# Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2015

**Waukegan Community Unit School District No. 60**

**Waukegan, Illinois**

Prepared by the Business and Financial Services Department:

Mrs. Gwendolyn K. Polk, M.S. Ed., MBA, Associate Superintendent of Business and Financial Services

Mr. Brian Luosa, M.S. Ed., CPA, Director of Business and Financial Services

Dr. Donaldo R. Batiste, Superintendent

Mr. R. Michael Rodriguez, President
Waukegan Public Schools School Board of Education

2014-2015 Finance and Accounting Staff

Anderson Lattimore, Susan McDonald, Myra Simpson, Donna Cisneroz, Ryan Bennett, Elizabeth Gilmore, Claritza Vega, Tanya Trevino, Kate Passanante, Rosalyn Aird, Renora Castleberry, Debra Alley, and the staff and members of the Human Resources, Information Technology and Transportation Departments.

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# INTRODUCTORY SECTION

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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# Waukegan Public Schools

**Community Unit School District No. 60, Lake County, Illinois**

**Lincoln Center for Educational Services**
Gwen Polk, Associate Superintendent of Business and Financial Services
1201 North Sheridan Road, Waukegan, Illinois 60085
Telephone: 224.303.1151 • Fax: 224.399.8587 • E-mail: gpolk@wps60.org

**Donaldo R. Batiste, Ph.D.**
**Superintendent**

•••

**Board of Education**

**Mr. R. Michael Rodriguez**
**President**

**Mr. Richard P. Riddle**
**Vice President**

**Mr. Domingo "Sonny" Garza**
**Member**

**Ms. Anita M. Hanna**
**Member**

**Mrs. June M. Maguire**
**Member**

**Mr. Dave Pfeifer**
**Member**

**Mrs. Victoria Torres**
**Member**

•••

**Superintendent's Cabinet**

**Mary L. Lamping, Ph.D.**
**Deputy Superintendent**

**Joan E. Brixey, Ed.D.**
**Associate Superintendent for Teaching, Learning and Professional Practices**

**Bethel E. Cager, Ph.D.**
**Associate Superintendent for School Leadership and Development**

**Mr. Steven J. Hejnal, M.S., M.B.A.**
**Associate Superintendent Division of Human Resources and Employee Relations**

**William R. Newby, Ed.D.**
**Associate Superintendent Division of Campus Relations, Operations, Staff and Student Safety**

**Mrs. Amanda J. Patti, M.A.Ed.**
**Associate Superintendent for School Leadership and Development**

**Mr. Richard M. Pattison, M.S.**
**Associate Superintendent Division of Information Technology Services**

**Ms. Gwendolyn K. Polk, M.S.Ed.**
**Associate Superintendent of Business and Financial Services**

•••

**Thomas A. Morris, Jr., Esq.**
**General Counsel**

December 9, 2015

Citizens of Waukegan Community Unit School District No. 60 and
Members of the Board of Education
Waukegan Community Unit School District No. 60
1201 North Sheridan Road
Waukegan, Illinois 60085

The Comprehensive Annual Financial Report of Waukegan Community Unit School District No. 60 (the "District"), Waukegan, Illinois, for the fiscal year ended June 30, 2015 is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. We believe the information, as presented, is accurate in all material respects, is presented in a manner designed to set forth fairly the financial position and results of operations of the District as measured and reported by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs have been included. The District's financial statements conform to Generally Accepted Accounting Principles (GAAP).

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is divided into an Introductory Section, a Financial Section and a Statistical Section. The Introductory Section of the CAFR includes a table of contents, a Letter of Transmittal, an organizational chart, and a listing of District officers and officials. The Financial Section consists of the unmodified opinion on the financial statements from the independent auditors, Evans, Marshall, & Pease, P.C.; Management's Discussion and Analysis (MD&A) -- a wide-ranging analysis with numerous graphs, schedules, etc. illustrating the financial results of the fiscal year just ended; the notes to the basic financial statements; any required supplementary information; and supplementary information The statistical section, not a part of the District's basic financial statements, includes selected financial data and general information presented in tables on a multi-year basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## The District

The District is located approximately thirty-five miles north of Chicago on the shores of Lake Michigan. Waukegan was first visited by Pere Marquette in 1673 and is one of the oldest communities in the State of Illinois. Dubbed Little Fort by the Potawatomi Tribe, the city incorporated in 1849 and had become the country seat. By the year 2004, Waukegan's population had increased to almost 90,000 and the diversification in heritage, vocation and religious background provide a wide variety of cultural history and current social interaction.

Waukegan Community Unit School District No. 60 is a unit district providing an education for grades pre-kindergarten through high school. Its 24 sites house a student body of approximately 16,900 students and multiple cultural and ethnic backgrounds provide both an opportunity and a challenge to the District's educators.

**"A New Day...A New Way in Waukegan Public Schools...students first!"**

**Mission Statement**

**"Educating students for the world of tomorrow is our top priority. Through mobilization of the entire community, we will challenge, teach, and inspire our students. We will provide the resources to serve each of our students, expecting excellence from all involved. We will deliver an exciting education in a safe environment that celebrates our diversity and similarities in a spirit of unity and respect."**

The District provides a full range of programs and services for all its students. These programs include elementary and secondary course offerings, including general and vocational curriculum. An extensive array of co-curricular and athletic activities is also offered to enhance the student's educational experience.

For the 2014-15 school year, the District employed over 2,300 people, including teachers, administrators, clerical workers, custodial workers, drivers, classroom assistants, health related individuals, and substitutes. These employees served approximately 16,900 students, with budgeted expenditures totaling $197.92 million; of which capital projects and bond and interest payments total approximately $8.70 million.

Reporting Entity

The District has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14. This states "The Financial Reporting Entity" under which these financial statements are prepared will include all organizations, activities, functions, funds and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The District does not have any component units that meet the above requirements.

The governing body consists of a seven member Board of Education elected from within the District's boundaries for four-year overlapping terms. The Superintendent and staff administer the day-to-day operations of the District. Based on the legislative authority codified in the *Illinois School Code*, the Board of Education has the following powers:

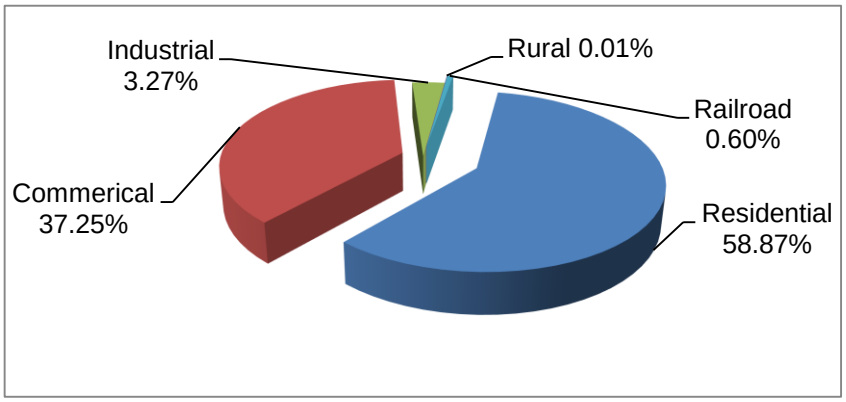
- The power to levy and collect taxes and to issue bonds.
- The power to contract for appointed administrators, teachers, and other personnel as well as for goods and services.
- The corporate power to sue and be sued in all courts.

Compliance with GASB Statement No. 34

The District operates under the requirements set forth in GASB Statement No. 34 and this comprehensive annual financial report has been prepared to meet the requirements of the this financial reporting model. There are two separate and equally important aspects of accountability in Statement 34. First, fiscal accountability requires that districts demonstrate compliance with public decisions concerning the raising and spending of public monies in the short term, which is usually a single budgetary cycle, or one year. Second, operational accountability requires that a district demonstrate the extent to which it has met and can continue to meet its operating objectives in an efficient and effective manner into the future. The requirements in Statement 34 are also designed to make annual reports easier for the public to understand and more useful to stakeholders. The GASB Statement No. 34 represents a substantial advance in the disclosure of more meaningful and useful financial information by school districts.

Economic Condition and Outlook of Local Economy

The District has a mixed tax base including residential, commercial, industrial, rural and railroad properties within its boundaries. However, the majority of its tax base is residential (58.87%), which results in a large burden of tax revenues coming from homeowners instead of commercial and industrial property owners. The following table charts the percentage of taxable property by real property.




Historical and Projected Enrollment

The overriding District initiative is to provide excellent academic programming for all students while keeping pace with enrollment trends and maintaining reasonable class sizes. The following table charts the District's enrollment for the last nine fiscal years:

| Fiscal Year End | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Enrollment | 16,901 | 16,938 | 16,957 | 16,548 | 16,328 | 16,152 | 16,600 | 16,732 | 16,892 |

Waukegan Community Unit School District No. 60 will likely experience minimal growth in student enrollment in the next five years. Current estimates project a modest reduction of 42 students by the year 2016.

Facilities

Waukegan Community Unit School District No. 60 has twenty four school buildings that house the 16,892 students that attend its schools.

| Education Level | No. of Buildings | Enrollment |
|---|---|---|
| Pre-K Schools | 1 | 634 |
| Elementary Schools | 15 | 8,055 |
| Middle Schools | 5 | 3,743 |
| High School | 3 | 4,460 |
| Totals | 24 | 16,892 |

District's Mission Statement

The Mission of Waukegan Community Unit School District No. 60 is primarily to educate students for the world of tomorrow. Through mobilization of the entire community, we will challenge, teach and inspire our students. We will provide the resources to serve each of our students, expecting excellence from all involved. We will deliver an exciting education is a safe learning environment that celebrates our diversity and similarities in a spirit of unity and respect.

Goals

*Superintendent – Academic*

The current cohort of students in grades 3, 5, and 7 will increase 5% of growth in meeting or exceeding their projected growth targets in math and reading each year, as measured by the NWEA Map assessment tool.

Using EXPLORE/PLAN/ACT, students will be assessed in reading and math compared to published expected growth norms to their expected reading and math levels.

By April 1, 2016:

- A comprehensive student assessment system, articulated with Common Core and College Readiness Standards for grades kindergarten through twelfth, will be developed.

- All pre-kindergarten through grade 12 teachers will utilize the District's All of E Curriculum system to access the written curriculum associated with Common Core Standards and/or College Readiness Standards.

- A report to the Board of Education will be delivered outlining the progress of all-day kindergarten as implemented throughout the District.

- The College Studies Program courses will be redesigned to increase the level of rigor on each course.

- The Amount of students obtaining college credit while enrolled in Waukegan High School will increase.

- The High School students will begin using interactive tablet devices (i.e., IPADS, netbooks) in lieu of receiving traditional textbooks to complete their coursework.

*Finances*

Remain as fiscally solvent as possible during the State budget crisis through careful spending and analysis of budget expenditures as well as aggressively pursue appropriate grant, foundation and partnership opportunities.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The independent auditor's report has been included in the financial section of this report.

Internal Control Structure

In developing and evaluating the District's accounting system, consideration is given to the adequacy of the internal accounting controls. Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Such controls are designed to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that our internal accounting controls adequately safeguard District assets and provide reasonable assurance of the proper recording of financial data.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The Board of Education is responsible for adopting the annual budget. The preparation, adoption and action on the District's budget is a year-round process involving multiple levels of input and decision-making from staff members, administrators, and the Board of Education. Input from the public on how school tax dollars are spent is welcomed at Board meetings, public hearings and the Board's budget workshop. Spending decisions are guided by the following criteria:

- Goals and priorities of the Board of Education
- Requirements imposed upon the District by federal and state governments
- Types of programs being taught
- Number of employees
- Requirements to maintain and operate the District's schools and facilities
- Bus transportation and food services programs
- Employee collective bargaining agreements

While budgetary control is exercised at the fund level, management control is exercised at the object, or line item, level. All expenditures are approved by the Board of Education. An encumbrance system is used to measure the uncommitted budget item amount that is available at any time during the budget year. An obligation is made in the form of a purchase order. When it occurs, the appropriate budgetary account is reserved. All encumbrances lapse at year-end. All governmental funds have annual appropriated budgets, and are approved in accordance with the provisions of the Illinois State Statutes.

Long-Range Financial Planning

Waukegan Community Unit School District No. 60 annually develops a comprehensive, long-range financial projection that includes historical information and expected trends that will affect the District's finances. Variables included in the forecast include prior year actual financial data, current year budget information, tax levy extension projections including equalized assessed valuation predictions, student enrollment projections, student to teacher ratios, debt retirement schedules, consumer price index projections, and salary and benefit projections based on employee labor contracts.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, proportion of expenditures to revenue, days of cash on hand, percent of short-term borrowing needed, and fund balance as a percentage of next year's expenditures. However, with minimal increases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for the District. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenue.

Over the past several years, the District has implemented a budget review process to identify areas of operations for improvements in efficiencies. This on-going review has resulted in significant cost reductions. District finances are monitored through monthly financial reports to the Board of Education, the annual budget process, and long-range financial projections. As a result, the District intends to maintain a balanced budget that aligns resources to support the instructional program.

Relevant Financial Planning Factors

Based on the current housing and economic crisis facing the nation, the District projects stable to moderate enrollment growth for the next few years. This trend will cause the District to carefully monitor and plan future operating and capital budgets. Potential EAV adjustments, coupled with low CPI increases, will have an impact on the District's budgets and tax rates for the next several years. The administration and Board of Education are dedicated to approving balanced budgets and to managing the District's tax rate by abating principal and interest payments during the years in which the EAV decline causes the tax rate to increase substantially.

Certificate of Excellence

ASBO International awarded a Certificate of Excellence in financial reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the eighth year that the District had received this prestigious award. In order to be awarded a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

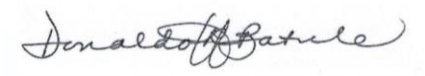
Management's Discussion and Analysis

Provided in the financial section of this report, immediately following the independent auditor's report, is supplementary information entitled Management's Discussion and Analysis (MD&A). This MD&A is intended to be an easily readable and objective analysis of the school district's financial activities. It also contains a description of currently known facts, decisions, or conditions expected to have a significant effect on the future financial position and results of operations of the school district.

Acknowledgments

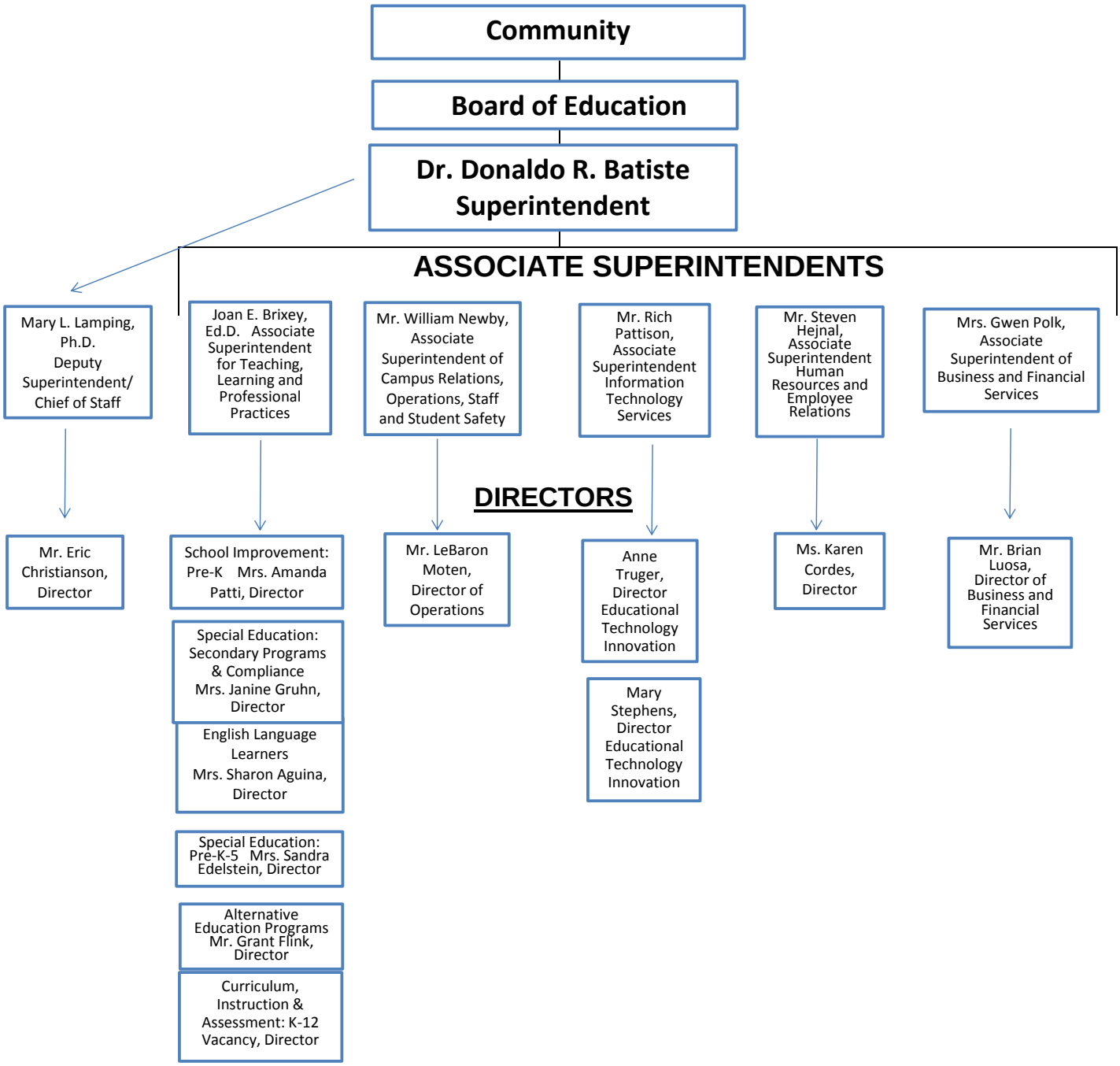
The timely preparation of this report could not have been accomplished without the efficient and dedicated services of the business services department. We would like to express appreciation to all the members of the business services department who assisted in the timely closing of the District's financial records and the preparation of this report. We would like to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Donaldo R. Batiste, Ph.D.
Superintendent of Schools

# Organizational Chart



**Waukegan Public Schools**
**District 60**
**Lincoln Center Administrative Building**
**1201 N. Sheridan, Waukegan, Illinois 60085**

## Board of Education

Mr. R. Michael Rodriguez, President
Mr. Richard P. Riddle, Vice President
Mr. Domingo "Sonny" Garza
Mrs. June M. Maguire
Ms. Anita M. Hanna
Mr. Dave Pfeifer
Mrs. Victoria Torres

## Superintendent's Cabinet

Dr. Donaldo R. Batiste, Superintendent
Mary L. Lamping, Ph.D. Deputy Superintendent/Chief of Staff
Joan E. Brixey, Ed.D., Associate Superintendent for Teaching, Learning and Professional Practice
Mrs. Judith M. Green, C.A.S., Area Superintendent
Mr. Steven J. Hejnal, M.S., M.B.A., Associate Superintendent Division of Human Resources and Employee Relations
Mrs. Marilyn J. Krajenta, M.Ed., Area Superintendent
Mr. William R. Newby, M.A. Associate Superintendent
Division of Campus Relations, Operations, Staff and Student Safety
Mr. Richard M. Pattison, M.S. Associate Superintendent
Division of Information Technology Services
Mrs. Gwendolyn K. Polk, M.S.Ed., M.B.A., Associate Superintendent of Business and Financial Services

## Officials Issuing Report

Dr. Donaldo R. Batiste, Superintendent
Mrs. Gwendolyn K. Polk, M.S.Ed., M.B.A., Associate Superintendent of Business and Financial Services
Mr. Brian Luosa, M.S. Ed., CPA, Director of Business and Financial Services

# Association of School Business Officials International

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

## Waukegan Community Unit School District #60

*For Its Comprehensive Annual Financial Report (CAFR)*
*For the Fiscal Year Ended June 30, 2014*

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

**Mark C. Pepera, MBA, RSBO, SFO**
President

**John D. Musso, CAE, RSBA**
Executive Director

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# FINANCIAL SECTION

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EVANS, MARSHALL & PEASE, P.C.

SINCE 1917

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS
1875 Hicks Road
Rolling Meadows, Illinois 60008

PAUL H. THERMEN, C.P.A.
JEFFERY M. ROLLEFSON, C.P.A.

# INDEPENDENT AUDITOR'S REPORT

Board of Education
Waukegan Community Unit
School District No. 60
Waukegan, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waukegan Community Unit School District No. 60 (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 17 to the financial statements, in 2015 the District adopted new accounting guidance; *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

**Other Matters**

*Prior-Year Comparative Information*

We have previously audited the District's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 11, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

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

*Supplementary Information*

Our audit for the year ended June 30, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents for the year ended June 30, 2015 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2015, and certain additional procedures, including comparing and recording such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2014 (not presented herein), and have issued our report December 11, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information as listed in the table of contents for the year ended June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those

financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

*Other Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Evans, Marshall & Peace, P.C.*

Evans, Marshall & Pease, P.C.
Certified Public Accountants

December 9, 2015
Rolling Meadows, IL
(10)

**REQUIRED SUPPLEMENTARY INFORMATION**
**Management's Discussion and Analysis – Unaudited**

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The discussion and analysis of Waukegan Community Unit School District No. 60's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The management of the District encourages readers to consider the information presented herein, in conjunction with the transmittal letter found in the introductory section and the basic financial statements, to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A").

**Financial Highlights**

- The District's financial status is impacted by tax cap limitations and the current state of the economy. Total net position increased $2,901,724 or 7.05 percent over the course of the year.
- Property tax revenues (including personal property taxes) accounted for $64,793,316 or 26.99 percent of total revenues.
- General state aid revenues accounted for $88,552,015 or 36.89 percent of total revenues.
- Grants and contributions accounted for $85,176,197, or 35.49 percent of total revenues.
- Instruction expenses accounted for $144,184,752 or 60.80 percent of total expenses.
- Support services expenses accounted for $84,061,013 or 35.45 percent of total expenses.
- The District entered into various capital leases for $129,623.
- The principal on long-term bonds was decreased to $68,400,336.
- The District did not incur any short-term debt in Fiscal Year 2015.
- The District had $237,126,675 in expenses related to governmental activities.
- The District adopted *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. The net position at July 1, 2013 was reduced by $33,423,742, due to the pension expense recognition previously unrecognized.

**Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of the three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

**Figure A-1**
**Organization of the District's Annual Financial Report**

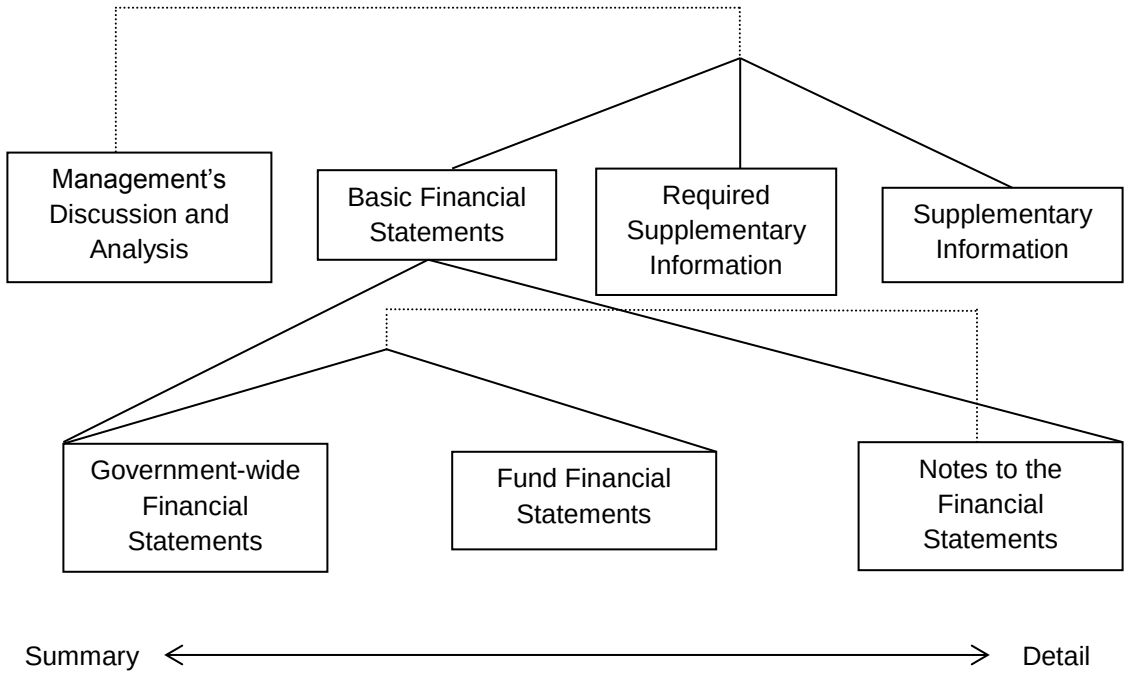



Figure A-2 summarizes the major features of the District's statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

**Figure A-2**
**Major Features of the Government-Wide and Fund Financial Statements**

| | Government-Wide Statements | Fund Financial Statements | |
|---|---|---|---|
| | | Governmental Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | The activities of the District that are not fiduciary, such as general fund | Instances in which District administers resources on behalf of someone else, such as student activity monies |
| Required financial statements | Statement of net position | Balance sheet | Statement of fiduciary net position |
| | Statement of activities | Statement of revenues, expenditures, and changes in fund balance | Statement of changes in fiduciary net position |
| 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 liabilities included | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, but they can |
| Type of deferred inflows/outflows of resources information | All deferred inflows and outflows of resources, financial, short-term and long-term | Generally deferred outflows of resources to be used up and deferred inflows that come due during the year or soon thereafter; no capital or debt included | Not applicable |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of dates of actual cash transactions | 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 |

*Government-Wide Financial Statements*

The government-wide financial 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 and liabilities. All of the current year's revenues and expenditures are accounted for in the Statement of Activities regardless of when cash is received or disbursed. Both statements are prepared using the accrual basis of accounting.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating.

- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

In the government-wide financial statements, the District's activities are all categorized as Governmental Activities. All of the District's basic services such as regular and special education, transportation and administration are included in the statements. The property tax extension and General State Aid are the two primary revenue sources financing these activities.

*Fund Financial Statements*

The District's fund financial statements provide more detailed information about the District's funds. Funds are independent fiscal entities used to account for specific sources of funding and spending on particular programs. Some funds are required by state law such as Educational and Transportation and others the District establishes to manage and control monies for particular purposes. Capital Projects is an example.

The District's categories of funds:

- Governmental funds – most of the District's basic services are included in the governmental funds, which generally focus on: 1) how cash and other financial assets that can be readily 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 determine whether there are more or less 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 government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship between them.

- Fiduciary funds – the District is the trustee, or fiduciary, for assets that belong to others, such as student activity 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 government-wide financial statements because it cannot use these assets to finance operations.

- The District maintains no proprietary funds.

**Financial Analysis of the District as a Whole**

Figures A-3 and A-4 contain pertinent data for Fiscal Years 2015 and 2014 from the government-wide financial statements.

**Figure A-3**
**Condensed Statement of Net Position**

| | Governmental Activities | | |
|---|---|---|---|
| | 2015 | (Restated) 2014 | % Increase (Decrease) |
| Current and other assets | $ 76,401,752 | $ 75,701,887 | 0.92% |
| Capital assets | 80,715,977 | 82,067,487 | -1.65% |
| Total Assets | 157,117,729 | 157,769,374 | -0.41% |
| | | | |
| Deferred charge on refunding | 554,658 | 680,577 | -18.50% |
| Pensions | 8,099,446 | 2,991,046 | 170.79% |
| Total Deferred Outflows of Resources | 8,654,104 | 3,671,623 | 135.70% |
| | | | |
| Other liabilities | 3,765,142 | 3,248,557 | 15.90% |
| Long-term debt outstanding | 113,362,703 | 117,036,274 | -3.14% |
| Total Liabilities | 117,127,845 | 120,284,831 | -2.62% |
| | | | |
| Pensions | 4,586,098 | - | N/A |
| Total Deferred Inflows of Resources | 4,586,098 | - | N/A |
| | | | |
| Net investment in capital assets | 43,048,372 | 44,399,882 | -3.04% |
| Restricted | 28,962,620 | 27,821,009 | 4.10% |
| Unrestricted | (27,953,102) | (31,064,725) | -10.02% |
| Total Net Position | $ 44,057,890 | $ 41,156,166 | 7.05% |

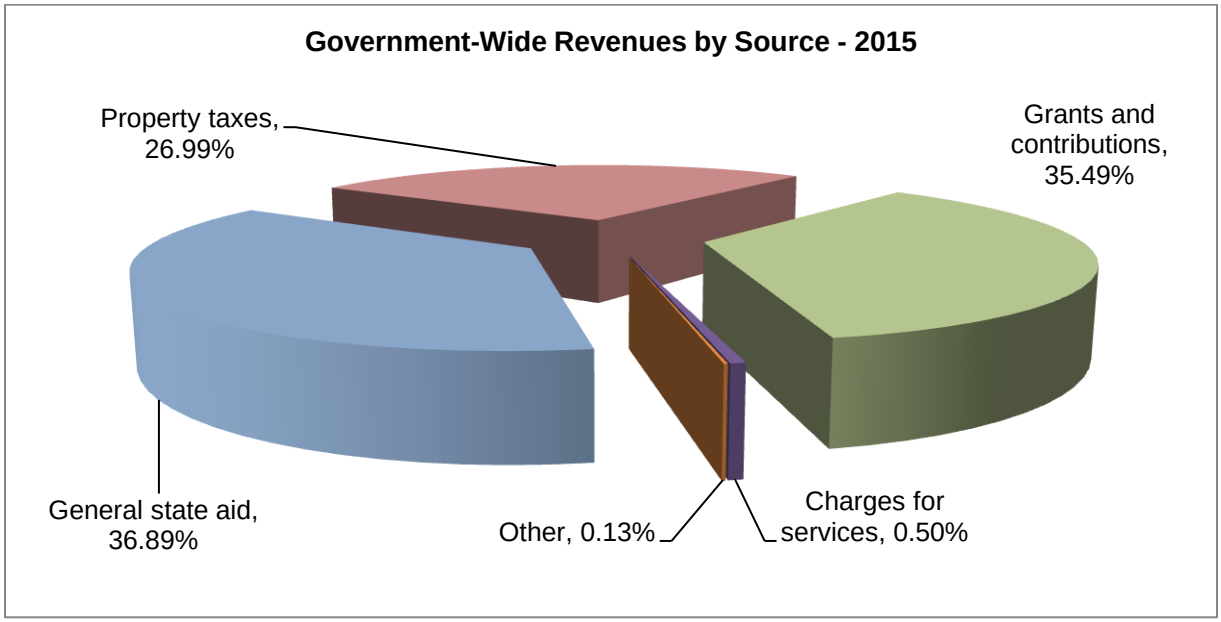
**Figure A-4**
**Changes in Net Position from Operating Results**

| | Governmental Activities | | |
|---|---|---|---|
| | 2015 | (Restated) 2014 | % Increase (Decrease) |
| Revenues | | | |
| Program revenues | | | |
| Charges for services | $ 1,188,859 | $ 1,063,947 | 11.74% |
| Operating grants and contributions | 80,900,626 | 64,635,791 | 25.16% |
| Capital grants and contributions | 4,275,571 | 1,193,786 | 258.15% |
| General revenues | | | |
| Personal property replacement taxes | 7,259,799 | 6,750,403 | 7.55% |
| Property taxes, levied for general purposes | 48,784,116 | 47,296,457 | 3.15% |
| Property taxes, levied for debt service | 8,749,401 | 8,318,808 | 5.18% |
| General state aid | 88,552,015 | 82,441,382 | 7.41% |
| Unrestricted investment earnings | 15,687 | 19,397 | -19.13% |
| Other | 302,325 | 19,320 | 1464.83% |
| Total Revenues | 240,028,399 | 211,739,291 | 13.36% |
| Expenses | | | |
| Instruction | 144,184,752 | 122,936,371 | 17.28% |
| Support Services | 84,061,013 | 80,681,902 | 4.19% |
| Community Services | 1,011,788 | 1,045,200 | -3.20% |
| Payments to other governmental units | 14,158 | 280,322 | -94.95% |
| Interest and other on long-term debt | 3,817,461 | 3,701,027 | 3.15% |
| Depreciation - unallocated | 4,037,503 | 3,173,451 | 27.23% |
| Total Expenses | 237,126,675 | 211,818,273 | 11.95% |
| Increase (Decrease) in Net Position | 2,901,724 | (78,982) | |
| Net Position, July 1, 2013, as previously reported | | 74,658,890 | |
| Prior Period Adjustment | | | |
| Pension expenses | | (33,423,742) | |
| Net Position, July 1, 2014, and 2013, as restated | 41,156,166 | 41,235,148 | |
| Net Position, June 30, 2015 | 44,057,890 | 41,156,166 | |

*Revenues by Source:*

Property taxes in the amount of $64,793,316 accounted for 26.99% of total revenues, operating grants and contributions of $80,900,626 and capital grants and contributions of $4,275,571, totaling $85,176,197 in grants and contributions accounted for 35.49%, general state aid in the amount of $88,552,015 accounted for 36.89%, charges for services in the amount of $1,188,859 accounted for 0.50%, and other revenue in the amount of $318,012 accounted for 0.13% (Figure A-5).

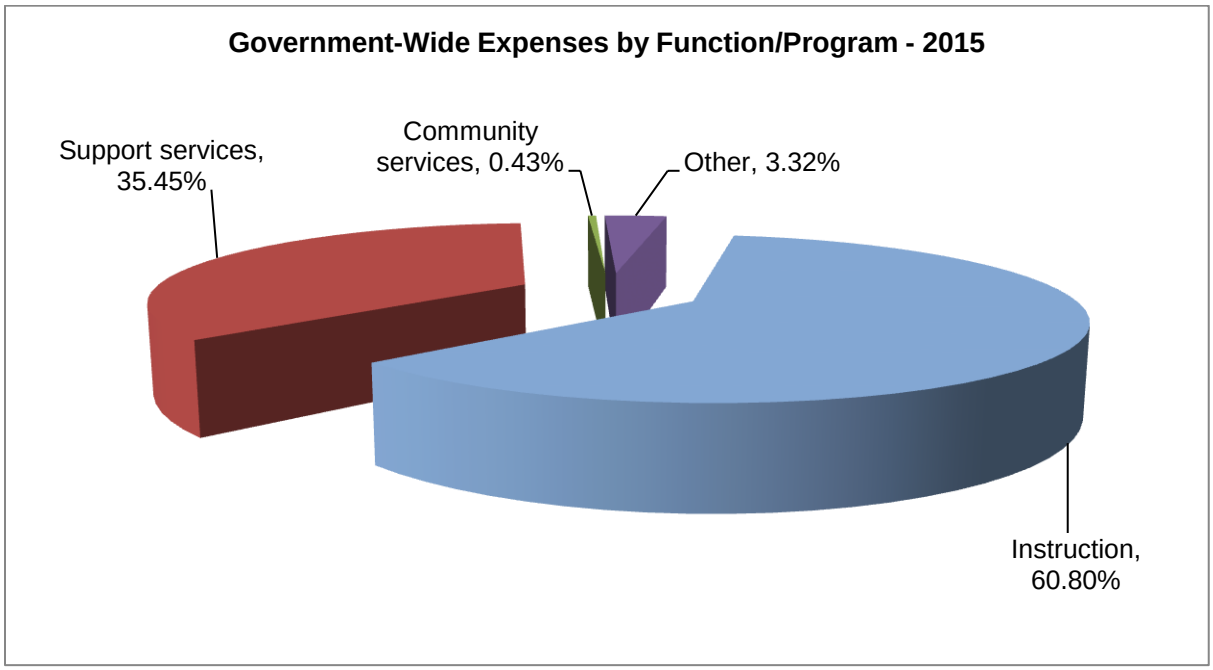
**Figure A-5**
**Government-Wide Revenues by Source – 2015**




*Expenses by Function/Program:*

Expenses for instruction in the amount of $144,184,752 accounted for 60.80% of total expenses, while support services in the amount of $84,061,013 accounted for 35.45%, community services in the amount of $1,011,788 accounted for 0.43%, and other expenses in the amount of $7,869,122 accounted for 3.32% (Figure A-6).

**Figure A-6**
**Government-Wide Expenses by Function/Program – 2015**



**Financial Analysis of the District's Funds**

All District funds are considered major. As the District closed the year, its governmental funds reported a combined fund balance of $73,223,693, which was an increase in last year's ending fund balance of $73,040,413. The General Fund balance decreased from $51,315,280 in the prior year to $46,700,589. This was due to additional expenditures but was anticipated within the District's budget. The Operations and Maintenance Fund balance decreased from $3,890,563 in the prior year to $3,270,148. This was due to additional expenditures but was anticipated within the District's budget. The Transportation Fund balance increased from $6,537,425 in the prior year to $7,453,931. This was due to proper budgeting and a decrease in expenditures over revenues. The Municipal Retirement/Social Security Fund balance decreased from $3,976,581 in the prior year to $3,472,016. This was due to additional expenditures but was anticipated within the District's budget. The Tort Fund balance decreased from $4,232,122 in the prior year to $3,728,047. This was due to additional expenditures but was anticipated within the District's budget. The Debt Service Fund balance increased from $8,886,567 in the prior year to $9,277,203. This was due to proper budgeting and a decrease in expenditures over revenues. The Capital Projects Fund balance increased from $(7,449,535) in the prior year to ($2,516,477). This was due to proper budgeting and a decrease in expenditures over revenues. The Fire Prevention and Safety Fund increased from $1,651,410 in the prior year to $1,838,236. This was due to proper budgeting and a decrease in expenditures over revenues.

**General Fund Budgetary Highlights**

The General Fund includes the Educational and Working Cash Accounts. The District's original and final budget anticipated that expenditures would exceed revenues by $7,068,882.

Additional General Fund budgetary highlights:

- The actual General Fund property tax revenues of $34,564,754 were $1,154,132 lower than the original budget amount of $35,718,886.

- The original budget passed had General State Aid revenues budgeted at $87,559,915 and actual revenues of $86,249,263.

- The original budget for special education state grants was $6,717,361. Actual revenues during the fiscal year were $5,421,857.

- The Food Service Program, a significant federal revenue item, was budgeted at $6,389,041. Actual revenues during the fiscal year were $7,520,907.

- Federal special education revenues were budgeted at $4,034,169, with actual revenues of $4,230,279.

**Capital Asset and Debt Administration**

Figure A-7 illustrates capital assets, net of depreciation. By the end of 2015, the District had invested $80,715,977 in a broad range of capital assets, including school buildings, building improvements, equipment and vehicles. This amount represents a net decrease of $1,351,510 from the prior year. (More detailed information about capital assets can be found in Note 4 to the financial statements.)

**Figure A-7**

Capital Assets (net of depreciation)

| | Governmental Activities | | |
|---|---|---|---|
| | 2015 | 2014 | % Increase (Decrease) |
| Land | $ 1,518,042 | $ 1,518,042 | 0.00% |
| Construction in progress | 289,398 | 35,603,830 | -99.19% |
| Buildings | 29,490,248 | 30,851,902 | -4.41% |
| Improvements | 46,491,558 | 10,846,542 | 328.63% |
| Equipment and vehicles | 2,926,731 | 3,247,171 | -9.87% |
| Total | $ 80,715,977 | $ 82,067,487 | -1.65% |

**Long-Term Debt**

At year-end, the District had $113,362,703 in bonds and other long-term debt outstanding as shown in Figure A-8. The bonds include accreted interest. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

**Figure A-8**

Outstanding Long-Term Debt

| | Governmental Activities | | |
|---|---|---|---|
| | 2015 | (Restated) 2014 | % Increase (Decrease) |
| Bonds | $ 68,400,336 | $ 73,637,615 | -7.11% |
| Unamortized premium | 425,932 | 521,630 | -18.35% |
| Capital leases | 818,548 | 1,147,822 | -28.69% |
| Compensated absences | 318,296 | 324,232 | -1.83% |
| Pensions | 34,081,595 | 33,423,742 | 1.97% |
| Other post employment benefits | 9,317,996 | 7,981,233 | 16.75% |
| Total | $ 113,362,703 | $ 117,036,274 | -3.14% |

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

Property tax receipts are the most significant source of revenues for school districts in the State of Illinois. The maximum a district can increase its tax receipts on a year-to-year basis is 5% or the increase in the Consumer Price Index (CPI), whichever is less. The District's revenues from property taxes in Fiscal Year 2015 were $57,533,517, a $1,918,252 increase from the prior year.

In addition to the CPI increase, the tax base of the taxing district is an important component in determining district revenues. In general, a declining tax base will allow an increased overall tax rate. However, if in any given year the tax rate for a specific fund is at its maximum, a declining tax base the following year will result in lower revenue amounts. The Education Account tax rates, both Education and Special Education, were at 4.00 percent and 0.80 percent for the Tax Year 2014 property tax extension and with an Equalized Assessed Valuation (i.e., tax base) of $560,125,351.

A potential increase in District revenues is in grant funding from the State. State grants, including GSA, provide approximately 37 percent of the District's revenues. Projected federal revenues in special education grants are budgeted at $3,899,371 which is a decrease of $330,908. General State Aid, with the exception of property tax monies, is the most significant revenue source for school districts in the State of Illinois. General State Aid revenues in Fiscal Year 2015 were $88,552,015 which 99.28% was allocated to the General Fund, 0.34% to Operations and Maintenance Fund and 0.38 % to the Debt Service Fund. Projected General State Aid revenues in Fiscal Year 2016 are $95,264,359 with the monies being allocated between the General Fund ($93,727,359), and the Operations and Maintenance Fund ($1,537,000).

The District's revenues from federal sources are estimated to decrease to $19,001,569, a decrease of $390,293 from Fiscal Year 2015.

In Fiscal Year 2011, the District was awarded $28.2 million for construction projects by the State of Illinois Capital Development Board. In addition to the award, the District must provide approximately $9.4 million in local monies. To meet requirements, the District issued $9.6 million in General Obligation Limited Tax Debt Certificates through PNC Bank. Interest payments of approximately $340,000 will ensue from Fiscal Year 2012 to Fiscal Year 2016 and the District plans on issuing refunding bonds in Fiscal Year 2016 to repay the debt. As of June 30, 2015, all monies were received from the grant.

LEARN Charter School was approved by the ISBE Charter School Commission in Fiscal Year 2015. At year end, they were projected to open their doors in Fiscal Year 2016. The District is responsible for providing 100% of its per capita tuition cost (PCTC) to the charter school. The application was approved for 208 students starting in Fiscal Year 2016 and ending with a total of 520 students in Fiscal Year 2020 during the current application period.

Legislative changes may begin to impact the funding of Illinois public school districts as early as FY16.

- SB16 is a bill that will change the current State funding method for schools. It is a model which redistributes current State revenues. Published estimates by the State show an increase of approximately $18 million dollars for Waukegan Community Unit School District 60.

**Contacting the District's Financial Management**

The financial report is designed to provide the District's citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the Administration Office/Lincoln Center, Waukegan Public Schools District 60, 1201 N. Sheridan Road, Waukegan, Illinois 60085.

