

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

***Streator, Illinois***

***Annual Financial Report***

***and Other Financial Information***

***June 30, 2014***

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40

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JUNE 30, 2014

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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, 2014 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, 2014, or changes in financial position for the year then ended.

***Basis for Qualified Opinion***

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph 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, 2014, 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 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 2013 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 11, 2013 expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2013 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 18, 2014, 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.

*Gerenz and Associates, Ltd.*

Peoria, Illinois  
September 18, 2014

# *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, 2014 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 18, 2014. 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, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2014-001.

### **Streator Township High School District No. 40's Response to Findings**

Streator Township High School District No. 40's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Streator Township High School District No. 40's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 18, 2014

# *Gorenz and Associates, Ltd.*

*Certified Public Accountants*

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*Thomas R. Pepper, CPA*  
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## **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, 2014. 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, 2014.



**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 18, 2014

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
JUNE 30, 2014

	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	616,060	86,080	337	73,755	2,559	535,851	331	2,210	191	126,265			1,443,639
Investments	2,552,956	384,924	268,122	125,266	89,979		852,395	1,122		46,619			4,321,383
Other Receivables	3,098												3,098
Land											1,547,158		1,547,158
Buildings & Building Improvements											39,231,811		39,231,811
Site Improvements & Infrastructure											295,568		295,568
Capitalized Equipment											2,227,345		2,227,345
Amounts Available in Debt Service Funds												268,459	268,459
Amounts to be Provided for Payment of Debt												6,874,756	6,874,756
<b>Total Assets</b>	<b>3,172,114</b>	<b>471,004</b>	<b>268,459</b>	<b>199,021</b>	<b>92,538</b>	<b>535,851</b>	<b>852,726</b>	<b>3,332</b>	<b>191</b>	<b>172,884</b>	<b>43,301,882</b>	<b>7,143,215</b>	<b>56,213,217</b>
<u>Liabilities and Fund Balances</u>													
<u>Liabilities:</u>													
Due to Organizations										172,884			172,884
Long Term Debt Payable												7,143,215	7,143,215
<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>172,884</b>	<b>0</b>	<b>7,143,215</b>	<b>7,316,099</b>
<u>Fund Balances:</u>													
Reserved		206,624			7,095	364,582							578,301
Unreserved	3,172,114	264,380	268,459	199,021	85,443	171,269	852,726	3,332	191				5,016,935
Investments in General Fixed Assets											43,301,882		43,301,882
<b>Total Fund Balances</b>	<b>3,172,114</b>	<b>471,004</b>	<b>268,459</b>	<b>199,021</b>	<b>92,538</b>	<b>535,851</b>	<b>852,726</b>	<b>3,332</b>	<b>191</b>	<b>0</b>	<b>43,301,882</b>	<b>0</b>	<b>48,897,118</b>
<b>Total Liabilities and Fund Balances</b>	<b>3,172,114</b>	<b>471,004</b>	<b>268,459</b>	<b>199,021</b>	<b>92,538</b>	<b>535,851</b>	<b>852,726</b>	<b>3,332</b>	<b>191</b>	<b>172,884</b>	<b>43,301,882</b>	<b>7,143,215</b>	<b>56,213,217</b>

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, 2014

	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	3,921,249	1,063,996	1,021,737	247,325	240,248	50,551	106,920	369,319		7,021,345
State Sources	3,327,635			335,494		399,929				4,063,058
Federal Sources	897,630				3,123					900,753
Total Direct Receipts	8,146,514	1,063,996	1,021,737	582,819	243,371	450,480	106,920	369,319	0	11,985,156
Receipts for On-Behalf Payments	1,944,633									1,944,633
Total Receipts	10,091,147	1,063,996	1,021,737	582,819	243,371	450,480	106,920	369,319	0	13,929,789
Disbursements:										
Instruction	6,952,280				139,264					7,091,544
Support Services	2,166,874	1,204,480		611,570	152,618	54,752		432,674		4,622,968
Payments to Other Governmental Units	13,032			30,027						43,059
Debt Services			1,185,978							1,185,978
Total Direct Disbursements	9,132,186	1,204,480	1,185,978	641,597	291,882	54,752	0	432,674	0	12,943,549
Disbursements for On-Behalf Payments	1,944,633									1,944,633
Total Disbursements	11,076,819	1,204,480	1,185,978	641,597	291,882	54,752	0	432,674	0	14,888,182
Excess of Direct Receipts Over (Under) Direct Disbursements	(985,672)	(140,484)	(164,241)	(58,778)	(48,511)	395,728	106,920	(63,355)	0	(958,393)
Other Sources of Funds:										
Transfer to Debt Service to Pay Principal on Capital Leases			149,957							149,957
Transfer to Debt Service to Pay Interest on Capital Leases			7,906							7,906
Other Sources	98,377	156,315								254,692
Other Uses of Funds:										
Transfer to Debt Service to Pay Principal on Capital Leases	(69,214)	(80,743)								(149,957)
Transfer to Debt Service to Pay Interest on Capital Leases	(235)	(7,671)								(7,906)
Total Other Sources and (Uses) of Funds	28,928	67,901	157,863	0	0	0	0	0	0	254,692
Excess of Receipts and Other Sources of Funds Over (Under) Disbursements and Other Uses of Funds	(956,744)	(72,583)	(6,378)	(58,778)	(48,511)	395,728	106,920	(63,355)	0	(703,701)
Fund Balances - July 1, 2013	4,128,858	543,587	274,837	257,799	141,049	140,123	745,806	66,687	191	6,298,937
Other Changes in Fund Balance - Increases (Decreases)	0	0	0	0	0	0	0	0	0	0
Fund Balances - June 30, 2014	3,172,114	471,004	268,459	199,021	92,538	535,851	852,726	3,332	191	5,595,236

