

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
WHEELING, ILLINOIS

ANNUAL FINANCIAL REPORT

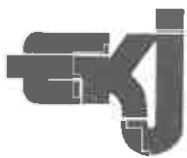
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Wheeling Community Consolidated School District No. 21
Wheeling, Illinois 60090

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Wheeling Community Consolidated School District No. 21, as of and for the year ending June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents. We have also audited the individual fund financial statements presented as additional audited financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, and remaining fund information of the Wheeling Community Consolidated School District No. 21, as of June 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 8 through 19 and 58 through 64, and the Schedules and Notes pertaining to the pensions and other postemployment benefits on pages 65 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Wheeling Community Consolidated School District No. 21's, basic financial statements. The additional supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules listed as the Annual Federal Financial Compliance Report in the Table of Contents, are presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of Wheeling Community Consolidated School District No. 21.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The additional supplementary information, as listed in the Table of Contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2016, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 the school district's internal control over financial reporting and compliance.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP
November 15, 2016
Waukegan, Illinois



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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

Board of Education
Wheeling Community Consolidated School District No. 21
Wheeling, Illinois 60090

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 the governmental activities, and each major fund of the Wheeling Community Consolidated School District No. 21 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Wheeling Community Consolidated School District No. 21's basic financial statements and have issued our report thereon dated November 15, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wheeling Community Consolidated School District No. 21'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 Wheeling Community Consolidated School District No. 21's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 considered to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wheeling Community Consolidated School District No. 21's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the Board of Education and Administration of Community Consolidated School District No. 21 in separate letters dated November 15, 2016.

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.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 15, 2016
Waukegan, Illinois



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Wheeling Community Consolidated School District No. 21
Wheeling, Illinois 60090

Report on compliance for Each Major Federal Program

We have audited Wheeling Community Consolidated School District No. 21's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Wheeling Community Consolidated School District No. 21's major federal programs for the year ended June 30, 2016. Wheeling Community Consolidated School District No. 21'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 federal statutes, regulations, and the terms and conditions of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wheeling Community Consolidated School District No. 21'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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 Wheeling Community Consolidated School District No. 21'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 of Wheeling Community Consolidated School District No. 21's compliance.

Opinion on Each Major Federal Program

In our opinion, Wheeling Community Consolidated School District No. 21, 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, 2016.

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Report on Internal Control over Compliance

Management of Wheeling Community Consolidated School District No. 21 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 Wheeling Community Consolidated School District No. 21'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 Uniform Guidance, 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 Wheeling Community Consolidated School District No. 21'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 a 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Evoy, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

November 15, 2016
Waukegan, Illinois

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION
AND ANALYSIS

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

This section of Community Consolidated School District 21's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2016. Please read it in conjunction with the District's financial statements in order to enhance your understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

Financial Highlights

- In fiscal 2016, total net position increased by \$4.3 million. This represents a increase of 37.1 % over the prior year. The increase is partially attributed the amount of real estate tax revenue received during the year, as well as, an increase in operating grants and contributions.
- General revenues accounted for \$101.6 million in revenue, or 72.1 % of all fiscal year 2016 revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$ 39.3 million or 27.9 % of total revenues of \$140.8 million.
- The District had \$136.6 million in expenses related to governmental activities, of which \$39.3 million were offset by program specific charges for services or operating grants and contributions. General revenues of \$101.5 million provided for the remaining costs of these programs.
- The Educational Fund had \$118.5 million in revenues and other financing sources and \$115.5 million in expenditures. This excess of revenues over expenditures of \$3.0 million increased the fund balance from (\$4.4) million to (\$1.4) million in fiscal year 2016. The increase in fund balance is related to an increase in tax revenue and transfers in from other funds.
- The Operations & Maintenance Fund experienced an operating increase of \$0.6 million in the fiscal year resulting in a fund balance of \$5,567,080.
- During fiscal year 2016, the District completed various construction/renovation projects at London Middle School, Cooper Middle School, Holmes Middle School and Field Elementary School including general construction, roofing and electrical work.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

District enrollment levels are declining slightly but show no signs of experiencing material changes over the next five years. The District annually monitors the shift in enrollment categories within the overall enrollment of the District, especially as it relates to Kindergarten and Demographic populations. Significant trends representing either increases or decreases in student enrollment in pocket areas could necessitate programmatic changes in the future.

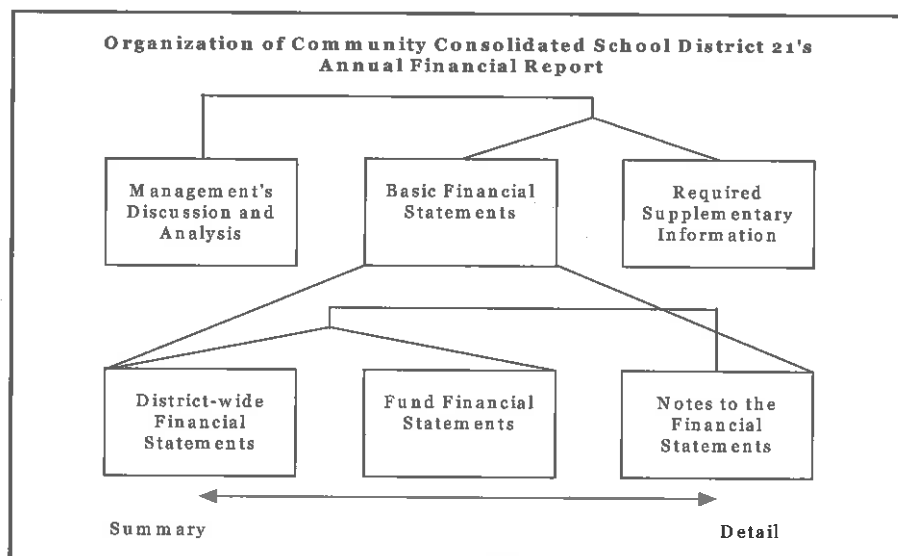
Overview of the Financial Statements

This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the Districts *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the district wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

	District -wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary such as Educational and Operations & Maintenance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	1) Statement of net position 2) Statement of activities	1) Balance sheet 2) Statement of revenues expenditures, and changes in fund balance	1) Statement of fiduciary net assets 2) Statement of changes in fiduciary net assets
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, outflows, liabilities and inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Districts *net position* and how they have changed. The value of net position, the difference between the district's assets and liabilities, is one way to measure the District's financial health or *position*.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors including changes in the composition of the District's property tax base; the continued disparity in State and Federal source revenue to Local source revenue that is primarily composed of a capped source in property taxes; and the condition and necessary maintenance of school buildings and other facilities.

In the district-wide financial statements, the District's activities are all in one category; *governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

District 21's fund financial statements provide more detailed information about the District's funds focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- *Governmental Funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Fiduciary Funds*: The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship and student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Financial Analysis of the District as a Whole

Net Position: The District's combined net position increased 37.1 % to \$15.9 million as a result of operations in fiscal year 201 (see Figure A-3). This is a result of completion of various capital projects and the increased program costs.

Figure A-3

Condensed Statement of Net Position (in millions of dollars)			
	<u>2016</u>	<u>2015</u>	<u>Percentage Change</u>
Current and other assets	\$72.8	\$72.2	0.8
Capital assets	53.1	52.6	1.0
Deferred Outflows	<u>8.8</u>	<u>22.2</u>	(60.3)
Total assets	134.7	147.0	(8.4)
Current liabilities	13.5	13.1	3.1
Long-term liabilities	58.6	55.9	4.8
Deferred Inflows	<u>46.8</u>	<u>66.3</u>	(29.4)
Total liabilities	118.9	135.3	(12.1)
Net position			
Net investment in capital assets	33.7	33.0	2.1
Restricted	19.3	22.0	(12.2)
Unrestricted	<u>(37.1)</u>	<u>(43.5)</u>	14.7
Total net position	\$15.9	\$11.5	38.2

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Changes in net position: Total Revenues surpassed Expenditures resulting in net position increasing by \$4.3 million over last year. The increase is partially attributed to the increase in real estate tax revenues (see Figure A-4).

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)			
	<u>2016</u>	<u>2015</u>	<u>Percentage Change</u>
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$0.6	\$0.6	0.0
Operating Grants and Contributions	38.6	28.7	34.5
Capital Grants	0.0	0.0	0.0
General Revenue			
Taxes	92.5	71.9	28.7
State Formula Aid & Formula Grants	7.9	7.5	5.3
Other	<u>1.2</u>	<u>0.7</u>	71.4
Total Revenue	140.8	109.4	28.7
<u>Expenses</u>			
Instruction	93.2	80.3	16.1
Pupil & Instructional Services	13.8	14.1	(2.1)
Administration & Business	6.1	8.2	(25.6)
Maintenance & Operations	13.0	10.8	20.4
Transportation	3.5	3.7	(5.4)
Other	<u>6.9</u>	<u>6.5</u>	6.2
Total Expenses	\$136.5	\$123.6	10.4
Increase (Decrease) in net assets	\$4.3	(\$14.2)	

In fiscal 2016, the District's total revenues were \$140.9 million. Property tax revenue increased by 29 % and accounted for most of the District's revenue, contributing about 66 cents of every dollar raised (see Figure A-5). Charges for services remained similar, as there was no increase in student fees for instructional materials. The remaining revenue came from state and federal aid for specific programs and miscellaneous sources.

Community Consolidated School District 21 Management's Discussion and Analysis For the Year Ended June 30, 2016

The total cost for all programs and services was \$136.6 million. 68 % of the District's expenses are related to instructing; caring for (pupil services) and transporting students (see Figure A-6)

Figure A-5

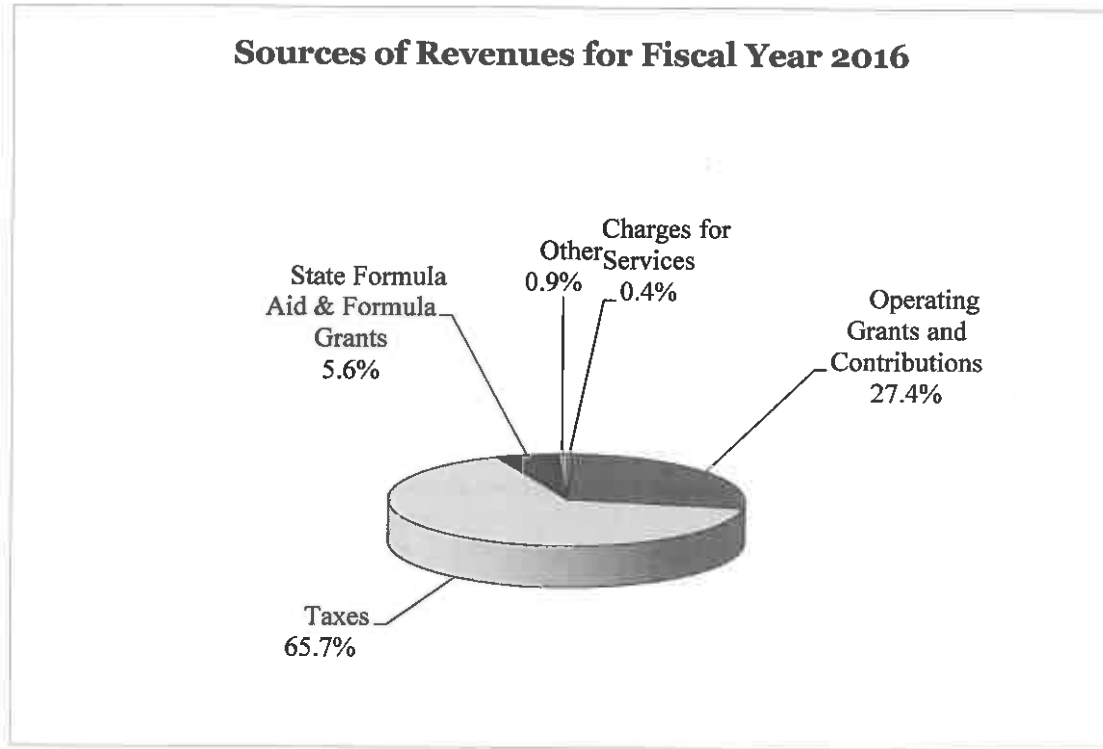
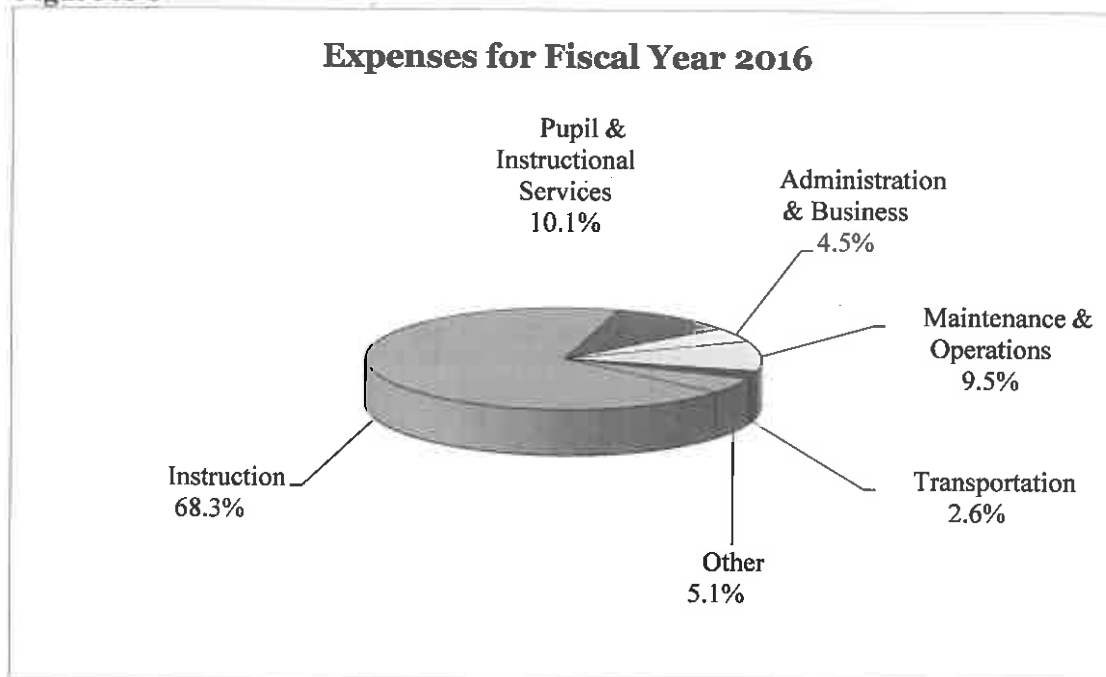


Figure A-6



Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Instruction and related student services costs increased by \$12.9 million or 16.1%. An increase in regular program cost accounts for this year over year change.

