services				
Pupils				
Attendance and social work services	\$ 71,000	\$ 68,265	\$ 2,735	\$ 64,558
Guidance services	298,400	286,840	11,560	287,416
Health services	85,300	81,955	3,345	90,003
Psychological services	20,800	19,975	825	15,272
Other support services -pupils	<u>451,800</u>	<u>434,236</u>	<u>17,564</u>	<u>424,244</u>
Total pupils	<u>927,300</u>	<u>891,271</u>	<u>36,029</u>	<u>881,493</u>
Instructional staff				
Improvement of instruction services	108,200	104,010	4,190	86,910
Educational media services	<u>122,800</u>	<u>118,044</u>	<u>4,756</u>	<u>120,894</u>
Total instructional staff	<u>231,000</u>	<u>222,054</u>	<u>8,946</u>	<u>207,804</u>
General administration				
Executive administration services	32,800	31,525	1,275	25,833
Special area administrative services	<u>26,400</u>	<u>25,405</u>	<u>995</u>	<u>22,507</u>
Total general administration	<u>59,200</u>	<u>56,930</u>	<u>2,270</u>	<u>48,340</u>
School administration				
Office of the principal services	<u>641,500</u>	<u>616,654</u>	<u>24,846</u>	<u>606,241</u>
Total school administration	<u>641,500</u>	<u>616,654</u>	<u>24,846</u>	<u>606,241</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
Municipal Retirement / Social Security Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2014

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Business				
Direction of business support services	\$ 13,800	\$ 13,293	\$ 507	\$ 12,519
Fiscal services	120,000	115,349	4,651	117,857
Operations and maintenance of plant services	2,525,500	2,427,729	97,771	2,485,730
Pupil transportation services	1,268,900	1,219,680	49,220	1,199,963
Food services	540,800	519,864	20,936	511,751
Internal services	<u>30,300</u>	<u>29,121</u>	<u>1,179</u>	<u>28,003</u>
Total business	<u>4,499,300</u>	<u>4,325,036</u>	<u>174,264</u>	<u>4,355,823</u>
Central				
Information services	77,900	74,922	2,978	69,964
Staff services	65,000	62,494	2,506	60,572
Data processing services	<u>281,000</u>	<u>270,115</u>	<u>10,885</u>	<u>294,152</u>
Total central	<u>423,900</u>	<u>407,531</u>	<u>16,369</u>	<u>424,688</u>
Total support services	<u>6,782,200</u>	<u>6,519,476</u>	<u>262,724</u>	<u>6,524,389</u>
Payments to other districts and governmental units				
Payments for special education programs	<u>325,000</u>	<u>339,031</u>	<u>(14,031)</u>	<u>309,250</u>
Total payments to other districts and govt. units	<u>325,000</u>	<u>339,031</u>	<u>(14,031)</u>	<u>309,250</u>
Total expenditures	<u>10,250,000</u>	<u>9,879,008</u>	<u>370,992</u>	<u>9,733,974</u>
Net change in fund balance	<u>\$ 118,000</u>	527,592	<u>\$ 409,592</u>	28,912
Fund balance, beginning of year		<u>5,990,085</u>		<u>5,961,173</u>
Fund balance, end of year		<u>\$ 6,517,677</u>		<u>\$ 5,990,085</u>

See Auditors' Report and Notes to Required Supplementary Information.

Township High School District 211
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of and for the Fiscal Year Ended June 30, 2014

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

- a) 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.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) Budgetary control is maintained at line-item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is available to the District's management in real time. These expenditure reports list each item's year-to-date expenditure, budget amount, and account balance.
- g) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 26, 2013.
- h) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGET

The Transportation Fund had expenditures in excess of the budgeted amount of \$27,040 for the year ended June 30, 2014. These excesses were funded by available revenue and fund balance. The general fund had expenditures in excess of the budgeted amount of \$16,560,209 for the year ended June 30, 2014. A large portion of this fluctuation is attributable to On-behalf payments to TRS from the State in excess of budget of \$11,436,395. Similarly, On-behalf revenues were over budget by the same amount. The remainder of the fluctuation in the general fund is due to 13,300 new iPads totaling \$6,409,020 recorded as non-capitalized equipment. These iPads were funded through 2 capital leases, funded by reserves in the general fund.

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SUPPLEMENTARY FINANCIAL INFORMATION

Township High School District 211
Debt Service Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparable Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Revenue				
Local sources				
General levy	\$ 5,160,000	\$ 4,345,183	\$ (814,817)	\$ 5,403,829
Interest on investments	14,000	5,880	(8,120)	22,735
Other Local Revenue	<u>-</u>	<u>57</u>	<u>57</u>	<u>-</u>
Total revenue	<u>5,174,000</u>	<u>4,351,120</u>	<u>(822,880)</u>	<u>5,426,564</u>
Expenditures				
Debt service				
Debt services - interest on long-term debt				
Bonds - interest	459,550	459,550	-	754,199
Capital leases - interest	<u>-</u>	<u>431</u>	<u>(431)</u>	<u>774</u>
Total debt services - interest on long-term debt	<u>459,550</u>	<u>459,981</u>	<u>(431)</u>	<u>754,973</u>
Debt services - payments of principal on long-term debt				
Bond principal retired	8,540,000	8,540,000	-	8,135,000
Capital lease principal retired	<u>-</u>	<u>2,162,371</u>	<u>(2,162,371)</u>	<u>8,646</u>
Total debt services - payments of principal on long-term debt	<u>8,540,000</u>	<u>10,702,371</u>	<u>(2,162,371)</u>	<u>8,143,646</u>
Other debt service				
Purchased services		1,050	(1,050)	700
Other objects	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,450</u>	<u>1,050</u>	<u>1,400</u>	<u>700</u>
Total debt service	<u>9,002,000</u>	<u>11,163,402</u>	<u>(2,161,402)</u>	<u>8,899,319</u>
Total expenditures	<u>9,002,000</u>	<u>11,163,402</u>	<u>(2,161,402)</u>	<u>8,899,319</u>
Excess (deficiency) of revenues over expenditures	<u>(3,828,000)</u>	<u>(6,812,282)</u>	<u>(2,984,282)</u>	<u>(3,472,755)</u>

Township High School District 211
Debt Service Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparable Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Other financing sources (uses)				
Permanent transfer from General Fund	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 1,200,000
Transfer to pay principal on capital leases	-	1,563,132	1,563,132	8,646
Transfer to pay interest on capital leases	-	431	431	774
Transfer to prepay principal on capital leases	-	-	-	599,238
Transfer of excess accumulated fire prevention & safety bond and interest proceeds	-	-	-	2,614
Total other financing sources (uses)	-	4,063,563	4,063,563	1,811,272
Net change in fund balance	<u>\$ (3,828,000)</u>	(2,748,719)	<u>\$ 1,079,281</u>	(1,661,483)
Fund balance, beginning of year		<u>4,633,833</u>		<u>6,295,316</u>
Fund balance, end of year		<u>\$ 1,885,114</u>		<u>\$ 4,633,833</u>

Township High School District 211
Capital Projects Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2014

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance	
Revenue				
Local sources				
Interest on investments	\$ 34,000	\$ 11,769	\$ (22,231)	\$ 2,447
Payments of Surplus Moneys from TIF Districts	<u>-</u>	<u>621,640</u>	<u>-</u>	<u>-</u>
Total local sources	<u>34,000</u>	<u>633,409</u>	<u>(22,231)</u>	<u>2,447</u>
Total revenue	<u>34,000</u>	<u>633,409</u>	<u>(22,231)</u>	<u>2,447</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Capital outlay	8,100,000	9,527,679	(1,427,679)	4,733,490
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,977</u>
Total	<u>8,100,000</u>	<u>9,527,679</u>	<u>(1,427,679)</u>	<u>4,807,467</u>
Total expenditures	<u>8,100,000</u>	<u>9,527,679</u>	<u>(1,427,679)</u>	<u>4,807,467</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (8,066,000)</u>	<u>\$ (8,894,270)</u>	<u>\$ (1,449,910)</u>	<u>\$ (4,805,020)</u>