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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	3,333,812	514,476	1,022,208	246,949	59,703		102,895	368,132		5,648,175
Leasing Levy	69,427	33,468								102,895
Special Education Levy	41,159									41,159
Social Security/Medicare Levy					119,402					119,402
Payments in Lieu of Taxes:										
Mobile Home Privilege Tax	1,076	175	319	79	52		34	124		1,859
Corporate Personal Property Replacement Taxes		477,005			60,700					537,705
Other Payments in Lieu of Taxes						50,311				50,311
Interest on Investments	41,948	6,736	6,206	2,881	2,108	49	6,839	2,827		69,594
Gain or (Loss) on Sale of Investments	(33,267)	(6,044)	(6,996)	(2,584)	(1,717)		(2,848)	(1,764)		(55,220)
Food Services:										
Sales to Pupils - Lunch	287,811									287,811
District/School Activity Income:										
Admissions - Athletic	34,034									34,034
Fees	91,920									91,920
Book Store Sales	194									194
Textbook Income:										
Rentals - Regular Textbooks	1,032									1,032
Rentals		2,543								2,543
Contributions from Private Sources	5,661									5,661
Impact Fees from Municipal or County Government		120								120
Services Provided Other LEAs	16,042									16,042
Refund of Prior Years' Expenditures	3,219									3,219
Drivers' Education Fees	18,525									18,525
School Facility Occupation Tax Proceeds						191				191
Local Fees	1,765									1,765
Other Local Revenue	6,891	35,517								42,408
<b>Total Receipts from Local Sources</b>	<b>3,921,249</b>	<b>1,063,996</b>	<b>1,021,737</b>	<b>247,325</b>	<b>240,248</b>	<b>50,551</b>	<b>106,920</b>	<b>369,319</b>	<b>0</b>	<b>7,021,345</b>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 STATEMENT OF REVENUES RECEIVED (ALL FUNDS)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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	2,639,214									2,639,214
Restricted Grants-in-Aid:										
Special Education:										
Private Facilities Tuition	219,236									219,236
Extraordinary	148,261									148,261
Personnel	250,226									250,226
Orphanage - Individual	2,589									2,589
Summer School	14,254									14,254
Career and Technical Education (CTE):										
CTE - Agriculture Education	2,091									2,091
Bilingual Education:										
Bilingual Ed Downstate - TPI and TBE	3,637									3,637
State Free Lunch and Breakfast	3,716									3,716
Driver Education	31,615									31,615
Transportation:										
Transportation - Special Education				335,494						335,494
Infrastructure Improvements - Planning/Construction						249,929				249,929
School Infrastructure - Maintenance Projects						150,000				150,000
Other Restricted Revenues from State Funds	12,796									12,796
<b>Total Receipts from State Sources</b>	<b>3,327,635</b>	<b>0</b>	<b>0</b>	<b>335,494</b>	<b>0</b>	<b>399,929</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,063,058</b>
Receipts From Federal Sources:										
Restricted Grants-in-Aid Received Directly from the Federal Government Through the State:										
National School Lunch Program	180,296									180,296
School Breakfast Program	38,408									38,408
Title 1:										
Low Income	246,950				2,117					249,067
Federal - Special Education:										
I.D.E.A.-Flow Through	20,494				208					20,702
I.D.E.A.-Room & Board	220,823									220,823
Title II - Teacher Quality	38,669				289					38,958
Medicaid Matching - Administrative Outreach	27,434									27,434
Medicaid Matching - Fee for Service Program	41,106									41,106
Other Federal	83,450				509					83,959
<b>Total Receipts from Federal Sources</b>	<b>897,630</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>900,753</b>
<b>Total Direct Receipts</b>	<b>8,146,514</b>	<b>1,063,996</b>	<b>1,021,737</b>	<b>582,819</b>	<b>243,371</b>	<b>450,480</b>	<b>106,920</b>	<b>369,319</b>	<b>0</b>	<b>11,985,156</b>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
STATEMENT OF EXPENDITURES DISBURSED  
BUDGET TO ACTUAL  
EDUCATIONAL FUND  


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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Salaries	2,503,403	2,481,817	(21,586)
Employee Benefits	548,804	479,675	(69,129)
Purchased Services	73,007	79,252	6,245
Supplies and Materials	125,786	112,171	(13,615)
Capital Outlay	6,069	0	(6,069)
Other Objects	6,351	5,945	(406)
Total Regular Programs	<u>3,263,420</u>	<u>3,158,860</u>	<u>(104,560)</u>
Special Education Programs:			
Salaries	968,992	967,338	(1,654)
Employee Benefits	135,722	127,916	(7,806)
Purchased Services	108,106	102,977	(5,129)
Supplies and Materials	4,719	5,072	353
Capital Outlay	3,330	0	(3,330)
Total Special Education Programs	<u>1,220,869</u>	<u>1,203,303</u>	<u>(17,566)</u>
CTE Programs:			
Salaries	550,177	549,670	(507)
Employee Benefits	69,749	69,220	(529)
Supplies and Materials	19,527	21,079	1,552
Non-Capitalized Equipment	750	750	0
Total CTE Programs	<u>640,203</u>	<u>640,719</u>	<u>516</u>
Interscholastic Programs:			
Salaries	432,369	424,872	(7,497)
Employee Benefits	25,632	26,348	716
Purchased Services	48,028	50,593	2,565
Supplies and Materials	51,235	51,525	290
Capital Outlay	6,275	0	(6,275)
Other Objects	36,749	36,938	189
Non-Capitalized Equipment	1,638	2,000	362
Total Interscholastic Programs	<u>601,926</u>	<u>592,276</u>	<u>(9,650)</u>
Summer School Programs:			
Salaries	11,607	11,540	(67)
Employee Benefits	248	247	(1)
Supplies and Materials	0	96	96
Total Summer School Programs	<u>11,855</u>	<u>11,883</u>	<u>28</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, 2014

	Actual	Budget	Variance with Budget
Driver's Education Programs:			
Salaries	130,195	138,850	8,655
Employee Benefits	15,765	16,656	891
Purchased Services	13,538	14,718	1,180
Supplies and Materials	2,967	3,573	606
Other Objects	40	0	(40)
Total Drivers Education Programs	<u>162,505</u>	<u>173,797</u>	<u>11,292</u>
Truants' Alternative & Optional Programs:			
Salaries	115,460	120,456	4,996
Employee Benefits	20,396	26,439	6,043
Supplies and Materials	1,722	982	(740)
Total Truants' Alternative Programs	<u>137,578</u>	<u>147,877</u>	<u>10,299</u>
Regular K-12 Programs - Private Tuition	21,844	22,319	475
Special Education Programs K-12 - Private Tuition	892,080	926,247	34,167
Total Instruction	<u>6,952,280</u>	<u>6,877,281</u>	<u>(74,999)</u>
Supporting Services:			
Support Services - Pupils:			
Attendance and Social Work Services:			
Salaries	128,200	128,972	772
Employee Benefits	12,486	12,737	251
Total Attendance and Social Work Services	<u>140,686</u>	<u>141,709</u>	<u>1,023</u>
Guidance Services:			
Salaries	277,386	269,517	(7,869)
Employee Benefits	26,393	25,798	(595)
Purchased Services	222	140	(82)
Supplies and Materials	16,023	12,571	(3,452)
Other Objects	25	20	(5)
Total Guidance Services	<u>320,049</u>	<u>308,046</u>	<u>(12,003)</u>
Health Services:			
Salaries	38,540	38,685	145
Purchased Services	108	48	(60)
Supplies and Materials	683	3,222	2,539
Total Health Services	<u>39,331</u>	<u>41,955</u>	<u>2,624</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, 2014

