

***Streator Township High School District No. 40***

***Streator, Illinois***

***Annual Financial Report***

***and Other Financial Information***

***June 30, 2015***

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40

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# ***Gorenz and Associates, Ltd.***

*Certified Public Accountants*

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Thomas R. Pepper, CPA  
Stephanie K. Ramsay, CPA

Tim C. Custis, CPA  
Russell J. Rumbold II, CPA

## **Independent Auditor's Report**

To the Board of Education  
Streator Township High School District No. 40  
Streator, Illinois

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Streator Township High School District No. 40 as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Streator Township High School District No. 40'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 the financial reporting provisions prescribed and permitted by the Illinois State Board of Education. Management is also responsible for 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.

### ***Auditor's Responsibility***

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

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

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

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note #1 of the financial statements, the financial statements are prepared by Streator Township High School District No. 40 on the basis of the financial reporting provisions prescribed by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the audit requirements of the State of Illinois.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note #1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Streator Township High School District No. 40 as of June 30, 2015, or changes in financial position for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of Streator Township High School District No. 40 as of June 30, 2015, and its revenue received and expenditures disbursed during the fiscal year then ended and the respective budgetary comparison statements, in accordance with the financial reporting provisions prescribed by the Illinois State Board of Education and described in Note #1.

***Other Reporting Responsibilities******Supplemental Information***

The schedules listed in the table of contents as “Supplemental Information” are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Streator Township High School District No. 40. Such information is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. In our opinion, the “Supplemental Information” and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The 2014 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 18, 2014 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2014 basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2015, on our consideration of Streator Township High School District No. 40 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 testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Streator Township High School District No. 40’s internal control over financial reporting and compliance.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 29, 2015

# ***Gorenz and Associates, Ltd.***

*Certified Public Accountants*

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*Thomas R. Pepper, CPA*  
*Stephanie K. Ramsay, CPA*

*Tim C. Custis, CPA*  
*Russell J. Rumbold II, CPA*

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Education  
Streator Township High School District No. 40  
Streator, Illinois

### **Report on Internal Control and Compliance**

We have audited, in accordance with the 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, the financial statements of Streator Township High School District No. 40 as of and for the year ended June 30, 2015 and the related notes to the financial statements which collectively comprise Streator Township High School District No. 40's basic financial statements, and have issued our report thereon dated September 29, 2015. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Streator Township High School District No. 40's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Streator Township High School District No. 40's internal control. Accordingly we do not express an opinion on the effectiveness of Streator Township High School District No. 40's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the school district's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Streator Township High School District No. 40's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 29, 2015

# ***Gorenz and Associates, Ltd.***

*Certified Public Accountants*

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*Thomas R. Pepper, CPA  
Stephanie K. Ramsay, CPA*

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Russell J. Rumbold II, CPA*

## **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**

To the Board of Education  
Streator Township High School District No. 40  
Streator, Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited Streator Township High School District No. 40's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Streator Township High School District No. 40's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Streator Township High School District No. 40's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Streator Township High School District No. 40's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Streator Township High School District No. 40's compliance with those requirements.

### **Opinion on Each Major Federal Program**

In our opinion, Streator Township High School District No. 40 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.



## Report on Internal Control Over Compliance

Management of Streator Township High School District No. 40 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Streator Township High School District No. 40's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Streator Township High School District No. 40's internal control over compliance.

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

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

### *Purpose of this Report*

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

*Gorenz and Associates, Ltd.*

Peoria, Illinois  
September 29, 2015

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Trust and Agency Funds	General Fixed Assets	General Long Term Debt	Total (Memorandum Only)
<u>Assets</u>													
Cash and Cash Equivalents	369,714	80,455	412	12,363	10,183	511,367	331	4,046	191	177,775			1,166,837
Investments	1,950,270	385,569	267,185	191,417	107,214		954,654	943		47,396			3,904,648
Other Receivables	3,233												3,233
Land											1,547,158		1,547,158
Buildings & Building Improvements											39,253,061		39,253,061
Site Improvements & Infrastructure											295,568		295,568
Capitalized Equipment											2,253,116		2,253,116
Amounts Available in Debt Service Funds												267,597	267,597
Amounts to be Provided for Payment of Debt												6,354,202	6,354,202
<b>Total Assets</b>	<b>2,323,217</b>	<b>466,024</b>	<b>267,597</b>	<b>203,780</b>	<b>117,397</b>	<b>511,367</b>	<b>954,985</b>	<b>4,989</b>	<b>191</b>	<b>225,171</b>	<b>43,348,903</b>	<b>6,621,799</b>	<b>55,045,420</b>
<u>Liabilities and Fund Balances</u>													
Liabilities:													
Due to Organizations										225,171			225,171
Long Term Debt Payable												6,621,799	6,621,799
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225,171</b>	<b>0</b>	<b>6,621,799</b>	<b>6,846,970</b>
Fund Balances:													
Reserved		180,903			20,841	270,617							472,361
Unreserved	2,323,217	285,121	267,597	203,780	96,556	240,750	954,985	4,989	191				4,377,186
Investments in General Fixed Assets											43,348,903		43,348,903
<b>Total Fund Balances</b>	<b>2,323,217</b>	<b>466,024</b>	<b>267,597</b>	<b>203,780</b>	<b>117,397</b>	<b>511,367</b>	<b>954,985</b>	<b>4,989</b>	<b>191</b>	<b>0</b>	<b>43,348,903</b>	<b>0</b>	<b>48,198,450</b>
<b>Total Liabilities and Fund Balances</b>	<b>2,323,217</b>	<b>466,024</b>	<b>267,597</b>	<b>203,780</b>	<b>117,397</b>	<b>511,367</b>	<b>954,985</b>	<b>4,989</b>	<b>191</b>	<b>225,171</b>	<b>43,348,903</b>	<b>6,621,799</b>	<b>55,045,420</b>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts:										
Local Sources	3,815,046	1,019,550	764,063	233,944	316,939	49,213	102,259	458,462		6,759,476
State Sources	3,262,037			224,576						3,486,613
Federal Sources	971,601				5,930					977,531
Total Direct Receipts	8,048,684	1,019,550	764,063	458,520	322,869	49,213	102,259	458,462	0	11,223,620
Receipts for On-Behalf Payments	1,939,538									1,939,538
<b>Total Receipts</b>	<b>9,988,222</b>	<b>1,019,550</b>	<b>764,063</b>	<b>458,520</b>	<b>322,869</b>	<b>49,213</b>	<b>102,259</b>	<b>458,462</b>	<b>0</b>	<b>13,163,158</b>
Disbursements:										
Instruction	6,760,500				148,525					6,909,025
Support Services	2,171,750	1,002,507		453,761	149,485	59,044		456,805		4,293,352
Payments to Other Governmental Units	65,888					14,653				80,541
Debt Services			855,099							855,099
Total Direct Disbursements	8,998,138	1,002,507	855,099	453,761	298,010	73,697	0	456,805	0	12,138,017
Disbursements for On-Behalf Payments	1,939,538									1,939,538
<b>Total Disbursements</b>	<b>10,937,676</b>	<b>1,002,507</b>	<b>855,099</b>	<b>453,761</b>	<b>298,010</b>	<b>73,697</b>	<b>0</b>	<b>456,805</b>	<b>0</b>	<b>14,077,555</b>
Excess of Direct Receipts Over (Under) Direct Disbursemen	(949,454)	17,043	(91,036)	4,759	24,859	(24,484)	102,259	1,657	0	(914,397)
Other Sources of Funds:										
Transfer to Debt Service to Pay Principal on Capital Leases			80,125							80,125
Transfer to Debt Service to Pay Interest on Capital Leases			10,049							10,049
Other Sources	168,708									168,708
Other (Uses) of Funds:										
Transfer to Debt Service to Pay Principal on Capital Leases	(63,727)	(16,398)								(80,125)
Transfer to Debt Service to Pay Interest on Capital Leases	(4,424)	(5,625)								(10,049)
<b>Total Other Sources and (Uses) of Funds</b>	<b>100,557</b>	<b>(22,023)</b>	<b>90,174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>168,708</b>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,  
OTHER SOURCES (USES) AND CHANGES IN FUND BALANCES (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	(848,897)	(4,980)	(862)	4,759	24,859	(24,484)	102,259	1,657	0	(745,689)
Fund Balances - July 1, 2014	3,172,114	471,004	268,459	199,021	92,538	535,851	852,726	3,332	191	5,595,236
Other Changes in Fund Balance - Increases (Decreases)	0	0	0	0	0	0	0	0	0	0
Fund Balances - June 30, 2015	<u>2,323,217</u>	<u>466,024</u>	<u>267,597</u>	<u>203,780</u>	<u>117,397</u>	<u>511,367</u>	<u>954,985</u>	<u>4,989</u>	<u>191</u>	<u>4,849,547</u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Local Sources:										
Ad Valorem Taxes Levied By Local Education Agency:										
Designated Purposes Levies	3,112,468	480,319	761,242	230,553	114,504		96,064	457,064		5,252,214
Leasing Levy	68,125	27,939								96,064
Special Education Levy	38,426									38,426
Social Security/Medicare Levy					173,257					173,257
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	1,330	213	70	96	41		40	60		1,850
Corporate Personal Property Replacement Taxes	65,000	470,108			27,700					562,808
Other Payments in Lieu of Taxes	85,153					48,351				133,504
Interest on Investments	28,239	4,499	3,737	2,037	1,925	149	7,300	913		48,799
Gain or (Loss) on Sale of Investments	(7,329)	(1,302)	(986)	(522)	(488)		(1,145)	(210)		(11,982)
Food Services:										
Sales to Pupils - Lunch	212,152									212,152
District/School Activity Income:										
Admissions - Athletic	45,971									45,971
Fees	76,234	3,195								79,429
Book Store Sales	314									314
Textbook Income:										
Rentals - Regular Textbooks	1,312									1,312
Rentals		5,005								5,005
Contributions from Private Sources	12,138									12,138
Services Provided Other LEAs	34,181									34,181
Refund of Prior Years' Expenditures	9,334			1,780				635		11,749
Drivers' Education Fees	28,778									28,778
School Facility Occupation Tax Proceeds						713				713
Local Fees	1,385									1,385
Other Local Revenue	1,835	29,574								31,409
<b>Total Receipts from Local Sources</b>	<b>3,815,046</b>	<b>1,019,550</b>	<b>764,063</b>	<b>233,944</b>	<b>316,939</b>	<b>49,213</b>	<b>102,259</b>	<b>458,462</b>	<b>0</b>	<b>6,759,476</b>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From State Sources:										
Unrestricted Grants-in-Aid:										
General State Aid - Sec. 18-8.05	2,728,246									2,728,246
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	148,341									148,341
Extraordinary	91,598									91,598
Personnel	147,143									147,143
Summer School	9,403									9,403
Career and Technical Education (CTE):										
CTE - Secondary Program Improvement (CTEI)	3,583									3,583
CTE - Agriculture Education	1,398									1,398
Bilingual Education:										
Bilingual Ed Downstate - TPI and TBE	3,462									3,462
State Free Lunch and Breakfast	3,064									3,064
Driver Education	56,237									56,237
Transportation:										
Transportation - Regular / Vocational				3,664						3,664
Transportation - Special Education				220,912						220,912
Other Restricted Revenues from State Funds	69,562									69,562
<b>Total Receipts from State Sources</b>	<b>3,262,037</b>	<b>0</b>	<b>0</b>	<b>224,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,486,613</b>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Educational	Operations and Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention and Safety	Total (Memorandum Only)
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
National School Lunch Program	214,473									214,473
School Breakfast Program	48,003									48,003
Title 1:										
Low Income	270,889				4,850					275,739
Federal - Special Education:										
I.D.E.A.-Flow Through	21,490				180					21,670
I.D.E.A.-Room & Board	202,652									202,652
Title II - Teacher Quality	36,131				373					36,504
Medicaid Matching - Administrative Outreach	27,785									27,785
Medicaid Matching - Fee for Service Program	67,410									67,410
Other Federal	82,768				527					83,295
Total Receipts from Federal Sources	971,601	0	0	0	5,930	0	0	0	0	977,531
Total Direct Receipts	8,048,684	1,019,550	764,063	458,520	322,869	49,213	102,259	458,462	0	11,223,620