# BASIC FINANCIAL STATEMENTS

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EXHIBIT A

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
STATEMENT OF NET POSITION
JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | TOTAL 2015 ACTUAL | (Restated) TOTAL 2014 ACTUAL |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $ 41,154,001 | $ 43,650,527 |
| Investments | 11,824 | 11,820 |
| Receivables, net of allowances: | 35,002,941 | 31,812,832 |
| Prepaids | 232,986 | 226,708 |
| Capital assets not being depreciated: | | |
| Land | 1,518,042 | 1,518,042 |
| Construction in progress | 289,398 | 35,603,830 |
| Capital assets, net of accumulated depreciation: | | |
| Buildings | 29,490,248 | 30,851,902 |
| Improvements | 46,491,558 | 10,846,542 |
| Equipment and vehicles | 2,926,731 | 3,247,171 |
| Total Assets | 157,117,729 | 157,769,374 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charges on refunding | 554,658 | 680,577 |
| Pensions | 8,099,446 | 2,991,046 |
| Total Deferred Outflows of Resources | 8,654,104 | 3,671,623 |
| LIABILITIES | | |
| Accounts payable | 2,158,166 | 1,423,718 |
| Insurance payable | 1,013,481 | 1,219,835 |
| Payroll deductions and withholdings | 6,412 | 8,086 |
| Other payables | - | 9,835 |
| Accrued interest payable | 76,961 | 76,961 |
| Illinois municipal retirement payable | 510,122 | 510,122 |
| Noncurrent liabilities: | | |
| Due within one year | 18,489,896 | 8,503,623 |
| Due in more than one year | 94,872,807 | 108,532,651 |
| Total Liabilities | 117,127,845 | 120,284,831 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pensions | 4,586,098 | - |
| Total Deferred Inflows of Resources | 4,586,098 | - |
| NET POSITION | | |
| Net investment in capital assets | 43,048,372 | 44,399,882 |
| Restricted for: | | |
| Operations and maintenance | 3,270,148 | 3,563,149 |
| Transportation | 7,453,931 | 6,537,425 |
| Retirement benefits | 3,472,016 | 3,959,925 |
| Tort | 3,728,047 | 4,022,070 |
| Debt service | 9,200,242 | 8,809,606 |
| Fire prevention and safety | 1,838,236 | 928,834 |
| Unrestricted | (27,953,102) | (31,064,725) |
| Total Net Position | $ 44,057,890 | $ 41,156,166 |

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

EXHIBIT B

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES: CHARGES FOR SERVICES | PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS | PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: TOTAL 2015 ACTUAL | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: (Restated) TOTAL 2014 ACTUAL |
|---|---|---|---|---|---|---|
| Governmental Activities: | | | | | | |
| Instruction | $ 144,184,752 | $ 1,025,739 | $ 66,863,793 | $ - | $ (76,295,220) | $ (68,778,136) |
| Support services | 84,061,013 | 163,120 | 14,036,833 | 4,275,571 | (65,585,489) | (67,946,613) |
| Community services | 1,011,788 | - | - | - | (1,011,788) | (1,045,200) |
| Payments to other governmental units | 14,158 | - | - | - | (14,158) | (280,322) |
| Interest and other on long-term debt | 3,817,461 | - | - | - | (3,817,461) | (3,701,027) |
| Depreciation - unallocated | 4,037,503 | - | - | - | (4,037,503) | (3,173,451) |
| Total Governmental Activities | $ 237,126,675 | $ 1,188,859 | $ 80,900,626 | $ 4,275,571 | (150,761,619) | (144,924,749) |
| GENERAL REVENUES RECEIVED: | | | | | | |
| Taxes: | | | | | | |
| Personal property replacement taxes | | | | | 7,259,799 | 6,750,403 |
| Property taxes, levied for general purposes | | | | | 48,784,116 | 47,296,457 |
| Property taxes, levied for debt service | | | | | 8,749,401 | 8,318,808 |
| General state aid | | | | | 88,552,015 | 82,441,382 |
| Unrestricted investment earnings | | | | | 15,687 | 19,397 |
| Other | | | | | 302,325 | 19,320 |
| Total General Revenues Received | | | | | 153,663,343 | 144,845,767 |
| CHANGE IN NET POSITION | | | | | 2,901,724 | (78,982) |
| NET POSITION, JULY 1, 2013, AS PREVIOUSLY REPORTED | | | | | | 74,658,890 |
| PRIOR PERIOD ADJUSTMENT: | | | | | | |
| Pension expenses | | | | | | (33,423,742) |
| NET POSITION, JULY 1, 2014, AND 2013, AS RESTATED | | | | | 41,156,166 | 41,235,148 |
| NET POSITION, JUNE 30, 2015 | | | | | $ 44,057,890 | $ 41,156,166 |

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Municipal Retirement/ Social Security Fund |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ 27,944,231 | $ 1,948,595 | $ 1,192,039 | $ 704,265 |
| Investments | 11,824 | - | - | - |
| Property taxes receivable, net of allowance for uncollectibles | 13,452,179 | 2,080,234 | 5,075,380 | 2,756,860 |
| Personal property replacement taxes receivable | 1,191,735 | - | - | - |
| Grants receivable | 3,802,688 | - | 1,217,975 | - |
| Prepaid items | - | - | - | 10,891 |
| Due from other funds | 2,500,000 | - | - | - |
| Total Assets | 48,902,657 | $ 4,028,829 | $ 7,485,394 | $ 3,472,016 |
| LIABILITIES | | | | |
| Accounts payable | $ 1,182,175 | $ 758,681 | $ 31,463 | $ - |
| Insurance payable | 1,013,481 | - | - | - |
| Payroll deductions and withholdings | 6,412 | - | - | - |
| Other payables | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total Liabilities | 2,202,068 | 758,681 | 31,463 | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | 10,891 |
| Restricted | - | 3,270,148 | 7,453,931 | 3,461,125 |
| Committed | - | - | - | - |
| Assigned | 6,483,367 | - | - | - |
| Unassigned | 40,217,222 | - | - | - |
| Total Fund Balances | 46,700,589 | 3,270,148 | 7,453,931 | 3,472,016 |
| Total Liabilities and Fund Balances | $ 48,902,657 | $ 4,028,829 | $ 7,485,394 | $ 3,472,016 |

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

| Tort Fund | Debt Service Fund | Capital Projects Fund | Fire Prevention and Safety Fund | Total 2015 Actual | Total 2014 Actual |
|---|---|---|---|---|---|
| $ 2,881,500 | $ 4,898,921 | $ 20,975 | $ 1,563,475 | $ 41,154,001 | $ 43,650,527 |
| - | - | - | - | 11,824 | 11,820 |
| 771,922 | 4,378,282 | - | 275,686 | 28,790,543 | 27,880,367 |
| - | - | - | - | 1,191,735 | 1,145,896 |
| - | - | - | - | 5,020,663 | 2,786,569 |
| 222,095 | - | - | - | 232,986 | 226,708 |
| - | - | - | - | 2,500,000 | 8,000,006 |
| $ 3,875,517 | $ 9,277,203 | $ 20,975 | $ 1,839,161 | $ 78,901,752 | $ 83,701,893 |
| $ 147,470 | $ - | $ 37,452 | $ 925 | $ 2,158,166 | $ 1,423,718 |
| - | - | - | - | 1,013,481 | 1,219,835 |
| - | - | - | - | 6,412 | 8,086 |
| - | - | - | - | - | 9,835 |
| - | - | 2,500,000 | - | 2,500,000 | 8,000,006 |
| 147,470 | - | 2,537,452 | 925 | 5,678,059 | 10,661,480 |
| 222,095 | - | - | - | 232,986 | 226,708 |
| 3,505,952 | 9,277,203 | - | 1,838,236 | 28,806,595 | 27,897,970 |
| - | - | - | - | - | 1,461,068 |
| - | - | - | - | 6,483,367 | 2,317,672 |
| - | - | (2,516,477) | - | 37,700,745 | 41,136,995 |
| 3,728,047 | 9,277,203 | (2,516,477) | 1,838,236 | 73,223,693 | 73,040,413 |
| $ 3,875,517 | $ 9,277,203 | $ 20,975 | $ 1,839,161 | $ 78,901,752 | $ 83,701,893 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

| | | |
|---|---|---|
| Total fund balances - governmental funds (Exhibit C) | | $ 73,223,693 |
| Amounts reported for governmental activities in the Statement of Net Position arising from cash transactions are different because: | | |
| When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole. | | |
| Cost of capital assets: | | |
| Land | $ 1,518,042 | |
| Construction in progress | 289,398 | |
| Buildings | 68,082,713 | |
| Improvements | 54,624,394 | |
| Equipment and vehicles | 10,497,046 | |
| | 135,011,593 | |
| Accumulated depreciation | (54,295,616) | 80,715,977 |
| Deferred charges included in the Statement of Net Position are not available to pay for current period revenues and, therefore, is not recognized in the governmental funds funds balance sheet. | | |
| Deferred charge on refunding | 554,658 | |
| Pensions | 8,099,446 | 8,654,104 |
| Certain revenues receivable by the District and recognized in the governmental funds balance sheet do not provide current financial resources and are deferred in the Statement of Net Position. | | |
| Pensions | | (4,586,098) |
| Long-term liabilities (e.g. bonds payable and capital leases payable) are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. In addition, interest relating to long-term liabilities is not recorded in the governmental funds until due. All liabilities, both current and long-term are reported in the Statement of Net Position. | | |
| Balances as of June 30, 2015 are as follows: | | |
| Illinois municipal retirement payable | (510,122) | |
| Interest payable | (76,961) | |
| Bonds payable | (68,400,336) | |
| Capital leases payable | (818,548) | |
| Unamortized bond premium | (425,932) | |
| Pensions | (34,081,595) | |
| Other post employment benefits (OPEB) | (9,317,996) | |
| Compensated absences | (318,296) | (113,949,786) |
| Total net position - governmental activities (Exhibit A) | | $ 44,057,890 |

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

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Municipal Retirement/ Social Security Fund |
|---|---|---|---|---|
| REVENUES RECEIVED: | | | | |
| Local Sources: | | | | |
| General tax levy | $ 22,446,765 | $ 4,156,809 | $10,145,266 | $ 2,754,222 |
| Special education levy | 4,433,929 | - | - | - |
| FICA/Medicare levy | - | - | - | 2,754,222 |
| Personal property replacement taxes | 6,629,799 | 150,000 | - | 480,000 |
| Summer school - tuition | 111,359 | - | - | - |
| Earnings on investments | 11,522 | - | - | - |
| Food services | 137,790 | - | - | - |
| District/School activity income | 258,828 | - | - | - |
| Textbooks | 480,586 | - | - | - |
| Rentals | 19,100 | - | - | - |
| Contributions and donations | 6,230 | - | - | - |
| Refund of prior years' expenditures | 43,658 | 68,396 | - | - |
| Payments of surplus moneys from TIF districts | 129,782 | 15,357 | 12,614 | 23,426 |
| Other local sources | 82,618 | 88,818 | 3,530 | - |
| State Sources: | | | | |
| General state aid | 86,249,263 | 300,000 | - | - |
| Special education | 7,225,883 | - | - | - |
| Career and technical education | 5,260 | - | - | - |
| Bilingual education | 2,136,047 | - | - | - |
| State free lunch and breakfast | 88,976 | - | - | - |
| Driver education | 59,130 | - | - | - |
| Transportation aid | - | - | 4,989,034 | - |
| Truant alternative/optional education | 69,799 | - | - | - |
| Early childhood block grant | 3,271,428 | - | - | - |
| Other state sources | 1,785,613 | 67,052 | - | - |
| On behalf payments - State of Illinois | 43,473,294 | - | - | - |
| Federal Sources: | | | | |
| Food service | 8,008,028 | - | - | - |
| Title I - low income | 4,693,294 | - | - | - |
| Title IV - 21st century | 410 | - | - | - |
| Special education | 3,512,241 | - | - | - |
| Career and technical education | 97,547 | - | - | - |
| Title III - immigrant education program | 39,620 | - | - | - |
| Title III - language inst. program | 557,301 | - | - | - |
| McKinney education for homeless children | - | - | - | - |
| Title II - teacher quality | 367,673 | - | - | - |
| Medicaid administrative outreach | 591,025 | - | - | - |
| Medicaid matching fee-for-service | 359,770 | - | - | - |
| Other federal sources | 1,164,953 | - | - | - |
| Total Revenues Received | 198,548,521 | 4,846,432 | 15,150,444 | 6,011,870 |

| Tort Fund | Debt Service Fund | Capital Projects Fund | Fire Prevention and Safety Fund | Total 2015 Actual | Total 2014 Actual |
|---|---|---|---|---|---|
| $ 1,542,017 | $ 8,749,401 | $ - | $ 550,886 | $ 50,345,366 | $ 47,392,270 |
| - | - | - | - | 4,433,929 | 4,790,593 |
| - | - | - | - | 2,754,222 | 3,432,402 |
| - | - | - | - | 7,259,799 | 6,750,403 |
| - | - | - | - | 111,359 | 79,023 |
| - | - | 4,159 | 6 | 15,687 | 19,397 |
| - | - | - | - | 137,790 | 168,813 |
| - | - | - | - | 258,828 | 167,534 |
| - | - | - | - | 480,586 | 473,703 |
| - | - | - | - | 19,100 | 30,809 |
| - | - | - | - | 6,230 | 30,330 |
| - | - | - | - | 112,054 | 19,320 |
| 9,092 | - | - | - | 190,271 | - |
| - | - | - | - | 174,966 | 113,735 |
| | | | | | |
| - | 340,000 | - | - | 86,889,263 | 82,441,382 |
| - | - | - | - | 7,225,883 | 6,880,799 |
| - | - | - | - | 5,260 | 148,238 |
| - | - | - | - | 2,136,047 | 849,164 |
| - | - | - | - | 88,976 | 89,537 |
| - | - | - | - | 59,130 | 37,209 |
| - | - | - | - | 4,989,034 | 4,630,226 |
| - | - | - | - | 69,799 | 71,406 |
| - | - | - | - | 3,271,428 | 3,276,309 |
| - | - | 4,275,571 | - | 6,128,236 | 1,296,786 |
| - | - | - | - | 43,473,294 | 30,270,995 |
| | | | | | |
| - | - | - | - | 8,008,028 | 6,340,490 |
| - | - | - | - | 4,693,294 | 5,705,632 |
| - | - | - | - | 410 | 198,622 |
| - | - | - | - | 3,512,241 | 3,767,614 |
| - | - | - | - | 97,547 | 72,526 |
| - | - | - | - | 39,620 | - |
| - | - | - | - | 557,301 | 719,682 |
| - | - | - | - | - | 8,000 |
| - | - | - | - | 367,673 | 641,722 |
| - | - | - | - | 591,025 | 239,017 |
| - | - | - | - | 359,770 | 4,281 |
| - | - | - | - | 1,164,953 | 581,322 |
| 1,551,109 | 9,089,401 | 4,279,730 | 550,892 | 240,028,399 | 211,739,291 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | General Fund | Operations and Maintenance Fund | Transportation Fund | Municipal Retirement/ Social Security Fund |
|---|---|---|---|---|
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | $140,516,234 | $ - | $ - | $ 2,139,853 |
| Support services | 61,670,558 | 7,240,678 | 9,083,938 | 4,041,260 |
| Community services | 934,779 | - | - | 77,009 |
| Payments to Other Districts & Gov't Units: | | | | |
| Payments to other districts & gov't units | 14,158 | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Other | - | - | - | - |
| Capital Outlay | 530,768 | 1,076,169 | - | - |
| Total Expenditures Disbursed | 203,666,497 | 8,316,847 | 9,083,938 | 6,258,122 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (5,117,976) | (3,470,415) | 6,066,506 | (246,252) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital leases | 129,623 | - | - | - |
| Transfers in | 900,000 | 4,250,000 | - | - |
| Transfers out | (526,338) | (1,400,000) | (5,150,000) | (258,313) |
| TOTAL OTHER FINANCING SOURCES (USES) | 503,285 | 2,850,000 | (5,150,000) | (258,313) |
| NET CHANGES IN FUND BALANCES | (4,614,691) | (620,415) | 916,506 | (504,565) |
| FUND BALANCE, BEGINNING | 51,315,280 | 3,890,563 | 6,537,425 | 3,976,581 |
| FUND BALANCE, ENDING | $ 46,700,589 | $ 3,270,148 | $ 7,453,931 | $ 3,472,016 |

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

| Tort Fund | Debt Service Fund | Capital Projects Fund | Fire Prevention and Safety Fund | Total 2015 Actual | Total 2014 Actual |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ 142,656,087 | $ 123,626,727 |
| 2,055,184 | - | 21,948 | 9,734 | 84,123,300 | 82,605,186 |
| - | - | - | - | 1,011,788 | 1,045,200 |
| - | - | - | - | 14,158 | 280,322 |
| - | 3,430,872 | - | - | 3,430,872 | 3,743,514 |
| - | 6,047,304 | - | - | 6,047,304 | 5,878,513 |
| - | 5,240 | - | - | 5,240 | 5,186 |
| - | - | 724,724 | 354,332 | 2,685,993 | 13,935,449 |
| 2,055,184 | 9,483,416 | 746,672 | 364,066 | 239,974,742 | 231,120,097 |
| (504,075) | (394,015) | 3,533,058 | 186,826 | 53,657 | (19,380,806) |
| - | - | - | - | 129,623 | 403,376 |
| - | 784,651 | 1,400,000 | - | 7,334,651 | 678,436 |
| - | - | - | - | (7,334,651) | (678,436) |
| - | 784,651 | 1,400,000 | - | 129,623 | 403,376 |
| (504,075) | 390,636 | 4,933,058 | 186,826 | 183,280 | (18,977,430) |
| 4,232,122 | 8,886,567 | (7,449,535) | 1,651,410 | 73,040,413 | 92,017,843 |
| $ 3,728,047 | $ 9,277,203 | $ (2,516,477) | $ 1,838,236 | $ 73,223,693 | $ 73,040,413 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

| | | |
|---|---|---|
| Total net change in fund balances-governmental funds (Exhibit D) | | $ 183,280 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| When capital assets that are to be used in governmental activities are purchased, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. | | |
| Depreciation expense | $(4,037,503) | |
| Capital outlay over capitalization limits | 2,685,993 | (1,351,510) |
| The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Capital leases | | (129,623) |
| Repayment of debt principal is reported as an expenditure in governmental funds and thus, has the effect of reducing fund balance because current financial resources have been used. In the government-wide statements , however, the principal reduces the liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities. The District's debt was reduced by principal payments made to debt holders. | | 8,453,897 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenses include: | | |
| Amortization of deferred interest on refunding of bonds | $ (125,919) | |
| Amortization of bond premium | 95,698 | |
| Pensions | (135,551) | |
| Other post employment benefits (OPEB) | (1,336,763) | |
| Compensated absences | 5,936 | (1,496,599) |
| Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest is recognized as the interest accrues, regardless of when it is due. | | |
| Accretion of interest on capital appreciation bonds | | (2,757,721) |
| Change in net position of governmental activities (Exhibit B) | | $ 2,901,724 |

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

EXHIBIT E

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | 2015 | 2014 |
|---|---|---|
| ASSETS | | |
| Cash and investments | $ 1,415,324 | $ 1,262,049 |
| Total Assets | $ 1,415,324 | $ 1,262,049 |
| LIABILITIES | | |
| Due to student activity fund organizations | $ 1,415,324 | $ 1,262,049 |
| Total Liabilities | $ 1,415,324 | $ 1,262,049 |

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

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Waukegan Community Unit School District No. 60 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

### A. Financial Reporting Entity

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

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight that would result in the District being considered a component unit of the District.

### B. Basis of Presentation – Fund Accounting

#### Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in party by fees charged to external parties for goods or services. There are no business-type activities within the District. The effect of interfund activity has been removed from these statements.

#### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District does not have any proprietary funds.

The funds of the District are described below:

#### Governmental Funds

**General Fund** – The General Fund which consists of the legally mandated Educational Account and Working Cash Account is the general operating fund of the District and is always classified as a major fund. It is used to account for revenues and expenditures which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds. Included in the Educational Account is the District's food service operation. The food service operating is a self-supporting activity; however, measurement of profit and loss is not an objective. This method of reporting is required for reports filed with the ISBE.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Special Revenue Funds** – Special Revenue Funds, which includes the Operations and Maintenance Fund, the Transportation Fund, the Municipal Retirement Fund and the Tort Fund, are used to account for the proceeds of specified revenue sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**Capital Projects Funds** – The Capital Project Funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund, are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Fire Prevention and Safety Fund accounts for financial resources to be used for authorized fire prevention and safety projects.

**Fiduciary Fund Types (not included in government-wide statements)**

**Agency Funds** – The Agency Funds (Student Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

**Major and Non-major Funds**

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District, is considered major by the District, or meets the following criteria:

a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and

b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues received, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**The District has classified all funds as major:**

| | |
|---|---|
| General Fund | See above for description. |
| Operations and Maintenance Fund | A Special Revenue Fund to account for expenses paid for repair and maintenance of District property. Revenue consists primarily of local revenues. |
| Transportation Fund | A Special Revenue Fund to account for activity relating to student transportation to and from school. Revenues consist primarily of property taxes and state transportation grants. |
| Municipal Retirement/ Social Security Fund | A Special Revenue Fund to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenues consist primarily of property taxes and personal property replacement taxes. |
| Tort Fund | A Special Revenue Fund to account for the portion of the District's tax levy restricted for tort immunity expenditures in accordance with the *Illinois Compiled Statues*. |

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

| | |
|---|---|
| Debt Service Fund | A Debt Service Fund used to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs. |
| Capital Projects Fund | A Capital Projects fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities. |
| Fire Prevention and Safety Fund | A Capital Projects fund used to account for financial resources to be used for activity relating to fire prevention and safety capital projects. |

**Equity Classifications**

Equity is classified as net position and displayed in three components:

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

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

*Unrestricted net position* – All other net position that do not meet the definition of "Restricted" or "Net Investment in capital assets."

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

**Governmental Fund Balance Reporting**

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned and Unassigned.

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. The nonspendable fund balance consists of the Municipal Retirement/Social Security Fund prepaid items ($10,891), and the Tort Fund prepaid items ($222,095), totaling $232,986.

R*estricted* – The restricted balance classification refers to amounts that are subject to restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributions or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are by definition restricted for those specified purposes. The restricted fund balance consists of the Operations and Maintenance Fund by statute ($3,270,148), the Transportation Fund by statue ($7,453,931), the Municipal Retirement/Social Security Fund by statute ($3,461,125), the Tort Fund by statute ($3,505,952), the Debt Service Fund by statute ($9,277,203),and the Fire Prevention and Safety Fund by statue ($1,838,236), totaling $28,806,595. The District has several revenue sources received within different funds that fall into these categories:

- Special Education – revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. As of June 30, 2015, expenditures exceeded revenues for this purpose, resulting in no restricted fund balance.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- State grants – proceeds from state grants and the related expenditures have been included in the Educational Account and the Transportation Fund. At June 30, 2015, expenditures exceeded revenues from state grants, resulting in no restricted fund balance.

- Federal grants – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2015, expenditures exceeded revenues from federal grants, resulting in no restricted fund balance.

- Social Security – revenues and the related expenditures of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2015, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

*Committed* – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit that amount. The formal action required to modify, rescind or commit fund balance is by formal resolution of the school board to allocate funds to a specific project. There are no committed fund balance designations.

*Assigned* – the assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balance is the General Fund insurance cash of $6,483,367.

*Unassigned* – 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. The unassigned fund balance consists of the General Fund ($40,217,222) and the Capital Projects Fund negative fund balance ($2,516,477), totaling $37,700,745.

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

**C. Measurement Focus/Basis of Accounting**

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

The governmental fund financial statements use the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Agency funds are also presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements and governmental funds are presented on the modified accrual basis of accounting, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual: i.e. both measurable and available. Measurable means the amount of the transaction can be determined and available means due and collectible within the current period or 60 days after year-end to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payment to be made in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs is used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Those revenues susceptible to accrual are property taxes, replacement taxes, interest revenue and intergovernmental revenues. Grant funds are considered earned to the extent of expenditures made under the grant provisions. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash as they are not generally measurable until actually received. Amounts reported as program revenues include: 1) charges for services (i.e. student and parental fees as well as payments from other governments for services rendered), 2) operating grants and contributions (i.e. state and federal grant monies received for specific programs), and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Investments**

Investments are stated at fair value. The fair value is based upon quoted market prices. Gains or losses are recognized upon realization. The District has adopted a formal written deposit and investment of funds policy that is in compliance with Illinois law.

**E. Receivables**

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. Major receivable balances are shown on the exhibits. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**F. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The 2014 levy was passed on November 25, 2014. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

The Lake County Assessor is responsible for the assessment of all taxable real property within Lake County except for certain railroad property which is assessed directly by the State. The County is reassessed every four years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Lake County Collector/Treasurer who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on or about June 1 and September 1 during the following year. Substantial collections are received by the District in June and September.

In the governmental-wide financial statements revenue is recognized based on the period that the levy is intended to finance. Based upon collection histories, the District has provided an allowance for uncollectible real property taxes equal to 1.0% of the current extension. All property taxes receivable over one year old have been written off.

**G. Personal Property Replacement Taxes**

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

**H. Program Revenues**

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather as program revenues.