	Actual	Budget	Variance with Budget
Psychological Services:			
Salaries	61,284	56,648	(4,636)
Employee Benefits	4,578	4,633	55
Total Psychological Services	<u>65,862</u>	<u>61,281</u>	<u>(4,581)</u>
Total Support Services-Pupils	<u>565,928</u>	<u>552,991</u>	<u>(12,937)</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Salaries	3,329	18,062	14,733
Employee Benefits	71	5,693	5,622
Purchased Services	39,201	33,060	(6,141)
Supplies and Materials	0	1,000	1,000
Other Objects	1,199	764	(435)
Total Improvement of Instructional Services	<u>43,800</u>	<u>58,579</u>	<u>14,779</u>
Educational Media Services:			
Salaries	157,882	153,952	(3,930)
Employee Benefits	24,759	24,868	109
Purchased Services	6,094	8,114	2,020
Supplies and Materials	65,338	19,690	(45,648)
Capital Outlay	41,444	0	(41,444)
Other Objects	56,104	84,198	28,094
Non-Capitalized Equipment	7,517	25,000	17,483
Total Educational Media Services	<u>359,138</u>	<u>315,822</u>	<u>(43,316)</u>
Assessment and Testing:			
Purchased Services	4,215	1,700	(2,515)
Supplies and Materials	0	1,642	1,642
Total Assessment and Testing	<u>4,215</u>	<u>3,342</u>	<u>(873)</u>
Total Support Services-Instructional Staff	<u>407,153</u>	<u>377,743</u>	<u>(29,410)</u>
Support Services-General Administration:			
Board of Education Services:			
Purchased Services	52,834	48,720	(4,114)
Supplies and Materials	499	590	91
Other Objects	9,468	10,534	1,066
Total Board of Education Services	<u>62,801</u>	<u>59,844</u>	<u>(2,957)</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, 2014

	Actual	Budget	Variance with Budget
Executive Administration Services:			
Salaries	139,380	138,144	(1,236)
Employee Benefits	20,490	19,316	(1,174)
Purchased Services	175	275	100
Supplies and Materials	61	53	(8)
Other Objects	2,397	350	(2,047)
Total Executive Administration Services	<u>162,503</u>	<u>158,138</u>	<u>(4,365)</u>
Special Area Administration Services:			
Salaries	2,695	8,981	6,286
Total Service Area Administrative Services	<u>2,695</u>	<u>8,981</u>	<u>6,286</u>
Total Support Services-General Administration	<u>227,999</u>	<u>226,963</u>	<u>(1,036)</u>
Support Services-School Administration:			
Office of the Principal Services:			
Salaries	215,556	215,632	76
Employee Benefits	52,028	52,986	958
Supplies and Materials	0	28	28
Other Objects	64	113	49
Total Office of the Principal Service	<u>267,648</u>	<u>268,759</u>	<u>1,111</u>
Other Support Services-School Administration:			
Salaries	1,568	42	(1,526)
Employee Benefits	187	155	(32)
Purchased Services	360	1,080	720
Supplies and Materials	1,505	1,579	74
Total Other Support Services-School Administration	<u>3,620</u>	<u>2,856</u>	<u>(764)</u>
Total Support Services-School Administration	<u>271,268</u>	<u>271,615</u>	<u>347</u>
Support Services-Business:			
Fiscal Services:			
Salaries	82,414	83,220	806
Employee Benefits	7,200	7,200	0
Purchased Services	63,128	10,974	(52,154)
Supplies and Materials	1,022	321	(701)
Total Fiscal Services	<u>153,764</u>	<u>101,715</u>	<u>(52,049)</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, 2014

	Actual	Budget	Variance with Budget
Food Services:			
Purchased Services	491,250	465,885	(25,365)
Total Food Services	<u>491,250</u>	<u>465,885</u>	<u>(25,365)</u>
Total Support Services-Business	<u>645,014</u>	<u>567,600</u>	<u>(77,414)</u>
Support Services-Central:			
Staff Services:			
Salaries	11,978	0	(11,978)
Employee Benefits	4,498	0	(4,498)
Total Staff Services	<u>16,476</u>	<u>0</u>	<u>(16,476)</u>
Total Support Service-Central	<u>16,476</u>	<u>0</u>	<u>(16,476)</u>
Other Support Services:			
Salaries	21,396	13,268	(8,128)
Purchased Services	11,589	43,613	32,024
Supplies and Materials	51	500	449
Total Other Supporting Services	<u>33,036</u>	<u>57,381</u>	<u>24,345</u>
Total Supporting Services	<u>2,166,874</u>	<u>2,054,293</u>	<u>(112,581)</u>
Payments to Other Governmental Units (In-State):			
Payments for Community College Programs:			
Purchased Services	2,100	2,100	0
Other Objects	2,351	5,000	2,649
Total Payments to Other Governmental Units (In-State)	<u>4,451</u>	<u>7,100</u>	<u>2,649</u>
Payments to Other Governmental Units - Tuition (In-State):			
Special Education Programs - Tuition	8,581	111,392	102,811
Total Payments to Other Governmental Units - Tuition (In-State)	<u>8,581</u>	<u>111,392</u>	<u>102,811</u>
Total Payments to Other Governmental Units	<u>13,032</u>	<u>118,492</u>	<u>105,460</u>
Total Direct Disbursements	<u>9,132,186</u>	<u>9,050,066</u>	<u>(82,120)</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, 2014

	Actual	Budget	Variance with Budget
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Operation and Maintenance of			
Plant Services:			
Salaries	359,533	367,170	7,637
Employee Benefits	83,937	85,182	1,245
Purchased Services	288,261	263,224	(25,037)
Supplies and Materials	298,896	263,062	(35,834)
Capital Outlay	173,325	166,315	(7,010)
Non-Capitalized Equipment	528	4,201	3,673
Total Direct Disbursements	1,204,480	1,149,154	(55,326)