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	2,530,924	2,531,136	212
Employee Benefits	552,507	559,998	7,491
Purchased Services	29,348	29,954	606
Supplies and Materials	127,460	128,857	1,397
Capital Outlay	2,544	2,600	56
Other Objects	5,348	5,034	(314)
Total Regular Programs	<u>3,248,131</u>	<u>3,257,579</u>	<u>9,448</u>
Special Education Programs:			
Salaries	1,114,438	1,099,638	(14,800)
Employee Benefits	157,614	158,983	1,369
Purchased Services	13,307	26,724	13,417
Supplies and Materials	5,500	6,231	731
Total Special Education Programs	<u>1,290,859</u>	<u>1,291,576</u>	<u>717</u>
CTE Programs:			
Salaries	586,659	587,358	699
Employee Benefits	82,606	82,608	2
Purchased Services	800	800	0
Supplies and Materials	12,546	11,886	(660)
Non-Capitalized Equipment	661	661	0
Total CTE Programs	<u>683,272</u>	<u>683,313</u>	<u>41</u>
Interscholastic Programs:			
Salaries	415,070	415,814	744
Employee Benefits	19,712	19,722	10
Purchased Services	44,405	44,449	44
Supplies and Materials	39,435	39,572	137
Capital Outlay	1,395	1,395	0
Other Objects	33,198	33,803	605
Total Interscholastic Programs	<u>553,215</u>	<u>554,755</u>	<u>1,540</u>
Summer School Programs:			
Salaries	8,780	8,781	1
Employee Benefits	191	192	1
Total Summer School Programs	<u>8,971</u>	<u>8,973</u>	<u>2</u>

The accompanying notes are an integral part of these financial statements.