**I. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in the order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year-end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

**J. Capital Assets**

In the governmental-wide financial statements, capital outlay expenditures are accounted for as capital assets. All capital outlay expenditures which exceed a capitalization threshold of $5,000 per asset are capitalized and valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2002, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible capital assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20-50 years, equipment 10 years, and transportation equipment 5 years. Land and construction in progress are not depreciated.

In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

**K. Long-term Debt**

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debts, to be repaid from governmental resources, are reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

**L. Prepaids**

The District's prepaid amounts are accounted for using the consumption method. At June 30, 2015, $232,986 is from payments of interest due July 1, 2015, and insurance premiums for insurance purchased on a calendar basis policy year. These amounts are reported as a non-spendable fund balance in the governmental funds.

**M. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. Vacation pay is accrued when incurred in the government-wide financial statements.

Vacation pay accrual is calculated by dividing the annual salary by 261 days to determine the daily rate of pay. Then the daily rate is multiplied by the number of unpaid days at June 30, 2015, to determine the total balance due. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation and/or retirement. The General Fund is typically used to liquidate the compensated absences in prior years. At June 30, 2015, the amount of compensated absences as a liability is $318,296.

**N. Restricted Assets**

Restricted assets are used for qualified restricted purposes prior to the use of unrestricted assets for restricted purposes.

**O. Assigned Assets**

Certain monies are set aside for the operation of the District self-insurance plan. The plan is funded through District and employee contributions, and expenditures are incurred when claims are paid. Resources for payment of these expenditures are maintained in bank accounts and assigned for this use.

**P. Comparative Data**

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which such summarized information was derived.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

### Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for this category. The first is deferred charges on refunding reported in the government-wide statement of position ($554,658). A deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is pensions reported in the government-wide statement of position ($8,099,446). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item which arises only under a modified accrual basis of accounting which qualifies for reporting in this category. It is pensions reported in the government-wide statement of net position ($4,586,098). This result is from the differences between expected and actual experience, the net differences projected and actual investment earnings on plan investments, changes of assumptions, and changes in proportion and differences between contributions and proportion share of contributions. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

## NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and investment in certificates of deposit. Investments held by the District are reported by the District at cost. Gains and losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy that is in compliance with Illinois law. The institutions in which investments are made must be approved by the Board of Education.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments may be separately held by some of the District's funds. Cash with fiscal agents and held in fiduciary funds have been excluded from the amounts shown below.

Permitted Deposits and Investments – The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 23 5/2 and 23 5/6; and Chapter 105, Section 5/8-7.

Deposits and Investments

At year-end, the District's deposits and investments had a total bank balance of $58,006,949 and a carrying value of $41,165,825 as follows (at fair value):

| | |
|---|---|
| Checking and savings accounts | $ 45,581,876 |
| Money market accounts | 12,412,949 |
| State treasurer's investment pools and liquid asset funds | 11,824 |
| Total | $ 58,006,649 |

*Interest Rate Risk*. As a means of limiting its exposure to fair value losses arising from rising interest rates, the districts investment portfolio consists of investments with maturities of six months or less.

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (Concluded)**

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

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over $500,000,000 rated in the highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- The Illinois Funds Money Market Fund.
- The Illinois School District Liquid Asset Fund.
- Repurchase agreements, which meet instrument transactions, requirements of Illinois law.

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits, investments or collateral securities that are in possession of an outside party. As of June 30, 2015, the District had $11,824 exposed to custodial credit risk as follows:

| | |
|---|---|
| Insured | $ 535,496 |
| Collateralized | 57,459,329 |
| Uninsured and uncollateralized | 11,824 |
| Total | $ 58,006,649 |

Deposits with the Illinois School District Liquid Asset Fund and Max Cash Fund of $11,824 are not insured by FDIC and are not collateralized by any private source.

Fiduciary funds not included in the District's cash (bank) balances listed above totaled $1,474,748 and a carrying value of $1,415,324. The funds covered by FDIC insurance total $91,243 and the funds covered by collateral total $1,064,903 and the remaining $318,602 are deposited with the Illinois School District Liquid Asset Fund and Max Cash Fund and are not insured by FDIC and are not collateralized by any private source.

*Concentration Risk*. Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The District does not have any positions that meet the definition at June 30, 2015.

*Foreign Currency Risk*. The District does not have any investments denominated in a currency other than the U.S. dollar.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable of the governmental activities consists of property taxes and intergovernmental revenues. Receivable detail at June 30, 2015 is as follows:

**NOTE 3 – ACCOUNTS RECEIVABLE (Concluded)**

| | |
|---|---|
| Property taxes | $ 28,790,543 |
| Personal property replacement taxes | 1,191,735 |
| Due from federal government | 1,209,682 |
| Due from state government | 3,810,981 |
| Total | $ 35,002,941 |

**NOTE 4 – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2015, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 1,518,042 | $ - | $ - | $ 1,518,042 |
| Construction in progress | 35,603,830 | 289,398 | 35,603,830 | 289,398 |
| Total Capital Assets Not Being Depreciated | 37,121,872 | 289,398 | 35,603,830 | 1,807,440 |
| Capital Assets Being Depreicated: | | | | |
| Buildings | 68,082,713 | - | - | 68,082,713 |
| Improvements | 17,184,164 | 37,440,230 | - | 54,624,394 |
| Equipment | 8,330,098 | 475,480 | - | 8,805,578 |
| Vehicles | 1,606,753 | 84,715 | - | 1,691,468 |
| Total Capital Assets Being Depreciated | $ 95,203,728 | $ 38,000,425 | $ - | $ 133,204,153 |
| Less: Accumulated Depreciation | | | | |
| Buildings | 37,230,811 | 1,361,654 | - | 38,592,465 |
| Improvements | 6,337,622 | 1,795,214 | - | 8,132,836 |
| Equipment | 5,152,132 | 856,784 | - | 6,008,916 |
| Vehicles | 1,537,548 | 23,851 | - | 1,561,399 |
| Total Accumulated Depreciation | 50,258,113 | 4,037,503 | - | 54,295,616 |
| Net Depreciable Capital Assets | 44,945,615 | 33,962,922 | - | 78,908,537 |
| Net Total Capital Assets | $ 82,067,487 | $ 34,252,320 | $ 35,603,830 | $ 80,715,977 |

Depreciation is not charged to any specific function.

**NOTE 5 – DEBT SERVICE REQUIREMENTS**

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

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

| | (Restated) Balance July 1, 2014 | Accretions/ Additions | Defeased/ Retired | Balance June 30, 2015 | Due Within One Year |
|---|---|---|---|---|---|
| Bonds: | | | | | |
| 1996 C Refunding Bonds | $ 14,446,530 | $ 865,925 | $ 7,770,000 | $ 7,542,455 | $ 7,765,000 |
| 1999 B Building Bonds | 12,970,980 | 678,078 | - | 13,649,058 | 405,000 |
| 2001A Working Cash/Refunding Bonds | 16,076,556 | 869,722 | - | 16,946,278 | - |
| 2006 General Obligation Bond | 650,000 | - | 225,000 | 425,000 | 245,000 |
| 2010 A General Obligation Bond | 6,293,549 | 343,996 | - | 6,637,545 | - |
| 2010 B General Obligation Bond Refunding Bonds | 13,505,000 | - | - | 13,505,000 | - |
| 2011 General Obligation Limited Tax Debt Certficates | 9,695,000 | - | - | 9,695,000 | 9,695,000 |
| Total Bonds | 73,637,615 | 2,757,721 | 7,995,000 | 68,400,336 | 18,110,000 |
| Unamortized bond premium | 521,630 | - | 95,698 | 425,932 | 96,786 |
| Capital leases: | | | | | |
| Swopes Mortgage - 742 Greenwood Ave. | 139,648 | - | 139,648 | - | - |
| US Bank - Konica Bizhubs Copiers (10) | 29,855 | - | 29,855 | - | - |
| US Bank - Konica Bizhubs Copiers (2) | 2,245 | - | 1,511 | 734 | 734 |
| US Bank - Konica Bizhubs Copiers (5) | 31,718 | - | 15,296 | 16,422 | 15,117 |
| US Bank - Konica Bizhubs Copiers (1) | 9,854 | - | 4,225 | 5,629 | 4,175 |
| US Bank - Konica Bizhubs Copiers (3) | 14,848 | - | 5,542 | 9,306 | 5,465 |
| US Bank - Konica Bizhubs Copiers (5) | 30,363 | - | 11,354 | 19,009 | 11,171 |
| US Bank - Konica Bizhubs Copiers (1) | 4,376 | - | 1,403 | 2,973 | 1,380 |
| US Bank - Konica Bizhubs Copiers (27) | 186,380 | - | 58,332 | 128,048 | 57,138 |
| US Bank - Konica Bizhubs Copiers (1) | 4,525 | - | 1,302 | 3,223 | 1,278 |
| US Bank - Konica Bizhubs Copiers (15) | 95,772 | - | 25,598 | 70,174 | 25,074 |
| US Bank - Konica Bizhubs Copiers (13) | 80,575 | - | 21,016 | 59,559 | 20,586 |
| US Bank - Konica Bizhubs Copiers (25) | 151,806 | - | 38,657 | 113,149 | 37,866 |
| US Bank - Konica Bizhubs Copiers (18) | 103,369 | - | 24,561 | 78,808 | 24,058 |
| US Bank - Konica Bizhubs Copiers (17) | 64,701 | - | 14,602 | 50,099 | 14,367 |
| US Bank - Konica Bizhubs Copiers (21) | 132,275 | - | 27,648 | 104,627 | 27,082 |
| US Bank - Konica Bizhubs Copiers (12) | 65,512 | - | 13,309 | 52,203 | 13,094 |
| US Bank - Konica Bizhubs Copiers (14) | - | 129,623 | 25,038 | 104,585 | 24,525 |
| Total Capital Leases | 1,147,822 | 129,623 | 458,897 | 818,548 | 283,110 |
| Compensated absences | 324,232 | 111,946 | 117,882 | 318,296 | - |
| Pensions | 33,423,742 | 5,472,875 | 4,815,022 | 34,081,595 | - |
| Other post employment benefits (OPEB) | 7,981,233 | 1,336,763 | - | 9,317,996 | - |
| Total Long Term Debt | $ 117,036,274 | $ 9,808,928 | $ 13,482,499 | $ 113,362,703 | $ 18,489,896 |

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

**Bonds**

On November 26, 1996 the District issued General Obligation Capital Appreciation School/Refunding Bonds in the amount of $8,257,466. The issues provides for serial retirement of principal each year beginning in 2014 with interest rates ranging from 5.80% to 5.90% payable on June 1 and December 1 or each year. The balance due as of June 30, 2015 is $7,542,455 including accreted interest.

On January 15, 1999 the District issued General Obligation School Bonds in the amount of $32,895,316. These bonds were issued in two series. The "A" series of Current Interest Bonds (CIBs) in the amount of $22,595,000 and the "B" series of Capital Appreciation Bonds (CABs) in the amount of $10,300,316. The issue provides for serial retirement of principal each year beginning December 1, 2000 with interest rates ranging from 3.20% to 6.00% payable on June 1 and December 1 each year. On January 28, 2010, a portion of the bonds were refunded by the 2010 Series B & C bonds. Any amount necessary to retire the remaining debt has been placed in escrow and is considered defeased and no longer an obligation of the District. The balance due on the Series "A" CIBs as of June 30, 2015 is $-0- and the Series "B" CABs is $13,649,058 including accreted interest.

On November 1, 2001 the District issued General Obligation Refunding Limited Tax School Bonds in the amount of $9,729,222. The issue provides for retirement of principal on November 1, 2012 and for serial retirement of the remaining principal each year beginning November 1, 2016 with interest rates ranging from 4.66% to 5.51% payable on May 1 and November 1 or each year. The balance due as of June 30, 2015 is $16,946,278 including accreted interest.

On December 14, 2006, the District issued Taxable General Obligation Bonds (Alternative Revenue Source) in the amount of $1,685,000. The issue is to provide monies to pay the District's Early Retirement Incentive liability to the Illinois Municipal Retirement Fund. The interest rates are 5.13% to 5.34% payable on January 1 and July 1 of each year commencing January 1, 2007 and principal retirement beginning January 1, 2008 through January 1, 2017. The payment of principal and interest will be paid from available funds in the IMRF fund. The balance due as of June 30, 2015 is $425,000.

On January 28, 2010, the District issued General Obligation Limited Tax and Refunding Bonds in the amount of $29,780,268 in three series. The 2010 "A" CIB issue provides for retirement of principal and interest on June 1, 2010. The 2010 "A" CABs provide for retirement of principal and interest each December 1, starting in 2022, continuing through December 1, 2024. Interest rates on the Series "A" bonds range from 5.30% to 5.48%. The 2010 "B" CIBs provide for paying interest each June 1 and December 1 with principal payments resuming December 1, 2019 through December 1, 2021. Interest rates on the Series "B" bonds range from 4.00% to 5.00%. The 2010 "C" CIB issue provides for payment of interest starting June 1, 2010 and principal and interest on December 1, 2010, continuing through December 1, 2012. Interest rates on the Series "C" bonds range from 1.00% to 2.50%. At June 30, 2015, the remaining balance due on the Series "A" CABs is $6,637,545 including accreted interest, the Series "B" CIBs is $13,505,000, and the Series "C" CIBs is $-0-, for a total due on the 2010 bonds of $20,142,545.

The 2010 advance refunding issue resulted in a net economic loss of $2,441,934 and an increase in future debt service payments of $5,180,030.

On June 30, 2011, the District issued General Obligation Limited tax debt certificates in the amount of $9,695,000. The issue is to provide monies for a matching local portion for receipt of a state construction and repair program grant. The issue carries a 3.5% interest rate and provides for semi-annual interest payments on June 1 and December 1 of each year with the principal being repaid on December 1, 2015. At June 30, 2015, the remaining balance due on the bonds is $9,695,000.

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

As of June 30, 2015, the annual debt service cash flow requirements to service all bonds (including interest accretion) are:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2016 | $ 18,110,000 | $ 775,644 | $ 18,885,644 |
| 2017 | 8,460,000 | 593,425 | 9,053,425 |
| 2018 | 8,555,000 | 584,200 | 9,139,200 |
| 2019 | 8,670,000 | 584,200 | 9,254,200 |
| 2020 | 8,845,000 | 454,900 | 9,299,900 |
| 2021 | 9,085,000 | 213,500 | 9,298,500 |
| 2022 | 6,015,000 | 50,700 | 6,065,700 |
| 2023 | 3,480,000 | - | 3,480,000 |
| 2024 | 3,480,000 | - | 3,480,000 |
| 2025 | 3,470,000 | - | 3,470,000 |
| Interest portion of CABs included in principal | (9,769,664) | 9,769,664 | - |
| Total | $ 68,400,336 | $ 13,026,233 | $ 81,426,569 |

**Lease/Purchase Agreements**

The District has acquired certain property and equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

On November 28, 2007, the District entered into a purchase agreement with Mr. and Mrs. Sherman Swopes for the purchase of land and building at 742 Greenwood Avenue, Waukegan, Illinois, for $1,182,292 with a down payment of $350,546 and a mortgage of $831,746 with interest of 5.75% for an annual payment of $147,673 payable starting November 30, 2008 and ending November 30, 2014. The purchase agreement was paid in full during the year ended June 30, 2015.

On January 20, 2010, the District entered into a lease/purchase agreement with US Bank for the purchase of 10 Konica Bizhub copier machines (equipment), totaling $155,033, requiring a monthly payment of $3,085 per month including interest at 7.21%. The lease/purchase agreement was paid in full during the year ended June 30, 2015.

On November 10, 2010, the District entered into a lease/purchase agreement with US Bank for the purchase of 2 Konica Bizhub copier machines (equipment), totaling $6,366, with a monthly payment of $125 including interest at 6.47%. The remaining balance due at June 30, 2015 is $734.

On June 9, 2011, the District entered into a lease/purchase agreement with US Bank for the purchase of 5 Konica Bizhub copier machines (equipment), totaling $66,948, with a monthly payment of $1,312 including interest at 6.57%. The remaining balance due at June 30, 2015 is $16,422.

On November 29, 2011, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling $18,797, with a monthly payment of $368 including interest at 6.57%. The remaining balance due at June 30, 2015 is $5,629.

On March 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 3 Konica Bizhub copier machines (equipment), totaling $25,343, with a monthly payment of $492 including interest at 6.37%. The remaining balance due at June 30, 2015 is $9,306.

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

On March 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 5 Konica Bizhub copier machines (equipment), totaling $51,668, with a monthly payment of $1,002 including interest at 6.14%. The remaining balance due at June 30, 2015 is $19,009.

On August 22, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling $6,547, with a monthly payment of $127 including interest at 6.14%. The remaining balance due at June 30, 2015 is $2,973.

On August 24, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 27 Konica Bizhub copier machines (equipment), totaling $273,321, with a monthly payment of $5,248 including interest at 6.71%. The remaining balance due at June 30, 2015 is $128,048.

On December 12, 2012, the District entered into a lease/purchase agreement with US Bank for the purchase of 1 Konica Bizhub copier machine (equipment), totaling $6,194, with a monthly payment of $120 including interest at 5.94%. The remaining balance due at June 30, 2015 is $3,223.

On March 15, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 15 Konica Bizhub copier machines (equipment), totaling $123,409, with a monthly payment of $2,369 including interest at 5.71%. The remaining balance due at June 30, 2015 is $70,174.

On April 8, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 13 Konica Bizhub copier machines (equipment), totaling $101,803, with a monthly payment of $1,955 including interest at 5.71%. The remaining balance due at June 30, 2015 is $59,559.

On May 6, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 25 Konica Bizhub copier machines (equipment), totaling $188,149, with a monthly payment of $3,612 including interest at 5.71%. The remaining balance due at June 30, 2015 is $113,149.

On August 16, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 18 Konica Bizhub copier machines (equipment), totaling $121,256, with a monthly payment of $2,328 including interest at 5.71%. The remaining balance due at June 30, 2015 is $78,808.

On September 26, 2013, the District entered into a lease/purchase agreement with US Bank for the purchase of 17 Konica Bizhub copier machines (equipment), totaling $73,217, with a monthly payment of $1,420 including interest at 6.14%. The remaining balance due at June 30, 2015 is $50,099.

On January 17, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 21 Konica Bizhub copier machines (equipment), totaling $140,444, with a monthly payment of $2,697 including interest at 5.71%. The remaining balance due at June 30, 2015 is $104,627.

On February 28, 2014, the District entered into a lease/purchase agreement with US Bank for the purchase of 12 Konica Bizhub copier machines (equipment), totaling $68,459, with a monthly payment of $1,328 including interest at 6.14%. The remaining balance due at June 30, 2015 is $52,203.

On July 1, 2015, the District entered into a lease/purchase agreement with US Bank for the purchase of 14 Konica Bizhub copier machines (equipment), totaling $129,623, with a monthly payment of $2,489 including interest at 5.71%. The remaining balance due at June 30, 2015 is $104,585.

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Cont'd)**

As of June 30, 2015, the annual debt service requirements to cover outstanding lease/purchase agreements are:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2016 | $ 283,110 | $ 39,477 | $ 322,587 |
| 2017 | 275,474 | 23,577 | 299,051 |
| 2018 | 197,913 | 9,122 | 207,035 |
| 2019 | 62,051 | 2,132 | 64,183 |
| Total | $ 818,548 | $ 74,308 | $ 892,856 |

**Total Annual Debt Service Requirements**

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2016 | $ 18,393,110 | $ 815,121 | $ 19,208,231 |
| 2017 | 8,735,474 | 617,002 | 9,352,476 |
| 2018 | 8,752,913 | 593,322 | 9,346,235 |
| 2019 | 8,732,051 | 586,332 | 9,318,383 |
| 2020 | 8,845,000 | 454,900 | 9,299,900 |
| 2021 | 9,085,000 | 213,500 | 9,298,500 |
| 2022 | 6,015,000 | 50,700 | 6,065,700 |
| 2023 | 3,480,000 | - | 3,480,000 |
| 2024 | 3,480,000 | - | 3,480,000 |
| 2025 | 3,470,000 | - | 3,470,000 |
| Interest portion of CABs included in principal | (9,769,664) | 9,769,664 | - |
| Total | $ 69,218,884 | $ 13,100,541 | $ 82,319,425 |

**Debt Limit**

The Illinois School Code limits the amount of bond indebtedness to 13.8 percent of $560,125,351, the most recent available assessed valuation of the District. At June 30, 2015, the District's bonded debt limit is $77,297,298, and its remaining debt margin is $30,987,366, which is 40.09 percent of its total legal debt limit after taking into account amounts available in the Debt Service Fund.

**Short Term Debt/Operating Leases**

The District has entered into leases for automobiles to be utilized by District personnel and Driver Education classes. The District also leases buildings, office facilities and classroom space.

**NOTE 5 – DEBT SERVICE REQUIREMENTS (Concluded)**

Short term debt/operating lease activity for the year ended June 30, 2015 was as follows:

| | Balance July 1, 2014 | Additions | Retired | Balance June 30, 2015 | Due Within One Year |
|---|---|---|---|---|---|
| Facilities: | | | | | |
| E.P.I.C Academy | $ 12,040 | $ - | $ 12,040 | $ - | $ - |
| Community Action Partnership | 15,620 | - | 15,620 | - | - |
| Total Facilities | 27,660 | - | 27,660 | - | - |
| Automobiles: | | | | | |
| 2012 Toyota | 2,384 | - | 2,384 | - | - |
| 2012 Toyota | 5,581 | - | 5,152 | 429 | 429 |
| 2014 Toyota | 16,481 | - | 7,063 | 9,418 | 7,063 |
| 2014 Toyota | 7,368 | - | 2,600 | 4,768 | 2,600 |
| 2014 Toyota | 7,368 | - | 2,600 | 4,768 | 2,600 |
| 2014 Toyota | 7,368 | - | 2,600 | 4,768 | 2,600 |
| Total Automobiles | 46,550 | - | 22,399 | 24,151 | 15,292 |
| Total Operating Leases | $ 74,210 | $ - | $ 50,059 | $ 24,151 | $ 15,292 |

Operating lease terms with respective balances for the year ended June 30, 2015 was as follows:

| | Lease Term | Balance June 30, 2015 |
|---|---|---|
| Automobiles: | | |
| 2012 Toyota | 36 months | $ 429 |
| 2014 Toyota | 36 months | 9,418 |
| 2014 Toyota | 36 months | 4,768 |
| 2014 Toyota | 36 months | 4,768 |
| 2014 Toyota | 36 months | 4,768 |
| Total Automobiles | | $ 24,151 |

**NOTE 6 – 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 2014 Levy was passed by the Board on November 25, 2014. 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 June 1 and September 1 of the year subsequent to the levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2014 and 2013 tax levy years.