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, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Interest on Long-Term Debt	180,271	172,365	(7,906)
Payments of Principal on Long-Term Debt	1,003,312	925,669	(77,643)
Debt Service-Other:			
Other Objects	2,395	1,797	(598)
Total Direct Disbursements	<u>1,185,978</u>	<u>1,099,831</u>	<u>(86,147)</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, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services-Business:			
Pupil Transportation Services:			
Purchased Services	537,063	486,764	(50,299)
Supplies and Materials	74,507	81,782	7,275
Total Supporting Services	<u>611,570</u>	<u>568,546</u>	<u>(43,024)</u>
Payments to Other Governmental Units (In-State):			
Payments for Regular Programs:			
Other Objects	30,027	0	(30,027)
Total Payments to Other Governmental Units	<u>30,027</u>	<u>0</u>	<u>(30,027)</u>
Total Direct Disbursements	<u><u>641,597</u></u>	<u><u>568,546</u></u>	<u><u>(73,051)</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, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Instruction:			
Regular Programs:			
Employee Benefits	52,228	52,417	189
Pre-K Programs:			
Employee Benefits	0	1,455	1,455
Special Education Programs:			
Employee Benefits	56,061	58,929	2,868
CTE Programs:			
Employee Benefits	7,907	8,130	223
Interscholastic Programs:			
Employee Benefits	15,804	15,193	(611)
Summer School Programs:			
Employee Benefits	135	168	33
Driver's Education Programs:			
Employee Benefits	1,824	2,014	190
Truants' Alternative Programs:			
Employee Benefits	5,305	5,503	198
Total Instruction	<u>139,264</u>	<u>143,809</u>	<u>4,545</u>
Supporting Services:			
Support Services-Pupils:			
Attendance and Social Work Services:			
Employee Benefits	10,310	10,610	300
Guidance Services:			
Employee Benefits	10,006	10,244	238
Health Services:			
Employee Benefits	6,895	7,004	109
Total Support Services-Pupils	<u>27,211</u>	<u>27,858</u>	<u>647</u>
Support Services-Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	41	236	195
Educational Media Services:			
Employee Benefits	12,353	12,490	137
Total Support Services-Instructional Staff	<u>12,394</u>	<u>12,726</u>	<u>332</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, 2014

	Actual	Budget	Variance with Budget
Support Services-General Administration:			
Executive Administration Services:			
Employee Benefits	9,912	10,219	307
Special Area Administrative Services:			
Employee Benefits	497	1,669	1,172
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction			
Employee Benefits	462	750	288
Total Support Services-General Administration	10,871	12,638	1,767
Support Services-School Administration:			
Office of the Principal Services:			
Employee Benefits	7,267	7,434	167
Other Support Services:			
Employee Benefits	22	1	(21)
Total Support Services-School Administration	7,289	7,435	146
Support Services-Business:			
Fiscal Services:			
Employee Benefits	16,259	16,639	380
Operation and Maintenance of Plant Services:			
Employee Benefits	74,551	77,718	3,167
Total Support Services-Business	90,810	94,357	3,547
Support Services-Central:			
Staff Services:			
Employee Benefits	174	0	(174)
Total Support Service-Central	174	0	(174)
Other Support Services:			
Employee Benefits	3,869	2,466	(1,403)
Total Support Services	152,618	157,480	4,862
Total Direct Disbursements	291,882	301,289	9,407

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, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-Business:			
Facilities Acquisition & Construction:			
Purchased Services	578	0	(578)
Capital Outlay	<u>54,174</u>	<u>50,755</u>	<u>(3,419)</u>
Total Direct Disbursements	<u><u>54,752</u></u>	<u><u>50,755</u></u>	<u><u>(3,997)</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, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget</u>
Expenditures Disbursed:			
Support Services:			
Support Services-General Administration			
Workers' Compensation or Workers' Occupation Disease Act Payments:			
Purchased Services	75,493	59,766	(15,727)
Total Workers' Compensation Payments	<u>75,493</u>	<u>59,766</u>	<u>(15,727)</u>
Unemployment Insurance Payments:			
Purchased Services	3,478	0	(3,478)
Total Unemployment Insurance Payments	<u>3,478</u>	<u>0</u>	<u>(3,478)</u>
Insurance Payments (regular or self-insurance):			
Purchased Services	85,223	82,471	(2,752)
Total Insurance Payments	<u>85,223</u>	<u>82,471</u>	<u>(2,752)</u>
Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction:			
Salaries	236,744	240,007	3,263
Employee Benefits	210	255	45
Purchased Services	23,012	39,020	16,008
Non-Capitalized Equipment	609	0	(609)
Total Educational, Inspectional, Supervisory Services	<u>260,575</u>	<u>279,282</u>	<u>18,707</u>
Legal Services:			
Purchased Services	7,905	5,513	(2,392)
Total Legal Services	<u>7,905</u>	<u>5,513</u>	<u>(2,392)</u>
Total Direct Disbursements	<u><u>432,674</u></u>	<u><u>427,032</u></u>	<u><u>(5,642)</u></u>

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

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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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, 2014

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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, 2014

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 \$1,002,536 which has been utilized for the calculation of the per capita tuition charge, and accumulated depreciation totaling \$12,987,424. 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 17, 2013, and was not amended.

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  
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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  
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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 2013 levy was passed by the board on December 17, 2013. 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 2012 and prior tax levies.

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

	Maximum <u>Rate</u>	Actual <u>2013 Rate</u>	Actual <u>2012 Rate</u>	Actual <u>2011 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	0.39621	0.49672	0.50423
Municipal Retirement	None	0.05960	0.02901	0.03365
Social Security	None	0.09018	0.05802	0.06250
Tort Immunity	None	0.23790	0.17889	0.16825
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	0.00000	0.00000	0.00000
Working Cash	0.05000	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>
Total		<u>2.89389</u>	<u>2.87264</u>	<u>2.87863</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:

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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 Operations & Maintenance Fund. Revenue received exceeded expenditures disbursed and previously accumulated restricted balances for this purpose, resulting in a restricted fund balance \$206,624. This balance is included in the financial statements as Reserved in the Operations & Maintenance Fund.

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational, Transportation, and Capital Projects Funds. At June 30, 2014, revenue received from state grants exceeded expenditures disbursed, resulting in a restricted fund balance of \$364,582. This balance is included in the financial statements as Reserved in the Capital Projects Fund.

4. 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, 2014, expenditures disbursed from federal grants exceeded the revenue received for those specific purposes in the Educational Fund, resulting in no restricted balances.