Township High School District 211
Capital Projects Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Other financing sources				
Permanent transfer from operations & maintenance fund	<u>21,100,000</u>	<u>21,100,000</u>	<u>-</u>	<u>2,350,000</u>
Total other financing sources	<u>21,100,000</u>	<u>21,100,000</u>	<u>-</u>	<u>2,350,000</u>
Net change in fund balance	<u>\$ 13,034,000</u>	12,205,730	<u>\$ (1,449,910)</u>	(2,455,020)
Fund balance (deficit), beginning of year		<u>(2,252,015)</u>		<u>203,005</u>
Fund balance, end of year		<u>\$ 9,953,715</u>		<u>\$ (2,252,015)</u>

Township High School District 211
Fire Prevention and Life Safety Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Year Ended June 30, 2014

With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Revenue				
Local sources				
Interest on investments	\$ 5,000	\$ 11,659	\$ 6,659	\$ 2,947
Total local sources	5,000	11,659	6,659	2,947
Total revenue	5,000	11,659	6,659	2,947
Expenditures				
Support services				
Business				
Operations and maintenance of plant services				
Purchased services	-	-	-	201,188
Capital outlay	4,482,000	5,892,084	(1,410,084)	2,215,780
Total	4,482,000	5,892,084	(1,410,084)	2,416,968
Total support services	4,482,000	5,892,084	(1,410,084)	2,416,968
Provision for contingencies	100,000	-	100,000	-
Total expenditures	4,582,000	5,892,084	(1,310,084)	2,416,968
Excess (deficiency) of revenues over expenditures	\$ (4,577,000)	(5,880,425)	\$ (1,303,425)	(2,414,021)

Township High School District 211
Fire Prevention and Life Safety Fund
**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Year Ended June 30, 2014

With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013
	Original and Final Budget	Actual	Variance	Actual
Other financing sources (uses)				
Permanent transfer to O&M	\$ -	\$ -	\$ -	\$ (2,773,383)
Permanent transfer of excess accumulated Fire prevention & safety bond proceeds and interest earnings	-	-	-	(2,614)
Principal on bonds sold	-	-	-	15,850,000
Premium on bonds sold	-	-	-	353,775
Total other financing sources (uses)	-	-	-	13,427,778
Net change in fund balance	<u>\$ (4,577,000)</u>	(5,880,425)	<u>\$ (1,303,425)</u>	11,013,757
Fund balance, beginning of year		<u>11,013,757</u>		<u>-</u>
Fund balance, end of year		<u>\$ 5,133,332</u>		<u>\$ 11,013,757</u>

Township High School District 211
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - ACTIVITY FUNDS
As of and for the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Receipts	Disbursements	Transfers	Balance June 30, 2014
Assets:					
Cash and Investments	<u>\$ 1,523,361</u>	<u>\$ 5,226,925</u>	<u>\$ 4,828,138</u>	<u>\$ -</u>	<u>\$ 1,922,148</u>
Liabilities:					
Due to Student Groups					
Palatine High School	\$ 385,510	1,257,088	1,050,324	415	\$ 592,689
Fremd High School	363,221	1,250,783	1,210,331	(565)	403,108
Conant High School	221,892	983,734	922,772	59	282,913
Schaumburg High School	235,362	931,364	851,533	80	315,273
Hoffman Estates High School	273,300	764,250	756,226	111	281,435
Academy South	-	-	-	-	-
District Administration	<u>44,076</u>	<u>39,706</u>	<u>36,952</u>	<u>(100)</u>	<u>46,730</u>
	<u>\$ 1,523,361</u>	<u>\$ 5,226,925</u>	<u>\$ 4,828,138</u>	<u>\$ -</u>	<u>\$ 1,922,148</u>

(Concluded)

Township High School District 211
OPERATING COSTS AND TUITION CHARGE
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>11,881</u>	<u>12,005</u>
Operating costs:		
Educational	\$ 178,612,197	\$ 172,467,432
Operations and Maintenance	25,625,796	27,358,687
Debt Service	11,163,402	8,899,319
Transportation	10,757,040	10,417,750
Municipal Retirement/Social Security	<u>9,879,008</u>	<u>9,733,974</u>
Subtotal	<u>236,037,443</u>	<u>228,877,162</u>
Less Revenues/Expenditures of Nonregular Programs:		
Payments to other districts and govt. units	8,732,895	7,782,736
Adult/continuing education	1,020,159	923,106
Summer school	3,198,335	3,010,243
Capital outlay	3,786,975	5,259,802
Non-capitalized equipment	1,924,722	2,029,183
Debt principal retired	10,702,371	8,143,646
Community services	6,479	8,525
Related revenues	<u>142,297</u>	<u>153,161</u>
Subtotal	<u>29,514,233</u>	<u>27,310,402</u>
Operating costs	<u>\$ 206,523,210</u>	<u>\$ 201,566,760</u>
Operating costs per pupil - based on ADA	<u>\$ 17,383</u>	<u>\$ 16,790</u>
Tuition Charge		
Operating costs	\$ 206,523,210	\$ 201,566,760
Less - revenues from specific programs, such as special education or lunch programs	<u>23,094,797</u>	<u>25,438,201</u>
Net operating costs	183,428,413	176,128,559
Depreciation allowance	<u>10,702,786</u>	<u>9,738,340</u>
Allowance tuition costs	<u>\$ 194,131,199</u>	<u>\$ 185,866,899</u>
Tuition charge per pupil - based on ADA	<u>\$ 16,340</u>	<u>\$ 15,482</u>

Statistical Section (Unaudited)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	87
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	99
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	105
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	111
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	115
These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Township High School District 211
NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Governmental activities				
Net investment in capital assets	\$ 148,610,964	\$ 136,218,876	\$ 130,244,202	\$ 126,451,132
Restricted	38,825,509	36,825,021	36,793,020	33,860,841
Unrestricted	<u>99,812,103</u>	<u>111,558,780</u>	<u>109,052,478</u>	<u>105,266,355</u>
Total governmental activities net position	<u>\$ 287,248,576</u>	<u>\$ 284,602,677</u>	<u>\$ 276,089,700</u>	<u>\$ 265,578,328</u>

Source: Audited financial statements for 2005 - 2014

2010	2009	2008	2007	2006	2005
\$ 123,915,577	\$ 124,507,577	\$ 127,792,694	\$ 90,883,138	\$ 79,697,612	\$ 68,683,529
32,710,925	25,403,705	27,112,586	18,207,296	10,530,084	11,958,927
<u>105,065,810</u>	<u>95,568,083</u>	<u>76,601,714</u>	<u>92,427,925</u>	<u>77,105,004</u>	<u>56,527,787</u>
<u>\$ 261,692,312</u>	<u>\$ 245,479,365</u>	<u>\$ 231,506,994</u>	<u>\$ 201,518,359</u>	<u>\$ 167,332,700</u>	<u>\$ 137,170,243</u>