**NOTE 6 – PROPERTY TAXES (Cont'd)**

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 | |
|---|---|---|---|
| Equalized Assessed Valuation | | $ 560,125,351 | $ 608,160,750 |
| | Legal Limit | 2014 Levy | 2013 Levy |
| Educational | 4.000 | 4.000 | 4.000 |
| Special Education | * | 0.800 | 0.800 |
| Operations and Maintenance | 0.750 | 0.750 | 0.750 |
| Transportation | * | 1.830 | 0.616 |
| Municipal Retirement | * | 0.497 | 0.572 |
| Social Security | * | 0.497 | 0.572 |
| Debt Service (Bond and Interest) | * | 1.579 | 1.388 |
| Working Cash | 0.050 | 0.050 | 0.050 |
| Tort | * | 0.278 | 0.444 |
| Fire Prevention and Life Safety | 0.100 | 0.099 | 0.100 |
| *As needed | | 10.380 | 9.292 |

**NOTE 7 – SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

**Special Education Levy**

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Account of the General Fund. Cumulative expenditures disbursed exceeded cumulative revenues received; therefore, there are no restricted funds in accordance with the *Illinois Compiled Statutes*. Other District revenues were used to cover the remaining special education expenses.

**NOTE 8 – RETIREMENT SYSTEMS**

**A. Teachers' Retirement System of the State of Illinois**

**General Information about the Pension Plan**

*Plan Description*

The employer 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 nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

*Benefits Provided*

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

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

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

*Contributions*

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

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, 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 expenditures of $42,601,755 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were $495,679, and are deferred because they were paid after the June 30, 2014 measurement date.

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling $2,731,386 were paid from federal and special trust funds that required employer contributions of $901,358 ($748,761 were paid). These contributions are deferred because they were paid after the June 30, 2014 measurement date.

**Employer retirement contributions**. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid $363,389 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the employer paid $96,309 to TRS for employer contributions due on salary increases in excess of 6 percent and $1,856 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the employer 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 amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

| | |
|---|---|
| Employer's proportionate share of the net pension liability | $ 26,770,496 |
| State's proportionate share of the net pension liability associated with the employer | 529,144,563 |
| Total | $555,915,059 |

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was .005 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was .006 percent.

For the year ended June 30, 2015, the employer recognized pension expense of $42,793,657 and revenue of $42,601,755 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 14,141 | $ - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,345,421 |
| Changes of assumptions | - | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 3,240,677 |
| Employer contributions subsequent to the measurement date | 1,244,440 | - |
| Total | $ 1,258,581 | $ 4,586,098 |

$1,244,440 reported as deferred outflows of resources related to 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---|---|
| 2016 | $(1,119,495) |
| 2017 | (1,119,495) |
| 2018 | (1,119,495) |
| 2019 | (1,119,495) |
| 2020 | (93,977) |

*Actuarial Assumptions*

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

| | |
|---|---|
| Inflation | 3.00 percent |
| Salary increases | 5.75 percent, average, including inflation |
| Investment rate of return | 7.50 percent, net of pension plan investment expense, including inflation |

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

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

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% | 8.23% |
| Global equity excluding U.S. | 18% | 8.58% |
| Aggregate bonds | 16% | 2.27% |
| U.S. TIPS | 2% | 3.52% |
| NCREIF | 11% | 5.81% |
| Opportunistic real estate | 4% | 9.79% |
| ARS | 8% | 3.27% |
| Risk parity | 8% | 5.57% |
| Diversified inflation strategy | 1% | 3.96% |
| Private equity | 14% | 13.03% |
| Total | 100% | |

*Discount Rate*

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

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

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

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

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|---|---|---|---|
| Employer's proportionate share of the net pension liability | $33,060,249 | $ 26,770,496 | $21,561,864 |

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

*TRS Fiduciary Net Position*

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

**B. Teacher Health Insurance Security (THIS) Fund**

*Contributions*

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

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

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

- *On-Behalf Contributions to the THIS Fund*
  The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were $871,539, and the employer recognized revenue and expenditures of this amount during the year.

- *Employer Contributions to the THIS Fund*
  The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the employer paid $649,382 to the THIS Fund, which was 100 percent of the required contribution.

**Further information on the THIS Fund**

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

**C. Illinois Municipal Retirement Fund (IMRF)**

**IMRF Plan Description**

The employer's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

**Benefits Provided**

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

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

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

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

**Employees Covered by Benefit Terms**

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

| | |
|---|---|
| Retirees and Beneficiaries currently receiving benefits | 526 |
| Inactive Plan Members entitled to but not yet receiving benefits | 760 |
| Active Plan Members | 694 |
| Total | 1980 |

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

**Contributions**

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2014 was 11.28%. For the fiscal year ended 2015, the employer contributed $2,907,161 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

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

**Actuarial Assumptions**

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

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

| Asset Class | Target Allocation | 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% | |

**Single Discount Rate**

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

**Changes in the Net Pension Liability**

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|---|---|---|
| Balances at December 31, 2013 | $100,262,276 | $ 98,424,052 | $1,838,224 |
| Changes for the year: | | | |
| Service Cost | 2,961,732 | - | 2,961,732 |
| Interest on the Total Pension Liability | 7,441,349 | - | 7,441,349 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 1,301,073 | - | 1,301,073 |
| Changes of Assumptions | 4,296,752 | - | 4,296,752 |
| Contributions - Employer | - | 2,801,856 | (2,801,856) |
| Contributions - Employees | - | 1,192,038 | (1,192,038) |
| Net Investment Income | - | 5,971,646 | (5,971,646) |
| Benefits Payments, including Refunds of Employee Contributioins | (5,050,324) | (5,050,324) | - |
| Other (Net Transfer) | - | 562,491 | (562,491) |
| Net Changes | 10,950,582 | 5,477,707 | 5,472,875 |
| Balances at December 31, 2014 | $111,212,858 | $103,901,759 | $7,311,099 |

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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% Lower (6.50%) | Current Discount (7.50%) | 1% Higher (8.50%) |
|---|---|---|---|
| Net pension liability/(asset) | $22,725,456 | $ 7,311,099 | $(5,292,672) |

**Pension Expense (Revenue), Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015, the employer recognized pension revenue of $(56,351). At June 30, 2015, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 8 – RETIREMENT SYSTEMS (Cont'd)**

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| *Deferred Amounts to be Recongnized in Pension Expense in Future Periods* | | |
| Differences between expected and actual experience | $ 951,191 | $ - |
| Changes of assumptions | 3,141,276 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,113,308 | - |
| Total Deferred Amounts to be recongized in pension expense in future periods | 5,205,775 | - |
| *Pension Contributions made subsequent to the Measurement Date* | 1,635,090 | - |
| Total Deferred Amounts Related to Pensions | $ 6,840,865 | $ - |

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 Ouflows of Resources | Net Deferred Inflows of Resources |
|---|---|---|
| 2015 | $ 1,783,685 | $ - |
| 2016 | 1,783,685 | - |
| 2017 | 1,360,078 | - |
| 2018 | 278,327 | - |
| 2019 | - | - |
| Thereafter | - | - |
| Total | $ 5,205,775 | $ - |

**D. Aggregate Pension Amounts**

For the Year Ended June 30, 2015, aggregate pension amounts are as follows:

| | TRS | IMRF | Total |
|---|---|---|---|
| Deferred Outflows of Resources | $ 1,258,581 | $ 6,840,865 | $ 8,099,446 |
| Net Pension Liability* | 26,770,496 | 7,311,099 | 34,081,595 |
| Deferred Inflows of Resources | 4,586,098 | - | 4,586,098 |
| Pension Expense (Revenue), Net of State Support | 191,902 | (56,351) | 135,551 |

* The Net Pension Liability is recorded in noncurrent liabilities due in more than one year on the Statement of Net Position.

## NOTE 8 – RETIREMENT SYSTEMS (Concluded)

### E. Social Security

Employees not qualifying for coverage under the Illinois 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/Medicare. The District paid the total required contribution for the current fiscal year.

## NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT PAYABLE

The Illinois Municipal retirement payable for the year ended equals $510,122 ($155,748 for 2011 and $354,374 for 2010) which is reflected in the statement of net position. This was a result of the District not contributing 100% of their annual pension cost. The expense is expected to be repaid in the short term.

## NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

### Plan Description

The District provides varying pre and post-Medicare postretirement healthcare and dental benefits to all employees who work for the District upon completion of required service time based on the employee's position and length of service. As of July 1, 2013 (the most recent actuarial valuation), 2,053 participants are eligible to receive benefits.

### Funding Policy

The eligibility requirements for pensions benefits are: IMRF participants are eligible at age 55 with 8 years of service and TRS participants are eligible for normal retirement at age 60 with 10 years or service or age 62 with 5 years of service. TRS participants are eligible for early retirements at age 55 with 20 years of service. Retiree healthcare benefits are funded on a pay as you go basis.

### Annual OPEB Cost and Net OPEB Obligation

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

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Cont'd)**

| | |
|---|---|
| Annual required contribution (ARC) | $ 2,146,405 |
| Interest on net OPEB obligation | 199,306 |
| Adjustment to annual required contribution | (338,948) |
| Annual OPEB cost | 2,006,763 |
| Contributions made (estimated) | (670,000) |
| Change in net OPEB obligation | 1,336,763 |
| Net OPEB obligation - beginning of year | 7,981,233 |
| Net OPEB obligation - end of the year (estimated) | $ 9,317,996 |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2015 fiscal year and the two preceding years is as follows:

| Actuarial Valuation Date | Annual OPEB Cost | Percentage Annual OPEB Cost Contributed | Net OPEB Obligation/ (Asset) |
|---|---|---|---|
| 6/30/2015 | $ 2,006,763 | 33.3% | $ 9,317,996 |
| 6/30/2014 | 2,006,763 | 33.3% | 7,981,233 |
| 6/30/2013 | 1,373,688 | 12.2% | 6,643,534 |

**Funded Status and Funding Progress**

As of June 30, 2015, the actuarial accrued liability for benefits was $19,689,720, all of which is unfunded. The projection of future benefits payments, for an ongoing plan, involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future.

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

**Methods and Assumptions**

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

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Concluded)**

| | |
|---|---|
| Contribution Rates: | |
| District | N/A |
| Plan members | 0.00% |
| Measurement date | July 1, 2013 |
| Actuarial cost method | Projected Unit Credit |
| Amortization period | 30 years |
| Amortization method | Level Dollar |
| Asset valuation method | N/A |
| Actuarial assumptions: | |
| Investment rate or return | 3.00% |
| Projected salary increases | N/A |
| Initial health care cost | 5.91% |
| Ultimate health care cost | 5.00% |

**NOTE 11 – SELF-INSURANCE PLAN**

The District is self-insured with respect to medical and dental coverage which is provided to District personnel. The Plan is administered by an outside agent for a fee. At June 30, 2015, the cumulative Self Insurance premium receipts had exceeded the related cumulative disbursements in the Educational Account and, accordingly, there is an assignment on the June 30, 2015 fund balance of the Educational Account portion of the General Fund for $6,483,367.

**NOTE 12 – INTERFUND LOANS AND TRANSFERS**

At June 30, 2014, the following interfund loans are outstanding:

| Fund | Lending Fund | Borrowing Fund |
|---|---|---|
| General Fund (Working Cash Account) | $ 2,500,000 | $ - |
| Operations and Maintenance Fund | 2,500,000 | 2,500,000 |
| Capital Projects Fund | - | 2,500,000 |
| Total | $ 5,000,000 | $ 5,000,000 |

Working Cash Account funds are available for borrowing by other funds not able to meet their cash flow needs during the year. These funds are expected to be repaid in the short term.

**NOTE 12 – INTERFUND LOANS AND TRANSFERS (Concluded)**

The District made the following interfund transfers:

The District made interfund transfers from the General Fund (Educational Account) to the Debt Service Fund in the amount of $526,338 for capital lease payments.

The District made interfund transfers from the Municipal Retirement Fund to the Debt Service Fund in the amount of $258,313 for bond payments.

The District made interfund transfers from: the Operations and Maintenance Fund to the Capital Projects Fund for $1,400,000, the Transportation Fund to the General Fund (Educational Account) for $900,000, and the Transportation Fund to the Operations and Maintenance Fund for $4,250,000. These transfers were approved by the District's Board of Education for funding purposes.

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service fund as Debt Service principal and interest become due, and (2) move amounts between funds as required by state regulations or local ordinances.

**NOTE 13 – DEFICIT FUND BALANCE**

The unrestricted fund balance of the Capital Project's Fund was in a deficit position in the amount of $2,516,477.

**NOTE 14 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past five years.

**NOTE 15 – LITIGATION**

The District is a 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.

**NOTE 16 – INVESTMENT IN 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 Education, 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 of its investment should it choose to withdraw from the joint agreement.

## NOTE 16 – INVESTMENT IN JOINT AGREEMENTS (Concluded)

### Lake County High School Technology Campus

The District is a member of the Lake County High School Technology Campus Consortium, along with twenty-one other area school districts in Lake and McHenry Counties. The Lake County High Schools Technology Campus provides career and technical 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 in the Lake County High Schools governing board and tuition and fees for programs and services are based on usage. The Lake County High Schools Technology Campus is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from the Lake County High Schools Technology Campus by contacting its administration at 19525 West Washington Street, Grayslake, Illinois 60030. The telephone number is: 847-223-6681.

## NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2015, the District adopted new accounting guidance:

- *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and

- *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*

The Net Position at July 1, 2013 was reduced by $33,423,742, due to the pension expense recognition previously unrecognized.

## NOTE 18 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2015, and the date of this audit report requiring disclosure in the financial statements.

## NOTE 19 – UNCERTAINTIES RELATING TO A GOING CONCERN

In addition to the accrual/modified accrual financial statements, this report also includes financial statements that have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, and contemplates continuation of the District as a going concern. As of June 30, 2015, the aggregate fund balance of the District is in a positive position of $41,169,004, including no outstanding Tax Anticipation Warrants as of June 30, 2015, and the Illinois State Board of Education (ISBE) Annual Financial Report's calculation of "Estimated Financial Profile Summary" has a result in a "WARNING" designation. Consideration of these factors does not constitute sufficient doubt about the District's ability to continue as a going concern.

**NOTE 19 – UNCERTAINTIES RELATING TO A GOING CONCERN (Concluded)**

A district's Financial Profile, as measured by the Illinois State Board of Education, is based upon a weighted combination of five ratios:

- Fund Balance to Revenue Ratio
- Expenditure to Revenue Ratio
- Days Cash on Hand
- Percent of Short-Term Borrowing Maximum Remaining
- Percent of Long-Term Debt Margin Remaining

Total profile scores are identified as follows:

| ***Score*** | ***Rating*** | ***Description*** |
|---|---|---|
| 3.54 - 4.00 | Financial Recognition | The highest category of financial strength. |
| 3.08 - 3.53 | Financial Review | The next highest financial health category. |
| 2.62 - 3.07 | Financial Early Warning | ISBE will be monitoring these districts closely and offering proactive technical assistance. |
| 1.00 - 2.61 | Financial Watch | ISBE will be monitoring these districts very closely and offering them technical assistance including, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories, and enrollment projections. |

The District's Financial Profile Rating for the year ended June 30, 2015, has changed from "Review" to "Warning" with a score estimated at 2.90. "Recognition" is the highest rating of financial strength. While an estimated profile is identified here, it is an estimation and may change, as the final profile score will be calculated by ISBE.

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## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of the basic financial statements. Such information includes:

Schedule of the Employer's Proportionate Share of the Net Pension Liability - Teachers' Retirement System of the State of Illinois

Schedule of Employer Contributions - Teachers' Retirement System of the State of Illinois

Schedule of Changes in Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund

Schedule of Employer Contributions - Illinois Municipal Retirement Fund

Schedule of Funding Progress - Other Post Employment Benefits

Schedule of Contributions - Other Post Employment Benefits

Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balance - Budget and Actual - Budget Basis for:

- General Fund
- Operations and Maintenance Fund
- Transportation Fund
- Municipal Retirement/Social Security Fund
- Tort Fund

Notes to the Required Supplementary Information

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2015

| | |
|---|---|
| Employer's proportion of the net pension liability | 0.044% |
| Employer's proportionate share of the net pension liability | $ 26,770,496 |
| State's proportionate share of the net pension liability associated with the employer | 529,144,563 |
| Total | $ 555,915,059 |
| Employer's covered-employee payroll | $ 85,445,003 |
| Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 31.33% |
| Plan fiduciary net position as a percentage of the total pension liability | 43.00% |

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

This schedule is presented to illustrate the requirement 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2015

| | |
|---|---|
| Contractually-required contribution | $ 1,396,939 |
| Contributions in relation to the contractually-required contribution | 1,244,440 |
| Contribution deficiency (excess) | $ 152,499 |
| Employer's covered-employee payroll | $85,445,003 |
| Contributions as a percentage of covered-employee payroll | 1.46% |

This schedule is presented to illustrate the requirement 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEAR

| Calendar year ending December 31, | **2014** |
|---|---|
| **Total pension liability** | |
| Service cost | $ 2,961,732 |
| Interest on the total pension liability | 7,441,349 |
| Benefit changes | - |
| Difference between expected and actual experience of the total pension liability | 1,301,073 |
| Changes of assumptions | 4,296,752 |
| Benefit payments, including refunds of employee contributions | (5,050,324) |
| **Net change in pension liability** | 10,950,582 |
| **Total pension liability - beginning** | 100,262,276 |
| **Total pension liability - ending (A)** | $ 111,212,858 |
| **Plan fiduciary net position** | |
| Contributions - employer | $ 2,801,856 |
| Contributions - employees | 1,192,038 |
| Net investment income | 5,971,646 |
| Benefit payments, including refunds of employee contributions | (5,050,324) |
| Other (net transfer) | 562,491 |
| **Net change in plan fiduciary net position** | 5,477,707 |
| **Plan fiduciary net position - beginning** | 98,424,052 |
| **Plan fiduciary net position - ending (B)** | $ 103,901,759 |
| **Net pension liability/(asset) - ending (A) - (B)** | $ 7,311,099 |
| **Plan fiduciary net position as a percentage of total pension liability** | 93.43% |
| **Covered valuation payroll** | $ 26,288,387 |
| **Net pension liability as a percentage of covered valuation payroll** | 27.81% |

This schedule is presented to illustrate the requirement 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEAR

| Calendar Year Ending December 31 | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|---|---|---|---|---|
| 2014 | $ 2,802,342 | $ 2,801,856 | $ 486 | $ 26,288,387 | 10.66% |

***Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate****

**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 2014 Contribution Rates:**

| | |
|---|---|
| *Actuarial Cost Method:* | Aggregate entry age = normal |
| *Amortization Method:* | Level percentage of payroll, closed |
| *Remaining Amortization Period:* | 29-year closed period |
| *Asset Valuation Method:* | 5-year smoothed market; 20% corridor |
| *Wage Growth:* | 4% |
| *Price Inflation:* | 3%. Approximate; No explicit price inflation assumption is used in this valuation |
| *Salary Increases:* | 4.40% to 16%, including inflation |
| *Investment Rate of Return:* | 7.50% |
| *Retirement Age:* | Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 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, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement 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.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) -- Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|---|---|---|---|---|---|---|
| 6/30/2014 | $ - | $ 19,689,720 | $ 19,689,720 | 0.00% | N/A | N/A |
| 6/30/2013 | - | 20,738,591 | 20,738,591 | 0.00% | N/A | N/A |
| 6/30/2012 | - | 20,582,231 | 20,582,231 | 0.00% | N/A | N/A |

Note: The 6/30/14 information, presented for the year ended June 30, 2015, is the most recent actuarial information available.

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
FISCAL YEAR 2015

| Fiscal Year Ended | Annual Required Contribution | Estimated Employer Contribution | Percentage Annual Required Contribution |
|---|---|---|---|
| 6/30/2015 | $ 2,006,763 | $ 670,000 | 33.39% |
| 6/30/2014 | 2,006,763 | 669,064 | 33.34% |
| 6/30/2013 | 1,373,688 | 167,498 | 12.19% |