The Administration and Business expenditures decreased, as a result of controlling costs throughout the year.

The District's Transportation costs decreased from the 2015 fiscal year due to an decrease in service provided for regular transportation students, as well as, transportation services for special education and homeless students.

Governmental Activities

Revenues for the District's governmental activities were \$140.9 million and total expenses were \$136.6 million, resulting in net position increasing \$4.3 million in fiscal 2016.

The Board of Education continues to focus on the management of expenses in the face of projected deficits down the line and continue to work toward the Financial Guidelines developed by the Board's Finance Committee. The Board of Education takes its commitment to its constituency seriously in maintaining strong fiscal responsibility in the face of capped revenue streams and an expenditure side of the ledger driven in a large part by personnel costs.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, operations and maintenance, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

- The cost of all governmental activities in fiscal 2016 was \$136.6 million.
- A portion of this cost (\$0.6 million) was financed by the users of the District's programs.
- The federal and state governments subsidized certain programs with grants and contributions (\$38.6 million).
- Most of the District's costs, however, were financed by District taxpayers (\$92.5 million).

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Figure A-7

Net Cost of Governmental Activities (in millions of dollars)		
	Total Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>
Instruction	93.2	80.3
Pupil & Instructional Services	13.8	14.1
Administration & Business	6.1	8.2
Maintenance & Operations	13.0	10.8
Transportation	3.5	3.7
Other	<u>6.9</u>	<u>6.5</u>
Total	\$136.5	\$123.6

Financial Analysis of the District's Funds

As the District closed the year, its governmental funds reported a combined fund balance of \$18.0 million, which was above last year's ending fund balance of \$16.2 million. The majority of this increase in fund balance is attributable to the overall increase in real estate tax revenues.

General Fund Budgetary Highlights

- Actual revenues were \$10.0 million higher than anticipated. The positive budgetary variance is largely attributed to the under-budgeting of On-Behalf pension revenue.
- Actual expenditures were 8.2 million over budget due to On-Behalf pension expenditures.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Capital Assets and Debt Administration

Capital Assets

By the end of 2016, the District had invested \$53.1 million in a broad range of capital assets, including school buildings, building improvements, vehicles, computer and audio-visual equipment, furniture, books, and other equipment. (See figure A-8). This amount represents a net increase of \$ 0.5 million or (0.1 %) from last year. Total depreciation expense for the year exceeded \$2.9 million. Additional, information regarding capital asset activity for fiscal year 2015 is available in Note #5- Capital Assets.

Figure A-8

Capital Assets (net of depreciation) (in millions of dollars)			
	<u>2016</u>	<u>2015</u>	<u>Percentage Change</u>
Land	\$2.0	\$2.0	0.0
Depreciable buildings, property and equipment, net	<u>51.1</u>	<u>50.6</u>	<u>0.1</u>
Total	\$53.1	\$52.6	0.1

The near-term future plans call for repair and maintenance to existing facilities as the main capital needs of the District with investment in roofing repairs, plumbing, asphalt, flooring a temperature control works.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Long –Term Debt

At year-end, the District had \$62.6 million in general obligation bonds and other long-term debt outstanding, as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-9

Outstanding Long-Term Debt (in millions of dollars)			
	<u>2016</u>	<u>2015</u>	<u>Percentage Change</u>
General Obligation Bonds	\$37.1	\$40.4	-8.2
Capital Leases	0.6	0.5	20.
Pension Obligations	23.7	17.7	33.9
Compensated Absences	<u>1.2</u>	<u>1.5</u>	(20.0)
Total	\$62.6	\$60.1	4.2

- The District's bond rating from Moody's Investors Service on general obligation bond issues is Aa3 from Aa2 due to prior year operating deficits. Under current state statutes, the District's general obligation bonded debt issuances are subject to a legal limitation based on 6.9% of total equalized assessed valuation of real property. As of June 30, 2016, the District's net general obligation bonded debt of \$37.1 million was well below the legal limit of \$110.3 million.
- The District continued to pay down its debt, retiring \$3.3 million of outstanding bonds, loans, and leases in fiscal year 2015-16.

Community Consolidated School District 21

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that may significantly affect its financial health in the future:

- The District will continue to face economic pressures associated with the declining Equalized Assessed Valuation and how it relates to the yearly Tax Levy process. There continues to be limited opportunity to secure additional resources through State and Federal program funding.
- As limited growth in revenues are projected over the next five years, the District continues to realign expenditure levels in order to maintain a balance budget.
- The District annually updates and prioritizes a Multi-year Capital Projects listing. The District looks to continue to make updates to the facilities as funding is available. As the construction related expenditures are processed, the fund balance in the Site and Construction Fund is expected to decrease. Future construction projects funding sources will be reviewed carefully as prioritization will become critical.
- Health care costs continue escalate a pace that exceeds the rate of inflation. In the future, additional taxes and fees specified per the Affordable Care Act (ACA) will create additional burden on District finances.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances. Should you have questions about this report or need additional financial information, please contact the Assistant Superintendent for Finance & Operations, 999 W. Dundee Road, Wheeling, IL 60090.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

BASIC FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

GOVERNMENT WIDE FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 24,044,631
Accrued Interest Income	24,061
Accounts Receivable	
Taxes	
2015 Levy, Net of 1% Allowance for Losses	41,577,381
Personal Property Replacement	192,742
Governmental Claims	2,929,719
Inventory	77,892
Prepaid Expenses	336,443
Total Current Assets	<u>\$ 69,182,869</u>
Noncurrent Assets	
Capital Assets	
Land	\$ 1,965,066
Land Improvements	3,764,581
Buildings	94,440,614
Furniture and Equipment	21,285,818
Less: Accumulated Depreciation	(68,317,844)
Total Capital Assets, Net	<u>\$ 53,138,235</u>
TOTAL ASSETS	<u>\$ 122,321,104</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Outflows & Adjustments	<u>\$ 8,846,390</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 639,999
Accrued Salaries	5,197,830
Payroll Deductions Payable	3,500,657
Current Portion of Long-Term Liabilities	
Capital Leases	254,376
Compensated Absences	591,889
Bonds	3,315,000
Total Current Liabilities	<u>\$ 13,499,751</u>
Long-Term Liabilities	
Accrued OPEB Obligation	\$ 652,002
Pension Obligations	23,731,491
Capital Leases	387,618
Compensated Absences	33,332
Bonds	33,769,847
Total Long-Term Liabilities	<u>\$ 58,574,290</u>
TOTAL LIABILITIES	<u>\$ 72,074,041</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Levied for Subsequent Years	\$ 41,577,381
Pension Inflows & Adjustments	1,634,772
	<u>\$ 43,212,153</u>
NET POSITION	
Net Investment in Capital Assets	\$ 33,697,241
Restricted	
Operations & Maintenance	5,567,080
Transportation	2,307,219
Municipal Retirement/Social security	2,450,987
Debt Service	2,351,537
Working Cash	3,709,404
Capital Projects	2,921,479
Unrestricted	<u>(37,123,647)</u>
TOTAL NET POSITION	<u>\$ 15,881,300</u>

The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

FUNCTION/PROGRAMS Governmental Activities	Program Revenues			Net (Expenses) Revenues and Change in Net Position Governmental Activities Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Instruction				
Regular	\$ 68,201,966	\$ 203,588	\$ 31,236,456	\$ -
Special Education	12,864,935	-	4,093,479	-
Interscholastic	223,075	-	-	-
Summer School	322,865	-	-	-
Bilingual	11,530,256	-	-	-
Support Services				
Pupils	7,700,341	-	-	-
Instructional Staff	6,078,404	-	-	-
General Administration	2,142,243	-	-	-
School Administration	3,938,091	-	-	-
Business	16,679,962	465,337	3,261,174	-
Central	4,699,620	-	-	-
Community Services	269,186	-	-	-
Interest and Other Charges	1,903,905	-	-	-
Total Governmental Activities	<u>\$ 136,554,849</u>	<u>\$ 668,925</u>	<u>\$ 38,591,109</u>	<u>\$ -</u>
GENERAL REVENUES				
Taxes				
Property Taxes, levied for general purposes				\$ 72,019,821
Property Taxes, levied for debt service				5,005,934
Property Taxes, levied for other specific purposes				13,312,818
Personal Property Replacement				1,070,498
Unrestricted Earnings on Investments				155,875
General State Aid				7,890,822
Tax Increment Finance Authority Refund				1,125,010
Other				1,015,509
TOTAL GENERAL REVENUES				<u>\$ 101,596,287</u>
CHANGE IN NET POSITION				\$ 4,301,472
NET POSITION - BEGINNING				<u>11,579,828</u>
NET POSITION - ENDING				<u>\$ 15,881,300</u>

The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

FUND FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Funds			Total Governmental Funds
		Education Fund	Operations and Maintenance Fund	Transportation Fund	Retirement/ Social Security Fund	Working Cash Fund		Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	
ASSETS											
Cash and Cash Equivalents	\$ 6,723,286	\$ 5,693,114	\$ 2,084,179	\$ 2,601,247	\$ 1,507,996	\$ 1,240	\$ 2,248,902	\$ 3,221,234	\$ 63,433	\$ 24,044,631	
Accrued Interest Income	8,561	6,324	3,293	2,447	1,408		1,862	107	59	24,061	
Due from Other Funds					2,200,000					2,200,000	
Accounts Receivable											
Taxes											
2015 Levy, Net of 1% Allowance for Losses	28,740,735	3,907,417	4,399,590	1,880,444		341,899	2,307,298			41,577,381	
Personal Property Replacement	192,742									192,742	
Inventory	77,892									77,892	
Governmental Claims	2,537,712		392,007							2,929,719	
Prepaid Expenses	106,902	8,488				120,280	100,773			336,443	
TOTAL ASSETS	\$ 38,387,830	\$ 9,515,343	\$ 6,879,089	\$ 4,484,138	\$ 3,709,404	\$ 463,419	\$ 4,658,833	\$ 3,221,341	\$ 63,492	\$ 71,382,869	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
LIABILITIES											
Accounts Payable	\$ 77,051	\$ 35,026	\$ 164,568	\$ -	\$ -	\$ -	\$ -	\$ 363,354	\$ -	\$ 639,999	
Accrued Salaries	5,191,543		6,287							5,197,830	
Accrued Compensated Absences	256,164	5,820								261,984	
Payroll Deductions Payable	3,346,545		1,405	152,707						3,500,657	
Due to Other Funds	2,200,000									2,200,000	
TOTAL LIABILITIES	\$ 11,071,303	\$ 40,846	\$ 172,260	\$ 152,707	\$ -	\$ -	\$ -	\$ 363,354	\$ -	\$ 11,800,470	
DEFERRED INFLOWS OF RESOURCES											
Property Taxes Levied for Subsequent Years	\$ 28,740,735	\$ 3,907,417	\$ 4,399,590	\$ 1,880,444	\$ -	\$ 341,899	\$ 2,307,298	\$ -	\$ -	\$ 41,577,381	
FUND BALANCES											
Nonspendable	\$ 184,794	\$ 8,488		\$ -	\$ -	\$ 120,280	\$ 100,773	\$ -	\$ -	\$ 414,335	
Restricted											
Operations & Maintenance Services		5,558,592								5,558,592	
Transportation Services			2,307,219							2,307,219	
Employee Benefits Payments				2,450,987						2,450,987	
Interfund Borrowing					3,709,404	1,240				3,709,404	
Liability Insurance										1,240	
Bond Principal and Interest Payments							2,250,764			2,250,764	
Future Construction								2,857,987	63,492	2,921,479	
Unassigned	(1,609,002)	\$ 5,567,080	\$ 2,307,219	\$ 2,450,987	\$ 3,709,404	\$ 121,520	\$ 2,351,537	\$ 2,857,987	\$ 63,492	(1,609,002)	
TOTAL FUND BALANCES	\$ (1,424,208)	\$ 9,515,343	\$ 6,879,089	\$ 4,484,138	\$ 3,709,404	\$ 463,419	\$ 4,658,833	\$ 3,221,341	\$ 63,492	\$ 18,005,018	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 38,387,830	\$ 9,515,343	\$ 6,879,089	\$ 4,484,138	\$ 3,709,404	\$ 463,419	\$ 4,658,833	\$ 3,221,341	\$ 63,492	\$ 71,382,869	