Township High School District 211
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Expenses				
Instruction:				
Regular programs	\$ 86,619,115	\$ 77,756,734	\$ 76,183,245	\$ 73,273,337
Special programs	32,340,462	30,752,846	29,215,684	29,089,750
Other instructional programs	28,501,098	27,884,199	26,441,992	27,130,144
State retirement contributions	37,614,395	29,050,370	25,458,056	23,517,114
Support services:				
Pupils	18,376,355	17,744,661	17,740,987	17,611,603
Instructional staff	4,502,240	4,093,144	4,300,139	8,966,768
General administration	2,093,686	1,761,009	1,675,105	1,656,485
School administration	10,471,755	10,360,558	10,860,408	9,181,564
Business	7,442,538	7,666,453	7,436,258	7,430,859
Transportation	11,943,912	11,667,420	10,964,147	10,702,429
Operations and maintenance	33,651,920	33,266,740	32,667,715	31,919,749
Central	3,904,987	4,058,567	4,121,897	5,041,532
Other supporting services	101,689	33,621	5,182	2,198
Community services	6,479	8,525	4,019	2,024
Interest on long-term debt	27,590	380,528	710,217	1,125,935
Unallocated depreciation	-	-	-	-
Total expenses	\$ 277,598,221	\$ 256,485,375	\$ 247,785,051	\$ 246,651,491
Program Revenues				
Charges for services				
Instruction:				
Regular programs	\$ 1,374,476	\$ 1,418,057	\$ 1,442,188	\$ 1,556,378
Special programs	82,002	172,937	184,316	79,225
Other instructional programs	2,990,590	3,213,816	2,778,339	2,738,859
Support services:				
Business	3,878,018	4,140,170	4,281,942	4,368,462
Transportation	277,002	302,543	252,037	263,631
Operations and maintenance	485,956	467,866	398,786	370,910
Operating Grants and Contributions	54,327,374	44,624,016	41,384,572	40,662,761
Total program revenues	\$ 63,415,418	\$ 54,339,405	\$ 50,722,180	\$ 50,040,226
Net (expense)/revenue	\$ (214,182,803)	\$ (202,145,970)	\$ (197,062,871)	\$ (196,611,265)
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 158,760,245	\$ 153,273,721	\$ 150,472,472	\$ 144,368,700
Real estate taxes, levied for specific purposes	43,386,712	42,334,291	42,261,497	41,129,292
Real estate taxes, levied for debt service	4,345,183	5,403,829	5,447,550	5,323,260
Real estate taxes, TIF surplus	621,640	-	-	-
Personal property replacement taxes	3,035,673	3,000,856	2,936,977	3,192,605
State aid-formula grants	5,724,497	5,353,856	5,490,806	5,556,505
Investment earnings	313,000	422,545	376,702	331,637
Miscellaneous	641,752	869,849	588,239	595,282
Total general revenues	\$ 216,828,702	\$ 210,658,947	\$ 207,574,243	\$ 200,497,281
Special items:				
Loss on disposal of capital assets	\$ -	\$ -	\$ -	\$ -
Change in net position	\$ 2,645,899	\$ 8,512,977	\$ 10,511,372	\$ 3,886,016

Source: Audited financial statements for 2005 - 2014

	2010	2009	2008	2007	2006	2005
\$	73,770,976	\$ 66,172,115	\$ 66,938,684	\$ 60,921,934	\$ 58,244,269	\$ 59,295,804
	27,817,736	26,430,672	24,389,676	22,882,484	20,091,945	19,816,008
	28,912,423	27,448,826	22,812,296	24,208,490	23,002,019	19,947,027
	23,200,434	16,802,224	12,307,149	8,476,192	5,753,845	9,431,879
	16,820,565	15,772,796	14,817,509	14,220,106	13,355,955	13,535,545
	7,906,596	8,163,988	7,678,944	7,756,938	7,180,495	7,517,054
	1,409,826	1,702,898	1,832,310	2,257,736	1,780,498	2,207,448
	9,061,815	8,796,475	8,670,984	8,457,678	8,140,815	8,339,673
	7,464,407	7,027,948	9,802,312	6,879,148	6,348,109	5,893,531
	10,459,100	9,333,848	9,535,500	8,931,378	8,627,980	8,026,637
	34,255,472	30,294,798	24,933,681	20,883,228	20,928,184	23,773,715
	4,072,549	3,084,902	2,943,909	3,129,891	3,008,845	2,780,090
	10,222	-	1,023,462	-	-	-
	-	-	-	-	-	-
	1,560,216	1,758,900	2,434,426	2,127,394	962,087	1,141,899
	-	-	-	3,841,140	3,305,331	4,720,484
\$	<u>246,722,337</u>	<u>\$ 222,790,390</u>	<u>\$ 210,120,842</u>	<u>\$ 194,973,737</u>	<u>\$ 180,730,377</u>	<u>\$ 186,426,794</u>
\$	1,621,937	\$ 1,725,276	\$ 2,444,327	\$ 2,190,970	\$ 2,756,318	\$ 2,428,820
	209,166	298,297	1,324,328	1,648,092	528,133	915,254
	3,388,838	3,760,409	2,138,063	3,370,175	2,206,585	1,353,283
	4,644,660	4,934,245	5,052,613	5,077,735	4,401,722	4,312,124
	248,561	228,417	244,194	235,922	240,321	229,494
	372,859	313,659	295,757	232,985	241,374	129,640
	40,838,114	30,703,841	25,016,186	19,587,195	16,609,853	20,225,844
\$	<u>51,324,135</u>	<u>\$ 41,964,144</u>	<u>\$ 36,515,468</u>	<u>\$ 32,343,074</u>	<u>\$ 26,984,306</u>	<u>\$ 29,594,459</u>
\$	<u>(195,398,202)</u>	<u>\$ (180,826,246)</u>	<u>\$ (173,605,374)</u>	<u>\$ (162,630,663)</u>	<u>\$ (153,746,071)</u>	<u>\$ (156,832,335)</u>
\$	152,827,361	\$ 137,569,386	\$ 137,742,330	\$ 138,294,026	\$ 155,902,352	\$ 108,625,132
	43,808,101	38,888,719	36,746,257	31,030,694	4,540,052	23,918,925
	5,725,724	6,321,573	9,108,604	10,514,481	10,947,571	11,244,681
	-	-	-	-	-	-
	2,461,876	3,043,140	3,478,787	3,253,110	2,981,731	2,352,527
	5,388,326	5,216,940	4,996,969	4,718,173	4,756,198	4,450,618
	541,386	3,270,745	6,913,296	8,883,632	4,333,740	2,212,105
	858,375	875,963	5,337,409	576,993	949,983	648,611
\$	<u>211,611,149</u>	<u>\$ 195,186,466</u>	<u>\$ 204,323,652</u>	<u>\$ 197,271,109</u>	<u>\$ 184,411,627</u>	<u>\$ 153,452,599</u>
\$	-	\$ (387,849)	\$ (729,643)	\$ (454,787)	\$ (503,099)	\$ (101,044)
\$	<u>16,212,947</u>	<u>\$ 13,972,371</u>	<u>\$ 29,988,635</u>	<u>\$ 34,185,659</u>	<u>\$ 30,162,457</u>	<u>\$ (3,480,780)</u>

Township High School District 211
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2014	2013	2012	2011*	2010
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 6,348,922
Unreserved	-	-	-	-	87,348,432
Non-spendable	4,078,112	4,817,865	5,715,545	5,691,465	-
Restricted	-	-	-	-	-
Assigned	26,313,042	22,278,461	1,200,000	3,700,000	-
Unassigned	<u>87,379,223</u>	<u>101,704,570</u>	<u>112,238,450</u>	<u>104,592,535</u>	<u>-</u>
Total general fund	<u>\$ 117,770,377</u>	<u>\$ 128,800,896</u>	<u>\$ 119,153,995</u>	<u>\$ 113,984,000</u>	<u>\$ 93,697,354</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 273,347
Unreserved, reported in:					
Special revenue funds	-	-	-	-	39,753,758
Debt service fund	-	-	-	-	8,707,656
Capital projects funds	-	-	-	-	258,925
Non-spendable, reported in:					
Special revenue funds	398,908	349,595	355,159	337,625	-
Debt service fund	-	599,238	-	-	-
Restricted, reported in:					
Special revenue funds	30,458,599	31,891,152	29,115,988	26,614,491	-
Debt service fund	1,885,114	4,034,595	6,295,316	5,949,841	-
Capital projects funds	11,233,332	11,013,757	203,005	192,645	-
Assigned, reported in:					
Capital projects funds	3,853,715	-	-	-	-
Unassigned, reported in:					
Capital projects funds	<u>-</u>	<u>(2,252,015)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 47,829,668</u>	<u>\$ 45,636,322</u>	<u>\$ 35,969,468</u>	<u>\$ 33,094,602</u>	<u>\$ 48,993,686</u>

* The District implemented GASB 54 in Fiscal 2011.