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in a restricted fund balance \$7,095. 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, 2014, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2014 amounted to \$798,993. This amount is shown as Unreserved in the Educational Fund.

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.

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

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			798,993		2,373,121		3,172,114
Operations & Maintenance		471,004				206,624	264,380
Debt Services		268,459					268,459
Transportation		199,021					199,021
Municipal Retirement		92,538				7,095	85,443
Capital Projects		535,851				364,582	171,269
Working Cash					852,726		852,726
Tort Liability		3,332					3,332
Fire Prevention and Safety		191					191

H. Expenditures of Fund Balance

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



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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, provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) or (2) above and to agreements to repurchase such obligations;
- (5) in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States;
- (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; provided, however, the principal office of any such credit union must be 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 having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder;
- (10) in any investment as authorized by the Public Funds Investment Act, and Acts amendatory thereto. Paragraph 10 supersedes paragraphs 1-9 and controls in the event of conflict.

**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.

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

**Custodial Credit Risk Related to Deposits with Financial Institutions** (cont'd.)

At June 30, 2014, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit, was \$3,667,172 (excludes \$1,206 in petty cash held at the District). The bank balance was \$3,835,868. As of June 30, 2014, the following District's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk as follows (carrying amounts are presented as additional information only):

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Risk Class #1	3,151,908	3,151,908
Risk Class #2	0	0
Risk Class #3	0	0
Risk Class #4	<u>515,264</u>	<u>683,960</u>
	<u>3,667,172</u>	<u>3,835,868</u>

Risk Class #1 includes deposits that are insured or collateralized with securities held by an independent financial institution.

Risk Class #2 includes deposits that are uninsured and collateralized with securities held by the pledging financial institution.

Risk Class #3 includes deposits that are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the district's name.

Risk Class #4 includes deposits that are uninsured and uncollateralized.

During the year ended June 30, 2014, the depository banks used by the District had pledged \$1,467,481 in marketable securities to secure the amount in excess of the amount insured by the FDIC. The pledged securities are held by an independent financial institution in the District's name.

**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

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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, 2014, 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>
Taxable Municipal Bonds	303,606	301,389	303,606	0	0	0
U.S. Government Bonds	1,726,457	1,693,976	0	0	1,546,097	180,360
Collateralized Mortgages	66,581	65,307	0	0	66,581	0
Total	<u>2,096,644</u>	<u>2,060,672</u>	<u>303,606</u>	<u>0</u>	<u>1,612,678</u>	<u>180,360</u>

**Credit Risk**

As of June 30, 2014, the Taxable 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, 2014:

As of June 30, 2014, the District had no individual investments that represented 5% or more of total investments, exclusive of investments issued or guaranteed by the U.S. government. Total combined municipal bonds represented 14.5% of investments as of June 30, 2014.

**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, 2014.

**Reconciliation**

A reconciliation of cash and investments as shown on the combined balance sheet follows:

Petty Cash	1,206
Carrying Amount of Deposits	3,667,172
Carrying Amount of Investments	<u>2,096,644</u>
	<u>5,765,022</u>
Cash and Cash Equivalents	1,443,639
Investments	<u>4,321,383</u>
	<u>5,765,022</u>

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Note #5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions*</u>	<u>Balance</u> <u>June 30, 2014</u>
Non-Depreciable Land	1,547,158	0	0	1,547,158
Buildings	39,177,637	54,174	0	39,231,811
Improvements Other than Buildings	295,568	0	0	295,568
Capitalized Equipment-10 Year Equipment	1,841,208	230,443	102,603	1,969,048
Capitalized Equipment-5 Year Equipment	250,584	0	0	250,584
Capitalized Equipment-3 Year Equipment	<u>7,713</u>	<u>0</u>	<u>0</u>	<u>7,713</u>
Totals	<u>43,119,868</u>	<u>284,617</u>	<u>102,603</u>	<u>43,301,882</u>

\*To remove fully depreciated equipment and equipment traded.

Note #6 - Retirement Fund Commitments

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.

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2014, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$1,891,494 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013, and June 30, 2012, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 28.05 percent (\$1,435,136) and 24.91 percent (\$1,225,785), respectively.

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

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014, were \$31,774. Contributions for the years ended June 30, 2013, and June 30, 2012, were \$30,875 and \$29,527, respectively.

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

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

**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, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$136,541 were paid from federal and special trust funds that required employer contributions of \$48,349. For the years ended June 30, 2013, and June 30, 2012, required district contributions were \$58,036 and \$42,364, respectively.

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the district paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2013, and June 30, 2012, the district paid \$0 and \$0, respectively.

**Salary increases over 6 percent and excess sick leave.**

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

For the year ended June 30, 2014, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2013, and June 30, 2012, the district paid \$0 and \$2,745 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the district during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

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

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

**Salary increases over 6 percent and excess sick leave. (cont'd.)**

For the year ended June 30, 2014, the district paid \$0 to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2013, and June 30, 2012, the district paid \$0 and \$0 in employer contributions granted for sick leave days, respectively.

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

The reports may be obtained by writing to the Teacher's Retirement System of the State of Illinois, 2815 West Washington Street, PO Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

B. THIS Fund Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund - a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teacher's Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

- **On behalf contributions to THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$53,139 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the year ended June 30, 2013 and June 30, 2012, were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$48,974 and \$44,800, respectively.

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

B. THIS Fund Contributions (cont'd)

- **Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.72 percent during the year ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$39,443 to the THIS Fund. For the years ended June 30, 2013, and June 30, 2012, the District paid \$36,730 and \$33,600 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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 2014 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

C. Illinois Municipal Retirement Fund

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

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 10.93 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution rate for year 2013 was \$128,340.

**Three-Year Trend Information for the Regular Plan**

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/13	128,340	100%	\$0
12/31/12	126,719	100%	0
12/31/11	121,221	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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

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

*Funding Status.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 84.21 percent funded. The actuarial accrued liability for benefits was \$2,720,199 and the actuarial value of assets was \$2,290,802, resulting in an underfunded actuarial accrued liability (UAAL) of \$429,397. The covered payroll for the calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,174,196 and the ratio of the UAAL to the covered payroll was 37 percent.

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

Long-term debt at June 30, 2014, 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, 2014, the principal balance of the lease was \$9,594.

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, 2014, the principal balance of the lease was \$12,914.

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, 2014, the principal balance of the lease was \$26,310.

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, 2014, the principal balance of the lease was \$21,559.