The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balances - Governmental Funds		\$ 18,005,018
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$121,456,079, and the accumulated depreciation is \$68,317,844.		53,138,235
Other Deferred Outflows of Resources reported in the statement of net position not reported on the Balance Sheet		
Teacher Retirement System Outflows	\$ 3,041,188	
Illinois Municipal Retirement Fund Outflows	<u>5,805,202</u>	8,846,390
Other Deferred Inflows of Resources reported in the statement of net position not reported in the Balance Sheet		
Teacher Retirement System Inflows		(1,634,772)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Balances as of June 30, 2016 are:		
Bonds and capital leases payable		(37,726,841)
Accrued OPEB Obligation		(652,002)
Compensated absences		(363,237)
Net TRS & IMRF pension liability		<u>(23,731,491)</u>
Total Net Position of Governmental Activities		<u>\$ 15,881,300</u>

The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Funds			Total Governmental Funds
		Educational Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Working Cash Fund	Tort Immunity Fund	Bond and Interest Fund	Capital Projects Fund	Fire Prevention and Safety Fund	
REVENUES											
Taxes	\$ 64,242,545		\$ 8,747,774	\$ 8,435,180	\$ 4,329,519		\$ 648,139	\$ 5,005,934			\$ 81,409,071
Tuition	11,099										11,099
Transportation Fees				847							847
Earnings on Investments	53,665		40,111	22,817	17,196	9,235	65	11,598	799	389	155,875
Food Service Fees	484,490										484,490
Textbook Fees	192,489										192,489
Rentals			153,188								153,188
Refund of Prior Year Expenditures	505,557		162,819								668,376
Other	151,546		1,693	29,856	7,372				3,478		193,945
Tax Increment Finance Authority Refund	1,125,010										1,125,010
State Aid	39,617,556			1,542,174			25,000				41,184,730
Federal Aid	5,297,201										5,297,201
TOTAL REVENUES	\$ 111,661,158		\$ 9,105,585	\$ 10,030,854	\$ 4,354,087	\$ 9,235	\$ 673,204	\$ 5,017,532	\$ 4,277	\$ 389	\$ 140,856,321
EXPENDITURES											
Current											
Instruction											
Regular	\$ 64,850,820				\$ 408,221		\$ -	\$ -			\$ 65,257,041
Special Education	11,893,729				565,833						12,459,562
Interscholastic	219,225				3,850						223,075
Summer School	313,821				9,044						322,865
Bilingual	11,230,384				133,506						11,363,890
Support Services											
Pupils	7,379,011				314,716						7,693,727
Instructional Staff	5,812,428				174,554						5,986,982
General Administration	1,488,276				66,527		551,684				2,086,487
School Administration	3,791,249				199,787						3,991,036
Business	3,107,897				1,135,475				140,587		4,681,136
Central	4,524,433		8,260,710	3,727,465	156,703						16,372,134
Community Service	251,178				18,008						269,186
Nonprogrammed charges	159,092										159,092
Debt Service											
Principal											
Interest and Other Charges								3,821,928			3,821,928
Capital Outlay								1,361,376			1,361,376
TOTAL EXPENDITURES	\$ 115,494,720	\$ 493,177	\$ 8,296,318	\$ 3,727,465	\$ 3,184,224	\$ -	\$ 551,684	\$ 5,183,304	\$ 2,448,317	\$ -	\$ 139,026,619
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,833,562)	\$ -	\$ 808,267	\$ 6,303,389	\$ 1,169,863	\$ 9,235	\$ 121,520	\$ (165,772)	\$ (2,584,627)	\$ 389	\$ 1,829,702
OTHER FINANCING SOURCES (USES)											
Transfers In	\$ 7,000,000										\$ 7,000,000
Transfers Out	(149,013)										(149,013)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 6,850,987	\$ -	\$ (152,664)	\$ (7,000,000)	\$ -	\$ -	\$ -	\$ 301,677	\$ -	\$ -	\$ (7,301,677)
NET CHANGE IN FUND BALANCE	\$ 3,017,425	\$ -	\$ 656,603	\$ (696,611)	\$ 1,169,863	\$ 9,235	\$ 121,520	\$ 135,905	\$ (2,584,627)	\$ 389	\$ 1,829,702
FUND BALANCE - JULY 1, 2015	(4,441,633)		4,910,477	3,003,830	1,281,124	3,700,169	-	2,215,832	5,442,614	63,103	16,175,316
FUND BALANCE - JUNE 30, 2016	\$ (1,424,208)		\$ 5,567,080	\$ 2,307,219	\$ 2,450,987	\$ 3,709,404	\$ 121,520	\$ 2,351,537	\$ 2,857,987	\$ 63,492	\$ 18,005,018

The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net Change in Fund Balance - Governmental Funds	\$	1,829,702
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense. This is the amount by which capital outlay (\$2,977,102) exceeds depreciation expense (\$2,910,028) in the period.		67,074
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Change in Deferred Outflows of Resources due to pension assets		4,677,436
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Change in Deferred Inflows of Resources due to pension obligations		388,430
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Net increase in net TRS and IMRF pension liabilities		(6,072,841)
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In the Statement of Activities, certain operating expenses - compensated absences and interest - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources that are used (essentially, the amounts actually paid). The differences in these amounts are:

Compensated absences		136,261
Amortization of premiums and discounts		(546,518)

Repayment/defeasance of long-term debt principal reduces financial resources in the governmental funds, but the repayment/defeasance reduces long-term liabilities in the statement of net position

Principal Paid on Long-Term Debt		3,821,928
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Change in Net Position of Governmental Activities	\$	4,301,472
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The accompanying Notes are an integral part of the basic financial statements.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

ASSETS

Cash and Investments	\$ 569,822
	<u>569,822</u>
TOTAL ASSETS	<u>\$ 569,822</u>

LIABILITIES

Due to Student Groups	\$ 378,268
Due to Employee's Benefits Fund	<u>191,554</u>
TOTAL LIABILITIES	<u>\$ 569,822</u>

The accompanying Notes are an integral part of the basic financial statements

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

NOTES TO THE FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. Summary of Significant Accounting Policies

Community Consolidated School District No. 21 (the "District") was incorporated on July 1, 1948 and provides educational services to children in grades kindergarten through eight.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

The Community Consolidated School District No. 21 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles.

Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by Governmental Accounting Standards Board ("GASB") in its Statement No. 61, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units." There are no component units included within the reporting entity.

New Accounting Standards

During fiscal year 2016, the District adopted or considered the following GASB statements:

- *GASBS 72, Fair Value Measurement and Application.*
- *GASBS 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*
- *GASBS 79, Certain External Investments Pools and Pool Participants.*

Basis of Presentation

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no Business-Type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's Programs, such as personnel and accounting—are not allocated to programs.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—*governmental*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District maintains individual funds as prescribed by the Illinois State Board of Education. The District reports all its funds as major governmental funds.

The District reports the following major governmental funds:

- *General Fund.* This fund consists of the Education Fund and is the general operating fund of the District. It is used to account for all financial resources and activities except those that are required to be accounted for in another fund. Special Education is included in this fund.
- *Special Revenue Funds.* These funds include: the Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Tort Immunity Fund, and Working Cash Fund and is used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. The District maintains a Working Cash Fund, which accounts for financial resources held by the District to be used for temporary interfund loans to any other governmental fund. Also, by Board resolution, financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. The District considers these resources as stabilization amounts, available for use in emergency situations or when a fund revenue shortfall or budgetary imbalance occurs. Thus, the District classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within the fund.
- *Debt Service Fund.* This fund consists of the Bond and Interest Fund and accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- *Capital Projects Funds.* This fund consists of the Capital Projects Fund and the Fire Prevention and Safety Fund, and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities. Fire Prevention and Safety Special Tax Levy and Bond Proceeds, and Subdivider's Land Cash Ordinance payments are accounted for in this fund.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

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 Fund includes the Student Activity Funds, and the Employees' Flexible Spending Account, and accounts for assets held by the District as an agent for its students and employees, and therefore, are not available to support District programs. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the agency fund organizations are equal to the assets.

The district-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the year for which they are levied. Revenue from grants and similar items are recognized as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Also, "on-behalf" payments (payments made by a third party for the benefit of the District, such as payments made by the State to the Teachers Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. Summary of Significant Accounting Policies (continued)

Investments

State statutes authorize the District's Treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, and money market funds registered under the Investment Company Act of 1940, with certain restrictions. Investments are stated at fair value. Changes in fair value of investments are recorded as investment income. (Investments are stated at market value. Gains or losses, if any, on the sale of investments are recognized upon realization.) The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." These amounts are eliminated in the governmental activities column in the statement of net assets.

Property Tax Revenues

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

The tax rate limits are applied at the fund level. These limits are established by state law, subject to change only by the approval of the voters of the District. The district's current rate limits are presented in Note 9.

The PTELA limitation is applied to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5.0% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property that becomes eligible for taxation.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1, and the second due on the later of August 1, or 30 days after the second installment tax bill is mailed (typically, this is due in late August or early September). The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. The District collects taxes shortly after the due dates, usually within 45 days.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. Summary of Significant Accounting Policies (continued)

Property Tax Revenues (continued)

A portion of the 2015 property tax levy is recorded as a receivable in fiscal year 2016, net of estimated uncollectible amounts approximating 1%. As the District intends to use the second installment of collections to pay for fiscal year 2017 expenditures, the entire second installment is deferred and the first installment is recorded as revenue.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal retirement/Social security Fund, in accordance with the Illinois School Code, with the balance allocated to the remaining funds at the discretion of the District.

Inventory

On district-wide financial statements, inventories are recorded at the lower of cost or market, on a first-in-first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are recorded at cost on a first-in-first-out basis. In governmental funds, inventory consists of expendable supplies held for consumption. The cost of the inventory items is recorded as an expenditure in the governmental funds when purchased.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items represent payments made by the District for which benefits extend beyond June 30. Inventories and prepaid items are accounted for using the consumption method.

Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. The District generally capitalizes assets with an initial individual cost of \$500 or more and an estimated useful life of 5 years or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In 2003, the District engaged an appraisal company to estimate the historical cost of its capital assets acquired prior to that date. Depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Depreciation Method	Estimated Useful Life
Land Improvements	Straight Line	20 Years
Buildings	Straight Line	50 Years
Furniture and Equipment	Straight Line	10 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

All certified employees receive fourteen sick days per year depending on their years of service. Unused sick leave days can accumulate to a maximum of 360 days for certified personnel. Non-certified personnel who work a twelve-month year are provided with fourteen sick days that can accumulate up to 180 days. The District does not reimburse employees for unused sick days remaining upon termination of employment.

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

Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Restricted Net Position

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

Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

2. Stewardship, Compliance and Accountability

Budget vs Actual Expenditures

For the year ended June 30, 2016, actual expenditures exceeded the budgeted expenditures in the following funds:

	Actual	Budget	Excess
Special Revenue Funds			
IMRF Fund	\$ 3,184,224	\$ 3,143,069	\$ 41,155
Debt Service Fund			
Bond & Interest	\$ 5,183,304	\$ 5,035,778	\$ 147,526

3. Deposits and Investments

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

	Governmental Activities	Fiduciary	Total
Deposits	\$ 50,000	\$ 340,817	\$ 390,817
Petty Cash	1,200		1,200
Investments	23,993,431	229,005	24,222,436
Total	<u>\$ 24,044,631</u>	<u>\$ 569,822</u>	<u>\$ 24,614,453</u>

Cash and Investments in the custody of the Wheeling School Treasury Pool

The voters of the respective school districts located within the boundaries of the offices of the Wheeling Township Schools Treasurer passed a referendum abolishing the offices of the Township Schools Treasurer effective July 1, 1996. The Boards of Education of the respective school districts and the Board of Education of Township High School District 214 (also located in Wheeling Township) entered into an agreement where District 214 agreed to provide to the respective school districts many of the services that were provided by the Township Schools Treasurer. These services are provided on an optional basis and without cost to the districts. District 21 exercised the option to participate beginning July 1, 1996.