Source: Audited financial statements for 2005 - 2014

2009	2008	2007	2006	2005
\$ 7,022,195	\$ 7,736,242	\$ 5,779,148	\$ 5,497,507	\$ 11,875
69,584,690	65,652,555	56,797,226	40,798,010	25,474,397
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 76,606,885</u>	<u>\$ 73,388,797</u>	<u>\$ 62,576,374</u>	<u>\$ 46,295,517</u>	<u>\$ 25,486,272</u>
\$ 321,942	\$ 270,050	\$ 379,704	\$ 286,844	\$ 191,307
34,154,603	50,244,694	79,493,500	33,759,975	36,936,044
11,077,185	14,882,870	6,929,829	10,496,461	10,008,873
2,564,849	2,531,581	4,376,483	7,130,241	9,453,523
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 48,118,579</u>	<u>\$ 67,929,195</u>	<u>\$ 91,179,516</u>	<u>\$ 51,673,521</u>	<u>\$ 56,589,747</u>

Township High School District 211
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Local Sources				
Property taxes	\$206,492,140	\$201,011,841	\$198,181,519	\$190,821,252
Replacement taxes	3,035,673	3,000,856	2,936,977	3,192,605
Tuition	1,154,650	1,302,441	1,482,016	1,390,249
Earnings on investments	314,688	457,886	325,959	368,731
Other local sources	<u>9,196,786</u>	<u>9,282,796</u>	<u>8,417,816</u>	<u>8,572,798</u>
Total local sources	<u>220,193,937</u>	<u>215,055,820</u>	<u>211,344,287</u>	<u>204,345,635</u>
State sources				
General state aid	5,724,497	5,353,856	5,490,806	5,556,505
Other state aid	<u>48,007,248</u>	<u>40,768,828</u>	<u>35,154,120</u>	<u>33,597,168</u>
Total state sources	<u>53,731,745</u>	<u>46,122,684</u>	<u>40,644,926</u>	<u>39,153,673</u>
Federal sources				
ARRA - General state aid	-	-	-	-
Other federal sources	<u>6,308,746</u>	<u>7,083,443</u>	<u>5,068,285</u>	<u>7,432,645</u>
Total federal sources	<u>6,308,746</u>	<u>7,083,443</u>	<u>5,068,285</u>	<u>7,432,645</u>
Total	<u>\$280,234,428</u>	<u>\$268,261,947</u>	<u>\$257,057,498</u>	<u>\$250,931,953</u>

Source: Audited financial statements for 2005 - 2014

2010	2009	2008	2007	2006	2005
\$202,361,186	\$ 182,779,678	\$ 183,597,191	\$ 179,839,201	\$171,389,975	\$143,788,738
2,461,876	3,043,140	3,478,787	3,253,110	2,981,731	2,352,527
1,330,639	1,546,525	2,847,698	2,876,398	1,423,360	2,273,408
632,133	4,534,618	7,096,531	7,631,283	4,166,759	2,292,414
<u>10,005,659</u>	<u>10,589,741</u>	<u>13,988,993</u>	<u>10,456,474</u>	<u>9,394,581</u>	<u>7,246,648</u>
<u>216,791,493</u>	<u>202,493,702</u>	<u>211,009,200</u>	<u>204,056,466</u>	<u>189,356,406</u>	<u>157,953,735</u>
4,406,605	4,026,567	4,996,969	4,718,173	4,756,198	4,450,618
<u>32,211,873</u>	<u>24,454,560</u>	<u>22,256,717</u>	<u>17,001,795</u>	<u>13,901,871</u>	<u>17,361,671</u>
<u>36,618,478</u>	<u>28,481,127</u>	<u>27,253,686</u>	<u>21,719,968</u>	<u>18,658,069</u>	<u>21,812,289</u>
981,721	1,190,373	-	-	-	-
<u>7,782,710</u>	<u>4,252,525</u>	<u>2,759,469</u>	<u>2,585,400</u>	<u>2,707,982</u>	<u>2,864,173</u>
<u>8,764,431</u>	<u>5,442,898</u>	<u>2,759,469</u>	<u>2,585,400</u>	<u>2,707,982</u>	<u>2,864,173</u>
<u>\$262,174,402</u>	<u>\$ 236,417,727</u>	<u>\$ 241,022,355</u>	<u>\$ 228,361,834</u>	<u>\$210,722,457</u>	<u>\$182,630,197</u>

Township High School District 211
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Current:				
Instruction				
Regular programs	\$ 83,886,093	\$ 74,932,979	\$ 73,011,871	\$ 69,746,916
Special programs	23,508,531	22,871,073	22,017,333	23,770,350
Other instructional programs	28,413,731	27,790,139	26,273,834	26,963,713
State retirement contributions	<u>37,614,395</u>	<u>29,050,370</u>	<u>25,458,056</u>	<u>23,517,114</u>
Total instruction	<u>173,422,750</u>	<u>154,644,561</u>	<u>146,761,094</u>	<u>143,998,093</u>
Supporting Services				
Pupils	18,376,355	17,744,661	17,739,019	17,607,752
Instructional staff	4,498,799	4,089,703	4,296,699	8,964,502
General administration	2,093,686	1,761,009	1,675,105	1,656,485
School administration	10,471,755	10,360,558	10,428,023	8,898,199
Business	7,427,500	7,652,600	7,424,658	10,718,296
Transportation	11,280,337	10,927,709	10,230,644	8,801,577
Operations and maintenance	24,986,661	25,172,738	24,852,160	22,320,468
Central	3,711,575	3,865,155	3,992,987	4,993,106
Other supporting services	<u>101,689</u>	<u>33,621</u>	<u>5,182</u>	<u>2,198</u>
Total supporting services	<u>82,948,357</u>	<u>81,607,754</u>	<u>80,644,477</u>	<u>83,962,583</u>
Community services	<u>6,479</u>	<u>8,525</u>	<u>4,019</u>	<u>2,024</u>
Payments to other districts and govt. units	<u>8,732,895</u>	<u>7,782,736</u>	<u>7,099,314</u>	<u>5,220,363</u>
Total current	<u>265,110,481</u>	<u>244,043,576</u>	<u>234,508,904</u>	<u>233,183,063</u>
Other:				
Debt service:				
Principal	10,702,371	8,143,646	7,840,063	8,962,165
Interest	461,031	755,673	1,058,744	1,478,088
Capital outlay	<u>19,206,738</u>	<u>12,209,072</u>	<u>5,630,941</u>	<u>2,930,775</u>
Total Other	<u>30,370,140</u>	<u>21,108,391</u>	<u>14,529,748</u>	<u>13,371,028</u>
Total	<u>\$ 295,480,621</u>	<u>\$ 265,151,967</u>	<u>\$ 249,038,652</u>	<u>\$ 246,554,091</u>
Debt service as a percentage of noncapital expenditures	4.04%	3.52%	3.66%	4.29%