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, 2014, the principal balance of the lease was \$77,838.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2014:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>	<u>Due In Less Than One Year</u>
General Obligation Bonds									
Life Safety 2006	1,100,000	10/1/06	12/1/13	4.35-5.95%	280,000	0	(280,000)	0	0
Refunding 2012	7,570,000	9/24/12	12/1/22	0.75-2.7%	7,570,000	0	(575,000)	6,995,000	610,000
Capital Leases					<u>39,968</u>	<u>256,559</u>	<u>(148,312)</u>	<u>148,215</u>	<u>80,124</u>
Total					<u>7,889,968</u>	<u>256,559</u>	<u>(1,003,312)</u>	<u>7,143,215</u>	<u>690,124</u>



STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

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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>
2015	610,000	154,424	80,124	10,052	690,124	164,476
2016	645,000	141,875	24,408	4,677	669,408	146,552
2017	680,000	128,625	19,228	2,795	699,228	131,420
2018	725,000	113,669	20,821	1,202	745,821	114,871
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	56,686
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>6,995,000</u>	<u>825,099</u>	<u>148,215</u>	<u>18,762</u>	<u>7,143,215</u>	<u>843,861</u>

At June 30, 2014, 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	268,459

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, 2013 was \$192,934,140.

The estimated legal debt margin of the District at June 30, 2014, was calculated as follows:

Legal Debt Limit	13,312,456
Less Qualifying Debt	<u>(7,143,215)</u>
Legal Debt Margin	<u>6,169,241</u>

Note #8 - Tax Anticipation Warrants

There were no tax anticipation warrants issued, retired, or outstanding during the fiscal year ended June 30, 2014.

Note #9 - Interfund Loans and Transfers

The District made no interfund loans during the fiscal year ended June 30, 2014. The District transferred \$69,449 from the Educational Fund and \$88,414 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, 2014

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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, 2014, the District had no construction commitments outstanding.

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, 2014, the total amount of unpaid teacher's contracts for services performed during the year ended June 30, 2014, amounted to \$798,993, 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, 2014, 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, 2014, the estimated unused sick pay liability is \$0.

Other Post Retirement Benefits – The District has not determined the unfunded liability due to Other Post Retirement Benefits as required.

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 \$2,790 for the copiers. The District has entered into an operating lease agreement with Dynamic Controls for a service agreement. The term requires a minimum quarterly payment of \$1,801. Both agreements are paid out of the Operations and Maintenance Fund. At June 30, 2014, the future lease payment requirements are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Lease Payments</u>
2015	35,277
2016	<u>27,896</u>
Total	<u>63,173</u>

Note #14 – Other Receivables

As of June 30, 2014, the District had loaned the Student Activity Fund \$3,098. 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  
 JUNE 30, 2014

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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, 2014, the District had the following disbursements and/or transfers in excess of budget:

<u>Fund Name</u>	<u>Expenditures and Transfers</u>	<u>Budget</u>
Educational Fund	\$9,201,635	\$9,068,224
Operations & Maintenance Fund	1,292,894	1,202,712
Debt Services Fund	1,185,978	1,099,831
Transportation Fund	641,597	568,546
Capital Projects Fund	54,752	50,755
Tort Fund	432,674	427,032

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, 2014, 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, 2014, the district had no deficit fund balances in any fund.

Note #19 - 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, 2014 the District's future payments under this program are estimated to total \$68,095.

Note #20 - 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 Auditors' Report, which is 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.

During July 2014, the District returned \$14,653 to the Illinois State Board of Education for unspent School Maintenance Grant funds.

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, 2014

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	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	154,477.36	325,771.84	353,984.77	126,264.43
Investments	25,974.68	28,025.94	7,381.47	46,619.15
Total Assets	<u>180,452.04</u>	<u>353,797.78</u>	<u>361,366.24</u>	<u>172,883.58</u>
<b><u>LIABILITIES (Due to other Organizations)</u></b>				
Academic Team	1,380.58	600.00	1,605.00	375.58
Art Club	239.67	347.50	325.49	261.68
Art Revolving	1,927.07	0.00	0.00	1,927.07
Athletic Revolving	231.19	4,920.00	1,665.72	3,485.47
Auto Shop	194.05	0.00	24.34	169.71
Band	904.78	6,252.49	3,953.16	3,204.11
Boys Baseball	2,198.33	4,181.00	2,655.20	3,724.13
Boys Basketball	938.18	9,343.00	6,713.08	3,568.10
Boys Golf	2,641.16	2,354.00	3,522.37	1,472.79
Boys Soccer	3,735.48	2,397.00	5,404.15	728.33
Boys Tennis	1,564.35	824.00	984.00	1,404.35
Bulldog Buddies	1,499.12	315.00	621.58	1,192.54
Business Club	2,222.06	0.00	0.00	2,222.06
Cheerleaders	9,069.74	43,622.48	50,290.80	2,401.42
Chorus	3,304.89	3,745.00	6,606.11	443.78
Class 2001	0.00	200.00	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	2,545.64	7,734.12	7,683.01	2,596.75
Class of 2015	1,951.68	9,825.55	10,456.70	1,320.53
Class of 2016	156.00	1,509.50	1,437.19	228.31
Class of 2017	500.00	3,459.26	2,778.64	1,180.62
Cross Country	(180.98)	1,335.00	1,112.79	41.23
Drama Club	(146.04)	0.00	0.00	(146.04)
Employee Lounge	0.00	360.00	360.00	0.00
FFA	5,787.87	12,720.85	17,565.53	943.19
Fishing Club	1,089.12	735.45	100.00	1,724.57
Flow-Thru	140.00	566.00	666.00	40.00