Under the *Illinois Compiled Statutes* and the *Constitution of Illinois*, local school districts are authorized to contract among themselves and to confirm and transfer powers and functions by intergovernmental cooperation. As a result of the above agreement, District 214 (Treasurer) is the lawful custodian of all school funds. The Treasurer is monitored by an Advisory Board, which is comprised of a designated representative, or alternate, who is a member of the professional staff of each participating member district. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid, and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district, and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

3. Deposits and Investments (continued)

Cash and Investments in the custody of the Wheeling School Treasury Pool (continued)

Cash and investments, other than the Agency Funds, Petty Cash, and the Imprest Funds described below, are part of a common pool for all school districts within the cooperative. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the Districts percentage participation in the pool. All cash for all funds, including cash applicable to the Bond and Interest Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Intergovernmental Agreement, as prescribed by the *Illinois School Code* and the *Illinois Compiled Statutes*. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

The weighted average maturity of all pooled investments held by the Treasurer was 1.16 years at June 30, 2016. As of the same date, the fair value of all investments held by the Treasurer's Office was \$279,272,282 and the fair value of the District's proportionate share of the pool was \$23,993,431.

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

Cash and Investments in the custody of the District

Deposits of the Agency and Imprest funds, which are held in the District's custody, consist of cash held in financial institutions and in the Illinois School District Liquid Asset Fund Plus (ISDLAF+). The ISDLAF+ is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are valued at share price, which is the price for which the investment could be sold.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

3. Deposits and Investments (continued)

Cash and Investments in the custody of the District (continued)

Custodial Credit Risk-Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be 102 percent secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's Board of Education, along with the Treasurer, approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions. At June 30, 2016, the carrying amount of the District's Agency and Imprest deposit accounts was \$619,822; the bank balance was \$606,513. Of the total carrying amount, \$390,817 was deposits with financial institutions, and \$229,005 was deposits with ISDLAF+. Of the bank balance, \$250,000 was covered by federal depository insurance; the balance was collateralized by the financial institution.

4. Inter-fund Balances and Transfers

At June 30, 2016 the District had the following inter-fund receivable/payable balances. The inter-fund loans were made to improve cash flow in the borrowing fund.

	<u>Borrowing Fund</u>	<u>Lending Fund</u>
Special Revenue Funds		
Education Fund	\$ 2,200,000	
Working Cash Fund		\$ 2,200,000

During the year, the District made the following interfund transfers to the Debt Service Fund for the payment of principal and Interest on capital lease arrangements as prescribed by the Illinois School Code.

	<u>Transferred To</u>	<u>Transferred From</u>
General Fund		
Educational	\$ -	\$ 149,013
Special Revenue Fund		
Operations & Maintenance Fund	-	152,664
Debt Service		
Bond & Interest Fund	301,677	-
	<u>\$ 301,677</u>	<u>\$ 301,677</u>

During the year, the District made the following interfund transfers to the Education Fund for the financing of operations as provided by the Illinois School Code.

	<u>Transferred To</u>	<u>Transferred From</u>
General Fund		
Educational	\$ 7,000,000	\$ -
Special Revenue Fund		
Transportation Fund	-	7,000,000
	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

5. Capital Assets and Depreciation

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets not Being Depreciated				
Land	\$ 1,965,066	\$ -	\$ -	\$ 1,965,066
Construction-in-Progress	-	-	-	-
Total Capital Assets not Being Depreciated	<u>\$ 1,965,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,965,066</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 3,764,581	\$ -	\$ -	\$ 3,764,581
Building and Improvements	91,992,297	2,448,317	-	94,440,614
Equipment	20,315,486	970,332	-	21,285,818
Total Capital Assets Being Depreciated	<u>\$ 116,072,364</u>	<u>\$ 3,418,649</u>	<u>\$ -</u>	<u>\$ 119,491,013</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (3,626,936)	\$ (137,645)	\$ -	\$ (3,764,581)
Building and Improvements	(42,193,031)	(1,849,315)	-	(44,042,346)
Equipment	(19,587,849)	(923,068)	-	(20,510,917)
Total Accumulated Depreciation	<u>\$ (65,407,816)</u>	<u>\$ (2,910,028)</u>	<u>\$ -</u>	<u>\$ (68,317,844)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>\$ 50,664,548</u>	<u>\$ 508,621</u>	<u>\$ -</u>	<u>\$ 51,173,169</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 52,629,614</u>	<u>\$ 508,621</u>	<u>\$ -</u>	<u>\$ 53,138,235</u>

Depreciation expense was recognized in the operating activities of the District as follows:

Governmental Activities

Regular Programs	\$ 1,933,961
Special Programs	246,281
Other Instructional	166,366
Pupil Services	6,614
Instructional Staff Services	91,422
General Administrative Services	55,756
School Administrative Services	83,316
Business Services	307,828
Central Services	18,484
	<u>18,484</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,910,028</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

6. Long-Term Liabilities

General Obligation Bonds

In fiscal 2013, the District issued \$22,350,000 of 2013 Series B bonds for advance refunding purposes. The District with this bond issue refunded \$5,870,000 of Series 1996A bonds, \$530,000 of Series 2005A bonds, \$4,100,000 of Series 2005B bonds, and \$10,750,000 of Series 2005C bonds. In 2013, the District also issued \$1,075,000 of 2013 Series C bonds for advance refunding purposes. With this bond issue, the District refunded \$1,270,000 of the Series 1995 Refunding bonds. In refunding these two bond issues; the District placed \$23,157,305 of the new bond issue in an irrevocable trust to provide for all future debt service payments on a portion of the prior bond's principal and interest outstanding. Accordingly, the trust account assets and liability for the refunded bonds are not included in the District's financial statements. On June 30, 2016, \$11,475,000 of these bonds are considered defeased. The District is not obligated in any manner for special assessment debt.

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

	Interest Rates	Face Amount	Carrying Amount
2005A Refunding Bonds	5.00% - 5.36%	13,525,000	13,525,000
2005C Refunding Bonds	3.25% - 5.00%	1,225,000	1,225,000
2013A Building Bonds	3.00% - 4.00%	9,410,000	9,410,000
2013B Refunding Bonds	1.00% - 2.50%	22,350,000	12,030,000
2013C Refunding Bonds	1.00% - 1.50%	1,075,000	1,075,000
		<u>\$ 47,585,000</u>	<u>\$ 37,265,000</u>

At June 30, 2016, the annual debt service requirements of general obligation bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 3,315,000	\$ 1,250,316	\$ 4,565,316
2018	3,695,000	1,095,289	4,790,289
2019	3,815,000	917,029	4,732,029
2020	4,145,000	731,475	4,876,475
2021	4,580,000	551,720	5,131,720
2022-2026	12,350,000	1,299,558	13,649,558
2027-2031	3,680,000	563,045	4,243,045
2032-2033	1,685,000	53,840	1,738,840
	<u>\$ 37,265,000</u>	<u>\$ 6,462,272</u>	<u>\$ 43,727,272</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

6. Long-Term Liabilities (continued)

General Obligation Bonds (Continued)

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of \$1,554,043,811, the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit of the District was \$107,229,023, providing a debt margin of \$69,964,023, which is 65.2 percent of its total legal debt limit. In addition, there are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2016, the District was in compliance with all significant bond covenants.

The District also defeased certain general obligation and other bonds in years prior to June 30, 2016 by placing the proceeds of the 2005 refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2016, \$44,915,000 of the face amount of capital appreciation bonds outstanding are considered defeased, which had a carrying amount of \$38,630,993 at June 30, 2016.

Capital Leases

The District has entered into lease agreements, as lessees, for financing the acquisition of certain office equipment. The lease agreements qualify as a capital leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2016, \$5,262,401 of capital assets, at cost, were acquired through capital lease arrangements during this and prior years. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

Year Ending June 30,	Amount
2017	\$ 268,913
2018	268,913
2019	119,900
2020	11,150
Total minimum lease payments	\$ 668,876
Less: amount representing interest	(26,882)
Present value of minimum lease payments	<u>\$ 641,994</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

6. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

For the year ending June 30, 2016, changes in long-term liabilities were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
General obligation bonds	\$ 40,805,000	\$ -	\$ 3,540,000	\$ 37,265,000	\$ 3,315,000
Unamortized premiums, & discounts	(400,682)	-	(220,529)	(180,153)	(90,710)
Total bonds payable	\$ 40,404,318	\$ -	\$ 3,319,471	\$ 37,084,847	\$ 3,224,290
Capital Leases	482,376	441,546	281,928	641,994	254,376
Accrued OPEB Obligation	652,002	-	-	652,002	-
Compensated absences	891,358	403,942	670,079	625,221	591,889
Total Long-Term Liabilities					
Governmental Activities	<u>\$ 42,430,054</u>	<u>\$ 845,488</u>	<u>\$ 4,271,478</u>	<u>\$ 39,004,064</u>	<u>\$ 4,070,555</u>

The obligations for the capital leases and compensated absences will be paid from the General Fund.

7. 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. Below are definitions of the differences in fund balance presentations.

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 or prepaid amounts. Inventories account for \$77,892 and are reported in the Educational Fund portion of the General Fund; and the prepaid expenses account for \$106,902 reported in the Educational Fund portion of the General Fund, \$8,488 is reported in the Operations and Maintenance Fund and \$120,280 is reported in the Tort Immunity Fund Portion of the Special Revenue Fund, and \$100,773 is recorded in the Bond and Interest Portion of the Debt Service Fund.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. Fund Balance Reporting (Continued)

B. **Restricted Fund Balance**

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes. The District reports several special revenue funds; the source of funding is through specific real estate tax levies. Namely the Operations and Maintenance Fund Levy, Transportation Fund Levy, Municipal Retirement/Social Security Fund Levy, Working Cash Fund Levy and the Tort Immunity Fund Levy.

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 District's Board of Education). 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 action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy 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. No funds are currently committed.

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 a specific purpose. No funds are currently assigned.

E. **Unassigned Fund Balance**

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned Fund Balance amounts are shown in the financial statements in the Educational Fund/ General Fund. The Education Fund portion of the General Fund has a deficit fund balance of \$1,609,002 as of June 30, 2016.

Tort Immunity

Proceeds from the Tort Immunity (liability insurance) Special Tax Levy and related disbursements have been included in the operations of the Special Revenue (Tort Immunity) Fund. At June 30, 2016, the cumulative Tort Immunity revenues had exceeded related cumulative expenditures in the Special Revenue (Tort Immunity) Fund by \$121,520 and, accordingly, the June 30, 2016 fund balance of the Special Revenue (Tort Immunity) Fund was restricted for future Tort Immunity purposes.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

7. Fund Balance Reporting (Continued)

Tort Immunity (Continued)

During the year ended June 30, 2016, the District made the following disbursements for tort immunity purposes:

Property and Liability Insurance	\$ 192,676
Unemployment Compensation Insurance	16,381
Risk Management	16,050
Workers Compensation Insurance	326,577
	<u>\$ 551,684</u>

Net Position Restrictions

The district-wide statement of net position reports \$19,307,706 of restricted net position, all of which is restricted by enabling legislation for specific purposes

8. Retirement Fund Commitments

Teachers' Retirement System of the State of Illinois: General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Teachers' Retirement System of the State of Illinois (continued)

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

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

Contributions

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

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

On-Behalf Contributions to TRS: The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expense of \$28,379,383 in pension contributions from the State of Illinois.

2.2 Formula Contributions.

Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016 were \$306,726, and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and Trust Fund Contributions. When TRS members are paid from Federal and 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 was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and 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.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Teachers' Retirement System of the State of Illinois (continued)

Federal and Trust Fund Contributions (Continued)

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal trust funds. For the year ended June 30, 2016, salaries totaling \$804,245 were paid from Federal and Trust funds that required employer contributions of \$290,011. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

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

Salary increases over 6 percent and excess sick leave:

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the district paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in the excess of the normal annual allotment.

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

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

Employer's proportionate share of the net pension liability	\$ 10,803,651
State's proportionate share of the net pension liability associated with the employer	346,392,354
Total	<u>\$ 357,196,005</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.0164915877 percent, which is an increase (decrease) of 0.040785831 from its proportion measured as of June 30, 2014.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Teachers' Retirement System of the State of Illinois (continued)

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

For the year ended June 30, 2016, the District recognized pension expense of \$28,379,383 and revenue of \$28,379,383 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 4,015	\$ 11,842
Net difference between projected and actual earnings on pension plan investments	213,959	378,308
Changes of assumptions	149,403	-
Changes in proportion and differences between employer contributions & proportionate share of contributions	2,077,074	1,244,622
Employer contributions subsequent to the measurement date	596,737	-
Total	<u>\$ 3,041,188</u>	<u>\$ 1,634,772</u>

\$596,737 reported as deferred outflows of resources related to TRS pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 690,014
2018	\$ 93,277
2019	\$ 93,277
2020	\$ 529,848
	<u>\$ 1,406,416</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (continued)

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

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

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation Rate was assumed to be 3.00 percent; Salary increases were expected to be varied by amount of service credit; the Investment rate of return, net of pension plan investment expense, including inflation, was assumed to be 7.5 percent. Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

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

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

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Teachers' Retirement System of the State of Illinois (continued)

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

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent, which is a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates. Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

	1% Decrease 6.47%	Current Single Discount Rate Assumption 7.47%	1% Increase 8.47%
District's proportionate share of the Net Pension Liability	\$ 13,350,664	\$ 10,803,651	\$ 8,715,032

TRS Fiduciary Net Position

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Teachers' Health Insurance Security Fund

Plan Description

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.