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | |
|---|---|---|---|---|
| | Original and Final Budget | Educational Account | Working Cash Account | Total |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 24,073,260 | $ 23,076,943 | $ 288,462 | $ 23,365,405 |
| Special education levy | 4,753,333 | 4,615,389 | - | 4,615,389 |
| Personal property replacement taxes | 6,892,293 | 6,583,960 | - | 6,583,960 |
| Summer school - tuition | 79,023 | 111,359 | - | 111,359 |
| Earnings on investments | 7,897 | 11,522 | - | 11,522 |
| Food services | 168,813 | 137,790 | - | 137,790 |
| District/School activity income | 167,534 | 258,828 | - | 258,828 |
| Textbooks | 473,703 | 480,586 | - | 480,586 |
| Rentals | 30,809 | 19,100 | - | 19,100 |
| Contributions and donations | - | 6,230 | - | 6,230 |
| Refund of prior years' expenditures | 19,320 | 43,658 | - | 43,658 |
| Payments of surplus moneys from TIF districts | - | 128,758 | 1,024 | 129,782 |
| Other local sources | 89,398 | 82,618 | - | 82,618 |
| Total Local Sources | 36,755,383 | 35,556,741 | 289,486 | 35,846,227 |
| State Sources: | | | | |
| Unrestricted Grants-In-Aid: | | | | |
| General state aid | 87,559,915 | 86,249,263 | - | 86,249,263 |
| Total Unrestricted Grants-In-Aid | 87,559,915 | 86,249,263 | - | 86,249,263 |
| Restricted Grants-In-Aid: | | | | |
| Special education | 6,717,361 | 5,421,857 | - | 5,421,857 |
| Career and technical education | 49,461 | 5,260 | - | 5,260 |
| Bilingual education | 2,274,151 | 1,490,991 | - | 1,490,991 |
| State free lunch and breakfast | 88,738 | 76,542 | - | 76,542 |
| Driver education | 42,787 | 68,432 | - | 68,432 |
| Truant alternative/optional education | 71,400 | 87,805 | - | 87,805 |
| Early childhood block grant | 3,537,556 | 3,569,089 | - | 3,569,089 |
| Other state sources | 12,004 | 1,699,422 | - | 1,699,422 |
| On behalf payments - State of Illinois | - | 43,473,294 | - | 43,473,294 |
| Total Restricted Grants-In-Aid | 12,793,458 | 55,892,692 | - | 55,892,692 |
| Total State Sources | 100,353,373 | 142,141,955 | - | 142,141,955 |

| | 2014 |
|---|---|
| Variance | Actual |
| $ (707,855) | $ 27,001,766 |
| (137,944) | 5,333,682 |
| (308,333) | 6,887,203 |
| 32,336 | 79,023 |
| 3,625 | 8,375 |
| (31,023) | 168,813 |
| 91,294 | 167,534 |
| 6,883 | 473,703 |
| (11,709) | 30,809 |
| 6,230 | 30,330 |
| 24,338 | 19,320 |
| 129,782 | - |
| (6,780) | 113,634 |
| (909,156) | 40,314,192 |
| (1,310,652) | 79,351,382 |
| (1,310,652) | 79,351,382 |
| (1,295,504) | 8,830,605 |
| (44,201) | 148,238 |
| (783,160) | 1,762,292 |
| (12,196) | 98,163 |
| 25,645 | 42,787 |
| 16,405 | 64,065 |
| 31,533 | 3,226,762 |
| 1,687,418 | 3,000 |
| 43,473,294 | 30,270,995 |
| 43,099,234 | 44,446,907 |
| 41,788,582 | 123,798,289 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | |
|---|---|---|---|---|
| | Original and Final Budget | Educational Account | Working Cash Account | Total |
| Federal Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Food service | $ 6,389,041 | $ 7,520,907 | $ - | $ 7,520,907 |
| Title I - low income | 5,248,338 | 4,941,972 | - | 4,941,972 |
| Title IV - 21st century | 52,390 | 61,370 | - | 61,370 |
| Special education - pre-school flow through | 82,572 | 98,061 | - | 98,061 |
| Special education - IDEA - flow through | 3,846,697 | 4,038,544 | - | 4,038,544 |
| Special education - IDEA - room & board | 67,100 | 83,248 | - | 83,248 |
| Special education - IDEA - discretionary | 37,800 | 10,426 | - | 10,426 |
| Career and technical education | 68,076 | 97,547 | - | 97,547 |
| Title III - immigrant education program | - | 38,744 | - | 38,744 |
| Title III - language inst. program | 409,257 | 806,002 | - | 806,002 |
| McKinney education for homeless children | 8,000 | - | - | - |
| Title II - teacher quality | 387,089 | 625,983 | - | 625,983 |
| Medicaid administrative outreach | 190,700 | 733,792 | - | 733,792 |
| Medicaid matching fee-for-service | 294,300 | 357,930 | - | 357,930 |
| Other federal sources | 1,005,047 | 1,183,955 | - | 1,183,955 |
| Total Restricted Grants-In-Aid | 18,086,407 | 20,598,481 | - | 20,598,481 |
| Total Federal Sources | 18,086,407 | 20,598,481 | - | 20,598,481 |
| Total Revenues Received | 155,195,163 | 198,297,177 | 289,486 | 198,586,663 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Instruction | 95,043,435 | 140,088,439 | - | 140,088,439 |
| Support services | 64,901,813 | 61,738,331 | - | 61,738,331 |
| Community services | 1,135,651 | 936,657 | - | 936,657 |
| Payments to Other Districts & Gov't Units: | | | | |
| Payments to other districts & govt units | 6,900 | 14,158 | - | 14,158 |
| Capital Outlay | 1,176,246 | 530,768 | - | 530,768 |
| Total Expenditures Disbursed | 162,264,045 | 203,308,353 | - | 203,308,353 |
| Excess (Deficiency) of Revenues Over (Under) Exper | (7,068,882) | (5,011,176) | 289,486 | (4,721,690) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital leases | - | 129,623 | - | 129,623 |
| Transfers in | - | 900,000 | - | 900,000 |
| Transfers out | - | (526,338) | - | (526,338) |
| Total Other Financing Sources (Uses) | - | 503,285 | - | 503,285 |
| Net Changes in Fund Balances | (7,068,882) | (4,507,891) | 289,486 | (4,218,405) |
| Fund Balance, Budget Basis, at Beginning of Year | | 8,817,056 | 25,849,692 | 34,666,748 |
| Fund Balance, Budget Basis, at End of Year | | $ 4,309,165 | $ 26,139,178 | $ 30,448,343 |

| | 2014 |
|---|---|
| Variance | Actual |
| $ 1,131,866 | $ 6,967,059 |
| (306,366) | 6,880,162 |
| 8,980 | 232,997 |
| 15,489 | 72,299 |
| 191,847 | 2,876,730 |
| 16,148 | 55,205 |
| (27,374) | 25,701 |
| 29,471 | 72,526 |
| 38,744 | - |
| 396,745 | 620,858 |
| (8,000) | 8,000 |
| 238,894 | 453,865 |
| 543,092 | 260,329 |
| 63,630 | 4,281 |
| 178,908 | 562,320 |
| 2,512,074 | 19,092,332 |
| 2,512,074 | 19,092,332 |
| 43,391,500 | 183,204,813 |
| 45,045,004 | 121,605,135 |
| (3,163,482) | 60,304,152 |
| (198,994) | 951,812 |
| 7,258 | 280,366 |
| (645,478) | 827,718 |
| 41,044,308 | 183,969,183 |
| 2,347,192 | (764,370) |
| 129,623 | 403,376 |
| 900,000 | - |
| (526,338) | (434,873) |
| 503,285 | (31,497) |
| 2,850,477 | (795,867) |
| | 35,462,615 |
| | $ 34,666,748 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 4,762,553 | $ 4,326,927 | $ (435,626) | $ 5,000,327 |
| Personal property replacement taxes | 150,000 | 150,000 | - | - |
| Earnings on investments | 10,000 | - | (10,000) | - |
| Refund of prior years' expenditures | - | 68,396 | 68,396 | - |
| Payments of surplus moneys from TIF districts | - | 15,357 | 15,357 | - |
| Other local sources | 1,220 | 88,818 | 87,598 | 101 |
| Total Local Sources | 4,923,773 | 4,649,498 | (274,275) | 5,000,428 |
| State Sources: | | | | |
| Unrestricted Grants-In-Aid: | | | | |
| General state aid | 300,000 | 300,000 | - | 2,750,000 |
| Total Unrestricted Grants-In-Aid | 300,000 | 300,000 | - | 2,750,000 |
| Restricted Grants-In-Aid: | | | | |
| Other state sources | - | 67,052 | 67,052 | 100,000 |
| Total Restricted Grants-In-Aid | - | 67,052 | 67,052 | 100,000 |
| Total State Sources | 300,000 | 367,052 | 67,052 | 2,850,000 |
| Total Revenues Received | 5,223,773 | 5,016,550 | (207,223) | 7,850,428 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Direction of Business Support Services: | | | | |
| Purchased services | 78,300 | - | (78,300) | - |
| Total Direction of Business Support Services | 78,300 | - | (78,300) | - |
| Facilities Acquisition and Construction Services: | | | | |
| Salaries | 38,200 | - | (38,200) | - |
| Purchased services | 277,500 | 177,182 | (100,318) | 267,034 |
| Supplies and materials | - | 24,872 | 24,872 | 4,914 |
| Non-capitalized equipment | - | 20,941 | 20,941 | 35,376 |
| Total Facilities and Construction Services | 315,700 | 222,995 | (92,705) | 307,324 |
| Operation & Maintenance of Plant Services: | | | | |
| Salaries | 1,814,337 | 2,400,110 | 585,773 | 2,294,919 |
| Employee benefits | 38,127 | 405,304 | 367,177 | 295,785 |
| Purchased services | 1,759,005 | 940,443 | (818,562) | 1,135,072 |
| Supplies and materials | 3,057,195 | 3,029,286 | (27,909) | 3,047,350 |
| Non-capitalized equipment | - | 134,042 | 134,042 | 146,363 |
| Total Operation & Maintenance of Plant Services | 6,668,664 | 6,909,185 | 240,521 | 6,919,489 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Other Support Services: | | | | |
| Salaries | $ 493,000 | $ - | $ (493,000) | $ - |
| Employee benefits | 136,500 | - | (136,500) | - |
| Purchased services | 142,300 | 19,977 | (122,323) | 19,961 |
| Total Other Support Services | 771,800 | 19,977 | (751,823) | 19,961 |
| Total Support Services | 7,834,464 | 7,152,157 | (682,307) | 7,246,774 |
| Capital Outlay: | | | | |
| Facilities acquisition and construction services | - | 554,568 | 554,568 | 3,084,169 |
| Operation & maintenance of plant services | 233,000 | 379,792 | 146,792 | 83,058 |
| Total Capital Outlay | 233,000 | 934,360 | 701,360 | 3,167,227 |
| Total Expenditures Disbursed | 8,067,464 | 8,086,517 | 19,053 | 10,414,001 |
| (Deficiency) of Revenues (Under) Expenditures | (2,843,691) | (3,069,967) | (226,276) | (2,563,573) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 4,250,000 | 4,250,000 | - |
| Transfers out | - | (1,400,000) | (1,400,000) | - |
| Total Other Financing Sources (Uses) | - | 2,850,000 | 2,850,000 | - |
| Net Changes in Fund Balances | $ (2,843,691) | (219,967) | $ 2,623,724 | (2,563,573) |
| Fund Balance, Budget Basis, at Beginning of Year | | 2,168,562 | | 4,732,135 |
| Fund Balance, Budget Basis, at End of Year | | $ 1,948,595 | | $ 2,168,562 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TRANSPORTATION FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 4,475,248 | $ 6,918,176 | $ 2,442,928 | $ 10,135,065 |
| Payments of surplus monies from TIF | - | 12,614 | 12,614 | - |
| Other local sources | - | 3,530 | 3,530 | - |
| Total Local Sources | 4,475,248 | 6,934,320 | 2,459,072 | 10,135,065 |
| State Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Transportation - regular | 2,138,432 | 1,814,016 | (324,416) | 2,516,326 |
| Transportation - special education | 2,460,630 | 1,957,043 | (503,587) | 3,072,432 |
| Total Restricted Grants-In-Aid | 4,599,062 | 3,771,059 | (828,003) | 5,588,758 |
| Total State Sources | 4,599,062 | 3,771,059 | (828,003) | 5,588,758 |
| Total Revenues Received | 9,074,310 | 10,705,379 | 1,631,069 | 15,723,823 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupil Transportation Services: | | | | |
| Salaries | 80,194 | 68,123 | (12,071) | 78,622 |
| Employee benefits | 7,891 | 6,292 | (1,599) | 7,092 |
| Purchased services | 8,704,849 | 9,062,826 | 357,977 | 7,873,052 |
| Supplies and materials | 25,000 | 15,775 | (9,225) | 20,054 |
| Total Pupil Transportation Services | 8,817,934 | 9,153,016 | 335,082 | 7,978,820 |
| Total Support Services | 8,817,934 | 9,153,016 | 335,082 | 7,978,820 |
| Debt Service: | | | | |
| Interest | - | - | - | 6,970 |
| Principal retirement | - | - | - | 243,096 |
| Total Debt Service | - | - | - | 250,066 |
| Total Expenditures Disbursed | 8,817,934 | 9,153,016 | 335,082 | 8,228,886 |
| Excess of Revenues Over Expenditures | 256,376 | 1,552,363 | 1,295,987 | 7,494,937 |

(Continued)

SCHEDULE 3
(Concluded)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TRANSPORTATION FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| OTHER FINANCING (USES) | | | | |
| Transfers out | $ - | $ (5,150,000) | $ (5,150,000) | $ - |
| Total Other Financing Sources | - | (5,150,000) | (5,150,000) | - |
| Net Changes in Fund Balances | $ 256,376 | (3,597,637) | $ (3,854,013) | 7,494,937 |
| Fund Balance, Budget Basis, at Beginning of Year | | 4,789,676 | | (2,705,261) |
| Fund Balance, Budget Basis, at End of Year | | $ 1,192,039 | | $ 4,789,676 |

SCHEDULE 4

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ - | $ 3,092,061 | $ 3,092,061 | $ 3,014,938 |
| FICA/Medicare levy | 6,230,253 | 3,092,061 | (3,138,192) | 3,014,937 |
| Personal property replacement taxes | 480,000 | 480,000 | - | 5,000 |
| Payments of surplus moneys from TIF districts | - | 23,426 | 23,426 | - |
| Total Local Sources | 6,710,253 | 6,687,548 | (22,705) | 6,034,875 |
| Total Revenues Received | 6,710,253 | 6,687,548 | (22,705) | 6,034,875 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Employee Benefits: | | | | |
| Instruction | 2,178,369 | 2,139,853 | (38,516) | 2,087,637 |
| Support services | 4,157,900 | 4,041,260 | (116,640) | 3,986,000 |
| Community services | 51,300 | 77,009 | 25,709 | 82,916 |
| Total Employee Benefits | 6,387,569 | 6,258,122 | (129,447) | 6,156,553 |
| Debt Service: | | | | |
| Other objects | 243,600 | - | (243,600) | - |
| Total Debt Service | 243,600 | - | (243,600) | - |
| Total Expenditures Disbursed | 6,631,169 | 6,258,122 | (373,047) | 6,156,553 |
| Excess (Deficiency) of Revenues Over (Under) Expenditur | 79,084 | 429,426 | 350,342 | (121,678) |
| OTHER FINANCING (USES) | | | | |
| Transfers out | - | (258,313) | (258,313) | (243,563) |
| Total Other Financing (Uses) | - | (258,313) | (258,313) | (243,563) |
| Net Changes in Fund Balances | $ 79,084 | 171,113 | $ 92,029 | (365,241) |
| Fund Balance, Budget Basis, at Beginning of Year | | 544,043 | | 909,284 |
| Fund Balance, Budget Basis, at End of Year | | $ 715,156 | | $ 544,043 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 2,723,992 | $ 2,102,304 | $ (621,688) | $ 2,770,561 |
| Payments of surplus moneys from TIF districts | - | 9,092 | 9,092 | - |
| Total Local Sources | 2,723,992 | 2,111,396 | (612,596) | 2,770,561 |
| Total Revenues Received | 2,723,992 | 2,111,396 | (612,596) | 2,770,561 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Workers' Compensation Payments: | | | | |
| Purchased services | 691,000 | 739,600 | 48,600 | 773,312 |
| Total Workers' Compensation Payments | 691,000 | 739,600 | 48,600 | 773,312 |
| Unemployment Insurance Payments: | | | | |
| Purchased services | 200,000 | 160,853 | (39,147) | 126,330 |
| Total Unemployment Insurance Payments | 200,000 | 160,853 | (39,147) | 126,330 |
| Insurance Payments: | | | | |
| Purchased services | 659,000 | 478,468 | (180,532) | 465,747 |
| Total Insurance Payments | 659,000 | 478,468 | (180,532) | 465,747 |
| Risk Management and Claims Services Payments: | | | | |
| Salaries | 16,200 | 8,011 | (8,189) | 14,907 |
| Employee benefits | 7,685 | 922 | (6,763) | 1,261 |
| Total Risk Management and Claims Services Payments | 23,885 | 8,933 | (14,952) | 16,168 |
| Judgments and Settlements: | | | | |
| Salaries | - | - | - | 103,079 |
| Employee benefits | - | - | - | 2,182 |
| Other objects | 159,000 | 76,921 | (82,079) | 105,907 |
| Total Judgements and Settlements | 159,000 | 76,921 | (82,079) | 211,168 |
| Services Related to Loss Prevention: | | | | |
| Purchased services | 275,000 | 34,143 | (240,857) | 39,643 |
| Total Services Related to Loss Prevention | 275,000 | 34,143 | (240,857) | 39,643 |

(Continued)

SCHEDULE 5
(Concluded)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Legal Service: | | | | |
| Salaries | $ 53,800 | $ 49,524 | $ (4,276) | $ 48,084 |
| Employee benefits | - | 3,328 | 3,328 | 3,360 |
| Purchased services | 416,000 | 537,994 | 121,994 | 363,901 |
| Total Legal Services | 469,800 | 590,846 | 121,046 | 415,345 |
| Total Support Services | 2,477,685 | 2,089,764 | (387,921) | 2,047,713 |
| Total Expenditures Disbursed | 2,477,685 | 2,089,764 | (387,921) | 2,047,713 |
| Net Changes in Fund Balances | $ 246,307 | 21,632 | $ (224,675) | 722,848 |
| Fund Balance, Budget Basis, at Beginning of Year | | 2,859,868 | | 2,137,020 |
| Fund Balance, Budget Basis, at End of Year | | $ 2,881,500 | | $ 2,859,868 |

## NOTE 1 – TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (TRS)

*CHANGES OF ASSUMPTIONS*

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

## NOTE 2 –BUDGETS AND BUDGETARY ACCOUNTING

The District's budget is prepared and the District's books are generally maintained on the basis of cash receipts and disbursements (budget basis) which results in the accounting for certain transactions to be on a basis other than accounting principles generally accepted in the United States of America (modified accrual/accrual). Under this basis, certain revenues and the related assets are recognized when received rather than when susceptible to accrual or earned, and certain expenditures are recognized when disbursed as determined by the date of the check rather than when the obligation is incurred. This is an acceptable method in accordance with the Illinois Revised Statutes. The original budget was passed on September 9, 2014. For each fund, total fund expenditures may not legally exceed the budgeted expenditures. All budget appropriations lapse at the end of each fiscal year. The District has adopted a legal budget for all its governmental funds.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to October 1, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.

4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.

5. Formal budgetary integration is employed as a management control device during the year for all funds.

6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

*EXPENDITURES IN EXCESS OF BUDGET*

The District over expended its budget, which is prepared on the budget (cash) basis of accounting in the the General Fund by $41,044,308, the Operations and Maintenance Fund by $19,053, the Debt Service Fund by $783,891, the Transportation Fund by $335,082, and the Capital Projects Fund by $709,220 during fiscal year ended June 30, 2015. The General Fund was over expended due to non-budgeted on-behalf payments of $43,473,294. The Debt Service Fund was over expended due to non-budgeted expenditures for debt payments budgeted in other funds which were covered by transfers to the Debt Service Fund as required by ISBE rules.

**NOTE 2 –BUDGETS AND BUDGETARY ACCOUNTING (Cont'd)**

*BUDGET AND BOOK BASIS OF ACCOUNTING*

The major differences between the budget and the modified accrual basis are as follows:

a. Revenues, primarily property tax revenues, are recorded when received in cash (budget) as opposed to when susceptible to accrual (modified accrual).

b. Expenditures, primarily payroll and related items, are recorded when cash is disbursed as determined by the date of the check (budget) as opposed to when the liability is incurred (modified accrual).

Adjustments necessary to convert the results of operations and fund balances as of June 30, 2015 on the modified accrual basis for governmental funds to the budget basis are as follows:

**NOTE 2 –BUDGETS AND BUDGETARY ACCOUNTING (Concluded)**

| Net Changes in Fund Balances | | |
|---|---|---|
| Modified accrual basis: | | |
| General Fund | $ (4,614,691) | |
| Operations and Maintenance Fund | (620,415) | |
| Transportation Fund | 916,506 | |
| Municipal Retirement/Social Security Fund | (504,565) | |
| Tort Fund | (504,075) | |
| Debt Service Fund | 390,636 | |
| Capital Projects Fund | 4,933,058 | |
| Fire Prevention and Safety Fund | 186,826 | $ 183,280 |
| Due to revenues: | | |
| Received in cash during year but accrued as receivables, net of deffered revenue (modified accrual) at June 30, 2014 | | 32,022,884 |
| Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2015 but not recognized in budget | | (35,225,036) |
| Due to expenditures: | | |
| Paid in cash during year but accrued as liability (modified accrual) at June 30, 2014 | | (2,642,149) |
| Accrued as liability (modified accrual) at June 30, 2015 but not recognized in budget | | 3,170,347 |
| Budget basis | | $ (2,490,674) |

| Fund balance as of June 30, 2015 | |
|---|---|
| Modified accrual basis | $ 73,223,693 |
| Due to revenues: | |
| Accrued as receivables net of deferred revenue (modified accrual) at June 30, 2015 but not recognized in budget | (35,225,036) |
| Due to expenditures: | |
| Accrued as liability (modified accrual) at June 30, 2015 but not recognized in budget | 3,170,347 |
| Budget basis | $ 41,169,004 |

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**SUPPLEMENTARY INFORMATION**

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SCHEDULE 6

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEBT SERVICE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 8,398,606 | $ 8,535,771 | $ 137,165 | $ 8,455,294 |
| Earnings on investments | 1,984 | - | (1,984) | - |
| Total Local Sources | 8,400,590 | 8,535,771 | 135,181 | 8,455,294 |
| State Sources: | | | | |
| Unrestricted Grants-In-Aid: | | | | |
| General state aid | 340,000 | 340,000 | - | 340,000 |
| Total Unrestricted Grants-In-Aid | 340,000 | 340,000 | - | 340,000 |
| Total State Sources | 340,000 | 340,000 | - | 340,000 |
| Total Revenues Received | 8,740,590 | 8,875,771 | 135,181 | 8,795,294 |
| EXPENDITURES DISBURSED | | | | |
| Debt Service: | | | | |
| Interest | - | 6,047,304 | 6,047,304 | 5,871,543 |
| Principal retirement | 8,699,525 | 3,430,872 | (5,268,653) | 3,500,418 |
| Other | - | 5,240 | 5,240 | 5,186 |
| Total Debt Service | 8,699,525 | 9,483,416 | 783,891 | 9,377,147 |
| Total Expenditures Disbursed | 8,699,525 | 9,483,416 | 783,891 | 9,377,147 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 41,065 | (607,645) | (648,710) | (581,853) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 784,651 | 784,651 | 678,436 |
| Total Other Financing Sources | - | 784,651 | 784,651 | 678,436 |
| Net Changes in Fund Balances | $ 41,065 | 177,006 | $ 135,941 | 96,583 |
| Fund Balance, Budget Basis, at Beginning of Year | | 4,721,915 | | 4,625,332 |
| Fund Balance, Budget Basis, at End of Year | | $ 4,898,921 | | $ 4,721,915 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| Earnings on investments | $ - | $ 4,159 | $ 4,159 | $ 10,640 |
| Total Local Sources | - | 4,159 | 4,159 | 10,640 |
| State Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Other state sources | - | 4,275,571 | 4,275,571 | 1,193,786 |
| Total Restricted Grants-In-Aid | - | 4,275,571 | 4,275,571 | 1,193,786 |
| Total State Sources | - | 4,275,571 | 4,275,571 | 1,193,786 |
| Federal Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Other federal sources | 4,025,571 | - | (4,025,571) | - |
| Total Restricted Grants-In-Aid | 4,025,571 | - | (4,025,571) | - |
| Total Federal Sources | 4,025,571 | - | (4,025,571) | - |
| Total Revenues Received | 4,025,571 | 4,279,730 | 254,159 | 1,204,426 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Facilities Acquisition and Construction Services: | | | | |
| Non-capitalized equipment | - | 21,948 | 21,948 | 733,152 |
| Total Facilities Acquisition and Construction Services | - | 21,948 | 21,948 | 733,152 |
| Total Support Services | - | 21,948 | 21,948 | 733,152 |
| Capital Outlay: | | | | |
| Facilities acquisition and construction services | - | 687,272 | 687,272 | 12,664,727 |
| Total Capital Outlay | - | 687,272 | 687,272 | 12,664,727 |
| Total Expenditures Disbursed | - | 709,220 | 709,220 | 13,397,879 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,025,571 | 3,570,510 | (455,061) | (12,193,453) |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | $ - | $ 1,400,000 | $ 1,400,000 | $ - |
| Total Other Financing Sources | - | 1,400,000 | 1,400,000 | - |
| Net Changes in Fund Balances | $ 4,025,571 | 4,970,510 | $ 944,939 | (12,193,453) |
| Fund Balance, Budget Basis, at Beginning of Year | | (7,449,535) | | 4,743,918 |
| Fund Balance, Budget Basis, at End of Year | | $(2,479,025) | | $(7,449,535) |