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, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
Football	986.98	4,436.00	5,401.74	21.24
German Club	1,243.60	0.00	809.42	434.18
Girls Basketball	1,806.59	300.00	859.98	1,246.61
Girls Soccer	1,401.62	1,386.38	1,598.00	1,190.00
Girls Softball	1,056.11	15,795.92	16,882.93	(30.90)
Girls Tennis	112.98	175.00	224.00	63.98
Girls Track	438.98	0.00	301.01	137.97
Girls Volleyball	95.39	6,926.17	6,561.50	460.06
Golf Invitational	3.47	0.00	0.00	3.47
Greener Monies	5,758.72	18.59	500.00	5,277.31
Hall of Fame Banquet	1,567.08	6,278.00	6,681.47	1,163.61
Hardscrabble/Yearbook	(7,156.61)	24,741.57	22,687.53	(5,102.57)
Home Economics Club	1,730.51	765.75	583.51	1,912.75
Industrial Arts	193.20	4,144.68	3,628.40	709.48
Interest Earned	12.07	343.13	307.56	47.64
Key Club	523.41	8,230.39	7,719.17	1,034.63
Library Club	1,047.96	0.00	0.00	1,047.96
LPJ Girls Athletic	13.41	0.00	0.00	13.41
Martial Arts	0.20	0.00	0.00	0.20
National Honor Society	1,228.38	1,092.00	347.00	1,973.38
Operation Snowball	0.00	1,869.07	1,415.64	453.43
Pop Dale's Fund	388.77	0.00	388.77	0.00
PSAT Guidance	33.50	0.00	0.00	33.50
"S" Club	128.78	1,807.92	1,595.31	341.39
SAP	2,554.21	200.00	1,580.64	1,173.57
Scholarship	94,600.25	87,302.30	84,431.55	97,471.00
School Improvement	(421.74)	3,562.95	4,721.28	(1,580.07)
Science Club	160.65	105.00	105.00	160.65
Spanish Club	375.24	562.50	348.10	589.64
Special Ed - Classroom Activity Account	0.00	2,547.91	1,500.00	1,047.91
Special Ed - Special Olympics	5,761.07	213.00	4,894.40	1,079.67
Streatorettes	2,727.77	21,663.17	21,601.88	2,789.06
Student Council	5,090.12	11,473.13	8,425.35	8,137.90
Tech Prep	38.89	2,183.00	1,784.00	437.89
Technology - Beck	0.00	3,937.00	2,750.00	1,187.00
Tournment	44.12	0.00	0.00	44.12
Worthy Hall of Fame Banquet	0.00	257.00	217.11	39.89
Wrestling	354.81	2,676.00	2,526.08	504.73
Total Liabilities (Due to other Organizations)	<u>180,452.04</u>	<u>332,340.73</u>	<u>339,909.19</u>	<u>172,883.58</u>
<b>FUND BALANCE</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>180,452.04</u></u>	<u><u>332,340.73</u></u>	<u><u>339,909.19</u></u>	<u><u>172,883.58</u></u>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
 SCHEDULE OF BONDED INDEBTEDNESS  
JUNE 30, 2014

General Obligation Refunding Bond  
 Dated: December 1, 2012  
 Principal Due: December 1  
 Interest Due: December 1 & 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>	
2014-15	2.00	610,000	80,262	74,162	764,424
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>6,995,000</u>	<u>452,680</u>	<u>372,419</u>	<u>7,820,099</u>

STREATOR TOWNSHIP HIGH SCHOOL DISTRICT NO. 40  
SCHEDULE OF TAXES EXTENDED AND COLLECTED  
JUNE 30, 2014

	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>2011 Levy</u>											
Assessed Valuation	208,030,576										
Tax Rate per \$100.00	<u>1.62000</u>	<u>0.02000</u>	<u>0.05000</u>	<u>0.25000</u>	<u>0.50423</u>	<u>0.12000</u>	<u>0.03365</u>	<u>0.06250</u>	<u>0.05000</u>	<u>0.16825</u>	<u>2.87863</u>
Taxes Extended	<u>3,370,095</u>	<u>41,606</u>	<u>104,015</u>	<u>520,076</u>	<u>1,048,953</u>	<u>249,637</u>	<u>70,002</u>	<u>130,019</u>	<u>104,015</u>	<u>350,011</u>	<u>5,988,429</u>
Taxes Collected	99.17%	<u>3,342,031</u>	<u>41,260</u>	<u>103,149</u>	<u>515,746</u>	<u>247,558</u>	<u>69,419</u>	<u>128,936</u>	<u>103,149</u>	<u>347,097</u>	<u>5,938,563</u>
<u>2012 Levy</u>											
Assessed Valuation	206,833,657										
Tax Rate per \$100.00	<u>1.62000</u>	<u>0.02000</u>	<u>0.05000</u>	<u>0.25000</u>	<u>0.49672</u>	<u>0.12000</u>	<u>0.02901</u>	<u>0.05802</u>	<u>0.05000</u>	<u>0.17889</u>	<u>2.87264</u>
Taxes Extended	<u>3,350,705</u>	<u>41,367</u>	<u>103,417</u>	<u>517,084</u>	<u>1,027,384</u>	<u>248,200</u>	<u>60,002</u>	<u>120,005</u>	<u>103,417</u>	<u>370,005</u>	<u>5,941,586</u>
Taxes Collected	99.47%	<u>3,332,790</u>	<u>41,146</u>	<u>102,864</u>	<u>514,319</u>	<u>246,873</u>	<u>59,682</u>	<u>119,363</u>	<u>102,864</u>	<u>368,026</u>	<u>5,909,818</u>
<u>2013 Levy</u>											
Assessed Valuation	192,934,140										
Tax Rate per \$100.00	<u>1.62000</u>	<u>0.02000</u>	<u>0.05000</u>	<u>0.25000</u>	<u>0.39621</u>	<u>0.12000</u>	<u>0.05960</u>	<u>0.09018</u>	<u>0.05000</u>	<u>0.23790</u>	<u>2.89389</u>
Taxes Extended	<u>3,125,533</u>	<u>38,587</u>	<u>96,467</u>	<u>482,335</u>	<u>764,424</u>	<u>231,521</u>	<u>114,989</u>	<u>173,988</u>	<u>96,467</u>	<u>458,990</u>	<u>5,583,301</u>

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2014**

DISTRICT/JOINT AGREEMENT NAME <b>Streator Township HS District No. 40</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) Dr. Matthew Seaton		NAME AND ADDRESS OF AUDIT FIRM <b>Gorenz and Associates, Ltd. 4200 N. Knoxville Ave. Peoria IL 61614</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code)  <b>202 W. Lincoln Avenue  Streator</b>		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, 2014**