Benefit Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitant not enrolled in Medicare may participate in the state administered participation 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. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make contribution to THIS Fund.

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

On behalf contributions to THIS Fund The state of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to the THIS Fund from active members, which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$545,857 and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the district paid \$423,071 to the THIS Fund, which was 100 percent of the required contribution.

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

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund

1. Plan Description

The District participates in a defined benefit pension plan that provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund that acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefits are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available *Comprehensive Annual Financial Report* that includes financial statements, detailed information about the pension plan's fiduciary's net position, and required supplementary information. That report may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Benefits Provided

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

3. Employees Covered by Benefit Terms

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

	<u>IMRF</u>
Retirees and Beneficiaries Currently receiving benefits	269
Inactive Plan Members entitled to but not yet receiving benefits	192
Active Plan Members	<u>217</u>
Total	678

4. Contributions

As set by statute, employees participating in IMRF are required to Contribute 4.5% of their annual covered salary. The statute requires employers to contribute that amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar 2015 was 13.62%. The District's actual contributions for calendar year 2015 were \$1,531,564 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute. For the fiscal year ended June 30, 2016, the District recognized pension expense of \$1,600,476 for payments made to IMRF.

5. Net Pension Liability

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

6. Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015: 1) The Actuarial Cost Method used was Entry Age Normal. 2) The Asset Valuation Method used was Market Value of Assets. 3) The Inflation Rate was assumed to be 3.5%. 4) Salary Increases were expected to be 3.75% to 14.50%, including inflation. 5) The Investment Rate of Return was assumed to be 7.50%. 6) Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013. 7) The IMRF-specific rates for Mortality (for non-disabled retirees) were developed for the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. 8) For Disabled Retirees, and IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. 9) For Active Members, and IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

6. Actuarial Assumptions (continued)

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

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

7. Single Discount Rate

A Single Discount Rate of 7.46% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rates reflects: 1) The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and 2) The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purposes of the most recent valuation, expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.46%.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

8. Changes in Net Pension Liability

Asset Class	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balance at December 31, 2014	\$ 57,453,301	\$ 47,348,991	\$ 10,104,310
Changes for the year			
Service Costs	1,230,109	-	1,230,109
Interest on the Total Pension Liability	4,226,464	-	4,226,464
Changes of Benefit Terms	-	-	-
Difference between Expected & Actual Exper.	685,998	-	685,998
Assumption Changes	68,179	-	68,179
Contributions Employee	-	518,064	(518,064)
Contributions Employer	-	1,531,512	(1,531,512)
Net Investment Income	-	234,423	(234,423)
Benefit Payments & Refunds	(2,978,381)	(2,978,381)	-
Other (Net Transfer)	-	1,103,221	(1,103,221)
Net Changes	3,232,369	408,839	2,823,530
Balance at December 31, 2015	\$ 60,685,670	\$ 47,757,830	\$ 12,927,840

9. Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.46%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.46%	Current Single Discount Rate Assumption 7.46%	1% Increase 8.46%
Total Pension Liability	\$ 68,065,057	\$ 60,685,670	\$ 54,587,438
Plan Fiduciary Net Position	47,757,830	47,757,830	47,757,830
Net Pension Liability	\$ 20,307,227	\$ 12,927,840	\$ 6,829,608

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of \$2,516,911. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ 961,374	\$ -
Changes of assumptions	941,497	
Net difference between projected and actual earnings on pension plan investments	3,043,536	
Total Deferred Amounts to be recognized in pension expense in future periods	\$ 4,946,407	\$ -
<i>Pension Contributions made subsequent to the Measurement Date</i>	858,795	
Total Deferred Amounts Related to Pensions	\$ 5,805,202	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2016	\$ 3,098,133	\$ -
2017	1,221,445	-
2018	820,964	-
2019	664,660	-
2020	-	-
Thereafter	-	-
Total	\$ 5,805,202	\$ -

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

11. Total Pension Related Liabilities

The total of the District's net pension liabilities at June 30, 2016 is as follows:

	Net Pension Liability
Teachers' Retirement System (TRS)	\$ 10,803,651
Illinois Municipal Retirement Fund (IMRF)	12,927,840
	<u>\$ 23,731,491</u>

8. Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$688,638, the total required contribution for the current fiscal year.

8. Postemployment Benefits - Defined Benefit Retiree Health Care Plan

Plan Description:

Community Consolidated School District 21 ("the District") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, the District is required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB").

The District provides medical and dental benefits to retirees and their covered eligible dependents. All active employees who retire directly from the District and meet the eligibility criteria may remain on the District's plan.

Liabilities and Normal Costs

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability represents approximately 13.82% of the present value of future benefits.

Liabilities and Normal Cost	June 30, 2015
Actuarial Accrued Liability	\$ 4,716,324
Plan Assets	-
Unfunded Actuarial Accrued Liability	<u>\$ 4,716,324</u>
Normal Cost	<u>\$ 289,617</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Postemployment Benefits - Defined Benefit Retiree Health Care Plan (Continued)

Demographic Information

Participant Information	June 30, 2015
Active Participants	788
Inactive Participants	29
Total	817
Employer Contributions	2014-2015 FY
Expected OPEB Contributions:	
Active Participants	\$ 464,701
Inactive Participants	-
Total Contribution	\$ 464,701

Assets

As of the valuation date, the District does not set aside assets in trust to pay future benefits.

Assets	June 30, 2015
Market Value of Assets	\$ -
Actuarial Value of Assets	-
Investment Return	N/A

Development of Annual Required Contribution

The following table shows the District's 2014-2015 FY ARC based on a 30-year amortization of the Unfunded Actuarial Accrued Liability as a level dollar amount:

Fiscal Year Ending June 30, 2015	
Preliminary ARC	
a) Normal Cost	\$ 301,202
b) Amortization payment	163,499
c) Annual required contribution	464,701
d) Interest on contribution	17,207
e) Adjustment to annual contributions	(14,339)
f) Annual OPEB Cost	\$ 467,569
ARC reflecting maximum amortization period	
a) Normal Cost	\$ 289,617
b) interest on normal costs	11,585
c) Amortization payment using maximum amortization period	157,211
d) ARC reflecting maximum amortization period	458,413
e) Interest on amortization payment	6,288
f) ARC reflecting maximum amortization period adjusted for interest	\$ 464,701
Annual Required Contribution	\$ 464,701

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

8. Postemployment Benefits - Defined Benefit Retiree Health Care Plan (Continued)

Development of Net OPEB Obligation

There is no OPEB obligation at the adoption of GASB 45 during the 2009-2010 Fiscal Year. The following table shows an estimated development of the District's Net OPEB Obligation as of June 30, 2016.

Fiscal Year Ending	June 30, 2015
Net OPEB Obligation (NOO) as of July 1, 2014	\$ 430,164
Annual OPEB Cost	467,569
Annual Employer Contribution	(245,731)
Net OPEB Obligation as of June 30, 2015	\$ 652,002

9. 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. The 2015 Levy was passed by the Board on December 17, 2015. Property taxes attach as an enforceable lien on property as of January 1, of the levy year, and are payable in two installments on approximately March 1, and September 1, of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately 45 days after these due dates. Taxes recorded on these financial statements are from the 2015 and 2014 tax levy years.

The following are the tax rate limits permitted by the School Code, and by local referendum, and the actual rates levied per \$100.00 of assessed valuation.

		Actual	
	Legal Limit	2015 Levy	2014 Levy
Education	3.5000	3.5000	3.4567
Tort Immunity	*	0.0464	0.0322
Special Education	0.4000	0.4000	0.3951
Operations and Maintenance	0.5500	0.5302	0.5432
Bond and Interest	*	0.3131	0.3014
Transportation	*	0.5970	0.4304
Municipal Retirement	*	0.0563	0.0515
Social Security	*	0.1988	0.2191
		<u>5.6418</u>	<u>5.4296</u>

* As Needed

10. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to and destruction of assets; and natural disasters. To protect against loss from such risks, the District participates in the following public entity risk pools: School Employees Loss Fund (SELF) for workers' compensation claims; and the Educational School Insurance Cooperative (ESIC) for property damage, professional liability, and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

10. Risk Management (Continued)

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

11. Joint Agreements

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational/Technical Education, Insurance Pool, etc. This district has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from the joint agreement. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, they are not included as component units of the District.

Northwest Suburban Special Education Organization

The District is a member of the Northwest Suburban Special Education Organization (NSSEO), along with other area school districts. NSSEO provides special education programs, and services, which benefit District students, and also provides jointly administered grants and programming, which benefits the District. The District is financially responsible for annual and special assessments as established by the NSSEO governing board, and fees for programs and services based on usage. NSSEO is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from NSSEO by contacting its administration at 799 West Kensington Road, Mt. Prospect, Illinois 60056.

12. Lease Revenues

The District currently leases space in two of its school buildings, the Riley and Hawthorne Schools. These leases are operating leases and generated \$153,188 in rental revenue for the fiscal year ended June 30, 2016. The District records rental revenue in the Operations and Maintenance Fund.

13. Lease Obligations

For the year ended June 30, 2016, the District had combined lease payments, which included three existing leases, in the amount of \$413,242.

Minimum Future rental payments with respect to the operating leases as of June 30, 2016, in the aggregate, are as follows:

Year ended:	June 30, 2017	\$	198,945
	June 30, 2018		98,845
		\$	<u>297,790</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)

14. Litigation

The District is the defendant in various claims and lawsuits. The District intends to vigorously defend its position and, while it is not feasible to predict the outcome of the claims and lawsuits at this time, the District is of the opinion that the ultimate disposition should not have a material adverse effect on the District's financial position.

15. Self-Insured Health Insurance Plan

The District, starting July 1, 2016, is moving its health insurance coverage from a commercial plan to a self-funded plan. The administrator of the plan will be Blue Cross/Blue Shield of Illinois. As of June 30, 2016, the District had withheld from its employees \$1,426,531 from summer teacher payrolls to cover the future cost of the health insurance plan. This amount is recorded in the Education Fund's cash and reported as a liability in the fund.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND - EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Original Budget	Final Budget	Actual
Revenues from Local Sources			
Taxes	\$ 63,186,873	\$ 64,949,878	\$ 64,242,545
Tuition	20,000	20,000	11,099
Earnings on Investments	40,000	40,000	53,665
Food Service Fees	365,500	413,383	464,490
Textbook Fees	90,000	190,449	192,489
Refund of Prior Year Expenditures	10,000	29,859	505,557
Other	157,000	140,000	151,546
Tax Increment Finance Authority Refund	1,125,000	1,125,010	1,125,010
Total Revenues from Local Sources	\$ 64,994,373	\$ 66,908,579	\$ 66,746,401
State Aid	11,484,575	11,484,575	10,672,316
Federal Aid	4,886,866	4,886,866	5,297,201
Total Direct Revenues	81,365,814	83,280,020	82,715,918
"On-Behalf" Revenue for Retirement Benefits	19,125,127	19,125,127	28,945,240
TOTAL REVENUES	\$ 100,490,941	\$ 102,405,147	\$ 111,661,158
EXPENDITURES			
Current			
Instruction			
Regular	\$ 34,677,819	\$ 35,620,026	\$ 35,905,580
Special Education	11,003,649	11,167,720	11,893,729
Interscholastic	205,799	193,758	219,225
Summer School	223,553	223,553	313,821
Bilingual	12,915,919	11,061,597	11,230,384
Support Services			
Pupils	8,328,312	7,696,016	7,379,011
Instructional Staff	5,958,771	5,674,184	5,812,428
General Administration	1,225,307	1,339,875	1,468,276
School Administration	3,767,104	3,708,906	3,791,249
Business	3,492,550	3,467,893	3,107,897
Central	4,077,378	4,220,821	4,524,433
Other Support Services	881,515	881,515	-
Community Services	256,784	305,773	251,178
Payments to Other Governments			
Special Education	830,000	907,500	159,092
Capital Outlay	664,371	696,457	493,177
Total Direct Expenditures	88,508,831	87,165,594	86,549,480
"On-Behalf" Expenditures for Retirement Benefits	19,125,127	19,125,127	28,945,240
TOTAL EXPENDITURES	\$ 107,633,958	\$ 106,290,721	\$ 115,494,720
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (7,143,017)	\$ (3,885,574)	\$ (3,833,562)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 9,000,000	9,200,000	\$ 7,000,000
Transfers Out	-	-	(149,013)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 9,000,000	\$ 9,200,000	\$ 6,850,987
NET CHANGE IN FUND BALANCE	\$ 1,856,983	\$ 5,314,426	\$ 3,017,425
FUND BALANCE - JULY 1, 2015			(4,441,633)
FUND BALANCE - JUNE 30, 2016			\$ (1,424,208)