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Driver's Education Programs:			
Salaries	139,795	146,000	6,205
Employee Benefits	17,661	17,860	199
Purchased Services	33,793	33,818	25
Supplies and Materials	1,803	1,803	0
Total Drivers Education Programs	<u>193,052</u>	<u>199,481</u>	<u>6,429</u>
Truants' Alternative & Optional Programs:			
Salaries	154,995	159,331	4,336
Employee Benefits	33,990	35,533	1,543
Supplies and Materials	459	460	1
Total Truants' Alternative Programs	<u>189,444</u>	<u>195,324</u>	<u>5,880</u>
Regular K-12 Programs - Private Tuition	7,504	7,504	0
Special Education Programs K-12 - Private Tuition	586,052	587,713	1,661
Total Instruction	<u>6,760,500</u>	<u>6,786,218</u>	<u>25,718</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	171,991	171,796	(195)
Employee Benefits	17,354	17,356	2
Total Attendance and Social Work Services	<u>189,345</u>	<u>189,152</u>	<u>(193)</u>
Guidance Services:			
Salaries	259,877	259,468	(409)
Employee Benefits	32,977	33,023	46
Purchased Services	59	59	0
Supplies and Materials	7,194	7,194	0
Other Objects	134	134	0
Total Guidance Services	<u>300,241</u>	<u>299,878</u>	<u>(363)</u>
Health Services:			
Salaries	38,828	38,828	0
Purchased Services	121	121	0
Supplies and Materials	1,089	1,090	1
Total Health Services	<u>40,038</u>	<u>40,039</u>	<u>1</u>
Psychological Services:			
Salaries	55,436	56,000	564
Employee Benefits	4,589	4,635	46
Total Psychological Services	<u>60,025</u>	<u>60,635</u>	<u>610</u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Speech Pathology and Audiology Services:			
Salaries	64,847	64,847	0
Employee Benefits	7,200	7,201	1
Total Speech Pathology and Audiology Services:	<u>72,047</u>	<u>72,048</u>	<u>1</u>
Other Support Services-Pupils:			
Salaries	49,624	49,945	321
Employee Benefits	12,175	12,183	8
Total Other Support Services-Pupils	<u>61,799</u>	<u>62,128</u>	<u>329</u>
Total Support Services-Pupils	<u>723,495</u>	<u>723,880</u>	<u>385</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	2,653	6,210	3,557
Employee Benefits	2,369	2,535	166
Purchased Services	35,188	49,922	14,734
Supplies and Materials	0	3,001	3,001
Other Objects	99	100	1
Total Improvement of Instructional Services	<u>40,309</u>	<u>61,768</u>	<u>21,459</u>
Educational Media Services:			
Salaries	164,874	164,877	3
Employee Benefits	27,081	28,017	936
Purchased Services	28,193	28,196	3
Supplies and Materials	197,662	198,206	544
Capital Outlay	9,001	9,001	0
Other Objects	40,281	40,860	579
Total Educational Media Services	<u>467,092</u>	<u>469,157</u>	<u>2,065</u>
Assessment and Testing:			
Purchased Services	4,879	4,879	0
Total Assessment and Testing	<u>4,879</u>	<u>4,879</u>	<u>0</u>
Total Support Services-Instructional Staff	<u>512,280</u>	<u>535,804</u>	<u>23,524</u>
Support Services-General Administration:			
Board of Education Services:			
Purchased Services	35,855	33,544	(2,311)
Supplies and Materials	356	356	0
Other Objects	8,956	9,470	514
Total Board of Education Services	<u>45,167</u>	<u>43,370</u>	<u>(1,797)</u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Executive Administration Services:			
Salaries	130,835	131,063	228
Employee Benefits	19,890	19,891	1
Purchased Services	60	60	0
Other Objects	2,145	2,145	0
Total Executive Administration Services	<u>152,930</u>	<u>153,159</u>	<u>229</u>
Total Support Services-General Administration	<u>198,097</u>	<u>196,529</u>	<u>(1,568)</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	192,544	192,545	1
Employee Benefits	42,887	42,733	(154)
Other Objects	46	50	4
Total Office of the Principal Service	<u>235,477</u>	<u>235,328</u>	<u>(149)</u>
Other Support Services-School Administration:			
Employee Benefits	0	155	155
Purchased Services	900	900	0
Supplies and Materials	1,074	1,075	1
Total Other Support Services-School Administration	<u>1,974</u>	<u>2,130</u>	<u>156</u>
Total Support Services-School Administration	<u>237,451</u>	<u>237,458</u>	<u>7</u>
Support Services-Business:			
Fiscal Services:			
Salaries	79,964	79,964	0
Employee Benefits	15,752	15,753	1
Purchased Services	9,066	9,066	0
Supplies and Materials	691	695	4
Total Fiscal Services	<u>105,473</u>	<u>105,478</u>	<u>5</u>
Food Services:			
Purchased Services	363,594	363,600	6
Total Food Services	<u>363,594</u>	<u>363,600</u>	<u>6</u>
Total Support Services-Business	<u>469,067</u>	<u>469,078</u>	<u>11</u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-Central:			
Staff Services:			
Salaries	11,978	11,978	0
Employee Benefits	4,213	4,241	28
Total Staff Services	<u>16,191</u>	<u>16,219</u>	<u>28</u>
Total Support Service-Central	<u>16,191</u>	<u>16,219</u>	<u>28</u>
Other Support Services:			
Salaries	15,114	15,350	236
Supplies and Materials	55	55	0
Total Other Supporting Services	<u>15,169</u>	<u>15,405</u>	<u>236</u>
Total Supporting Services	<u>2,171,750</u>	<u>2,194,373</u>	<u>22,623</u>
Payments to Other Governmental Units			
(In-State):			
Payments for Special Education Programs:			
Purchased Services	140	0	(140)
Total Payments for Spec. Ed. Programs	<u>140</u>	<u>0</u>	<u>(140)</u>
Payments for Community			
College Programs:			
Purchased Services	2,100	2,100	0
Other Objects	1,915	1,915	0
Total Payments for Community			
College Programs	<u>4,015</u>	<u>4,015</u>	<u>0</u>
Other Payments to Governmental Units:			
Purchased Services	0	211	211
Other Objects	211	0	(211)
Total Other Payments to Governmental Units	<u>211</u>	<u>211</u>	<u>0</u>
Total Payments to Other Governmental			
Units (In-State)	<u>4,366</u>	<u>4,226</u>	<u>(140)</u>
Payments to Other Governmental Units -			
Tuition (In-State):			
Special Education Programs - Tuition	61,522	61,522	0
Total Payments to Other Governmental			
Units - Tuition (In-State)	<u>61,522</u>	<u>61,522</u>	<u>0</u>
Total Payments to Other Governmental Units	<u>65,888</u>	<u>65,748</u>	<u>(140)</u>
Total Direct Disbursements	<u>8,998,138</u>	<u>9,046,339</u>	<u>48,201</u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
OPERATIONS AND MAINTENANCE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Facilities Acquisition and Construction Services:			
Capital Outlay	5,701	5,701	0
Total Facilities Acquisition and Construction Services:	<u>5,701</u>	<u>5,701</u>	<u>0</u>
Operation and Maintenance of Plant Services:			
Salaries	378,986	382,100	3,114
Employee Benefits	65,927	68,200	2,273
Purchased Services	263,788	265,946	2,158
Supplies and Materials	275,667	277,227	1,560
Capital Outlay	12,438	12,438	0
Total Operation and Maintenance of Plant Services	<u>996,806</u>	<u>1,005,911</u>	<u>9,105</u>
Total Support Services	<u>1,002,507</u>	<u>1,011,612</u>	<u>9,105</u>
Total Direct Disbursements	<u><u>1,002,507</u></u>	<u><u>1,011,612</u></u>	<u><u>9,105</u></u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
DEBT SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	164,474	154,425	(10,049)
Payments of Principal on Long-Term Debt	690,125	700,174	10,049
Debt Service-Other:			
Other Objects	500	500	0
Total Debt Service -Other	<u>500</u>	<u>500</u>	<u>0</u>
Total Debt Service	<u>855,099</u>	<u>855,099</u>	<u>0</u>
Total Direct Disbursements	<u><u>855,099</u></u>	<u><u>855,099</u></u>	<u><u>0</u></u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
TRANSPORTATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Salaries	15,391	15,392	1
Employee Benefits	143	143	0
Purchased Services	388,431	388,570	139
Supplies and Materials	49,796	49,799	3
Total Supporting Services	<u>453,761</u>	<u>453,904</u>	<u>143</u>
Total Direct Disbursements	<u><u>453,761</u></u>	<u><u>453,904</u></u>	<u><u>143</u></u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	54,279	54,455	176
Special Education Programs:			
Employee Benefits	62,061	62,219	158
CTE Programs:			
Employee Benefits	8,408	8,410	2
Interscholastic Programs:			
Employee Benefits	15,550	15,576	26
Summer School Programs:			
Employee Benefits	126	130	4
Driver's Education Programs:			
Employee Benefits	1,986	2,075	89
Truants' Alternative Programs:			
Employee Benefits	6,115	6,214	99
Total Instruction	<u>148,525</u>	<u>149,079</u>	<u>554</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	11,256	11,285	29
Guidance Services:			
Employee Benefits	9,212	9,215	3
Health Services:			
Employee Benefits	6,768	6,772	4
Speech Pathology and Audiology:			
Employee Benefits	938	939	1
Other Support Services-Pupils:			
Employee Benefits	661	666	5
Total Support Services-Pupils	<u>28,835</u>	<u>28,877</u>	<u>42</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	38	101	63
Educational Media Services:			
Employee Benefits	10,367	10,376	9
Total Support Services-Instructional Staff	<u>10,405</u>	<u>10,477</u>	<u>72</u>
The accompanying notes are an integral part of these financial statements.			



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Support Services-General Administration:			
Executive Administration Services:			
Employee Benefits	8,630	8,660	30
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction			
Employee Benefits	11,728	11,729	1
Total Support Services-General Administration	<u>20,358</u>	<u>20,389</u>	<u>31</u>
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	5,453	5,460	7
Total Support Services-School Administration	<u>5,453</u>	<u>5,460</u>	<u>7</u>
Support Services-Business:			
Fiscal Services:			
Employee Benefits	14,398	14,440	42
Operation and Maintenance of Plant Services:			
Employee Benefits	65,521	65,717	196
Pupil Transportation Services:			
Employee Benefits	1,674	1,680	6
Total Support Services-Business	<u>81,593</u>	<u>81,837</u>	<u>244</u>
Support Services-Central:			
Staff Services:			
Employee Benefits	167	168	1
Total Support Service-Central	<u>167</u>	<u>168</u>	<u>1</u>
Other Support Services:			
Employee Benefits	2,674	2,675	1
Total Support Services	<u>149,485</u>	<u>149,883</u>	<u>398</u>
Total Direct Disbursements	<u><u>298,010</u></u>	<u><u>298,962</u></u>	<u><u>952</u></u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	43,102	43,102	0
Capital Outlay	15,942	15,942	0
Total Support Services	<u>59,044</u>	<u>59,044</u>	<u>0</u>
Payments to Other Governmental Units			
Payments for Other Programs			
Other Objects	14,653	14,653	0
Total Payments to Other Governmental Units	<u>14,653</u>	<u>14,653</u>	<u>0</u>
Total Direct Disbursements	<u><u>73,697</u></u>	<u><u>73,697</u></u>	<u><u>0</u></u>

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
TORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupation Disease Act Payments:			
Purchased Services	60,266	60,266	0
Total Workers' Compensation Payments	60,266	60,266	0
Unemployment Insurance Payments:			
Purchased Services	0	(530)	(530)
Total Unemployment Insurance Payments	0	(530)	(530)
Insurance Payments (regular or self-insurance):			
Purchased Services	86,052	88,457	2,405
Total Insurance Payments	86,052	88,457	2,405
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	244,826	244,826	0
Employee Benefits	4,545	4,545	0
Purchased Services	14,698	15,080	382
Total Educational, Inspectional, Supervisory Services	264,069	264,451	382
Legal Services:			
Purchased Services	46,418	46,500	82
Total Legal Services	46,418	46,500	82
Total Direct Disbursements	456,805	459,144	2,339

The accompanying notes are an integral part of these financial statements.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #1 - Summary of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine the Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

Component Units

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements that serve pupils from numerous districts, should be included within its financial statements as component units. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are, therefore, excluded from the accompanying financial statements because the District does not control the assets, operations, or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received, and expenditures disbursed. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Governmental Funds -

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The Operations and Maintenance Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

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Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation - Fund Accounting (cont'd.)