SCHEDULE 8

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
FIRE PREVENTION AND SAFETY FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 456,181 | $ 575,247 | $ 119,066 | $ 302,032 |
| Earnings on investments | - | 6 | 6 | 382 |
| Total Local Sources | 456,181 | 575,253 | 119,072 | 302,414 |
| Total Revenues Received | 456,181 | 575,253 | 119,072 | 302,414 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Facilities Acquisition and Construction Services: | | | | |
| Non-capitalized equipment | - | 8,809 | 8,809 | 8,171 |
| Total Facilities Acquisition and Construction Services | - | 8,809 | 8,809 | 8,171 |
| Total Support Services | - | 8,809 | 8,809 | 8,171 |
| Capital Outlay: | | | | |
| Facilities acquisition and construction services | 961,000 | 361,370 | (599,630) | 843,509 |
| Total Capital Outlay | 961,000 | 361,370 | (599,630) | 843,509 |
| Total Expenditures Disbursed | 961,000 | 370,179 | (590,821) | 851,680 |
| Net Changes in Fund Balances | $ (504,819) | 205,074 | $ 709,893 | (549,266) |
| Fund Balance, Budget Basis, at Beginning of Year | | 1,358,401 | | 1,907,667 |
| Fund Balance, Budget Basis, at End of Year | | $ 1,563,475 | | $ 1,358,401 |

SCHEDULE 9

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND - MODIFIED ACCRUAL BASIS
COMBINING BALANCE SHEET
JUNE 30, 2015
WITH COMPARATIVE ACTUAL TOTALS AS OF JUNE 30, 2014

| | Educational Account | Working Cash Account | Total 2015 Actual | Total 2014 Actual |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ 4,305,053 | $ 23,639,178 | $ 27,944,231 | 26,674,247 |
| Investments | 11,824 | - | 11,824 | 11,820 |
| Property taxes receivable, net of allowance for uncollectibles | 13,313,497 | 138,682 | 13,452,179 | 14,552,279 |
| Personal property replacement tax receivable | 1,191,735 | - | 1,191,735 | 1,145,896 |
| Grants receivable | 3,802,688 | - | 3,802,688 | 2,786,569 |
| Due from other funds | - | 2,500,000 | 2,500,000 | 8,000,006 |
| Total Assets | 22,624,797 | 26,277,860 | 48,902,657 | 53,170,817 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 1,182,175 | $ - | $ 1,182,175 | $ 617,781 |
| Insurance payable | 1,013,481 | - | 1,013,481 | 1,219,835 |
| Payroll deductions and withholdings | 6,412 | - | 6,412 | 8,086 |
| Other payables | - | - | - | 9,835 |
| Total Liabilities | 2,202,068 | - | 2,202,068 | 1,855,537 |
| Fund Balances: | | | | |
| Assigned | 6,483,367 | - | 6,483,367 | 2,317,672 |
| Unassigned | 13,939,362 | 26,277,860 | 40,217,222 | 48,997,608 |
| Total Fund Balances | 20,422,729 | 26,277,860 | 46,700,589 | 51,315,280 |
| Total Liabilities and Fund Balances | $22,624,797 | $ 26,277,860 | $ 48,902,657 | $ 53,170,817 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Educational Account | Working Cash Account | Total | Actual |
| REVENUES | | | | |
| Local Sources: | | | | |
| General tax levy | $22,169,644 | $ 277,121 | $22,446,765 | $24,252,376 |
| Special education levy | 4,433,929 | - | 4,433,929 | 4,790,593 |
| Personal property replacement taxes | 6,629,799 | - | 6,629,799 | 6,745,403 |
| Summer school - tuition | 111,359 | - | 111,359 | 79,023 |
| Earnings on investments | 11,522 | - | 11,522 | 8,375 |
| Food services | 137,790 | - | 137,790 | 168,813 |
| District/School activity income | 258,828 | - | 258,828 | 167,534 |
| Textbooks | 480,586 | - | 480,586 | 473,703 |
| Rentals | 19,100 | - | 19,100 | 30,809 |
| Contributions and donations | 6,230 | - | 6,230 | 30,330 |
| Refund of prior years' expenditures | 43,658 | - | 43,658 | 19,320 |
| Payments of surplus moneys from TIF districts | 128,758 | 1,024 | 129,782 | - |
| Other local sources | 82,618 | - | 82,618 | 113,634 |
| Total Local Sources | 34,513,821 | 278,145 | 34,791,966 | 36,879,913 |
| State Sources: | | | | |
| Unrestricted Grants-In-Aid: | | | | |
| General state aid | 86,249,263 | - | 86,249,263 | 79,351,382 |
| Total Unrestricted Grants-In-Aid | 86,249,263 | - | 86,249,263 | 79,351,382 |
| Restricted Grants-In-Aid: | | | | |
| Special education | 7,225,883 | - | 7,225,883 | 6,880,799 |
| Career and technical education | 5,260 | - | 5,260 | 148,238 |
| Bilingual education | 2,136,047 | - | 2,136,047 | 849,164 |
| State free lunch and breakfast | 88,976 | - | 88,976 | 89,537 |
| Driver education | 59,130 | - | 59,130 | 37,209 |
| Truant alternative/optional education | 69,799 | - | 69,799 | 71,406 |
| Early childhood block grant | 3,271,428 | - | 3,271,428 | 3,276,309 |
| Other state sources | 1,785,613 | - | 1,785,613 | 3,000 |
| On behalf payments - State of Illinois | 43,473,294 | - | 43,473,294 | 30,270,995 |
| Total Restricted Grants-In-Aid | 58,115,430 | - | 58,115,430 | 41,626,657 |
| Total State Sources | 144,364,693 | - | 144,364,693 | 120,978,039 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Educational Account | Working Cash Account | Total | Actual |
| Federal Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Food service | $ 8,008,028 | $ - | $ 8,008,028 | $ 6,340,490 |
| Title I - low income | 4,693,294 | - | 4,693,294 | 5,705,632 |
| Title IV - 21st century | 410 | - | 410 | 198,622 |
| Special education - pre-school flow through | 82,598 | - | 82,598 | 93,134 |
| Special education - IDEA - flow through | 3,366,308 | - | 3,366,308 | 3,585,771 |
| Special education - IDEA - room & board | 63,335 | - | 63,335 | 61,970 |
| Special education - IDEA - discretionary | - | - | - | 26,739 |
| Career and technical education | 97,547 | - | 97,547 | 72,526 |
| Title III - immigrant education program | 39,620 | - | 39,620 | - |
| Title III - language inst. program | 557,301 | - | 557,301 | 719,682 |
| McKinney education for homeless children | - | - | - | 8,000 |
| Title II - teacher quality | 367,673 | - | 367,673 | 641,722 |
| Medicaid administrative outreach | 591,025 | - | 591,025 | 239,017 |
| Medicaid matching fee-for-service | 359,770 | - | 359,770 | 4,281 |
| Other federal sources | 1,164,953 | - | 1,164,953 | 581,322 |
| Total Restricted Grants-In-Aid | 19,391,862 | - | 19,391,862 | 18,278,908 |
| Total Federal Sources | 19,391,862 | - | 19,391,862 | 18,278,908 |
| Total Revenues | 198,270,376 | 278,145 | 198,548,521 | 176,136,860 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 140,516,234 | - | 140,516,234 | 121,539,090 |
| Support services | 61,670,558 | - | 61,670,558 | 60,315,870 |
| Community services | 934,779 | - | 934,779 | 962,284 |
| Payments to Other Districts & Gov't Units: | | | | |
| Payments to other districts & govt units | 14,158 | - | 14,158 | 280,322 |
| Capital Outlay | 530,768 | - | 530,768 | 808,370 |
| Total Expenditures | 203,666,497 | - | 203,666,497 | 183,905,936 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,396,121) | 278,145 | (5,117,976) | (7,769,076) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital leases | 129,623 | - | 129,623 | 403,376 |
| Transfers in | 900,000 | - | 900,000 | - |
| Transfers out | (526,338) | - | (526,338) | (434,873) |
| Total Other Financing Sources (Uses) | 503,285 | - | 503,285 | (31,497) |
| Net Changes in Fund Balances | (4,892,836) | 278,145 | (4,614,691) | (7,800,573) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 25,315,565 | 25,999,715 | 51,315,280 | 59,115,853 |
| Fund Balance, Modified Accrual Basis, at End of Year | $20,422,729 | $26,277,860 | $46,700,589 | $51,315,280 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 23,776,667 | $ 23,076,943 | $ (699,724) | $ 26,668,411 |
| Special education levy | 4,753,333 | 4,615,389 | (137,944) | 5,333,682 |
| Personal property replacement taxes | 6,892,293 | 6,583,960 | (308,333) | 6,887,203 |
| Summer school - tuition | 79,023 | 111,359 | 32,336 | 79,023 |
| Earnings on investments | 7,897 | 11,522 | 3,625 | 8,375 |
| Food services | 168,813 | 137,790 | (31,023) | 168,813 |
| District/School activity income | 167,534 | 258,828 | 91,294 | 167,534 |
| Textbooks | 473,703 | 480,586 | 6,883 | 473,703 |
| Rentals | 30,809 | 19,100 | (11,709) | 30,809 |
| Contributions and donations | - | 6,230 | 6,230 | 30,330 |
| Refund of prior years' expenditures | 19,320 | 43,658 | 24,338 | 19,320 |
| Payments of surplus moneys from TIF districts | - | 128,758 | 128,758 | - |
| Other local sources | 89,398 | 82,618 | (6,780) | 113,634 |
| Total Local Sources | 36,458,790 | 35,556,741 | (902,049) | 39,980,837 |
| State Sources: | | | | |
| Unrestricted Grants-In-Aid: | | | | |
| General state aid | 87,559,915 | 86,249,263 | (1,310,652) | 79,351,382 |
| Total Unrestricted Grants-In-Aid | 87,559,915 | 86,249,263 | (1,310,652) | 79,351,382 |
| Restricted Grants-In-Aid: | | | | |
| Special education | 6,717,361 | 5,421,857 | (1,295,504) | 8,830,605 |
| Career and technical education | 49,461 | 5,260 | (44,201) | 148,238 |
| Bilingual education | 2,274,151 | 1,490,991 | (783,160) | 1,762,292 |
| State free lunch and breakfast | 88,738 | 76,542 | (12,196) | 98,163 |
| Driver education | 42,787 | 68,432 | 25,645 | 42,787 |
| Truant alternative/optional education | 71,400 | 87,805 | 16,405 | 64,065 |
| Early childhood block grant | 3,537,556 | 3,569,089 | 31,533 | 3,226,762 |
| Other state sources | 12,004 | 1,699,422 | 1,687,418 | 3,000 |
| On behalf payments - State of Illinois | - | 43,473,294 | 43,473,294 | 30,270,995 |
| Total Restricted Grants-In-Aid | 12,793,458 | 55,892,692 | 43,099,234 | 44,446,907 |
| Total State Sources | 100,353,373 | 142,141,955 | 41,788,582 | 123,798,289 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Federal Sources: | | | | |
| Restricted Grants-In-Aid: | | | | |
| Food service | $ 6,389,041 | $ 7,520,907 | $ 1,131,866 | $ 6,967,059 |
| Title I - low income | 5,248,338 | 4,941,972 | (306,366) | 6,880,162 |
| Title IV - 21st century | 52,390 | 61,370 | 8,980 | 232,997 |
| Special education - pre-school flow through | 82,572 | 98,061 | 15,489 | 72,299 |
| Special education - IDEA - flow through | 3,846,697 | 4,038,544 | 191,847 | 2,876,730 |
| Special education - IDEA - room & board | 67,100 | 83,248 | 16,148 | 55,205 |
| Special education - IDEA - discretionary | 37,800 | 10,426 | (27,374) | 25,701 |
| Career and technical education | 68,076 | 97,547 | 29,471 | 72,526 |
| Title III - immigrant education program | - | 38,744 | 38,744 | - |
| Title III - language inst. program | 409,257 | 806,002 | 396,745 | 620,858 |
| McKinney education for homeless children | 8,000 | - | (8,000) | 8,000 |
| Title II - teacher quality | 387,089 | 625,983 | 238,894 | 453,865 |
| Medicaid administrative outreach | 190,700 | 733,792 | 543,092 | 260,329 |
| Medicaid matching fee-for-service | 294,300 | 357,930 | 63,630 | 4,281 |
| Other federal sources | 1,005,047 | 1,183,955 | 178,908 | 562,320 |
| Total Restricted Grants-In-Aid | 18,086,407 | 20,598,481 | 2,512,074 | 19,092,332 |
| Total Federal Sources | 18,086,407 | 20,598,481 | 2,512,074 | 19,092,332 |
| Total Revenues Received | 154,898,570 | 198,297,177 | 43,398,607 | 182,871,458 |
| EXPENDITURES DISBURSED | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular Programs: | | | | |
| Salaries | 43,186,941 | 44,362,951 | 1,176,010 | 43,266,623 |
| Employee benefits | 8,053,511 | 8,157,070 | 103,559 | 6,138,712 |
| Purchased services | 945,000 | 723,757 | (221,243) | 262,253 |
| Supplies and materials | 565,551 | 886,410 | 320,859 | 642,349 |
| Other objects | - | 26,741 | 26,741 | 17,069 |
| Non-capitalized equipment | - | 312,806 | 312,806 | 95,086 |
| On behalf payments - State of Illinois | - | 43,473,294 | 43,473,294 | 30,270,995 |
| Total Regular Programs | 52,751,003 | 97,943,029 | 45,192,026 | 80,693,087 |
| Pre-K Programs: | | | | |
| Salaries | 1,474,733 | 1,462,636 | (12,097) | 1,376,099 |
| Employee benefits | 385,323 | 286,349 | (98,974) | 230,506 |
| Purchased services | 1,400 | 1,917 | 517 | 1,390 |
| Supplies and materials | 244,612 | 207,576 | (37,036) | 62,362 |
| Non-capitalized equipment | - | 11,300 | 11,300 | 3,297 |
| Total Pre-K Programs | 2,106,068 | 1,969,778 | (136,290) | 1,673,654 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Instruction: | | | | |
| Special Education: | | | | |
| Salaries | $ 13,914,242 | $ 14,843,881 | $ 929,639 | $ 14,842,306 |
| Employee benefits | 2,718,272 | 2,872,024 | 153,752 | 2,012,410 |
| Purchased services | 107,000 | 578,378 | 471,378 | 1,679,611 |
| Supplies and materials | 38,185 | 285,710 | 247,525 | 244,585 |
| Other objects | 40,000 | 3,163,374 | 3,123,374 | 3,158,102 |
| Non-capitalized equipment | 54,780 | 116,792 | 62,012 | 137,535 |
| Total Special Education | 16,872,479 | 21,860,159 | 4,987,680 | 22,074,549 |
| Special Education Pre-K: | | | | |
| Salaries | 765,153 | 739,705 | (25,448) | 765,153 |
| Employee benefits | 111,335 | 97,460 | (13,875) | 89,682 |
| Purchased services | 4,100 | 3,105 | (995) | 2,874 |
| Supplies and materials | 4,049 | 975 | (3,074) | 2,390 |
| Non-capitalized equipment | - | 6,294 | 6,294 | - |
| Total Special Education Pre-K | 884,637 | 847,539 | (37,098) | 860,099 |
| Remedial and Supplemental Programs K-12: | | | | |
| Salaries | 2,287,706 | 1,613,760 | (673,946) | 1,515,910 |
| Employee benefits | 812,873 | 637,846 | (175,027) | 417,334 |
| Purchased services | 859,389 | 182,229 | (677,160) | 287,699 |
| Supplies and materials | 1,580,330 | 1,805,848 | 225,518 | 929,313 |
| Other objects | 3,865,800 | 123,953 | (3,741,847) | 119,015 |
| Non-capitalized equipment | 160,000 | 219,932 | 59,932 | 211,909 |
| Total Remedial and Supplemental Programs K-12 | 9,566,098 | 4,583,568 | (4,982,530) | 3,481,180 |
| Remedial and Supplemental Programs Pre-K: | | | | |
| Salaries | 213,854 | 200,487 | (13,367) | 213,854 |
| Employee benefits | 82,621 | 92,660 | 10,039 | 53,849 |
| Purchased services | 4,100 | - | (4,100) | - |
| Supplies and materials | 1,500 | - | (1,500) | - |
| Total Remedial and Supplemental Programs Pre-K | 302,075 | 293,147 | (8,928) | 267,703 |
| CTE Programs: | | | | |
| Salaries | - | 1,260 | 1,260 | - |
| Employee benefits | - | 253 | 253 | - |
| Supplies and materials | 57,968 | 55,769 | (2,199) | 47,535 |
| Other objects | - | - | - | 457,997 |
| Non-capitalized equipment | - | 58,296 | 58,296 | 104,777 |
| Total CTE Programs | 57,968 | 115,578 | 57,610 | 610,309 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Instruction: | | | | |
| Interscholastic Programs: | | | | |
| Salaries | $ 1,121,557 | $ 1,135,487 | $ 13,930 | $ 1,121,557 |
| Employee benefits | 76,173 | 71,863 | (4,310) | 65,103 |
| Purchased services | 124,230 | 139,509 | 15,279 | 143,062 |
| Supplies and materials | 4,100 | 26,498 | 22,398 | 26,943 |
| Other objects | 1,500 | 1,498 | (2) | 1,500 |
| Non-capitalized equipment | - | 142,827 | 142,827 | 135,043 |
| Total Interscholastic Programs | 1,327,560 | 1,517,682 | 190,122 | 1,493,208 |
| Summer School Programs: | | | | |
| Salaries | 77,193 | 43,653 | (33,540) | 77,193 |
| Employee benefits | 1,603 | 837 | (766) | 1,362 |
| Purchased services | 39,000 | 2,286 | (36,714) | - |
| Other objects | - | 50 | 50 | - |
| Total Summer School Programs | 117,796 | 46,826 | (70,970) | 78,555 |
| Gifted Programs: | | | | |
| Salaries | 2,940 | 5,081 | 2,141 | 2,940 |
| Employee benefits | 600 | 870 | 270 | 534 |
| Total Gifted Programs | 3,540 | 5,951 | 2,411 | 3,474 |
| Driver's Education Programs: | | | | |
| Salaries | 284,075 | 238,556 | (45,519) | 284,075 |
| Employee benefits | 52,836 | 46,964 | (5,872) | 39,758 |
| Total Driver's Education Programs | 336,911 | 285,520 | (51,391) | 323,833 |
| Bilingual Programs: | | | | |
| Salaries | 8,081,168 | 8,124,034 | 42,866 | 8,005,021 |
| Employee benefits | 1,459,442 | 1,436,261 | (23,181) | 962,628 |
| Purchased services | 109,758 | 27,475 | (82,283) | 1,702 |
| Supplies and materials | 24,800 | 111,129 | 86,329 | 71,929 |
| Other objects | 500 | 499 | (1) | 430 |
| Non-capitalized equipment | - | 5,981 | 5,981 | 1,099 |
| Total Bilingual Programs | 9,675,668 | 9,705,379 | 29,711 | 9,042,809 |
| Truant Alternative and Optional Programs: | | | | |
| Salaries | 698,161 | 591,223 | (106,938) | 698,161 |
| Employee benefits | 123,471 | 106,790 | (16,681) | 88,244 |
| Purchased services | 220,000 | 216,270 | (3,730) | 216,270 |
| Total Truant Alternative and Optional Programs | 1,041,632 | 914,283 | (127,349) | 1,002,675 |
| Total Instruction | 95,043,435 | 140,088,439 | 45,045,004 | 121,605,135 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Support Services - Pupils: | | | | |
| Attendance and Social Work: | | | | |
| Salaries | $ 4,168,447 | $ 4,507,131 | $ 338,684 | $ 4,069,819 |
| Employee benefits | 865,775 | 944,364 | 78,589 | 600,870 |
| Purchased services | 31,663 | 9,223 | (22,440) | 235,836 |
| Supplies and materials | 6,400 | 17,157 | 10,757 | 93,981 |
| Non-capitalized equipment | - | - | - | 37,571 |
| Total Attendance and Social Work | 5,072,285 | 5,477,875 | 405,590 | 5,038,077 |
| Guidance Services: | | | | |
| Salaries | 2,603,919 | 2,672,707 | 68,788 | 2,603,919 |
| Employee benefits | 467,989 | 492,026 | 24,037 | 369,879 |
| Purchased services | 74,100 | 19 | (74,081) | 1,494 |
| Supplies and materials | - | - | - | 1,976 |
| Total Guidance Services | 3,146,008 | 3,164,752 | 18,744 | 2,977,268 |
| Health Services: | | | | |
| Salaries | 3,048,156 | 3,203,627 | 155,471 | 3,076,425 |
| Employee benefits | 500,328 | 484,486 | (15,842) | 352,292 |
| Purchased services | 162,050 | 188,062 | 26,012 | 198,159 |
| Supplies and materials | 82,100 | 55,770 | (26,330) | 69,114 |
| Non-capitalized equipment | 30,000 | 8,684 | (21,316) | 37,966 |
| Total Health Services | 3,822,634 | 3,940,629 | 117,995 | 3,733,956 |
| Psychological Services: | | | | |
| Salaries | 1,478,284 | 1,598,750 | 120,466 | 1,478,284 |
| Employee benefits | 271,953 | 272,588 | 635 | 211,752 |
| Purchased services | 65,200 | 55,223 | (9,977) | 56,922 |
| Supplies and materials | 51,200 | 39,974 | (11,226) | 30,110 |
| Non-capitalized equipment | - | - | - | 13,018 |
| Total Psychological Services | 1,866,637 | 1,966,535 | 99,898 | 1,790,086 |
| Speech Pathology & Audiology: | | | | |
| Salaries | 1,928,791 | 1,653,465 | (275,326) | 1,928,791 |
| Employee benefits | 284,929 | 225,816 | (59,113) | 227,013 |
| Purchased services | 1,078,000 | 1,260,473 | 182,473 | 1,108,648 |
| Supplies and materials | 6,500 | 6,079 | (421) | 10,629 |
| Non-capitalized equipment | - | 25,030 | 25,030 | 16,161 |
| Total Speech Pathology & Audiology | 3,298,220 | 3,170,863 | (127,357) | 3,291,242 |
| Total Support Services - Pupils | 17,205,784 | 17,720,654 | 514,870 | 16,830,629 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Support Services - Instructional Staff | | | | |
| Improvement of Instruction Services: | | | | |
| Salaries | $ 6,208,368 | $ 5,714,598 | $ (493,770) | $ 6,263,477 |
| Employee benefits | 1,423,221 | 1,062,217 | (361,004) | 915,963 |
| Purchased services | 2,078,093 | 2,170,302 | 92,209 | 1,965,198 |
| Supplies and materials | 1,018,883 | 697,189 | (321,694) | 1,082,456 |
| Other objects | 61,440 | 54,467 | (6,973) | 20,853 |
| Non-capitalized equipment | 23,600 | 13,807 | (9,793) | 68,655 |
| Total Improvement of Instruction Services | 10,813,605 | 9,712,580 | (1,101,025) | 10,316,602 |
| Educational Media Services: | | | | |
| Salaries | 991,799 | 1,009,199 | 17,400 | 991,799 |
| Employee benefits | 200,424 | 222,990 | 22,566 | 136,823 |
| Supplies and materials | 6,524 | 27,009 | 20,485 | 61,996 |
| Non-capitalized equipment | - | - | - | 28,160 |
| Total Educational Media Services | 1,198,747 | 1,259,198 | 60,451 | 1,218,778 |
| Assessment and Testing: | | | | |
| Salaries | 150,427 | 149,728 | (699) | 142,648 |
| Employee benefits | 19,398 | 22,162 | 2,764 | 15,682 |
| Purchased services | 233,000 | 48,384 | (184,616) | 126,053 |
| Supplies and materials | - | 109,221 | 109,221 | 95,842 |
| Total Assessment and Testing | 402,825 | 329,495 | (73,330) | 380,225 |
| Total Support Services - Instructional Staff | 12,415,177 | 11,301,273 | (1,113,904) | 11,915,605 |
| Support Services - General Administration: | | | | |
| Board of Education Services: | | | | |
| Purchased services | 216,725 | 153,425 | (63,300) | 137,438 |
| Supplies and materials | 8,700 | 3,568 | (5,132) | 8,594 |
| Other objects | 400 | 4,495 | 4,095 | 36,354 |
| Total Board of Education Service | 225,825 | 161,488 | (64,337) | 182,386 |
| Executive Administration Services: | | | | |
| Salaries | 451,178 | 459,136 | 7,958 | 451,179 |
| Employee benefits | 41,557 | 43,394 | 1,837 | 25,000 |
| Purchased services | 55,900 | 25,719 | (30,181) | 16,413 |
| Supplies and materials | 8,665 | 3,944 | (4,721) | 5,724 |
| Other objects | 33,000 | 47,735 | 14,735 | 32,827 |
| Total Executive Administration Services | 590,300 | 579,928 | (10,372) | 531,143 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Support Services - General Administration: | | | | |
| Special Area Administration Services: | | | | |
| Purchased services | $ - | $ - | $ - | $ 4,893 |
| Supplies and materials | - | - | - | 43,058 |
| Total Special Area Administration Services | - | - | - | 47,951 |
| Tort Immunity Services: | | | | |
| Salaries | 192,836 | 215,909 | 23,073 | 192,836 |
| Employee benefits | 16,981 | 17,146 | 165 | 15,029 |
| Purchased services | 6,280 | 2,139 | (4,141) | - |
| Supplies and materials | 1,800 | 230 | (1,570) | - |
| Other objects | 1,000 | - | (1,000) | - |
| Non-capitalized equipment | - | 869 | 869 | - |
| Total Tort Immunity Services | 218,897 | 236,293 | 17,396 | 207,865 |
| Total Support Services - General Administration | 1,035,022 | 977,709 | (57,313) | 969,345 |
| Support Services - School Administration: | | | | |
| Office of the Principal Services: | | | | |
| Salaries | 7,317,615 | 6,902,230 | (415,385) | 7,317,615 |
| Employee benefits | 1,282,817 | 1,306,844 | 24,027 | 990,938 |
| Total Office of the Principal Services | 8,600,432 | 8,209,074 | (391,358) | 8,308,553 |
| Total Support Services - School Administration | 8,600,432 | 8,209,074 | (391,358) | 8,308,553 |
| Support Services - Business: | | | | |
| Direction of Business Support: | | | | |
| Salaries | 309,766 | 323,110 | 13,344 | 309,766 |
| Employee benefits | 30,062 | 35,362 | 5,300 | 26,201 |
| Purchased services | - | 773 | 773 | 18,590 |
| Supplies and materials | - | 3,733 | 3,733 | 7,228 |
| Other objects | - | 359 | 359 | 936 |
| Non-capitalized equipment | - | - | - | 1,411 |
| Total Direction of Business Support | 339,828 | 363,337 | 23,509 | 364,132 |
| Fiscal Services: | | | | |
| Salaries | 618,607 | 623,815 | 5,208 | 618,608 |
| Employee benefits | 92,581 | 100,231 | 7,650 | 62,254 |
| Purchased services | 76,840 | 27,894 | (48,946) | 58,135 |
| Supplies and materials | 24,750 | 9,507 | (15,243) | 18,867 |
| Other objects | 4,300 | 3,057 | (1,243) | 3,371 |
| Non-capitalized equipment | 1,000 | 754 | (246) | 3,481 |
| Total Fiscal Services | 818,078 | 765,258 | (52,820) | 764,716 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Support Services - Business: | | | | |
| Operation & Maintenance of Plant Services: | | | | |
| Salaries | $ 4,581,831 | $ 4,704,420 | $ 122,589 | $ 4,566,751 |
| Employee benefits | 726,739 | 849,103 | 122,364 | 542,233 |
| Purchased services | 200,402 | 75,707 | (124,695) | 345,752 |
| Supplies and materials | 47,000 | 47,000 | - | 10,000 |
| Total Operation and Maintenance of Plant Services | 5,555,972 | 5,676,230 | 120,258 | 5,464,736 |
| Pupil Transportation Services: | | | | |
| Purchased services | 409,080 | 422,215 | 13,135 | 486,439 |
| Total Pupil Transportation Services | 409,080 | 422,215 | 13,135 | 486,439 |
| Food Services: | | | | |
| Salaries | 381,547 | 378,339 | (3,208) | 381,547 |
| Employee benefits | 116,442 | 117,986 | 1,544 | 75,148 |
| Purchased services | 6,015,460 | 5,933,079 | (82,381) | 255,133 |
| Supplies and materials | 1,208 | 593,409 | 592,201 | 5,917,405 |
| Other objects | 500 | 40 | (460) | - |
| Non-capitalized equipment | - | 35,066 | 35,066 | 67,439 |
| Total Food Services | 6,515,157 | 7,057,919 | 542,762 | 6,696,672 |
| Internal Services: | | | | |
| Salaries | 425,816 | 349,076 | (76,740) | 425,815 |
| Employee benefits | 62,643 | 59,661 | (2,982) | 42,573 |
| Purchased services | 5,000 | 2,819 | (2,181) | 19,052 |
| Supplies and materials | 1,800 | 139,220 | 137,420 | 70,509 |
| Other objects | 500 | 277 | (223) | 180 |
| Non-capitalized equipment | - | - | - | 1,365 |
| Total Internal Services | 495,759 | 551,053 | 55,294 | 559,494 |
| Total Support Services - Business | 14,133,874 | 14,836,012 | 702,138 | 14,336,189 |
| Planning, Research, Development & Evaluation Services: | | | | |
| Purchased services | - | - | - | 2,712 |
| Total Planning, Research, Development & Evaluation Services | - | - | - | 2,712 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Support Services: | | | | |
| Support Services - Central: | | | | |
| Information Services: | | | | |
| Salaries | $ 38,517 | $ 40,262 | $ 1,745 | $ 38,517 |
| Employee benefits | 3,984 | 4,380 | 396 | 3,984 |
| Purchased services | 1,200 | - | (1,200) | 127 |
| Supplies and materials | 2,600 | 1,824 | (776) | 2,466 |
| Total Information Services | 46,301 | 46,466 | 165 | 45,094 |
| Staff Services: | | | | |
| Salaries | 912,830 | 888,511 | (24,319) | 919,138 |
| Employee benefits | 324,461 | 281,054 | (43,407) | 245,974 |
| Purchased services | 268,386 | 158,353 | (110,033) | 183,893 |
| Supplies and materials | 30,000 | 10,200 | (19,800) | 33,363 |
| Other objects | 796 | 390 | (406) | 796 |
| Non-capitalized equipment | - | 1,342 | 1,342 | 5,280 |
| Total Staff Services | 1,536,473 | 1,339,850 | (196,623) | 1,388,444 |
| Data Processing Services: | | | | |
| Salaries | 1,549,071 | 1,556,278 | 7,207 | 1,551,939 |
| Employee benefits | 282,641 | 262,911 | (19,730) | 241,991 |
| Purchased services | 1,530,457 | 1,479,449 | (51,008) | 1,004,367 |
| Supplies and materials | 499,931 | 405,233 | (94,698) | 464,498 |
| Other objects | 16,600 | 16,556 | (44) | 1,331 |
| Non-capitalized equipment | 30,500 | 2,395,864 | 2,365,364 | 371,819 |
| Total Data Processing Services | 3,909,200 | 6,116,291 | 2,207,091 | 3,635,945 |
| Total Support Services - Central | 5,491,974 | 7,502,607 | 2,010,633 | 5,072,195 |
| Other Support Services: | | | | |
| Salaries | 2,866,186 | 667,051 | (2,199,135) | 580,247 |
| Employee benefits | 137,184 | 163,185 | 26,001 | 598,150 |
| Purchased services | 2,328,173 | 209,726 | (2,118,447) | 1,205,868 |
| Supplies and materials | 688,007 | 75,559 | (612,448) | 435,062 |
| Other objects | - | 54,000 | 54,000 | 41,581 |
| Non-capitalized equipment | - | 21,481 | 21,481 | 10,728 |
| Total Other Support Services | 6,019,550 | 1,191,002 | (4,828,548) | 2,871,636 |
| Total Support Services | 64,901,813 | 61,738,331 | (3,163,482) | 60,304,152 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Community Services: | | | | |
| Salaries | $ 744,595 | $ 735,339 | $ (9,256) | $ 811,471 |
| Employee benefits | 304,122 | 153,791 | (150,331) | 82,585 |
| Purchased services | 34,879 | 9,256 | (25,623) | 25,073 |
| Supplies and materials | 52,055 | 38,271 | (13,784) | 31,684 |
| Non-capitalized equipment | - | - | - | 999 |
| Total Community Services | 1,135,651 | 936,657 | (198,994) | 951,812 |
| Payments to Other Districts & Gov't Units: | | | | |
| Regular programs: | | | | |
| Purchased services | - | - | - | 1,065 |
| Total Regular programs | - | - | - | 1,065 |
| Special Education programs: | | | | |
| Other objects | 6,900 | 14,158 | 7,258 | 279,301 |
| Total Special Education programs | 6,900 | 14,158 | 7,258 | 279,301 |
| Total Payments to Other Districts & Gov't Units | 6,900 | 14,158 | 7,258 | 280,366 |
| Capital Outlay: | | | | |
| Instruction: | | | | |
| Regular programs | 5,000 | 5,620 | 620 | - |
| Pre-K programs | 58,108 | - | (58,108) | - |
| Special education | 35,459 | - | (35,459) | - |
| Special education pre-k | 6,294 | - | (6,294) | - |
| Remedial and supplemental programs k-12 | 10,972 | - | (10,972) | - |
| CTE programs | 86,669 | - | (86,669) | - |
| Interscholastic programs | 152,471 | - | (152,471) | 17,087 |
| Bilingual programs | 15,100 | - | (15,100) | - |
| Total Instruction | 370,073 | 5,620 | (364,453) | 17,087 |
| Support Services: | | | | |
| Attendance and social work | - | - | - | 7,060 |
| Health services | 8,100 | - | (8,100) | - |
| Speech pathology & audiology | 18,100 | - | (18,100) | - |
| Improvement of instruction services | 78,000 | 10,000 | (68,000) | 25,490 |
| Fiscal services | 2,000 | - | (2,000) | - |
| Operation and maintenance of plant services | 10,000 | 10,000 | - | - |
| Food services | 67,440 | - | (67,440) | - |
| Internal services | - | - | - | 403,375 |
| Staff services | 1,000 | - | (1,000) | - |
| Data processing services | 608,933 | 461,193 | (147,740) | 374,706 |
| Other support services | 11,600 | 43,955 | 32,355 | - |
| Total Support Services | 805,173 | 525,148 | (280,025) | 810,631 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| Capital Outlay: | | | | |
| Community Services | $ 1,000 | $ - | $ (1,000) | $ - |
| Total Capital Outlay | 1,176,246 | 530,768 | (645,478) | 827,718 |
| Total Expenditures Disbursed | 162,264,045 | 203,308,353 | 41,044,308 | 183,969,183 |
| (Deficiency) of Revenues (Under) Expenditures | (7,365,475) | (5,011,176) | 2,354,299 | (1,097,725) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital leases | - | 129,623 | 129,623 | 403,376 |
| Transfers in | - | 900,000 | 900,000 | - |
| Transfers out | - | (526,338) | (526,338) | (434,873) |
| Total Other Financing Sources (Uses) | - | 503,285 | 503,285 | (31,497) |
| Net Changes in Fund Balances | $ (7,365,475) | (4,507,891) | $ 2,857,584 | (1,129,222) |
| Fund Balance, Budget Basis, at Beginning of Year | | 8,817,056 | | 9,946,278 |
| Fund Balance, Budget Basis, at End of Year | | $ 4,309,165 | | $ 8,817,056 |