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Original Budget	Final Budget	Actual
Revenues from Local Sources			
Taxes	\$ 8,730,786	\$ 8,687,750	\$ 8,747,774
Earnings on Investments	25,000	25,000	40,111
Rentals	175,000	175,000	153,188
Other	10,000	167,819	164,512
TOTAL REVENUES	<u>\$ 8,940,786</u>	<u>\$ 9,055,569</u>	<u>\$ 9,105,585</u>
EXPENDITURES			
Current			
Support Services			
Salaries	\$ 4,727,604	\$ 4,658,879	\$ 4,653,874
Employee Benefits	1,444,202	1,335,501	1,252,952
Purchased Services	892,974	1,092,342	1,017,453
Supplies	1,256,195	1,199,749	1,170,706
Other	161,590	109,206	6,959
Termination Benefits	-	-	158,766
Capital Outlay	2,050	179,413	35,608
TOTAL EXPENDITURES	<u>\$ 8,484,615</u>	<u>\$ 8,575,090</u>	<u>\$ 8,296,318</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 456,171</u>	<u>\$ 480,479</u>	<u>\$ 809,267</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	\$ -	\$ (2,200,000)	\$ (152,664)
NET CHANGE IN FUND BALANCE	<u>\$ 456,171</u>	<u>\$ (1,719,521)</u>	<u>\$ 656,603</u>
FUND BALANCE - JULY 1, 2015			<u>4,910,477</u>
FUND BALANCE - JUNE 30, 2016			<u>\$ 5,567,080</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Original Budget	Final Budget	Actual
Revenues from Local Sources			
Taxes	\$ 11,369,234	\$ 7,744,097	\$ 8,435,160
Local Fees	900	900	847
Earnings on Investments	6,500	6,500	22,817
Other Revenue	15,000	15,000	29,856
Total Revenues from Local Sources	\$ 11,391,634	\$ 7,766,497	\$ 8,488,680
State Aid	1,042,530	1,423,207	1,542,174
TOTAL REVENUES	\$ 12,434,164	\$ 9,189,704	\$ 10,030,854
EXPENDITURES			
Current			
Support Services			
Salaries	\$ 67,084	\$ 67,758	\$ 132,991
Employee Benefits	39,716	39,716	15,429
Purchased Services	3,544,913	3,537,037	3,426,894
Supplies	200,250	200,130	147,022
Other	-	-	5,129
Community Service	6,300	6,300	-
TOTAL EXPENDITURES	\$ 3,858,263	\$ 3,850,941	\$ 3,727,465
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 8,575,901	\$ 5,338,763	\$ 6,303,389
OTHER FINANCING SOURCES (USES)			
Transfers Out	\$ (9,000,000)	\$ (7,000,000)	\$ (7,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (9,000,000)	\$ (7,000,000)	\$ (7,000,000)
NET CHANGE IN FUND BALANCE	\$ (424,099)	\$ (1,661,237)	\$ (696,611)
FUND BALANCE - JULY 1, 2015			3,003,830
FUND BALANCE - JUNE 30, 2016			\$ 2,307,219

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Original Budget	Final Budget	Actual
Revenues from Local Sources			
Taxes	\$ 4,558,860	\$ 4,300,563	\$ 4,329,519
Earnings on Investments	3,500	3,500	17,196
Other	-	-	7,372
TOTAL REVENUES	\$ 4,562,360	\$ 4,304,063	\$ 4,354,087
EXPENDITURES			
Current			
Instruction			
Regular	\$ 369,256	\$ 369,256	\$ 406,221
Special Education	588,882	588,882	565,833
Bilingual	178,975	172,619	133,506
Interscholastic	-	-	3,850
Summer School	-	-	9,044
Support Services			
Pupils	245,117	251,473	314,716
Instructional Staff	161,342	161,342	174,554
General Administration	47,033	47,033	66,527
School Administration	216,464	216,464	199,787
Business	1,173,892	1,173,892	1,135,475
Central	162,108	162,108	156,703
Community Service	-	-	18,008
TOTAL EXPENDITURES	\$ 3,143,069	\$ 3,143,069	\$ 3,184,224
NET CHANGE IN FUND BALANCE	\$ 1,419,291	\$ 1,160,994	\$ 1,169,863
FUND BALANCE - JULY 1, 2015			1,281,124
FUND BALANCE - JUNE 30, 2016			\$ 2,450,987

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
 BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 SPECIAL REVENUE FUND - WORKING CASH FUND
 FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues from Local Sources			
Earnings on Investments	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 9,235</u>
TOTAL REVENUES	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 9,235</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 9,235</u>
FUND BALANCE - JULY 1, 2015			<u>3,700,169</u>
FUND BALANCE - JUNE 30, 2016			<u>\$ 3,709,404</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (BUDGETARY BASIS)
SPECIAL REVENUE FUND - TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Original Budget	Final Budget	Actual
Revenues from Local Sources			
Taxes	\$ 698,674	\$ 700,258	\$ 648,139
Earnings on Investments	-	-	65
Total Revenues from Local Sources	\$ 698,674	\$ 700,258	\$ 648,204
State Aid	-	-	25,000
TOTAL REVENUES	\$ 698,674	\$ 700,258	\$ 673,204
EXPENDITURES			
Current			
Support Services			
Purchased Services	\$ 670,181	\$ 636,237	\$ 551,684
TOTAL EXPENDITURES	\$ 670,181	\$ 636,237	\$ 551,684
NET CHANGE IN FUND BALANCE	\$ 28,493	\$ 64,021	\$ 121,520
FUND BALANCE - JULY 1, 2015			-
FUND BALANCE - JUNE 30, 2016			\$ 121,520

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION ON BUDGETARY ACCOUNTING
JUNE 30, 2016

1. Budgets and Budgetary Accounting

The budget for all major Governmental Funds is prepared on the accrual 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 5/17-1 of the Illinois Compiled Statutes. The July 1, 2015 to June 30, 2016 budget was approved by the Board of Education on September 17, 2015, and was amended on June 16, 2016. For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in 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 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 by the same procedures required of its original adoption.

2. Stewardship, Compliance and Accountability

Over-expenditure of Budget

For the year ended June 30, 2016, actual direct expenditures exceeded the budgeted expenditures in the following funds:

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Special Revenue Funds			
IMRF Fund	\$ 3,184,224	\$ 3,143,069	\$ 41,155
Debt Service Fund			
Bond & Interest	\$ 5,183,304	\$ 5,035,778	\$ 147,526

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois

	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.0164916%	0.0124130%
District's proportionate share of the net pension liability	\$ 10,803,651	\$ 7,554,340
State's proportionate share of the net pension liability associated with the District	346,392,354	322,117,432
Total	\$ 357,196,005	\$ 329,671,772
District's covered-employee payroll	\$ 53,808,969	\$ 52,226,028
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	20.0%	14.5%
Plan fiduciary net position as a percentage of the total pension liability	41.5%	43.0%
<i>*The amounts presented were determined as of the prior fiscal-year end.</i>		

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois

	June 30, 2015	June 30, 2014
Contractually-required contribution	\$ 675,864	\$ 507,937
Contributions in relation to the contractually-required contribution	(577,864)	(442,890)
Contribution deficiency (excess)	\$ 98,000	\$ 65,047
District's covered-employee payroll	\$ 53,808,969	\$ 52,226,028
Contributions as a percentage of covered-employee payroll	1.3%	1.0%
<i>*The amounts presented were determined as of the prior fiscal-year end.</i>		

These schedules are presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

TRS NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, and inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE IMRF NET PENSION LIABILITY AND RELATED RATIOS

<u>Calendar Year Ending December 31,</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Costs	\$ 1,230,109	\$ 1,274,794
Interest on the Total Pension Liability	4,226,464	3,792,798
Benefit Changes	-	-
Difference between Expected and Actual Experience	685,998	1,353,799
Assumption Changes	68,179	2,445,596
Benefit Payments & Refunds	(2,978,381)	(2,828,900)
Net Change in Total Pension Liability	3,232,369	6,038,087
Total Pension Liability - Beginning	57,453,301	51,415,214
Total Pension Liability - Ending (a)	\$ 60,685,670	\$ 57,453,301
Plan Fiduciary Net Position		
Employer Contributions	\$ 1,531,512	\$ 1,503,307
Employee Contributions	518,064	499,239
Pension Plan Net Investment Income	234,423	2,719,312
Benefit Payments & Refunds	(2,978,381)	(2,828,900)
Other	1,103,221	463,965
Net Change in Plan Fiduciary Net Position	408,839	2,356,923
Plan Fiduciary Net Position - Beginning	47,348,991	44,992,068
Plan Fiduciary Net Position - Ending (b)	\$ 47,757,830	\$ 47,348,991
Net Pension Liability/(Asset) -Ending (a-b)	\$ 12,927,840	\$ 10,104,310
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.70%	82.41%
Covered Valuation Payroll	\$ 11,244,588	\$ 10,909,342
Net Pension Liability as a Percentage of Covered Valuation Payroll	114.97%	92.62%

SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS

<u>Calendar Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution As a % of Covered Valuation Payroll</u>
2015	\$ 1,531,513	\$ 1,531,512	\$ 1	\$ 11,244,588	13.62%
2014	\$ 1,503,308	\$ 1,503,307	\$ 1	\$ 10,909,342	13.78%

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates*

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing Bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information

Notes There were no benefit changes during the year.

** Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation*

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY**

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disables lives. For active members, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2015 Illinois Municipal Retirement Fund annual actuarial valuation report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2016

GASB 45 paragraph 26(a) requires the following elements to be presented in this report. Below is the projected schedule of funding progress from June 30, 2016:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
6/30/15	\$ -	\$ 4,716,324	\$ 4,716,324	0.00%	\$ 61,617,916	8.00%
7/1/09	\$ -	\$ 3,419,091	\$ 3,419,091	0.00%	\$ 51,706,379	6.61%

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

ADDITIONAL AUDITED FINANCIAL STATEMENTS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenues from Local Sources		
Taxes	\$ 64,949,878	\$ 64,242,545
Tuition	20,000	11,099
Earnings on Investments	40,000	53,665
Food Service Fees	413,383	464,490
Textbook Fees	190,449	192,489
Refund of Prior Year Expenditures	29,859	505,557
Other	140,000	151,546
Tax Increment Finance Authority Refund	1,125,010	1,125,010
Total Revenues from Local Sources	<u>\$ 66,908,579</u>	<u>\$ 66,746,401</u>
Revenues from State Sources		
General State Aid	\$ 7,892,236	\$ 7,865,822
State Free Lunch and Breakfast	25,000	12,634
Special Education	2,119,500	2,246,504
Library Grant	5,000	3,893
Bilingual Education	1,442,839	543,463
Total Revenues from State Sources	<u>\$ 11,484,575</u>	<u>\$ 10,672,316</u>
Federal Aid		
Title I - Low Income	1,039,983	\$ 1,544,580
Medicaid Matching Funds	310,000	164,650
National Lunch & Milk Program	1,712,000	1,702,473
Special Education IDEA Grants	1,340,403	1,303,512
Title III - English Language Acquisition	358,875	420,494
Title II - Teacher Quality	125,605	161,492
Total Revenues from Federal Sources	<u>\$ 4,886,866</u>	<u>\$ 5,297,201</u>
Total Direct Revenues	<u>\$ 83,280,020</u>	<u>\$ 82,715,918</u>
"On-Behalf" Revenues for Retirement Benefits	<u>19,125,127</u>	<u>28,945,240</u>
 TOTAL REVENUES	 <u>\$ 102,405,147</u>	 <u>\$ 111,661,158</u>
EXPENDITURES	<u>106,290,721</u>	<u>115,494,720</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (3,885,574)</u>	<u>\$ (3,833,562)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 9,200,000	\$ 7,000,000
Transfers Out	-	(149,013)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 9,200,000</u>	<u>\$ 6,850,987</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,314,426</u>	<u>\$ 3,017,425</u>
FUND BALANCE - JULY 1, 2015		<u>(4,441,633)</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ (1,424,208)</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