Governmental Funds - (cont'd.)

The Transportation Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

The Illinois Municipal Retirement/Social Security Fund is used to account for cash received from specific sources (other than those accounted for in the Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash for specified purposes.

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds.

The Tort Fund accounts for financial resources held by the District to be used for tort immunity and tort judgment purposes.

The Fire Prevention and Safety Fund and Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Trust Funds).

Fiduciary Funds -

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Agency Funds include Student Activity Funds, Scholarship Funds, and Convenience Accounts. They account for assets held by the District as an agent for the students, teachers, and other entities. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations and trusts are equal to the assets.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all Governmental Funds and Expendable Trust Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Group

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The District records purchases of property and equipment as expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

The District has established a formal capitalization policy, only fixed asset purchases totaling \$5,000 are capitalized, but the District does follow grant guidelines when applicable.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #1 - Summary of Significant Accounting Policies (cont'd.)

B. Basis of Presentation - Fund Accounting (cont'd.)

General Fixed Assets and General Long-Term Debt Account Group (cont'd.)

No depreciation has been provided on fixed assets in these financial statements. The Illinois State Board of Education's Annual Financial Report (ISBE Form SD50-35/JA50-60) includes depreciation of \$1,002,356 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$13,989,714. Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Depreciable Land	50 years
Buildings	
Permanent	50 years
Temporary	20 years
Infrastructure Improvements other than Building	20 years
Capitalized Equipment	3-10 years

Long-term liabilities expected to be financed from Debt Services Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the account and how they are reported in the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

D. Budgets and Budgetary Accounting

The budget for all Governmental Funds and for the Expendable Trust Fund is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, and Paragraph 17-1 of the Illinois Compiled Statutes. The original budget was passed on September 23, 2014, and was amended on June 23, 2015.

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #1 - Summary of Significant Accounting Policies (cont'd.)

D. Budgets and Budgetary Accounting (cont'd.)

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

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

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposit (savings) accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of less than 90 days.

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 235/2, may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit, or time deposits constituting direct obligations of banks insured by FDIC and savings and loan associates insured by FSLIC. The District may also invest in short-term obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool, and all interest-bearing obligations of the State of Illinois.

G. Inventories

Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased.

H. Total Memorandum Only

The "Total Memorandum Only" column represents the aggregation (by addition) of the line-item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #2 - Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Taxes are levied in LaSalle and Livingston Counties. The 2014 levy was passed by the board on December 16, 2014. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes received as reflected in this report are from the 2013 and prior tax levies.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	<u>Maximum Rate</u>	<u>Actual 2014 Rate</u>	<u>Actual 2013 Rate</u>	<u>Actual 2012 Rate</u>
Educational	1.62000	1.62000	1.62000	1.62000
Operations & Maintenance	0.25000	0.25000	0.25000	0.25000
Transportation	0.12000	0.12000	0.12000	0.12000
Debt Services	None	0.40574	0.39621	0.49672
Municipal Retirement	None	0.06136	0.05960	0.02901
Social Security	None	0.09024	0.09018	0.05802
Tort Immunity	None	0.24493	0.23790	0.17889
Leasing	0.05000	0.05000	0.05000	0.05000
Special Education	0.02000	0.02000	0.02000	0.02000
Fire Prevention and Safety	0.05000	0.05000	0.00000	0.00000
Working Cash	0.05000	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>
Total		<u>2.96227</u>	<u>2.89389</u>	<u>2.87264</u>

Note #3 – Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. Due to the cash basis nature of the district, all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or laws through constitutional provisions or enabling legislation. Special Revenue Funds are, by definition, restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories:



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #3 – Fund Balance Reporting (cont'd.)

B. Restricted Fund Balance (cont'd.)

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2. Leasing Levy

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Educational and Operations & Maintenance Funds. Revenue received exceeded expenditures disbursed and previously accumulated restricted balances for this purpose, resulting in a restricted fund balance \$180,903. This balance is included in the financial statements as Reserved in the Operations & Maintenance Fund.

3. County School Facility Occupation Tax

Proceeds from County School Facility Occupation Tax and the related expenditures have been included in the Capital Projects Fund. At June 30, 2015, revenue received from County School Facility Occupation Tax equaled expenditures disbursed, resulting in a restricted balance of \$-0-.

4. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Capital Projects Funds. At June 30, 2015, revenue received from state grants exceeded expenditures disbursed, resulting in a restricted fund balance of \$270,617. This balance is included in the financial statements as Reserved in the Capital Projects Fund.

5. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational and Municipal Retirement/Social Security Funds. At June 30, 2015, expenditures disbursed from federal grants exceeded the revenue received for those specific purposes in the Educational Fund, resulting in no restricted balances.

6. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a restricted fund balance \$20,841. This balance is included in the financial statements as unreserved in the Municipal Retirement/Social Security Fund.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policies or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2015, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2015 amounted to \$876,199. This amount is shown as Unreserved in the Educational Fund.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

Note #3 – Fund Balance Reporting (cont'd.)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational and Working Cash Funds.

F. Regulatory – Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Financial Statements - Reserved	Financial Statements - Unreserved
Educational	0	0	876,199	0	1,447,098	0	2,323,217
Operations & Maintenance	0	466,024	0	0	0	180,903	285,121
Debt Services	0	267,597	0	0	0	0	267,597
Transportation	0	203,780	0	0	0	0	203,780
Municipal Retirement	0	117,397	0	0	0	20,841	96,556
Capital Projects	0	511,367	0	0	0	270,617	240,750
Working Cash	0		0	0	954,985	0	954,985
Tort Liability	0	4,989	0	0	0	0	4,989
Fire Prevention and Safety	0	191	0	0	0	0	191

H. Expenditures of Fund Balance

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #4 – Deposits and Investments

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ICS 235), and Section 8-7 of the School Code of Illinois. These include the following items:

- (1) in bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- (2) in interest-bearing savings accounts, interest-bearing certificates of deposits, interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
- (3) in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
- (4) in money market mutual funds registered under the Investment Company Act of 1940;
- (5) in short term discount obligations of the Federal National Mortgage Association;
- (6) in dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States and is located within the State of Illinois;
- (7) in a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
- (8) in the Illinois School District Liquid Asset Fund Plus;
- (9) in repurchase agreements of government securities;
- (10) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto.

**Custodial Credit Risk Related to Deposits with Financial Institutions**

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 general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board's Statement III, Category I, the highest recognized safekeeping procedures.

As of June 30, 2015, \$387,609 of the District's bank balances were uninsured and uncollateralized.

**Custodial Credit Risk of Investments**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, none of the District's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool
- Investments were book-entry only in the name of the District and were fully insured
- Investments were part of a mutual fund
- Investments were held by an agent in the District's name

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #4 - Deposits and Investments (cont'd.)

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2015, the district had the following investments and maturities.

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Municipal Bonds	126,166	125,779	125,779	0	0	0
U.S. Government Agency Bonds	831,097	811,971	0	199,950	612,021	0
Collateralized Mortgages	49,843	48,636	0	0	48,636	0
Total	<u>1,007,106</u>	<u>986,386</u>	<u>125,779</u>	<u>199,950</u>	<u>660,657</u>	<u>0</u>

**Credit Risk**

As of June 30, 2015, the Municipal Bonds are rated A1 and the U.S. Government Bonds are rated AA+.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The District places no limit on the amount the District may invest in any one issuer. The following percentages reflect the breakdown of investments for the District as of June 30, 2015:

As of June 30, 2015, the District had one municipal bond that represented 12.5% of total investments, investments issued or guaranteed by the U.S. government totaled 87.5% of investments.