Source: Audited financial statements for 2005 - 2014

	2010	2009	2008	2007	2006	2005
\$	66,584,334	\$ 62,092,198	\$ 61,537,444	\$ 59,643,429	\$ 57,070,342	\$ 56,433,282
	22,965,807	21,608,621	20,019,053	18,606,833	17,581,731	15,702,659
	28,170,394	27,246,748	22,620,938	24,039,485	22,828,239	19,723,299
	<u>23,200,434</u>	<u>16,802,224</u>	<u>12,307,149</u>	<u>8,476,192</u>	<u>5,753,845</u>	<u>9,431,879</u>
	<u>140,920,969</u>	<u>127,749,791</u>	<u>116,484,584</u>	<u>110,765,939</u>	<u>103,234,157</u>	<u>101,291,119</u>
	16,796,813	15,769,504	14,814,685	14,217,290	13,352,189	13,518,525
	7,874,045	8,159,880	7,676,041	7,755,496	7,179,072	7,353,113
	1,409,826	1,702,898	1,832,310	2,257,736	1,978,327	2,207,448
	8,599,517	8,486,124	8,515,411	8,437,038	8,110,105	8,084,841
	7,212,258	6,971,520	6,863,178	7,031,549	6,294,090	5,744,057
	9,644,342	8,534,874	8,761,499	8,143,951	7,903,665	7,268,555
	24,747,977	24,454,917	23,154,001	21,650,858	21,765,121	19,498,158
	3,984,695	3,064,685	2,927,935	3,115,079	2,996,608	2,665,945
	<u>10,222</u>	<u>-</u>	<u>1,023,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>80,279,695</u>	<u>77,144,402</u>	<u>75,568,522</u>	<u>72,608,997</u>	<u>69,579,177</u>	<u>66,340,642</u>
	-	-	-	-	-	-
	<u>4,739,602</u>	<u>4,809,502</u>	<u>4,360,696</u>	<u>4,267,663</u>	<u>2,490,490</u>	<u>4,043,393</u>
	<u>225,940,266</u>	<u>209,703,695</u>	<u>196,413,802</u>	<u>187,642,599</u>	<u>175,303,824</u>	<u>171,675,154</u>
	8,533,813	8,183,757	8,769,272	13,431,665	11,816,665	12,292,462
	1,910,660	2,328,098	2,643,717	2,479,940	974,893	1,371,959
	<u>7,874,885</u>	<u>32,799,742</u>	<u>47,070,944</u>	<u>22,149,143</u>	<u>9,316,083</u>	<u>15,134,852</u>
	<u>18,319,358</u>	<u>43,311,597</u>	<u>58,483,933</u>	<u>38,060,748</u>	<u>22,107,641</u>	<u>28,799,273</u>
\$	<u>244,259,624</u>	<u>\$ 253,015,292</u>	<u>\$ 254,897,735</u>	<u>\$ 225,703,347</u>	<u>\$ 197,411,465</u>	<u>\$ 200,474,427</u>
	4.42%	4.77%	5.49%	7.82%	6.80%	7.37%

Township High School District 211
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
 LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Excess of revenues over (under) expenditures	\$ (15,246,193)	\$ 3,109,980	\$ 8,018,846	\$ 4,377,862
Other financing sources (uses)				
Principal on bonds sold	-	15,850,000	-	-
Accrued interest of bonds	-	-	-	-
Proceeds from tax debt certificates	-	-	-	-
Premium on bonds sold	-	353,775	-	-
Payments to escrow agent	-	-	-	-
Sale of capital assets	-	-	26,015	9,700
Capital lease proceeds	6,409,020	-	-	-
Accrued interest capital lease	-	-	-	-
Transfers in	38,600,000	6,922,621	3,709,894	2,028,221
Transfers out	<u>(38,600,000)</u>	<u>(6,922,621)</u>	<u>(3,709,894)</u>	<u>(2,028,221)</u>
Total	<u>6,409,020</u>	<u>16,203,775</u>	<u>26,015</u>	<u>9,700</u>
Net change in fund balances	<u>\$ (8,837,173)</u>	<u>\$ 19,313,755</u>	<u>\$ 8,044,861</u>	<u>\$ 4,387,562</u>

Source: Audited financial statements for 2005 - 2014

2010	2009	2008	2007	2006	2005
\$ 17,914,778	\$ (16,597,565)	\$ (13,875,380)	\$ 2,658,487	\$ 13,310,992	\$ (17,844,230)
-	-	-	50,470,000	4,075,000	4,065,000
-	-	-	-	3,396	237
-	-	-	-	2,500,000	2,499,996
-	-	-	2,530,053	66,097	-
-	-	-	-	(4,087,216)	(4,019,148)
8,098	5,037	20,657	18,079	24,750	3,377,171
42,700	-	1,416,825	-	-	-
-	-	-	110,233	-	-
6,091,391	48,461,077	44,349,288	8,952,821	403,544	4,783,450
<u>(6,091,391)</u>	<u>(48,461,077)</u>	<u>(44,349,288)</u>	<u>(8,952,821)</u>	<u>(403,544)</u>	<u>(4,783,450)</u>
<u>50,798</u>	<u>5,037</u>	<u>1,437,482</u>	<u>53,128,365</u>	<u>2,582,027</u>	<u>5,923,256</u>
<u>\$ 17,965,576</u>	<u>\$ (16,592,528)</u>	<u>\$ (12,437,898)</u>	<u>\$ 55,786,852</u>	<u>\$ 15,893,019</u>	<u>\$ (11,920,974)</u>

Township High School District 211
EQUALIZED ASSESSED VALUATION AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX LEVY YEARS

Tax Levy Year	Beginning of Year Equalized Assessed Valuation	Plus New Property Value	Less Exemptions	Increase/(Decrease) in Value
2013	\$ 7,566,064,927	\$ 43,820,898	\$ (565,877,936)	\$ (397,591,962)
2012	8,189,710,378	19,512,369	(607,212,475)	(35,945,345)
2011	9,071,648,654	16,404,516	(566,052,913)	(332,289,879)
2010	10,138,488,007	26,012,067	(865,432,513)	(227,418,907)
2009	10,044,683,529	25,655,038	(1,451,895,731)	1,520,045,171
2008	9,516,690,016	37,037,714	(1,577,419,288)	2,068,375,087
2007	8,189,357,873	69,028,102	(1,716,711,322)	2,975,015,363
2006	8,143,076,872	64,637,246	(865,773,949)	847,417,704
2005	7,601,286,155	52,714,729	NA	NA
2004	6,621,565,750	29,699,948	NA	NA

Source: Cook County Levy, Rate and Extension Reports for 2004 to 2013

*Represents three times the Equalized Assessed Valuation.

NA - Data not available for this tax year.

End of Year Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value*
\$ 6,646,415,927	\$ (919,649,000)	-12.15%	\$ 19,939,247,781
7,566,064,927	(623,645,451)	-7.61%	22,698,194,781
8,189,710,378	(881,938,276)	-9.72%	24,569,131,134
9,071,648,654	(1,066,839,353)	-10.52%	27,214,945,962
10,138,488,007	93,804,478	0.93%	30,415,464,021
10,044,683,529	527,993,513	5.55%	30,134,050,587
9,516,690,016	1,327,332,143	16.21%	28,550,070,048
8,189,357,873	46,281,001	0.57%	24,568,073,619
8,143,076,872	541,790,717	7.13%	24,429,230,616
7,601,286,155	979,720,405	14.80%	22,803,858,465

Township High School District 211
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	Tax Rate Ceiling	2013	2012	2011
District direct rates				
Educational	3.5000	2.4399	2.0944	1.8878
Special Education		-	-	-
Facility Leasing		-	-	-
Operations and Maintenance	0.5500	0.4249	0.3690	0.3339
Debt Service	N/A	0.0520	0.0735	0.0679
Transportation	N/A	0.1066	0.0912	0.0832
Illinois Municipal Retirement	N/A	0.0711	0.0604	0.0544
Social Security	N/A	0.0711	0.0604	0.0544
Fire Prevention and Life Safety	0.1000	-	-	-
Working Cash	0.0500	<u>0.0311</u>	<u>0.0228</u>	<u>-</u>
Total direct		<u>3.1967</u>	<u>2.7717</u>	<u>2.4816</u>
Overlapping rates*				
County of Cook		0.5600	0.5310	0.4620
Forest Preserve District of Cook County		0.0690	0.0630	0.0580
Consolidated Elections		0.0310	-	0.0250
Town of Schaumburg		0.1170	0.1000	0.0930
Schaumburg Road and Bridge		0.0310	0.0260	0.0230
Schaumburg General Assistance		0.0130	0.0110	0.0090
Metropolitan Water Reclamation District		0.4170	0.3700	0.3200
N.W. Mosquito Abatement		0.0130	0.0110	0.0100
Harper Community College District 512		0.4440	0.3730	0.3340
Schaumburg Park District		0.7000	0.6060	0.5510
Hoffman Estates Park District		0.6690	0.5850	0.5210
Schaumburg Township District Public Library		0.3840	0.3310	0.3210
School District CC 54		<u>4.1480</u>	<u>3.5780</u>	<u>3.1960</u>
Total direct and overlapping rate		<u>10.7927</u>	<u>9.3567</u>	<u>8.4046</u>

Source: Office of the Cook County Clerk

Note: Tax rates are per \$100 of assessed value.