INSTRUCTION	Final Budget	Actual
Regular Programs		
Salaries	\$ 27,291,901	\$ 27,182,259
Employee Benefits	7,316,706	7,785,393
Purchased Services	56,635	49,837
Supplies	892,534	830,819
Capital Outlay	28,625	20,787
Other	62,250	57,272
Total Regular Programs	<u>\$ 35,648,651</u>	<u>\$ 35,926,367</u>
Special Education Programs		
Salaries	\$ 7,961,357	\$ 7,921,597
Employee Benefits	2,673,893	2,958,455
Purchased Services	68,612	57,055
Supplies	133,858	43,341
Capital Outlay	137,219	136,514
Other	330,000	913,281
Total Special Education Programs	<u>\$ 11,304,939</u>	<u>\$ 12,030,243</u>
Interscholastic Programs		
Salaries	\$ 155,821	\$ 188,957
Employee Benefits	4,414	4,427
Purchased Services	12,142	9,916
Supplies	16,210	11,907
Other	5,171	4,018
Total Interscholastic Programs	<u>\$ 193,758</u>	<u>\$ 219,225</u>
Summer School		
Salaries	\$ 218,318	\$ 297,580
Employee Benefits	-	5,710
Purchased Services	5,235	10,531
Total Summer School	<u>\$ 223,553</u>	<u>\$ 313,821</u>
Bilingual Programs		
Salaries	\$ 8,635,502	\$ 8,589,291
Employee Benefits	2,328,172	2,518,057
Purchased Services	750	1,025
Supplies	97,173	122,011
Total Bilingual Programs	<u>\$ 11,061,597</u>	<u>\$ 11,230,384</u>
TOTAL INSTRUCTION	<u>\$ 58,432,498</u>	<u>\$ 59,720,040</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual
SUPPORT SERVICES		
Pupils		
Salaries	\$ 5,773,372	\$ 5,717,940
Employee Benefits	1,660,131	1,499,978
Purchased Services	222,140	135,815
Supplies	37,873	24,643
Capital Outlay	8,000	2,914
Other	2,500	635
Total Pupils	<u>\$ 7,704,016</u>	<u>\$ 7,381,925</u>
Instructional Staff		
Salaries	\$ 4,133,950	\$ 4,109,974
Employee Benefits	941,451	1,168,755
Purchased Services	259,986	195,651
Supplies	260,432	278,923
Capital Outlay	4,396	1,694
Other	78,365	59,125
Total Instructional Staff	<u>\$ 5,678,580</u>	<u>\$ 5,814,122</u>
General Administration		
Salaries	\$ 835,330	\$ 882,821
Employee Benefits	194,624	158,900
Purchased Services	229,021	292,317
Supplies	19,350	10,882
Capital Outlay	5,250	-
Other	61,550	55,197
Termination Benefits	-	68,159
Total General Administration	<u>\$ 1,345,125</u>	<u>\$ 1,468,276</u>
School Administration		
Salaries	\$ 2,830,620	\$ 2,892,956
Employee Benefits	833,694	862,858
Purchased Services	3,650	1,149
Supplies	22,262	16,331
Capital Outlay	6,799	1,754
Other	18,680	9,927
Termination Benefits	-	8,028
Total School Administration	<u>\$ 3,715,705</u>	<u>\$ 3,793,003</u>
Business		
Salaries	\$ 1,174,473	\$ 1,166,300
Employee Benefits	239,610	217,716
Purchased Services	1,958,116	1,641,865
Supplies	81,629	71,378
Capital Outlay	28,868	28,597
Other	14,065	7,489
Termination Benefits	-	3,149
Total Business	<u>\$ 3,496,761</u>	<u>\$ 3,136,494</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

SUPPORT SERVICES (continued)	Final Budget	Actual
Central		
Salaries	\$ 1,419,675	\$ 1,305,383
Employee Benefits	302,396	294,565
Purchased Services	1,518,050	1,351,457
Supplies	957,100	672,818
Capital Outlay	477,300	300,917
Other	23,600	10,199
Termination Benefits		100,339
Total Central	<u>\$ 4,698,121</u>	<u>\$ 4,035,678</u>
Other Support Services		
Purchase Service	\$ 811,050	\$ 742,638
Supplies	70,465	47,034
Total Other Support Services	<u>\$ 881,515</u>	<u>\$ 789,672</u>
TOTAL SUPPORT SERVICES	<u>\$ 27,519,823</u>	<u>\$ 26,419,170</u>
COMMUNITY SERVICES		
Salaries	\$ 166,420	\$ 132,461
Employee Benefits	463	1,166
Purchased Services	119,851	105,643
Supplies	14,039	8,858
Other	5,000	3,050
TOTAL COMMUNITY SERVICES	<u>\$ 305,773</u>	<u>\$ 251,178</u>
NONPROGRAMMED CHARGES		
Purchased Services	\$ 77,500	\$ 159,092
Other	830,000	
TOTAL NONPROGRAMMED CHARGES	<u>\$ 907,500</u>	<u>\$ 159,092</u>
TOTAL DIRECT EXPENDITURES	<u>\$ 87,165,594</u>	<u>\$ 86,549,480</u>
"On-Behalf" Expenditures For Retirement Benefits	<u>19,125,127</u>	<u>28,945,240</u>
TOTAL EXPENDITURES	<u><u>\$ 106,290,721</u></u>	<u><u>\$ 115,494,720</u></u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenues from Local Sources		
Taxes	\$ 8,687,750	\$ 8,747,774
Earnings on Investments	25,000	40,111
Rentals	175,000	153,188
Refund of Prior Year Expenditures	162,819	162,819
Other	5,000	1,693
TOTAL REVENUES	<u>\$ 9,055,569</u>	<u>\$ 9,105,585</u>
EXPENDITURES		
Support Services		
Operations and Maintenance		
Salaries	\$ 4,658,879	\$ 4,653,874
Employee Benefits	1,335,501	1,252,952
Purchased Services	1,092,342	1,017,453
Supplies	1,199,749	1,170,706
Capital Outlay	179,413	35,608
Other	109,206	6,959
Termination Benefits	126,000	158,766
TOTAL EXPENDITURES	<u>\$ 8,701,090</u>	<u>\$ 8,296,318</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 354,479	\$ 809,267
OTHER FINANCING SOURCES (USES)		
Transfer Out	<u>\$ (2,200,000)</u>	<u>\$ (152,664)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,845,521)</u>	\$ 656,603
FUND BALANCE - JULY 1, 2015		<u>4,910,477</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 5,567,080</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenue from Local Sources		
Taxes	\$ 7,744,097	\$ 8,435,160
Earnings on Investments	6,500	22,817
Local Transportation Fees	900	847
Other	15,000	29,856
Total Revenue from Local Sources	\$ 7,766,497	\$ 8,488,680
Revenue from State Sources		
State Transportation Aid	1,423,207	1,542,174
TOTAL REVENUES	\$ 9,189,704	\$ 10,030,854
EXPENDITURES		
Support Services		
Pupil Transportation		
Salaries	\$ 67,758	\$ 132,991
Employee Benefits	39,716	15,429
Purchased Services	3,537,037	3,426,894
Supplies	200,130	147,022
Other	-	5,129
Total Support Services	\$ 3,844,641	\$ 3,727,465
Community Service	\$ 6,300	\$ -
TOTAL EXPENDITURES	\$ 3,850,941	\$ 3,727,465
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,338,763	\$ 6,303,389
OTHER FINANCING SOURCES (USES)		
Transfer Out	\$ (7,000,000)	\$ (7,000,000)
NET CHANGE IN FUND BALANCE	\$ (1,661,237)	\$ (696,611)
FUND BALANCE - JULY 1, 2015		3,003,830
FUND BALANCE - JUNE 30, 2016		\$ 2,307,219

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenue from Local Sources		
Taxes	\$ 4,300,563	\$ 4,329,519
Earnings on Investments	3,500	17,196
Other Income	-	7,372
TOTAL REVENUES	\$ 4,304,063	\$ 4,354,087
EXPENDITURES		
Employee Benefits		
Instruction		
Regular Programs	\$ 369,256	\$ 406,221
Special Education Programs	588,882	565,833
Bilingual Programs	172,619	133,506
Interscholastic Programs	-	3,850
Summer School Programs	-	9,044
Total Instruction	\$ 1,130,757	\$ 1,118,454
Supporting Services		
Guidance Services	\$ 26,392	\$ 26,980
Health Services	126,450	254,920
Psychological Services	13,616	13,842
Speech Pathology & Audiology Services	21,150	18,943
Other Support Services Pupils	63,865	31
Improvement of Instruction Services	25,198	47,944
Educational Media Services	134,546	124,194
Assessment & Testing Services	1,598	2,416
Executive Administration Services	31,187	38,741
Special Area Administration Services	15,846	27,786
Office of the Principal Services	216,464	199,787
Direction of Business Support Services	95,833	76,000
Operations and Maintenance Services	1,039,448	985,312
Pupil Transportation Services	-	8,559
Food Service	-	25,708
Internal Services	38,611	39,896
Staff Services	162,108	156,703
Total Support Services	\$ 2,012,312	\$ 2,047,762
Community Services	\$ -	\$ 18,008
TOTAL EXPENDITURES	\$ 3,143,069	\$ 3,184,224
NET CHANGE IN FUND BALANCE	\$ 1,160,994	\$ 1,169,863
FUND BALANCE - JULY 1, 2015		1,281,124
FUND BALANCE - JUNE 30, 2016		\$ 2,450,987

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	<u>Final Budget</u>	<u>Actual</u>
Revenue from Local Sources		
Earnings on Investments	\$ 5,000	\$ 9,235
 TOTAL REVENUES	 \$ 5,000	 \$ 9,235
 EXPENDITURES	 <u>-</u>	 <u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 5,000</u>	 \$ 9,235
 FUND BALANCE - JULY 1, 2015		 <u>3,700,169</u>
 FUND BALANCE - JUNE 30, 2016		 <u>\$ 3,709,404</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TORT IMMUNITY FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenue from Local Sources		
Taxes	\$ 700,258	\$ 648,139
Earnings on Investments	-	65
Total Revenue from Local Sources	\$ 700,258	\$ 648,204
Revenue from State Sources		
State Transportation Aid	-	25,000
TOTAL REVENUES	\$ 700,258	\$ 673,204
EXPENDITURES		
Support Services		
Tort Immunity		
Purchased Services	\$ 636,237	\$ 551,684
TOTAL EXPENDITURES	\$ 636,237	\$ 551,684
NET CHANGE IN FUND BALANCE	\$ 64,021	\$ 121,520
FUND BALANCE - JULY 1, 2015		-
FUND BALANCE - JUNE 30, 2016		\$ 121,520

See accompanying Independent Auditor's Report

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND AND INTEREST FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenue from Local Sources		
Taxes	\$ 5,127,236	\$ 5,005,934
Earnings on Investments	8,500	11,598
TOTAL REVENUES	<u>\$ 5,135,736</u>	<u>\$ 5,017,532</u>
EXPENDITURES		
Debt Service		
Interest on Bonds	\$ 1,338,105	\$ 1,357,847
Bond Principal Retired	3,697,673	3,821,928
Service Charges	-	3,529
TOTAL EXPENDITURES	<u>\$ 5,035,778</u>	<u>\$ 5,183,304</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 99,958	\$ (165,772)
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ -	\$ 301,677
NET CHANGE IN FUND BALANCE	<u>\$ 99,958</u>	\$ 135,905
FUND BALANCE - JULY 1, 2015		<u>2,215,632</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 2,351,537</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	Final Budget	Actual
Revenue from Local Sources		
Earnings on Investments	\$ 35,000	\$ 799
Contributions from Private Sources	10,000	3,478
TOTAL REVENUES	\$ 45,000	\$ 4,277
EXPENDITURES		
Support Services		
Facilities Acquisition and Construction		
Purchased Services	\$ 243,800	\$ 140,587
Capital Outlay	2,882,812	2,448,317
TOTAL EXPENDITURES	\$ 3,126,612	\$ 2,588,904
NET CHANGE IN FUND BALANCE	\$ (3,081,612)	\$ (2,584,627)
FUND BALANCE - JULY 1, 2015		5,442,614
FUND BALANCE - JUNE 30, 2016		\$ 2,857,987

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE PREVENTION AND SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>
REVENUES		
Revenue from Local Sources		
Earnings on Investments	<u>\$ 200</u>	<u>\$ 389</u>
TOTAL REVENUES	<u>\$ 200</u>	<u>\$ 389</u>
EXPENDITURES	<u> -</u>	<u> -</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 200</u></u>	<u>\$ 389</u>
FUND BALANCE - JULY 1, 2015		<u>63,103</u>
FUND BALANCE - JUNE 30, 2016		<u><u>\$ 63,492</u></u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STUDENT ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1, 2015	REVENUES	EXPENDITURES	BALANCE JUNE 30, 2016
Due to Activity Fund Organizations:				
Board of Education	\$ 95,473	\$ 41,684	\$ 26,363	\$ 110,794
Cooper Junior High School	58,739	71,514	71,209	59,044
Field Elementary School	6,240	11,219	8,781	8,678
Frost Elementary School	54,946	57,003	70,272	41,677
Hawthorne	11,069	1,437	8,497	4,009
Holmes Junior High School	52,323	63,641	66,592	49,372
Kilmer Elementary School	7,585	40,039	39,470	8,154
London Junior High School	34,544	57,388	57,495	34,437
Longfellow Elementary School	9,535	13,461	12,510	10,486
Poe Elementary School	11,336	18,536	17,173	12,699
Riley School/Discovery Center	5,484	18,601	17,065	7,020
Tarkington Elementary School	6,897	13,061	12,028	7,930
Twain Elementary School	9,743	13,167	11,090	11,820
Whitman Elementary School	12,571	13,393	13,816	12,148
	<u>\$ 376,485</u>	<u>\$ 434,144</u>	<u>\$ 432,361</u>	<u>\$ 378,268</u>

REPRESENTED BY: Harris Bank
Illinois School District Liquid Asset Fund

\$ 149,263
<u>229,005</u>
<u>\$ 378,268</u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIDUCIARY FUNDS
EMPLOYEES' FLEXIBLE BENEFITS FUND
FOR THE YEAR ENDED JUNE 30, 2016

BALANCE - JULY 1, 2015	\$ 145,504
REVENUES	324,594
EXPENDITURES	<u>(278,544)</u>
BALANCE - JUNE 30, 2016	<u><u>\$ 191,554</u></u>
REPRESENTED BY:	
Cash in Harris Bank	<u><u>\$ 191,554</u></u>

See accompanying Independent Auditor's Report.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2016