**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District had no foreign currency risk as of June 30, 2015.

Note #5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions*</u>	<u>Balance June 30, 2015</u>
Non-Depreciable Land	1,547,158	0	0	1,547,158
Buildings	39,231,811	21,250	0	39,253,061
Improvements Other than Buildings	295,568	0	0	295,568
Capitalized Equipment-10 Year Equipment	1,969,048	25,771	0	1,994,819
Capitalized Equipment-5 Year Equipment	250,584	0	0	250,584
Capitalized Equipment-3 Year Equipment	7,713	0	0	7,713
Totals	<u>43,301,882</u>	<u>47,021</u>	<u>0</u>	<u>43,348,903</u>

\*To remove fully depreciated equipment and equipment traded.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 – Retirement Fund Commitments

The District contributes to two defined benefit pension plans: the Teachers Retirement System (TRS), and the Illinois Municipal Retirement Fund (IMRF). TRS is administered by the TRS board of trustees and is a cost sharing multiple employer plan. IMRF is administered by IMRF board of trustees and is an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

A. Teacher's Retirement System of the State of Illinois

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

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

**Benefits provided**

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

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

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

**Contributions**

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

A. Teacher's Retirement System of the State of Illinois (cont'd.)

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2015, State of Illinois contributions recognized by the district were based on the state's proportionate share of the collective net pension liability associated with the district, and the district recognized revenue and expenditures of \$1,880,011 in pension contributions that the State of Illinois made.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$33,849 and are deferred because they were paid after the June 30, 2014 measurement date.

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

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$138,960 were paid from federal and special trust funds that required employer contributions of \$45,854. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid \$-0- to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the employer paid \$336 to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

**Pension Liabilities and Pension Expense**

At June 30, 2015, the employer has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount disclosed by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 1,463,754
State's proportionate share of the net pension liability associated with the employer	<u>\$33,805,523</u>
<b>Total</b>	<b>\$35,269,277</b>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

A. Teacher's Retirement System of the State of Illinois (cont'd.)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was 0.0024051854 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was 0.0029443375 percent.

For the year ended June 30, 2015, the employer recognized pension expense of \$32,477 on a cash basis under this plan.

**Actuarial assumptions**

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

<b>Inflation</b>	3.00 percent
<b>Salary increases</b>	5.75 percent, average, including inflation
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

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

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

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #6 - Retirement Fund Commitments (cont'd.)

A. Teacher's Retirement System of the State of Illinois (cont'd.)

The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18	8.58
Aggregate bonds	16	2.27
U.S. TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk parity	8	5.57
Diversified inflation strategy	1	3.96
Private equity	14	13.03
<b>Total</b>	<b><u>100%</u></b>	

**Discount rate**

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

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	\$1,807,665	\$1,463,754	\$1,178,957



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

A. Teacher's Retirement System of the State of Illinois (cont'd.)

**TRS fiduciary net position**

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

B. THIS Fund Contributions

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

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

The percentage of employer required contributions in the future will not exceed 105 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 employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$59,527 and the employer recognized revenue and expenditures of this amount during the year.

**• Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the employer paid \$44,353 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

C. Illinois Municipal Retirement Fund

***Plan Description.***

The District's defined benefit pension plan for non-certified employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information, for the plan as a whole, but not for individual employees. That report can be obtained online at [www.imrf.org](http://www.imrf.org).

***Benefits provided.***

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

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

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

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

***Employees covered by benefit terms.***

At December 31, 2014, the following employees were covered by the benefit terms:

Retirees or Beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>38</u>
Total Members	94

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

***Contributions.***

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 10.11%. The total employer contribution paid for 2014 was \$121,292. The District's contribution rate for the calendar year 2015 is 9.91%. The actual contributions paid during the fiscal year ended June 30, 2015 were \$122,580. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

***Net Pension Liability***

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

***Actuarial assumptions***

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #6 - Retirement Fund Commitments (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

- The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	<b>Portfolio</b>	<b>Long-Term</b>
	<b>Target</b>	<b>Expected</b>
<b>Asset Class</b>	<b>Percentage</b>	<b>Real Rate</b>
		<b>of Return</b>
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

***Discount rate***

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

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

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

Note #6 - Retirement Fund Commitments (cont'd.)

C. Illinois Municipal Retirement Fund (cont'd.)

**Changes in the Net Pension Liability**

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)- (b)
<b>Balances at 12/31/13</b>	\$ 5,140,293	\$ 5,204,459	\$ (64,166)
<b>Changes for the year:</b>			
Service cost	136,915		136,195
Interest on Total Pension Liability	380,663		380,663
Change of Benefit Terms	0		0
Differences between expected and actual Experience of Total Pension Liability	(97,474)		(97,474)
Changes of assumptions	230,505		230,505
Contributions-Employer		113,381	(113,381)
Contributions-Employee		54,623	(54,623)
Net investment income		314,469	(314,469)
Benefit Payments, including Refunds of Employee Contributions	(266,475)	(266,475)	0
Other changes (Net Transfers)		(47,735)	47,735
<b>Net changes</b>	<u>384,134</u>	<u>168,263</u>	<u>215,871</u>
<b>Balances at 12/31/14</b>	<u>\$ 5,524,427</u>	<u>\$ 5,372,722</u>	<u>\$ 151,705</u>

**Change in Assumptions** – The mortality table used was updated to the RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**Sensitivity of the net pension liability to changes in the single discount rate.**

The following presents the net pension liability of the District, calculated using the discount rate of 7.50 percent, as well as what the District's IMRF net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
Total Pension Liability	\$ 6,177,770	\$ 5,524,427	\$ 4,983,760
Plan Fiduciary Net Position	<u>5,372,722</u>	<u>5,372,722</u>	<u>5,372,722</u>
Net Pension Liability(Asset)	\$ 805,048	\$ 151,705	\$ (388,962)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued actuarial financial report on page 12 of Section B.

**Payable to the Pension Plan**

At June 30, 2015, the District had a payable of \$10,553 for the outstanding amount of contributions to IMRF for the year ended June 30, 2015.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #7 – Long-Term Debt, Capital Leases, and Other Financing Arrangements

Long-term debt at June 30, 2015, is comprised of the following:

Bonded Indebtedness –

Bonded indebtedness is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are payable solely from future revenues of the Debt Services Fund which consists principally of property taxes collected by the District and interest earnings.

Capital Leases –

The District entered into a capital lease agreement with Providence Capital Network, LLC, dated May 20, 2013 for new computers with a cost of \$19,992. At June 30, 2015, the principal balance of the lease was \$-0-.

The District entered into a capital lease agreement with Providence Capital Network, LLC, dated June 4, 2013 for additional technology equipment with a cost of \$19,976. At June 30, 2015, the principal balance of the lease was \$6,650.

The District entered into a capital lease agreement with Providence Capital Network, LLC, dated February 1, 2014 for Skyward software with a cost of \$54,281. At June 30, 2015, the principal balance of the lease was \$-0-.

The District entered into a capital lease agreement with Providence Capital Network, LLC, dated May 1, 2014 for Chromebooks with a cost of \$44,096. At June 30, 2015, the principal balance of the lease was \$-0-.

The District entered into a capital lease agreement with Avaya Financial Services, dated August 20, 2013 for a phone system with a cost of \$90,541. At June 30, 2015, the principal balance of the lease was \$61,440.

The District entered into a capital lease agreement with Providence Capital Network, LLC, dated June 15, 2015 for Chromebooks with a cost of \$168,709. At June 30, 2015, the principal balance of the lease was \$168,709.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2015:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance June 30, 2015	Due In Less Than One Year
					July 1, 2014	Additions	Deductions		
General Obligation Bonds									
Refunding 2012	7,570,000	9/24/12	12/1/22	0.75-2.7%	<u>6,995,000</u>	<u>0</u>	<u>(610,000)</u>	<u>6,385,000</u>	<u>645,000</u>
Subtotal					<u>6,995,000</u>	<u>0</u>	<u>(610,000)</u>	<u>6,385,000</u>	<u>645,000</u>
Capital Leases									
Total					<u>148,215</u>	<u>168,709</u>	<u>(80,125)</u>	<u>236,799</u>	<u>83,397</u>
					<u>7,143,215</u>	<u>168,709</u>	<u>(690,125)</u>	<u>6,621,799</u>	<u>728,397</u>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

Note #7 – Long-Term Debt, Capital Leases, and Other Financing Arrangements (cont'd.)