*Schaumburg Township

N/A - Not applicable

2010	2009	2008	2007	2006	2005	2004
1.6504	1.4302	1.4104	1.4380	1.6662	1.6756	1.6135
-	-	-	-	-	0.0163	0.0175
-	-	-	-	-	-	0.0327
0.3151	0.2740	0.2721	0.2603	0.2688	0.2053	0.2130
0.0613	0.0548	0.0554	0.0805	0.1320	0.1294	0.1469
0.0684	0.0606	0.0600	0.0624	0.0679	0.0563	0.0530
0.0448	0.0397	0.0419	0.0442	0.0480	0.0385	0.0406
0.0448	0.0397	0.0419	0.0442	0.0480	0.0385	0.0406
-	-	-	-	-	-	-
0.0191	0.0168	0.0462	0.0423	0.0300	0.0282	-
2.2039	1.9158	1.9279	1.9719	2.2609	2.1881	2.1578
0.4230	0.3940	0.4150	0.4460	0.5000	0.5330	0.5930
0.0510	0.0490	0.0510	0.0530	0.0570	0.0600	0.0600
-	0.0210	-	0.0120	-	0.0140	-
0.0820	0.0690	0.0660	0.0660	0.0800	0.0780	0.0790
0.0200	0.0170	0.0160	0.0160	0.0170	0.0160	0.0160
0.0080	0.0060	0.0070	0.0070	0.0070	0.0060	0.0060
0.2740	0.2610	0.2520	0.2630	0.2840	0.3150	0.3470
0.0090	0.0080	0.0080	0.0080	0.0090	0.0090	0.0090
0.2950	0.2580	0.2560	0.2600	0.2880	0.2810	0.2790
0.4880	0.4230	0.4090	0.4100	0.4770	0.4440	0.4590
0.4650	0.4130	0.4140	0.4200	0.4770	0.4780	0.4980
0.2950	0.2580	0.2540	0.2560	0.2870	0.2770	0.2850
2.9960	2.5920	2.5590	2.5820	3.1040	3.0030	3.1060
7.6099	6.6848	6.6349	6.7709	7.8479	7.7021	7.8948

Township High School District 211
PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT
 2013 AND NINE YEARS AGO

TAXPAYER	2013 Equalized Assessed Valuation*	Percentage of 2013 Equalized Assessed Valuation
Simon Property Group	\$ 255,039,911	3.84%
Streets of Woodfield	39,821,784	0.60%
Martingale Road LLC	37,193,620	0.56%
MM Woodfield Martingal	27,873,885	0.42%
Motorola Inc	27,623,781	0.42%
BRE DDR Woodfield Vill	27,477,601	0.41%
ZNA Real Estate Dept (PIN 013)	26,667,843	0.40%
KBS Woodfield Preserve (PIN 004)	26,609,149	0.40%
Experian North America	12,076,345	0.18%
Two Century LLC	11,943,781	0.18%
Total	<u>\$ 492,327,700</u>	<u>7.41%</u>

*2013 Equalized Assessed Valuation is \$6,646,415,927.

Taxpayer	2004 Equalized Assessed Valuation*	Percentage of Total 2004 Equalized Assessed Valuation
Woodfield Retax Adm	\$ 156,080,179	2.05%
Hines Corp 460	47,075,216	0.62%
Community Centers One	37,962,804	0.50%
SIII C O KBS RE ADVRS	34,890,658	0.46%
Motorola Inc	32,930,143	0.43%
Kenneth Owens COT 20 (PIN 013)	30,913,039	0.41%
Hines (PIN 004)	28,297,759	0.37%
Hines (PIN 003)	28,053,996	0.37%
Kenneth Owens COT 20 (PIN 012)	26,273,952	0.35%
Streets Freed	25,971,528	0.34%
Total	<u>\$ 448,449,274</u>	<u>5.90%</u>

*2004 Equalized Assessed Valuation is \$7,601,286,155.

Source: Office of the Cook County Clerk

Township High School District 211
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN LEVY YEARS

Levy Year	Taxes Levied For The Levy Year	Collected Within The Fiscal Year of The Levy		Collections in Subsequent Years	Refunds in Subsequent Years	Total Net Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2013	\$ 212,485,917	\$ 109,669,981	51.6%	\$ -	\$ -	\$ 109,669,981	51.6%
2012	209,731,320	107,493,043	51.3%	101,496,641	(1,018,959)	207,970,725	99.2%
2011	203,268,612	104,601,628	51.5%	98,512,169	(1,282,548)	201,831,249	99.3%
2010	199,939,136	101,686,925	50.9%	98,392,336	(3,152,216)	196,927,045	98.5%
2009	194,253,430	101,836,453	52.4%	93,481,403	(6,394,378)	188,923,478	97.3%
2008	193,661,498	89,059,053	46.0%	104,795,902	(4,933,809)	188,921,146	97.6%
2007	187,669,127	88,618,957	47.2%	99,055,156	(5,822,969)	181,851,144	96.9%
2006	185,161,381	84,994,241	45.9%	100,202,916	(4,556,138)	180,641,019	97.6%
2005	178,344,179	79,050,449	44.3%	99,288,585	(5,201,054)	173,137,980	97.1%
2004	164,026,473	68,438,072	41.7%	96,001,213	(5,518,305)	158,920,980	96.9%

Source: Office of the Cook County Clerk and prior year financial statements.

Township High School District 211
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	General Obligation Bonds	Capital Leases	Certificates of Participation
2014	\$ 16,430,000	\$ 4,261,792	\$ -
2013	24,970,000	15,143	-
2012	17,255,000	23,789	-
2011	25,000,000	118,852	-
2010	33,615,000	466,017	-
2009	41,820,000	752,130	-
2008	49,690,000	1,065,886	-
2007	57,275,000	-	833,335
2006	18,570,000	-	2,499,999
2005	28,120,000	-	2,171,664

Note: See Demographic and Economic Statistics table for personal and population data.

N/A - Information is not available.