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 7/01/13 (C)	7/01/13 - 6/30/14 (D)	Prior to 7/01/13 (E)	7/01/13 - 6/30/14 (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	13-4210-00	117,835	34,890	117,835	34,890		152,725	N/A
School Lunch - Regular, Free & Reduced	10.555	14-4210-00		145,406		145,406		145,406	N/A
Food Donation Program (3)	10.555	FY14				11,153		11,153	N/A
School Breakfast Program	10.553	13-4220-00	22,339	5,919	22,339	5,919		28,258	N/A
School Breakfast Program	10.553	14-4220-00		32,489		32,489		32,489	N/A
<b>Total U.S. Department of Agriculture - Pass through programs</b>			<u>140,174</u>	<u>218,704</u>	<u>140,174</u>	<u>229,857</u>	<u>-</u>	<u>370,031</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	13-4300-00	142,804	90,188	210,638	22,354		232,992	294,121
(M) Title I - Low Income	84.010	14-4300-00		158,879		224,169	(2)	224,169	276,650
(M) IDEA - Room & Board	84.027	13-4625-00	66,995	104,348	83,975	87,368		171,343	N/A
(M) IDEA - Room & Board	84.027	14-4625-00		116,475		139,771		139,771	N/A
Title II - Teacher Quality	84.367	13-4932-00	28,710	13,200	41,910			41,910	41,910
Title II - Teacher Quality	84.367	14-4932-00		25,758		36,281		36,281	36,614
<b>Pass-through program from</b>									
<b>Illinois Department of Human Services</b>									
S.T.E.P.	84.126	46CRD00056	12,356	1,380	13,736			13,736	13,736
S.T.E.P.	84.126	46CSD00056		33,182		33,182		33,182	33,182
<b>Pass-through program from</b>									
<b>LaSalle County Educational Alliance for Special Education</b>									
IDEA - Flow Thru	84.027	13-4620-00	27,428		27,428			27,428	27,428
(M) IDEA - Flow Thru	84.027	14-4620-00		20,702		20,702		20,702	20,837
<b>Total U.S. Department of Education - Pass-through programs</b>			<u>278,293</u>	<u>564,112</u>	<u>377,687</u>	<u>563,827</u>	<u>-</u>	<u>941,514</u>	

**Streator High School District No. 40**  
**35-050-0400-17**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2014**

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 7/01/13 (C)	7/01/13 - 6/30/14 (D)	Prior to 7/01/13 (E)	7/01/13 - 6/30/14 (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	12-002	62,430		62,430			62,430	62,430
Workforce Investment Act - Bridges Program	17.259	13-001		49,397		51,760	(2)	51,760	106,247
<b>Total U.S. Department of Labor - Pass-through programs</b>			<u>62,430</u>	<u>49,397</u>	<u>62,430</u>	<u>51,760</u>	<u>-</u>	<u>114,190</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	13-4991-00	15,823	6,777	16,482	7,059		23,541	N/A
Medicaid Administrative Outreach	93.778	14-4991-00		20,657		21,518		21,518	N/A
<b>Total U.S. Department of Human Services - Pass-through programs</b>			<u>15,823</u>	<u>27,434</u>	<u>16,482</u>	<u>28,577</u>	<u>-</u>	<u>45,059</u>	
<b>Total Federal Awards</b>			<u>496,720</u>	<u>859,647</u>	<u>596,773</u>	<u>874,021</u>	<u>-</u>	<u>1,470,794</u>	
<b>Total Federal Awards Passed Through Illinois State Board of Education</b>			378,683	727,552	476,697	739,800	-	1,216,497	
<b>Total Federal Awards Passed Through Other Entities</b>			<u>118,037</u>	<u>132,095</u>	<u>120,076</u>	<u>134,221</u>	<u>-</u>	<u>254,297</u>	
<b>Total Federal Awards</b>			<u>496,720</u>	<u>859,647</u>	<u>596,773</u>	<u>874,021</u>	<u>-</u>	<u>1,470,794</u>	

(M) Indicates Major Federal Financial Assistance Program.

(1) Indicates Carry over revenue per ISBE

(2) Project not complete as of June 30, 2014

(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, 2014**

**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 HS No. 40 provided federal awards to subrecipients as follows:

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

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

Federal awards 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, 2014.

**Note 4: Matching Expenditures - The District incurred the following matching expenditures:**

Program:	CFDA No.:	Contract Number:	Amount Expended:
Workforce Investment Act - Bridges Program	17.259	13-001	\$103,520
STEP	84.126	46CSD00056	\$22,105

**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/are not included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	<u>\$11,153</u>
OTHER NON-CASH ASSISTANCE	<u>\$0</u>

**Note 6: Other Information**

Insurance provided by Federal agencies in effect 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 subrecipient 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, 2014**

**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: Unqualified  
(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 - Room & Board
84.027	IDEA - 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, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. **FINDING NUMBER:**<sup>11</sup>      2014- 001      2. **THIS FINDING IS:**       New       Repeat from Prior Year?  
Year originally reported? \_\_\_\_\_

**3. Criteria or specific requirement**

The Illinois Compiled Statutes, Chapter 105, Section 5, Paragraph 17-1, requires that total expenditures and transfers not exceed the budgeted expenditures and transfers for any fund.

**4. Condition**

Management has allowed expenditures and/or transfers to exceed amounts budgeted for the following funds:

	Actual Expenditures and/or Transfers	Budget
Educational	\$9,201,635	\$9,068,224
Operations & Maintenance	1,292,894	1,202,712
Debt Services	1,185,978	1,099,831
Transportation	641,597	568,546
Capital Projects	54,752	50,755
Tort	432,674	427,032

**5. Context**<sup>12</sup>

The approved budget sets the authorized expenditure limitation for each fund.

**6. Effect**

Actual expenditures exceeded the budget.

**7. Cause**

The board of education approved expenditures without adequately monitoring budget to actual comparisons.

**8. Recommendation**

In the future, when budget constraints cannot be met, an amended budget should be filed.

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

The District will take the auditor's recommendation under consideration.

**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 2014 would be assigned a reference number of 2014-001, 2014-002, 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, 2014

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

1. FINDING NUMBER:<sup>14</sup>      **2014-** \_\_\_\_\_ 2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year:      None

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 _____

<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, 2014**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status<sup>20</sup></u>
2013-001	Management failed to cover 25% of the highest available balance of cash and investments with a School District Treasurer's Bond.	Resolved
2013-002	Planned expenditures for purchased services and capital outlay were incorrectly coded to and claimed as supplies.	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.

**Streator Township High School District No. 40**  
**35-050-0400-17**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2014**

**Corrective Action Plan**

Finding No.:     **2014- 001**

Condition:

Management has allowed expenditures and/or transfers to exceed amounts budgeted.

Plan:

The District will monitor budget to actual comparisons and will consider amending the budget when needed.

Anticipated Date of Completion:     June 30, 2015

Name of Contact Person:             Mr. Matthew Seaton

Management Response:             The District will take the auditor's recommendation under consideration.

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.