The annual debt service requirements of general obligation bonds and leases/other are as follows:

	<u>Bonds</u>		<u>Leases/Other</u>		<u>Total</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	645,000	141,875	83,397	5,518	728,397	147,393
2017	680,000	128,625	72,494	9,359	752,494	137,984
2018	725,000	113,669	77,274	4,579	802,274	118,248
2019	770,000	96,850	3,634	36	773,634	96,886
2020	815,000	79,019	0	0	815,000	79,019
2021	865,000	59,686	0	0	865,000	59,686
2022	915,000	37,856	0	0	915,000	37,856
2023	<u>970,000</u>	<u>13,095</u>	<u>0</u>	<u>0</u>	<u>970,000</u>	<u>13,095</u>
	<u>6,385,000</u>	<u>670,675</u>	<u>236,799</u>	<u>19,492</u>	<u>6,621,799</u>	<u>690,167</u>

At June 30, 2015, the excess of assets over liabilities of the Debt Services Fund was allocable to the individual issues as follows:

<u>Bond Issue Dated</u>	<u>Amount</u>
December 1, 2012	267,597

Legal Debt Limit –

Section 5/19-1 of the Illinois School Code limits the amount of qualifying debt of the District to 6.9% of the latest equalized assessed value. The Equalized Assessed Value as of January 1, 2014 was \$193,940,533.

The estimated legal debt margin of the District at June 30, 2015, was calculated as follows:

Legal Debt Limit	13,381,897
Less Qualifying Debt	<u>(6,621,799)</u>
Legal Debt Margin	<u>6,760,098</u>

Note #8 - Tax Anticipation Warrants

There were no tax anticipation warrants issued, retired, or outstanding during the fiscal year ended June 30, 2015.

Note #9 - Interfund Loans and Transfers

The District made no interfund loans during the fiscal year ended June 30, 2015. The District transferred \$68,151 from the Educational Fund and \$22,023 from the Operations & Maintenance Fund to the Debt Services Fund to cover capital lease payments.

Note #10 - Common Bank Accounts

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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Note #11 - Self-Insurance Plan

All employees of the district are covered under the State of Illinois Unemployment Insurance Act. The district elected to be self-insured, and therefore, is liable to the State for any payments made to an unemployed worker claiming benefits.

Note #12 - Contingencies

The District has received funding from state and federal grants in the current and prior years, which are subject to audits by the granting agencies. The school board believes any adjustments that may arise from these audits will be insignificant to District operations.

Note #13 - Commitments

As of June 30, 2015, the District had the following construction commitments outstanding in the Capital Projects Fund.

<u>Contractor</u>	<u>Project</u>	<u>Outstanding</u>
Bofo Waterproofing Systems	Waterproofing Foundation Walls	10,000
Joe Hatzler & Son, Inc.	Foundation Wall	8,823
Sterling Roof Company	Roof Work	368,085

Unpaid Teacher's Contracts – Teacher's contracts for services rendered during the school year for teachers electing twelve-month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2015, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2015, amounted to \$822,972, which will be paid out of the Educational Fund.

Vacation Pay – Vacation pay is considered to be an expenditure in the year paid. Eligible administrators and support staff receive vacation pay. At June 30, 2015, the estimated unused vacation pay liability is \$0.

Sick Pay – Sick pay is considered to be an expenditure in the year paid. Accumulated sick pay benefits are available to eligible employees to use in future years. At June 30, 2015, the estimated unused sick pay liability is \$0.

The District has entered into an operating lease agreement with Illinois Valley Business Equipment, Inc. for photocopiers. The term of the lease requires a minimum monthly payment of \$2,282. The agreement is paid out of the Operations and Maintenance Fund. At June 30, 2015, the future lease payment requirements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Lease</u> <u>Payments</u>
2016	27,393
2017	27,393
2018	27,393
2019	27,393
2020	<u>9,128</u>
Total	<u>118,660</u>

Note #14 – Other Receivables

As of June 30, 2015, the District had loaned the Student Activity Fund \$3,233. This amount is reported in the Educational Fund as an Other Receivable.



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #15 - Joint Agreements

The District is a member of LaSalle/Putnam County Educational Alliance for Special Education (L.E.A.S.E.) and Starved Rock Associates for Vocational and Technical Education (SRVTE). The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have an equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements.

The report for LaSalle/Putnam County Educational Alliance for Special Education may be obtained by writing to L.E.A.S.E, 1009 Boyce Memorial Drive, Ottawa, Illinois 61350.

The report for Starved Rock Associates for Vocational and Technical Education may be obtained by writing to SRVTE, 200 Ninth Street, Peru, Illinois 61354.

Note #16 - Disbursements and Transfers in Excess of Budget

As of June 30, 2015, the District had no disbursements and/or transfers in excess of budget for the year.

Note #17 - Risk Management - Claims and Judgments

Significant losses are covered by commercial insurance for all major programs: property, liability, and worker's compensation. During the year ended June 30, 2015, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts, which have exceeded insurance coverage in the past three years.

Note #18 - Deficit Fund Balances

As of June 30, 2015, the district had no deficit fund balances in any fund.

Note #19 - Post-Retirement Health Care Plan

The District provides post-retirement health care benefits for the retirees and their dependents. All retirees are eligible to continue their health coverage under the District's self-funded health insurance plan. The retirees are responsible for the entire premium payment to secure coverage. The District finances the plan on a pay-as-you-go basis. The Unfunded Actuarial Liability has not been determined as of June 30, 2015.

*Plan Description.* The District administers a single-employer defined benefit healthcare plan. The Educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. The plan does not issue a separate publicly available financial report.

*Funding Policy.* The contribution requirements of the District may be amended by the School Board. Current policy is to pay for post-retirement medical and insurance benefits or premiums as they occur. The District requires retirees to contribute 100% of the premium for their desired coverage. The premiums are established for the employee/retiree group, which is currently \$467.86 per month for individual coverage and \$1,419.48 per month for family coverage. Although, with regard to retirees, this amount contains an implied rate subsidy by the District through the blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

*Contributions Made.* Because the retiree insurance premium established is paid entirely by retiree contributions, there is no net cash outflow by the District related to these benefits when paid. Therefore, there are no cash-basis expenditures reported by the District in regard to the plan benefits for retirees.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  

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JUNE 30, 2015

Note #20 – Termination Benefits

Qualified employees may notify the District up to four years prior to retirement and receive an increase in compensation not to exceed 6% over the prior year's salary for up to four years. As of June 30, 2015 the District's future payments under this program are estimated to total \$53,147.

Note #21 – Other Sources

Proceeds made available by a lease purchase agreement are recorded as Other Sources in these financial statements.

Note #22 – Subsequent Events

The District evaluates events and transactions that occur subsequent to year-end for potential recognition or disclosure in the financial statements through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, other than the disclosure listed in the following paragraph.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO 40  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
STUDENT ACTIVITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	126,264.43	390,891.16	339,380.96	177,774.62
Investments	46,619.15	4,278.50	3,501.60	47,396.05
Total Assets	<u>172,883.58</u>	<u>395,169.66</u>	<u>342,882.56</u>	<u>225,170.67</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
Academic Team	375.58	1,350.00	1,654.87	70.71
Art Club	261.68	526.00	451.70	335.98
Art Revolving	1,927.07	0.00	0.00	1,927.07
Athletic Revolving	3,485.47	4,605.00	4,984.04	3,106.43
American Welding - AWS	0.00	19,600.00	583.89	19,016.11
Auto Shop	169.71	338.23	65.00	442.94
Band	3,204.11	1,126.88	3,015.84	1,315.15
Boys Baseball	3,724.13	3,254.00	5,010.23	1,967.90
Boys Basketball	3,568.10	10,677.00	9,692.21	4,552.89
Boys Golf	1,472.79	833.00	683.40	1,622.39
Boys Soccer	728.33	4,318.00	4,761.50	284.83
Boys Tennis	1,404.35	729.00	1,678.04	455.31
Bulldog Buddies	1,192.54	400.00	394.50	1,198.04
Business Club	2,222.06	0.00	0.00	2,222.06
Cheerleaders	2,401.42	37,816.54	26,880.92	13,337.04
Chorus	443.78	0.00	125.00	318.78
Class 2001	200.00	0.00	0.00	200.00
Class 2003	305.38	0.00	0.00	305.38
Class 2004	816.77	0.00	0.00	816.77
Class 2005	536.00	0.00	0.00	536.00
Class 2006	118.70	0.00	0.00	118.70
Class 2007	788.91	0.00	0.00	788.91
Class 2008	2,272.39	0.00	0.00	2,272.39
Class 2009	2,301.84	0.00	0.00	2,301.84
Class 2010	671.58	0.00	0.00	671.58
Class 2011	1,000.48	0.00	0.00	1,000.48
Class 2012	2,508.25	0.00	0.00	2,508.25
Class 2013	1,337.31	0.00	0.00	1,337.31
Class of 2014	2,596.75	0.00	590.00	2,006.75
Class of 2015	1,320.53	10,485.48	10,813.56	992.45
Class of 2016	228.31	17,494.50	12,842.19	4,880.62
Class of 2017	1,180.62	2,324.92	1,433.94	2,071.60
Class of 2018	0.00	2,395.18	1,057.17	1,338.01
Courtyard	0.00	0.00	0.00	0.00
Cross Country	41.23	2,421.00	2,385.04	77.19