	Total	Percentage of Personal Income	Outstanding Debt Per Capita
\$	20,691,792	N/A	N/A
	24,985,143	1.09%	128
	17,278,789	0.75%	89
	25,118,852	1.10%	129
	34,081,017	1.58%	174
	42,572,130	2.11%	221
	50,755,886	2.52%	265
	58,108,335	3.07%	303
	21,069,999	1.11%	110
	30,291,664	1.60%	158

Township High School District 211
RATIO OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt	Less: Amounts Available To Repay Principal	Net General Bonded Debt	Percentage of Net General Bonded Debt To Estimated Actual Valuation	Net General Bonded Debt Per Capita
2014	\$ 16,430,000	\$ 1,885,114	\$ 14,544,886	0.07%	75
2013	24,970,000	4,633,833	20,336,167	0.09%	104
2012	17,255,000	6,295,316	10,959,684	0.04%	56
2011	25,000,000	5,949,841	19,050,159	0.07%	97
2010	33,615,000	8,707,656	24,907,344	0.08%	129
2009	41,820,000	11,077,185	30,742,815	0.10%	160
2008	49,690,000	14,882,870	34,807,130	0.12%	181
2007	58,108,335	6,929,829	51,178,506	0.21%	267
2006	21,069,999	10,496,461	10,573,538	0.04%	55
2005	30,291,664	10,008,873	20,282,791	0.09%	106

Township High School District 211
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of June 30, 2014

Governmental Jurisdiction	Debt Outstanding	Overlapping Percent	Net Direct And Overlapping Debt
Overlapping Debt:			
County:			
Cook County	\$3,572,060,000	5.291%	\$188,997,695
Cook County Forest Preserve	124,455,000 (2)	5.291%	6,584,914
Metropolitan Water Reclamation District	2,458,515,565 (1)	5.198%	127,793,639
School Districts:			
School District #15	23,472,136 (3)	85.774%	20,132,990
Community College District #509	199,330,329 (3)	0.824%	1,642,482
Community College District #512	175,310,000	39.435%	69,133,499
Park Districts:			
Arlington Heights Park District	17,140,000 (2)(6)	0.061%	10,455
Elk Grove Park District	12,805,000	16.600%	2,125,630
Hanover Park Park District	1,287,065 (2)	14.579%	187,641
Hoffman Estates Park District	10,385,000 (2)(6)	67.829%	7,044,042
Inverness Park District	350,500	90.714%	317,953
Palatine Park District	10,600,000 (2)	99.218%	10,517,108
Rolling Meadows Park District	3,145,000	26.021%	818,360
Salt Creek Park District	560,000 (2)	71.801%	402,086
Schaumburg Park District	19,465,000 (2)	98.080%	19,091,272
South Barrington Park District	166,257 (2)	1.237%	2,057
Municipalities:			
Village of Arlington Heights	37,615,000 (5)	1.333%	501,408
Village of Elk Grove Village	82,400,000	17.707%	14,590,568
Village of Hanover Park	20,490,000	21.589%	4,423,586
Village of Hoffman Estates	102,475,000	67.890%	69,570,278
Village of Inverness	7,020,000	66.136%	4,642,747
Village of Palatine	97,012,790 (3)	99.921%	96,936,150
City of Rolling Meadows	15,245,000 (4)	39.286%	5,989,151
Village of Roselle	0 (2)	12.929%	0
Village of Schaumburg	287,895,000 (4)	97.939%	281,961,484
Village of South Barrington	500,000	1.230%	6,150
Village of Streamwood	7,540,000	3.237%	244,070
Miscellaneous:			
Palatine Special Service Area #5	\$5,775,000	100.000%	<u>\$5,775,000</u>
Total Overlapping Debt			\$939,442,413
Direct Debt:			
Township High School District #211	\$16,430,000	100.000%	<u>\$16,430,000</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$955,872,413</u>

- (1) Includes IEPA Revolving Loan Fund Bonds
- (2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.
- (3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (4) Includes self-supporting bonds.
- (5) Excludes bonds considered to be self-supporting bonds that are abated annually.
- (6) Excludes debt certificates and notes.

Source: Cook County Clerk's Office

Township High School District 211
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Valuation	<u>\$ 6,646,415,927</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 458,602,699
Total Debt Outstanding	<u>20,691,792</u>
Total Debt Margin	<u>\$ 437,910,907</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 458,602,699	\$ 522,058,480	\$ 565,090,016	\$ 625,943,757
Total Net Debt Applicable to Limit	<u>20,691,792</u>	<u>24,985,143</u>	<u>17,278,789</u>	<u>25,118,852</u>
Legal Debt Margin	<u>\$ 437,910,907</u>	<u>\$ 497,073,337</u>	<u>\$ 547,811,227</u>	<u>\$ 600,824,905</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.51%	4.79%	3.06%	4.01%

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 699,555,672	\$ 693,083,164	\$ 656,651,611	\$ 565,065,693	\$ 561,872,304	\$ 525,014,686
<u>34,081,017</u>	<u>42,572,130</u>	<u>50,755,887</u>	<u>58,108,335</u>	<u>21,069,999</u>	<u>30,291,664</u>
<u>\$ 665,474,655</u>	<u>\$ 650,511,034</u>	<u>\$ 605,895,724</u>	<u>\$ 506,957,358</u>	<u>\$ 540,802,305</u>	<u>\$ 494,723,022</u>
4.87%	6.14%	7.73%	10.28%	3.75%	5.77%

Township High School District 211
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population*	Personal Income**	Per Capita Income**	Unemployment Rate**
2013	194,679	\$ 2,286,449,442	\$ 35,074	6.73%
2012	194,679	2,290,030,197	35,143	7.00%
2011	194,679	2,285,393,794	34,824	8.30%
2010	196,388	2,159,048,337	33,035	9.00%
2009	192,429	2,022,182,075	30,574	8.37%
2008	192,429	1,956,055,435	30,574	4.83%
2007	191,879	2,016,574,458	31,771	3.40%
2006	191,879	1,891,912,013	29,306	4.70%
2005	191,879	1,891,912,013	29,306	5.20%
2004	191,879	1,891,912,013	29,306	5.50%

Source: US Census Bureau, and Village of Hoffman Estates, Village of Palatine and Village of Schaumburg 2013 Comprehensive Annual Financial Reports.

*Reflects the aggregate population of the Villages of Hoffman Estates, Palatine and Schaumburg.

**Personal Income, Per Capita Income and Unemployment Rate reflects the Villages of Hoffman Estates, Palatine and Schaumburg as an average.

Township High School District 211
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2014		
Employer	Employees	Percentage of Total Employment
Sears Holdings Corp. (HQ) ⁽¹⁾	6,200	32.2%
Zurich North America ⁽²⁾	2,500	13.1%
AT&T Services, Inc. ⁽¹⁾	2,500	13.1%
St. Alexius Medical Center ⁽¹⁾	2,045	10.7%
Township High School District 211 ⁽³⁾	2,047	10.7%
Motorola Solutions, Inc. (HQ) ⁽²⁾	970	5.1%
William Rainey Harper College ⁽³⁾	840	4.4%
Nation Pizza Products L.P. ⁽²⁾	700	3.7%
Verizon Wireless, Inc. ⁽²⁾	670	3.5%
The Nielsen Co. ⁽²⁾	<u>650</u>	<u>3.4%</u>
	<u>19,122</u>	<u>99.9%</u>

Source: 2014 Illinois Manufacturers Directory and 2014 Illinois Services Directory

2005		
Employer	Employees	Percentage of Total Employment
Sear Roebuck & Co. ⁽¹⁾	6,000	31.8%
SBC Illinois ⁽¹⁾	2,700	14.3%
Zurich US Insurance ⁽²⁾	2,050	10.9%
Township High School District 211 ⁽³⁾	1,860	9.9%
St. Alexis Medical Center ⁽¹⁾	1,650	8.8%
Motorola, Inc. (HQ) ⁽²⁾	1,525	8.1%
William Rainey Harper College ⁽³⁾	816	4.3%
I B M Global Services ⁽²⁾	800	4.2%
Allstate Financial Life Service Center ⁽³⁾	750	4.0%
Automatic Data Processing, Inc. ⁽¹⁾	<u>700</u>	<u>3.7%</u>
	<u>18,851</u>	<u>100.0%</u>

Source: 2005 Illinois Manufacturers Directory and 2005 Illinois Services Directory