DISTRICT/JOINT AGREEMENT NAME Wheeling Community Consolidated	RCDT NUMBER 05-016-0210-04	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 65.028173	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM Evoy, Kamschulte, Jacobs & Co. LLP 2122 Yeoman Street Waukegan IL 60087	
ADDRESS OF AUDITED ENTITY <i>(Street and/or P.O. Box, City, State, Zip Code)</i> 999 West Dundee Road Wheeling IL 60090		E-MAIL ADDRESS: jaceto@ekjllp.com	
		NAME OF AUDIT SUPERVISOR John D. Aceto, Jr. CPA	
		CPA FIRM TELEPHONE NUMBER 847-662-8300	FAX NUMBER 847-662-8305

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE 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 Title 2 CFR §200.510 (a)
- ☐ Schedule of Expenditures of Federal Awards including footnotes Title 2 CFR §200.510 (b)
- ☐ Independent Auditor's Report Title 2 CFR §200.515 (a)
- ☐ 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* Title 2 CFR §200.515 (b)
- ☐ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance Title 2 CFR §200.515 (c)
- ☐ Schedule of Findings and Questioned Costs Title 2 CFR §200.515 (d) (1) - (3)
- ☐ Summary Schedule of Prior Year Audit Findings Title 2 CFR §200.511 (b)
- ☐ Corrective Action Plan Title 2 CFR §200.511 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ Copy of Federal Data Collection Form Title 2 CFR §200.512 (b)
- ☐ Copy(ies) of Management Letter(s)

Wheeling Community Consolidated School District No. 21
05-016-0210-04
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
US DEPARTMENT OF AGRICULTURE									
Passed Through ISBE									
Child Nutrition Cluster									
(M) National School Lunch Program	10.555	4210-2015	1,299,861	210,358	1,299,861	210,358		1,510,219	N/A
(M) National School Lunch Program	10.555	4210-2016		1,285,634		1,285,634		1,285,634	N/A
(M) School Breakfast Program	10.553	4220-2015	176,173	26,452	176,174	26,452		202,626	N/A
(M) School Breakfast Program	10.553	4220-2016		170,695		170,695		170,695	N/A
(M) National School Lunch Program - ISBE Lanter Commodities	10.555	4210-2016		126,466		126,466		126,466	N/A
(M) National School Lunch Program - DoD Fresh Fruits & Veg	10.555	4210-2016		54,999		54,999		54,999	N/A
TOTAL CLUSTER National School Lunch/ Breakfast			1,476,034	1,874,604	1,476,035	1,874,604		3,350,639	
Child & Adult Care Food Program	10.558	4226-2015	9,649	1,253	9,649	1,253		10,902	N/A
Child & Adult Care Food Program	10.558	4226-2016		8,081		8,081		8,081	N/A
Sub Total			9,649	9,334	9,649	9,334		18,983	
Total US Department of Agriculture			1,485,683	1,883,938	1,485,684	1,883,938		3,369,622	

* (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, addressees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the addressee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)
- ⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the addressee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Wheeling Community Consolidated School District No. 21

05-016-0210-04

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
US DEPARTMENT OF HEALTH & HUMAN SERVICES									
Passed Through IL Department of Healthcare & Family Services									
Medicaid Outreach	93.778	4981-2016		164,650		171,510		171,510	N/A
Total US Department of Health & Human Services				164,650		171,510		171,510	
US DEPARTMENT OF EDUCATION									
Passed Through NSSEO, Special Education Cluster									
IDEA - Preschool	84.173A	4600-2016		52,708		52,708		52,708	52,708
IDEA, Part B, Flow-Through	84.027A	4620-2015	1,250,164	4,179	1,250,165	4,179	1,254,344	1,254,344	1,333,869
IDEA, Part B, Flow-Through	84.027A	4620-2016		1,246,625		1,246,625	1,246,625	1,246,625	1,294,731
Total US Depart of Education Passed Thru NSSEO, Special Education Cluster			1,250,164	1,303,512	1,250,165	1,303,512	2,553,677	2,553,677	
Passed Through ISBE									
Title I - Low Income	84.010A	4300-2015	1,194,015	191,018	1,194,015	191,018	1,385,033	1,385,033	1,731,754
Title I - Low Income	84.010A	4300-2016		1,353,562		1,353,562	1,353,562	1,353,562	1,700,595

• (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

The accompanying notes are an integral part of this schedule.

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² When the CFDA number is not available, the addressee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the addressee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Wheeling Community Consolidated School District No. 21
05-016-0210-04

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ending June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/14-6/30/15 (C)	Year 7/1/15-6/30/16 (D)	Year 7/1/14-6/30/15 (E)	Year 7/1/15-6/30/16 (F)			
US DEPARTMENT OF EDUCATION PASSED THROUGH ISBE Continued									
(M) Title III - IEP	84.365A	4905-2016		34,880		34,880		34,880	56,265
(M) Title III - LI/LEP	84.365A	4909-2015	248,370	78,308	248,370	78,308		326,678	395,591
(M) Title III - LI/LEP	84.365A	4909-2016		307,306		307,306		307,306	390,413
Title II - Teacher Quality	84.367A	4932-2015	96,436	69,204	96,436	69,204		165,640	165,640
Title II - Teacher Quality	84.367A	4932-2016		92,288		92,288		92,288	143,242
Total Passed Through ISBE			1,538,821	2,126,566	1,538,821	2,126,566		3,665,387	
TOTAL US DEPARTMENT OF EDUCATION			2,786,985	3,430,078	2,786,986	3,430,078		6,219,064	
TOTAL FEDERAL FINANCIAL ASSISTANCE			4,274,668	5,478,666	4,274,670	5,485,526		9,760,196	
Value of Federal Awards in the Form of Non-Cash Assistance During the Year	N/A	N/A	0	181,465	0	181,465		181,465	
Federal Insurance in Effect During the Year	N/A	N/A	0	0	0	0		0	
Federal Loans or Loan Guarantees, Including Interest Subsidies, Outstanding at Year End	N/A	N/A	0	0	0	0		0	
Amount Provided to Subrecipients	N/A	N/A	0	0	0	0		0	

* (M) Program was audited as a major program as defined by Title 2 CFR §200.518.

The accompanying notes are an integral part of this schedule.

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- ³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. Title 2 CFR §200.510 (b)(2)
- ⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, the Uniform Guidance states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Summary of Auditor's Results

1. We have audited the financial statements of Community Consolidated School District No. 21 as of and for the year ended June 30, 2016 and have issued an unmodified opinion. The District's policy is to prepare its financial statements on the accrual basis.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. Our audit disclosed no instances of noncompliance, which are material to the financial statements of Community Consolidated School District No. 21.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. We have audited the compliance of Community Consolidated School District No. 21 with the types of compliance requirements described in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016, and have issued our unmodified opinion thereon dated November 15, 2016.
6. Audit findings relative to the major federal award program of Community Consolidated School District No. 21 are reported under the Findings and Questioned Costs - Major Federal Award Programs section of this schedule.
7. The following programs tested as major programs were:

	<u>CFDA #</u>
National School Lunch	10.555
School Breakfast	10.553
Commodities	10.555
Title III - IEP	84.365
Title III - LILEP	84.365

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Community Consolidated School District No. 21 did not qualify as a "low-risk auditee."

Summary Schedule of Prior Audit Findings

There were No prior year audit findings relative to the District's federal award programs reported in the current year with the current status as corrective action taken.

Findings - Current Year Financial Statements Audit – No findings reported.

Findings and Questioned Costs – Current Year Major Federal Award Programs Audit - No findings reported.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

NOTE 1: Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Community Consolidated School District No. 21. The District's reporting entity is defined in Note 1 to the District's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's financial statements.

Relationship to Basic Financial Statements

Federal awards received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs, which have filed final reports as of June 30, 2016, with the Illinois State Board of Education.

Non-Cash Assistance, Insurance and Loans

For the year ended June 30, 2016, the fair market value of federal awards received in the form of non-cash assistance was \$181,465. This amount is reported in the accompanying Schedule of Expenditures of Federal Awards under the Department of Agriculture's National Food Commodities Program and the Department of Defense Fresh Fruits and Vegetables Program.

The amount of federal insurance in effect during the year ended June 30, 2016 was \$-0-.

The amount of federal loans or loan guarantees, including interest subsidies, outstanding at June 30, 2016 was \$-0-.

Subrecipient Reporting

No amounts were provided to a Subrecipient.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21

ADDITIONAL SUPPLEMENTARY INFORMATION

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND EXTENSIONS
 FOR THE YEARS 2015, 2014, 2013, AND 2012

	2015	2014	2013	2012
<u>ASSESSED VALUATION</u>	<u>\$ 1,554,043,811</u>	<u>\$ 1,598,696,936</u>	<u>\$ 1,571,829,307</u>	<u>\$ 1,865,014,380</u>
<u>TAX RATES</u>				
Educational	\$ 3.500	\$ 3.457	\$ 3.500	\$ 3.500
Special Education	0.400	0.395	-	-
Tort Immunity	0.046	0.032	-	-
Operations and Maintenance	0.530	0.543	0.550	0.483
Bond and Interest	0.313	0.301	0.336	0.244
Transportation	0.597	0.430	0.192	0.157
Municipal Retirement	0.056	0.052	0.049	0.039
Social Security	0.199	0.219	0.213	0.133
	<u>\$ 5.642</u>	<u>\$ 5.430</u>	<u>\$ 4.841</u>	<u>\$ 4.555</u>
<u>TAX EXTENSIONS</u>				
Educational	\$ 54,391,533	\$ 55,262,606	\$ 55,014,026	\$ 65,275,503
Special Education	6,216,175	6,315,726	-	-
Tort Immunity	721,000	515,000	-	-
Operations and Maintenance	8,240,000	8,684,124	8,645,061	9,012,500
Bond and Interest	4,865,650	4,818,298	5,285,628	4,542,682
Transportation	9,277,899	6,880,375	3,023,565	2,935,500
Municipal Retirement	875,500	824,000	772,500	721,000
Social Security	3,090,000	3,502,000	3,347,500	2,472,000
	<u>\$ 87,677,757</u>	<u>\$ 86,802,129</u>	<u>\$ 76,088,280</u>	<u>\$ 84,959,185</u>
<u>TAX COLLECTIONS</u>	<u>\$ 45,223,598</u>	<u>\$ 87,240,657</u>	<u>\$ 75,453,832</u>	<u>\$ 84,555,353</u>
<u>PERCENT COLLECTED</u>	<u>51.58%</u>	<u>100.51%</u>	<u>99.17%</u>	<u>99.52%</u>

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
 ADDITIONAL SUPPLEMENTAL INFORMATION
 SCHEDULE OF OPERATING EXPENDITURES PER STUDENT
 FOR THE YEAR ENDED JUNE 30, 2016

TOTAL EXPENDITURES

Educational Fund	\$ 115,494,720	
Operations and Maintenance Fund	8,296,318	
Bond and Interest Fund	5,183,304	
Transportation Fund	3,727,465	
IMRF/Social Security Fund	3,184,224	
Tort Immunity Fund	<u>551,684</u>	\$ 136,437,715

LESS: Revenues/Expenditures Not Applicable to Operating
 Expenditures of Regular Programs

Educational Fund		
Summer School	\$ 313,821	
Community Service	251,178	
Pre-K Programs	1,681,533	
Capital Outlay	493,177	
TRS "On Behalf" Payments	28,945,240	
Non-Programmed Charges	159,092	
Operations and Maintenance Fund		
Capital Outlay	35,608	
Bond and Interest Fund		
Bond Principal	3,821,928	
Transportation Fund		
Summer School Transportation Fees	847	
Municipal Retirement/Social Security Fund		
Pre-K Programs	146,878	
Community Services	18,008	
Summer School	<u>9,044</u>	<u>35,876,354</u>

NET OPERATING EXPENDITURES \$ 100,561,361

AVERAGE DAILY ATTENDANCE 5,988

OPERATING EXPENDITURES PER STUDENT \$ 16,792

COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 21
SUPPLEMENTAL INFORMATION
SCHEDULE OF PER CAPITA TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2016

NET OPERATING EXPENDITURES		\$ 100,561,361
LESS: Offsetting Revenues of All or Part of the Expenditures of a Specific Activity		
Educational Fund		
Special Education	\$ 2,246,504	
Bilingual Education	543,463	
Payments from other LEA's	11,911	
State Free Lunch and Breakfast Aid	12,634	
Title I Programs	1,544,580	
Title II	161,492	
Food Services	464,490	
Federal Lunch Aid	1,702,473	
Textbooks	192,489	
Special Education - Federal	1,250,804	
Medicaid Matching Funds	164,650	
Title III - English Language Acquisition	420,494	
Local Fees	42,752	
Operations and Maintenance Fund		
Rentals	153,188	
Transportation Fund		
State Transportation Aid	1,542,174	10,457,991
NET OPERATING EXPENDITURES FOR TUITION COMPUTATION		\$ 90,103,370
ADD: Depreciation Allowance		2,910,028
TOTAL ALLOWANCE FOR TUITION COMPUTATION		\$ 93,013,398
AVERAGE DAILY ATTENDANCE		5,988
PER CAPITA TUITION CHARGE		\$ 15,532