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO 40  
SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
STUDENT ACTIVITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Beginning Balance	Increases	Decreases	Ending Balance
Drama Club	(146.04)	0.00	0.00	(146.04)
FFA	943.19	50,283.65	36,463.87	14,762.97
Fishing Club	1,724.57	0.00	0.00	1,724.57
Flow-Thru	40.00	979.00	853.49	165.51
Football	21.24	14,651.15	7,154.84	7,517.55
German Club	434.18	2,640.35	3,039.83	34.70
Girls Basketball	1,246.61	1,890.00	1,726.21	1,410.40
Girls Soccer	1,190.00	1,649.00	1,491.50	1,347.50
Girls Softball	(30.90)	14,363.00	11,533.34	2,798.76
Girls Tennis	63.98	0.00	0.00	63.98
Girls Track	137.97	872.25	782.05	228.17
Girls Volleyball	460.06	7,031.92	5,465.64	2,026.34
Golf Invitational	3.47	0.00	0.00	3.47
Greener Monies	5,277.31	12.86	500.00	4,790.17
Hall of Fame Banquet	1,163.61	4,015.00	1,801.60	3,377.01
Hardscrabble/Yearbook	(5,102.57)	20,397.00	19,941.88	(4,647.45)
Home Economics Club	1,912.75	943.00	1,143.40	1,712.35
Industrial Arts	709.48	3,012.56	3,389.23	332.81
Interest Earned	47.64	39.26	0.00	86.90
Key Club	1,034.63	8,523.19	8,315.63	1,242.19
Library Club	1,047.96	131.05	374.99	804.02
LPJ Girls Athletic	13.41	0.00	0.00	13.41
Martial Arts	0.20	0.00	0.00	0.20
National Honor Society	1,973.38	1,121.93	1,075.02	2,020.29
Operation Snowball	453.43	6,040.00	5,697.15	796.28
PSAT Guidance	33.50	0.00	15.00	18.50
"S" Club	341.39	4,016.77	3,378.49	979.67
SAP	1,173.57	0.00	330.94	842.63
Scholarship	97,471.00	75,827.64	97,215.00	76,083.64
School Improvement	(1,580.07)	5,980.92	2,105.25	2,295.60
Science Club	160.65	217.00	216.05	161.60
Spanish Club	589.64	275.00	95.44	769.20
Special Ed - Classroom Activity Account	1,047.91	1,611.25	0.00	2,659.16
Special Ed - Special Olympics	1,079.67	4.00	0.00	1,083.67
Streatorettes	2,789.06	22,949.95	21,094.37	4,644.64
Student Council	8,137.90	12,809.46	11,144.40	9,802.96
Tech Prep	437.89	2,002.50	1,921.50	518.89
Technology - Beck	1,187.00	1,325.43	2,364.43	148.00
Tournment	44.12	0.00	0.00	44.12
Track Revolving	0.00	212.00	0.00	212.00
Transition Program	0.00	5,776.83	28.48	5,748.35
Worthy Hall of Fame Banquet	39.89	0.00	0.00	39.89

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO 40  
 SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND FUND BALANCE  
 STUDENT ACTIVITY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Beginning Balance	Increases	Decreases	Ending Balance
Wrestling	504.73	2,870.00	3,120.50	254.23
Total Liabilities (Due to other Organizations)	172,883.58	395,169.65	342,882.56	225,170.67
<b><u>FUND BALANCE</u></b>	0.00	0.00	0.00	0.00
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	172,883.58	395,169.65	342,882.56	225,170.67

## STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40

## SCHEDULE OF BONDED INDEBTEDNESS

JUNE 30, 2015

General Obligation Refunding Bond

Dated: December 1, 2012

Principal Due: December 1

Interest Due: December 1 &amp; June 1

Payable at Centru Bank, Streator, Illinois

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest Due</u>		<u>Total</u>
			<u>December 1</u>	<u>June 1</u>	
2015-16	2.00	645,000	74,162	67,713	786,875
2016-17	2.00	680,000	67,712	60,913	808,625
2017-18	2.25	725,000	60,913	52,756	838,669
2018-19	2.25	770,000	52,756	44,094	866,850
2019-20	2.25	815,000	44,094	34,925	894,019
2020-21	2.35	865,000	34,925	24,761	924,686
2021-22	2.55	915,000	24,761	13,095	952,856
2022-23	2.70	970,000	13,095	0	983,095
Totals		<u>6,385,000</u>	<u>372,418</u>	<u>298,257</u>	<u>7,055,675</u>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 SCHEDULE OF TAXES EXTENDED AND COLLECTED  
 JUNE 30, 2015

	Educational Levy	Special Education Levy	Leasing Levy	Operation & Maintenance Levy	Debt Services Levy	Trans- portation Levy	Municipal Retirement Levy	Social Security Levy	Working Cash Levy	Tort Immunity Levy	Total All Levies
<u>2012 Levy</u>											
Assessed Valuation	206,833,657										
Tax Rate per \$100.00	1.62000	0.02000	0.05000	0.25000	0.49672	0.12000	0.02901	0.05802	0.05000	0.17889	2.87264
Taxes Extended	3,350,705	41,367	103,417	517,084	1,027,384	248,200	60,002	120,005	103,417	370,005	5,941,586
Taxes Collected	99.47%										
	3,332,790	41,146	102,864	514,319	1,021,891	246,873	59,682	119,363	102,864	368,026	5,909,818
<u>2013 Levy</u>											
Assessed Valuation	192,934,140										
Tax Rate per \$100.00	1.62000	0.02000	0.05000	0.25000	0.39621	0.12000	0.05960	0.09018	0.05000	0.23790	2.89389
Taxes Extended	3,125,533	38,587	96,467	482,335	764,424	231,521	114,989	173,988	96,467	458,990	5,583,301
Taxes Collected	99.58%										
	3,112,256	38,423	96,057	480,286	761,177	230,537	114,500	173,249	96,057	457,040	5,559,582
<u>2014 Levy</u>											
Assessed Valuation	193,940,533										
Tax Rate per \$100.00	1.62000	0.02000	0.05000	0.25000	0.40574	0.12000	0.06136	0.09024	0.05000	0.24493	2.96227
Taxes Extended	3,141,837	38,788	96,970	484,851	786,894	232,729	119,002	175,012	96,970	475,019	5,745,042

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)**  
**DISTRICT/JOINT AGREEMENT**  
**Year Ending June 30, 2015**

DISTRICT/JOINT AGREEMENT NAME <b>Streator Township High School District</b>	RCDT NUMBER <b>35-050-0400-17</b>	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>060-009381</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>Mr. Matthew Seaton</b>	NAME AND ADDRESS OF AUDIT FIRM <b>Gorenz and Associates, Ltd.</b> <b>4200 N. Knoxville Ave.</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>202 W. Lincoln Avenue</b>  <b>Streator</b> <b>61364</b>	Peoria IL 61614	
	E-MAIL ADDRESS tcustis@gorenzcpa.com	
	NAME OF AUDIT SUPERVISOR <b>Tim C. Custis, CPA</b>	
	CPA FIRM TELEPHONE NUMBER <b>309-685-7621</b>	FAX NUMBER <b>309-685-4758</b>

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

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

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form § .320 (b)
- Copy(ies) of Management Letter(s)