⁽¹⁾ Hoffman Estates

⁽²⁾ Schaumburg

⁽³⁾ Palatine

Township High School District 211
NUMBER OF EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011
Administration:				
Superintendent	1	1	1	1
Associate Superintendent	2	2	2	2
Assistant Superintendent	2	2	2	2
District Administrators	36	36	36	36
Principals and assistants	25	25	25	25
Total administration	<u>66</u>	<u>66</u>	<u>66</u>	<u>66</u>
Teachers/Certified:				
High school teachers	698	696	710	699
Instrumental music	13	12	13	13
Special education and bilingual	108	102	107	105
Psychologists	17	17	17	16
Social workers and counselors	65	63	64	61
Nurses	3	3	4	3
Learning center	13	14	14	14
Total teachers	<u>917</u>	<u>907</u>	<u>929</u>	<u>911</u>
Other supporting staff:				
Learning center assistants	22	23	23	24
Clerical 10/12 Month	171	185	177	177
Teacher assistants/student supervisors	367	369	363	349
Transportation	151	149	147	149
Health assistants	5	5	5	5
Nurses	3	4	4	4
Maintenance, custodians and warehouse	180	186	185	182
Cafeteria workers	113	112	114	110
Other Support Staff	52	51	50	49
Total support staff	<u>1,064</u>	<u>1,084</u>	<u>1,068</u>	<u>1,049</u>
Total staff	<u>2,047</u>	<u>2,057</u>	<u>2,063</u>	<u>2,026</u>

2009 - 2010	2008 - 2009	2007 - 2008	2006 - 2007	2005 - 2006	2004 - 2005
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	1	2
36	36	37	36	31	30
25	25	25	25	25	25
66	66	67	66	60	60
714	707	696	683	645	690
13	8	8	8	8	8
113	129	131	123	134	127
17	16	15	15	13	13
60	58	61	58	61	55
3	3	3	3	3	3
14	15	15	15	15	15
934	936	929	905	879	911
25	22	23	18	18	21
185	205	207	232	210	219
356	310	290	279	269	256
145	143	141	139	137	139
5	5	5	5	5	5
4	3	3	3	2	2
183	181	178	176	173	174
112	110	110	110	108	109
50	21	16	15	20	20
1,065	1,000	973	977	942	945
2,065	2,002	1,969	1,948	1,881	1,916

Township High School District 211
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses
2014	11,880	\$ 206,523,210	\$ 17,383	3.53%	\$ 194,131,199
2013	12,005	201,566,760	16,790	5.25%	185,866,899
2012	12,326	196,636,941	15,953	-1.38%	185,453,618
2011	12,329	199,439,125	16,177	4.19%	185,204,679
2010	12,483	193,829,817	15,527	4.88%	180,742,069
2009	12,588	186,347,053	14,804	5.21%	176,217,477
2008	12,637	177,818,247	14,071	2.75%	165,270,937
2007	12,663	173,402,969	13,694	0.87%	161,162,530
2006	12,126	164,620,139	13,576	5.99%	153,607,706
2005	12,220	156,524,899	12,809	-2.95%	147,461,820

Source: Operating Costs and Tuition Charge

	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil - Teacher Ratio	Percentage Free or Reduced Price - Meals
\$	16,340	5.54%	917	13.2	30.80%
	15,482	2.90%	907	13.4	30.17%
	15,046	0.16%	929	13.4	27.58%
	15,022	3.75%	911	13.2	26.36%
	14,479	3.43%	934	13.5	23.00%
	13,999	7.04%	936	13.4	18.81%
	13,078	2.76%	929	13.6	17.00%
	12,727	0.47%	905	14.0	15.50%
	12,668	4.98%	879	13.8	14.50%
	12,067	-3.31%	911	13.4	12.48%

Township High School District 211
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
Palatine High School				
Square Feet	445,045	445,045	445,045	445,045
Capacity (Students)	2,363 - 2,757	2,363 - 2,757	2,363 - 2,757	2,363 - 2,757
Enrollment	2,678	2,718	2,742	2,755
William Fremd High School				
Square Feet	411,047	411,047	411,047	411,047
Capacity (Students)	2,509 - 2,927	2,509 - 2,927	2,509 - 2,927	2,509 - 2,927
Enrollment	2,697	2,744	2,788	2,830
James B. Conant High School				
Square Feet	440,877	440,877	440,877	440,877
Capacity (Students)	2,379 - 2,775	2,379 - 2,775	2,379 - 2,775	2,379 - 2,775
Enrollment	2,375	2,353	2,403	2,374
Schaumburg High School				
Square Feet	486,279	486,279	486,279	486,279
Capacity (Students)	2,136 - 2,787	2,136 - 2,787	2,136 - 2,787	2,136 - 2,787
Enrollment	2,311	2,341	2,435	2,418
Hoffman Estates High School				
Square Feet	410,500	410,500	410,500	410,500
Capacity (Students)	2,325 - 2,713	2,325 - 2,713	2,325 - 2,713	2,325 - 2,713
Enrollment	1,938	1,968	2,019	2,023
Academy South				
Square Feet	5,000	5,000	5,000	5,000
Capacity (Students)	45	45	45	45
Enrollment	30	41	29	30
Academy North				
Square Feet	14,500	14,500	14,500	14,500
Capacity (Students)	60	60	60	60
Enrollment	34	35	37	27
Administration Center				
Square Feet	48,077	48,077	48,077	48,077
Capacity (Students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A

2010	2009	2008	2007	2006	2005
445,045	445,045	445,045	445,045	445,045	445,045
2,363 - 2,757	2,363 - 2,757	2,363 - 2,757	2,570 - 3,000	2,570 - 3,000	2,570 - 3,000
2,690	2,638	2,639	2,521	2,552	2,542
411,047	411,047	411,047	404,163	404,163	404,163
2,509 - 2,927	2,509 - 2,927	2,509 - 2,927	2,570 - 3,000	2,570 - 3,000	2,570 - 3,000
2,859	2,868	2,880	2,894	2,925	2,915
440,877	440,877	440,877	402,438	402,438	402,438
2,379 - 2,775	2,379 - 2,775	2,379 - 2,775	2,239 - 2,600	2,239 - 2,600	2,239 - 2,600
2,471	2,507	2,464	2,543	2,542	2,572
486,279	486,279	486,279	454,429	454,429	454,429
2,136 - 2,787	2,136 - 2,787	2,136 - 2,787	2,230 - 2,600	2,230 - 2,600	2,230 - 2,600
2,466	2,492	2,531	2,551	2,584	2,617
410,500	410,500	410,500	355,803	355,803	355,803
2,325 - 2,713	2,325 - 2,713	2,325 - 2,713	1,890 - 2,200	1,890 - 2,200	1,890 - 2,200
2,040	2,090	2,138	2,103	2,133	2,232
5,000	5,000	5,000	5,000	5,000	5,000
45	45	45	45	45	45
20	32	29	34	32	32
14,500	14,500	14,500	14,500	14,500	14,500
60	60	60	60	60	60
38	37	40	37	37	31
48,077	48,077	48,077	41,310	41,310	41,310
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Township High School District 211
MISCELLANEOUS STATISTICS
JUNE 30, 2014

Location:	Chicagoland
Date of Organization:	1875
Number of Schools:	5 High Schools 2 Alternative Schools
Area Served:	62 Square Miles Townships of: Palatine and Schaumburg Communities of: Hoffman Estates, Inverness, Palatine, and Schaumburg as well as portions of Arlington Heights, Elk Grove Village, Hanover Park, Rolling Meadows, Roselle, Streamwood, and South Barrington
* Median Home Value:	Village of Palatine: \$290,200 Village of Schaumburg: \$252,300 Village of Hoffman Estates: \$270,100 Village of Inverness: \$657,000 Cook County: \$244,900 State of Illinois: \$190,800
Student Enrollment:	12,063
Certified Teaching Staff:	917
Average Class Size:	21.7
Pupil/Teacher Ratio:	13.2:1

* **Source:** 2010 Census, U.S. Census Bureau