**Streator High School District No. 40**  
**35-050-0400-17**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			Prior to 7/01/14 (C)	7/01/14 - 6/30/15 (D)	Prior to 7/01/14 (E)	7/01/14 - 6/30/15 (F)			
<b>U.S. Department of Agriculture -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
School Lunch - Regular, Free & Reduced	10.555	14-4210-00	145,406	41,169	145,406	41,169		186,575	N/A
School Lunch - Regular, Free & Reduced	10.555	15-4210-00		173,304		173,304		173,304	N/A
Food Donation Program (3)	10.555	FY14			11,153			11,153	N/A
Food Donation Program (3)	10.555	FY15				19,902		19,902	N/A
School Breakfast Program	10.553	14-4220-00	32,489	7,084	32,489	7,084		39,573	N/A
School Breakfast Program	10.553	15-4220-00		40,919		40,919		40,919	N/A
<b>Total U.S. Department of Agriculture - Pass through programs</b>			<u>177,895</u>	<u>262,476</u>	<u>189,048</u>	<u>282,378</u>	<u>-</u>	<u>471,426</u>	
<b>U.S. Department of Education -</b>									
<b>Pass-through program from</b>									
<b>Illinois State Board of Education</b>									
(M) Title I - Low Income	84.010	14-4300-00	158,879	85,294	224,169	20,004		244,173	276,650
(M) Title I - Low Income	84.010	15-4300-00		190,445		231,131	(2)	231,131	244,194
(M) IDEA - Room & Board	84.027	14-4625-00	116,475	103,811	163,065	57,221		220,286	N/A
(M) IDEA - Room & Board	84.027	15-4625-00		98,841		138,257	(2)	138,257	N/A
Title II - Teacher Quality	84.367	14-4932-00	25,758	10,523	36,281			36,281	36,614
Title II - Teacher Quality	84.367	15-4932-00		25,981		36,215	(2)	36,215	37,122
<b>Pass-through program from</b>									
<b>Illinois Department of Human Services</b>									
S.T.E.P.	84.126	46CSD00056	33,182		33,182			33,182	33,182
S.T.E.P. - Performance Bonus	84.126	46CSD00056		6,194	6,194			6,194	N/A
S.T.E.P.	84.126	46CTD00056		24,776		33,182		33,182	44,243
<b>Pass-through program from</b>									
<b>LaSalle County Educational Alliance for Special Education</b>									
IDEA - Flow Thru	84.027	14-4620-00	20,702		20,702			20,702	20,837
(M) IDEA - Flow Thru	84.027	15-4620-00		21,670		21,670		21,670	21,672
<b>Total U.S. Department of Education - Pass-through programs</b>			<u>354,996</u>	<u>567,535</u>	<u>483,593</u>	<u>537,680</u>	<u>-</u>	<u>1,021,273</u>	

**Streator High School District No. 40**  
**35-050-0400-17**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor, Program Title & Major Program Designation	CFDA Number (A)	ISBE Project Number (B)	Receipts/Revenues		Expenditures/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			Prior to 7/01/14 (C)	7/01/14 - 6/30/15 (D)	Prior to 7/01/14 (E)	7/01/14 - 6/30/15 (F)			
<b>U.S. Department of Labor</b>									
<b>Pass-through program from</b>									
<b>Business Employment Skills Team - BEST, Inc.</b>									
Workforce Investment Act - Bridges Program	17.259	13-001	49,397	2,363	51,760	-		51,760	106,247
Workforce Investment Act - Bridges Program	17.259	13-001.2		49,962		54,403	(2)	54,403	117,927
<b>Total U.S. Department of Labor - Pass-through programs</b>			<u>49,397</u>	<u>52,325</u>	<u>51,760</u>	<u>54,403</u>	-	<u>106,163</u>	
<b>U.S. Department of Health and Human Services</b>									
<b>Pass-through program from</b>									
<b>Illinois Department of Health Care and Family Services</b>									
Medicaid Administrative Outreach	93.778	14-4991-00	20,657	5,367	21,518	5,591		27,109	N/A
Medicaid Administrative Outreach	93.778	15-4991-00		22,418		23,352		23,352	N/A
<b>Total U.S. Department of Human Services - Pass-through programs</b>			<u>20,657</u>	<u>27,785</u>	<u>21,518</u>	<u>28,943</u>	-	<u>50,461</u>	
<b>Total Federal Awards</b>			<u>602,945</u>	<u>910,121</u>	<u>745,919</u>	<u>903,404</u>	-	<u>1,649,323</u>	
<b>Total Federal Awards Passed Through Illinois State Board of Education</b>			479,007	777,371	612,563	765,206	-	1,377,769	
<b>Total Federal Awards Passed Through Other Entities</b>			<u>123,938</u>	<u>132,750</u>	<u>133,356</u>	<u>138,198</u>	-	<u>271,554</u>	
<b>Total Federal Awards</b>			<u>602,945</u>	<u>910,121</u>	<u>745,919</u>	<u>903,404</u>	-	<u>1,649,323</u>	

(M) Indicates Major Federal Financial Assistance Program.

(1) Indicates Carry over revenue per ISBE

(2) Project not complete as of June 30, 2015

(3) Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**Streator Township High School District No. 40**

**35-050-0400-17**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**

**Year Ending June 30, 2015**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Streator Township High School District No. 40 and is presented on the Cash **Basis of Accounting**. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the **Basic** financial statements.

**Note 2: Subrecipients<sup>6</sup>**

Of the federal expenditures presented in the schedule, **Streator Township High School District No. 40** provided federal awards to

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
None		

**Note 3: Relationship to Basic Financial Reports and Programs Financial Reports**

Federal award received are reflected in the District's financial statements within the Educational Fund and the IMRF Fund as receipts from Federal Sources. Amounts reported in the accompanying Schedule of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed final reports as of June 30, 2015.

**Note 4: Matching Expenditures -**

The District incurred the following matching expenditures:

Program	CFDA No.	Contract No.	Amount Expended
STEP	84.126	46CTD00056	22,954

**Note 5: Non-Cash Assistance**

The following amounts were expended in the form of non-cash assistance by **Streator Township High School District No. 40** and are included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$19,902</u>
OTHER NON-CASH ASSISTANCE	<u>                    </u>

**Note 4: Other Information**

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	<u>No</u>
Auto	<u>No</u>
General Liability	<u>No</u>
Workers Compensation	<u>No</u>
Loans/Loan Guarantees Outstanding at June 30:	<u>No</u>
District had Federal grants requiring matching expenditures	<u>Yes</u>
	(Yes/No)

\*\* The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

<sup>5</sup> This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

<sup>6</sup> Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee.

**Streator Township High School District No. 40**  
**35-050-0400-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2015**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Adverse  
(Unmodified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported
- Noncompliance material to financial statements noted?        YES   X   NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified?        YES   X   None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)?        YES   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified  
(Unmodified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)?        YES   X   NO

**IDENTIFICATION OF MAJOR PROGRAMS:**<sup>8</sup>

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
84.010	Title I - Low Income
84.027	IDEA Cluster (Room & Board and Flow Through)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee?        YES   X   NO

<sup>7</sup> If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**Streator Township High School District No. 40**  
**35-050-0400-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2015**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

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1. FINDING NUMBER:<sup>11</sup>      **2015-** \_\_\_\_\_      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

---

3. Criteria or specific requirement  
None Identified

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4. Condition

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5. Context<sup>12</sup>

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6. Effect

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7. Cause

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8. Recommendation

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9. Management's response<sup>13</sup>

**For ISBE Review**

Date: \_\_\_\_\_ Resolution Criteria Code Number \_\_\_\_\_  
Initials: \_\_\_\_\_ Disposition of Questioned Costs Code Letter \_\_\_\_\_

<sup>11</sup> A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

Streator Township High School District No. 40  
35-050-0400-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2015

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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1. FINDING NUMBER:<sup>14</sup>      **2015-** \_\_\_\_\_      2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year:      \_\_\_\_\_      None Identified

4. Project No.:      \_\_\_\_\_      5. CFDA No.:      \_\_\_\_\_

6. Passed Through:      \_\_\_\_\_

7. Federal Agency:      \_\_\_\_\_

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

---

9. Condition<sup>15</sup>

---

10. Questioned Costs<sup>16</sup>

---

11. Context<sup>17</sup>

---

12. Effect

---

13. Cause

---

14. Recommendation

---

15. Management's response<sup>18</sup>

<b>For ISBE Review</b>	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

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<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding.  
<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.  
<sup>17</sup> See footnote 12.  
<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**Streator Township High School District No. 40**  
**35-050-0400-17**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2015**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
2014-001	Expenditures and/or transfers exceed budget	Resolved

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When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.