SCHEDULE 12

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
WORKING CASH ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance | Actual |
| REVENUES RECEIVED | | | | |
| Local Sources: | | | | |
| General tax levy | $ 296,593 | $ 288,462 | $ (8,131) | $ 333,355 |
| Payments of surplus moneys from TIF districts | - | 1,024 | 1,024 | - |
| Total Revenues Received | 296,593 | 289,486 | (7,107) | 333,355 |
| EXPENDITURES DISBURSED | - | - | - | - |
| Net Changes in Fund Balances | $ 296,593 | 289,486 | $ (7,107) | 333,355 |
| Fund Balance, Budget Basis, at Beginning of Year | | 25,849,692 | | 25,516,337 |
| Fund Balance, Budget Basis, at End of Year | | $26,139,178 | | $25,849,692 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 22,169,644 | $ 23,952,965 |
| Special education levy | 4,433,929 | 4,790,593 |
| Personal property replacement taxes | 6,629,799 | 6,745,403 |
| Summer school - tuition | 111,359 | 79,023 |
| Earnings on investments | 11,522 | 8,375 |
| Food services | 137,790 | 168,813 |
| District/School activity income | 258,828 | 167,534 |
| Textbooks | 480,586 | 473,703 |
| Rentals | 19,100 | 30,809 |
| Contributions and donations | 6,230 | 30,330 |
| Refund of prior years' expenditures | 43,658 | 19,320 |
| Payments of surplus moneys from TIF districts | 128,758 | - |
| Other local sources | 82,618 | 113,634 |
| Total Local Sources | 34,513,821 | 36,580,502 |
| State Sources: | | |
| Unrestricted Grants-In-Aid: | | |
| General state aid | 86,249,263 | 79,351,382 |
| Total Unrestricted Grants-In-Aid | 86,249,263 | 79,351,382 |
| Restricted Grants-In-Aid: | | |
| Special education | 7,225,883 | 6,880,799 |
| Career and technical education | 5,260 | 148,238 |
| Bilingual education | 2,136,047 | 849,164 |
| State free lunch and breakfast | 88,976 | 89,537 |
| Driver education | 59,130 | 37,209 |
| Truant alternative/optional education | 69,799 | 71,406 |
| Early childhood block grant | 3,271,428 | 3,276,309 |
| Other state sources | 1,785,613 | 3,000 |
| On behalf payments - State of Illinois | 43,473,294 | 30,270,995 |
| Total Restricted Grants-In-Aid | 58,115,430 | 41,626,657 |
| Total State Sources | 144,364,693 | 120,978,039 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Federal Sources: | | |
| Restricted Grants-In-Aid: | | |
| Food service | $ 8,008,028 | $ 6,340,490 |
| Title I - low income | 4,693,294 | 5,705,632 |
| Title IV - 21st century | 410 | 198,622 |
| Special education - pre-school flow through | 82,598 | 93,134 |
| Special education - IDEA - flow through | 3,366,308 | 3,585,771 |
| Special education - IDEA - room & board | 63,335 | 61,970 |
| Special education - IDEA - discretionary | - | 26,739 |
| Career and technical education | 97,547 | 72,526 |
| Title III - immigrant education program | 39,620 | - |
| Title III - language inst. program | 557,301 | 719,682 |
| McKinney education for homeless children | - | 8,000 |
| Title II - teacher quality | 367,673 | 641,722 |
| Medicaid administrative outreach | 591,025 | 239,017 |
| Medicaid matching fee-for-service | 359,770 | 4,281 |
| Other federal sources | 1,164,953 | 581,322 |
| Total Restricted Grants-In-Aid | 19,391,862 | 18,278,908 |
| Total Federal Sources | 19,391,862 | 18,278,908 |
| Total Revenues | 198,270,376 | 175,837,449 |
| EXPENDITURES | | |
| Current: | | |
| Instruction: | | |
| Regular Programs: | | |
| Salaries | 44,362,951 | 43,266,623 |
| Employee benefits | 8,148,175 | 6,247,445 |
| Purchased services | 715,123 | 320,616 |
| Supplies and materials | 906,402 | 638,186 |
| Other objects | 27,151 | 15,589 |
| Non-capitalized equipment | 313,616 | 94,868 |
| On behalf payments - State of Illinois | 43,473,294 | 30,270,995 |
| Total Regular Programs | 97,946,712 | 80,854,322 |
| Pre-K Programs: | | |
| Salaries | 1,462,636 | 1,376,099 |
| Employee benefits | 279,934 | 243,666 |
| Purchased services | 1,917 | 1,298 |
| Supplies and materials | 206,547 | 62,616 |
| Non-capitalized equipment | 11,300 | 3,297.00 |
| Total Pre-K Programs | 1,962,334 | 1,686,976 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Instruction: | | |
| Special Education: | | |
| Salaries | $ 14,843,881 | $ 14,842,306 |
| Employee benefits | 2,846,969 | 2,070,588 |
| Purchased services | 594,729 | 1,595,810 |
| Supplies and materials | 286,045 | 239,617 |
| Other objects | 3,568,677 | 2,943,757 |
| Non-capitalized equipment | 110,654 | 143,673 |
| Total Special Education | 22,250,955 | 21,835,751 |
| Special Education Pre-K: | | |
| Salaries | 739,705 | 765,153 |
| Employee benefits | 96,468 | 92,723 |
| Purchased services | 3,105 | 2,874 |
| Supplies and materials | 975 | 2,390 |
| Non-capitalized equipment | 6,294 | - |
| Total Special Education Pre-K | 846,547 | 863,140 |
| Remedial and Supplemental Programs K-12: | | |
| Salaries | 1,613,760 | 1,515,910 |
| Employee benefits | 623,916 | 439,563 |
| Purchased services | 187,814 | 285,444 |
| Supplies and materials | 1,847,722 | 920,031 |
| Other objects | 123,953 | 119,015 |
| Non-capitalized equipment | 215,449 | 218,437 |
| Total Remedial and Supplemental Programs K-12 | 4,612,614 | 3,498,400 |
| Remedial and Supplemental Programs Pre-K: | | |
| Salaries | 200,487 | 213,854 |
| Employee benefits | 96,580 | 51,396 |
| Total Remedial and Supplemental Programs Pre-K | 297,067 | 265,250 |
| CTE Programs: | | |
| Salaries | 1,260 | - |
| Employee benefits | 253 | - |
| Supplies and materials | 55,788 | 47,024 |
| Other objects | - | 457,997 |
| Non-capitalized equipment | 58,296 | 104,777 |
| Total CTE Programs | 115,597 | 609,798 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Instruction: | | |
| Interscholastic Programs: | | |
| Salaries | $ 1,135,487 | $ 1,121,557 |
| Employee benefits | 73,812 | 64,154 |
| Purchased services | 167,506 | 140,696 |
| Supplies and materials | 29,770 | 26,943 |
| Other objects | 1,026 | 2,496 |
| Non-capitalized equipment | 142,752 | 111,823 |
| Total Interscholastic Programs | 1,550,353 | 1,467,669 |
| Summer School Programs: | | |
| Salaries | 43,653 | 77,193 |
| Employee benefits | 843 | 1,356 |
| Purchased services | - | 2,286 |
| Other objects | 50 | - |
| Total Summer School Programs | 44,546 | 80,835 |
| Gifted Programs: | | |
| Salaries | 5,081 | 2,940 |
| Employee benefits | 879 | 540 |
| Total Gifted Programs | 5,960 | 3,480 |
| Driver's Education Programs | | |
| Salaries | 238,556 | 284,075 |
| Employee benefits | 46,904 | 40,488 |
| Total Driver's Education Programs | 285,460 | 324,563 |
| Bilingual Programs: | | |
| Salaries | 8,124,034 | 8,005,021 |
| Employee benefits | 1,416,050 | 1,003,634 |
| Purchased services | 27,550 | 1,702 |
| Supplies and materials | 111,129 | 31,382 |
| Other objects | 499 | 430 |
| Non-capitalized equipment | 5,981 | 1,099 |
| Total Bilingual Programs | 9,685,243 | 9,043,268 |
| Truant Alternative and Optional Programs: | | |
| Salaries | 591,223 | 698,161 |
| Employee benefits | 105,353 | 91,207 |
| Purchased services | 216,270 | 216,270 |
| Total Truant Alternative and Optional Programs | 912,846 | 1,005,638 |
| Total Instruction | 140,516,234 | 121,539,090 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Support Services - Pupils: | | |
| Attendance and Social Work: | | |
| Salaries | $ 4,507,131 | $ 4,069,819 |
| Employee benefits | 935,192 | 621,176 |
| Purchased services | 11,752 | 213,934 |
| Supplies and materials | 17,157 | 90,475 |
| Non-capitalized equipment | - | 37,571 |
| Total Attendance and Social Work | 5,471,232 | 5,032,975 |
| Guidance Services: | | |
| Salaries | 2,672,707 | 2,603,919 |
| Employee benefits | 497,567 | 369,546 |
| Purchased services | 19 | 1,413 |
| Supplies and materials | - | 1,976 |
| Total Guidance Services | 3,170,293 | 2,976,854 |
| Health Services: | | |
| Salaries | 3,203,627 | 3,076,425 |
| Employee benefits | 484,595 | 358,156 |
| Purchased services | 227,531 | 195,611 |
| Supplies and materials | 55,770 | 67,467 |
| Non-capitalized equipment | 8,684 | 37,966 |
| Total Health Services | 3,980,207 | 3,735,625 |
| Psychological Services: | | |
| Salaries | 1,598,750 | 1,478,284 |
| Employee benefits | 273,448 | 215,574 |
| Purchased services | 58,828 | 56,922 |
| Supplies and materials | 38,519 | 32,224 |
| Non-capitalized equipment | - | 13,018 |
| Total Psychological Services | 1,969,545 | 1,796,022 |
| Speech Pathology & Audiology: | | |
| Salaries | 1,653,465 | 1,928,791 |
| Employee benefits | 229,103 | 227,035 |
| Purchased services | 1,321,966 | 1,010,186 |
| Supplies and materials | 6,079 | 10,567 |
| Non-capitalized equipment | 25,030 | 15,910 |
| Total Speech Pathology & Audiology | 3,235,643 | 3,192,489 |
| Total Support Services - Pupils | 17,826,920 | 16,733,965 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Support Services - Instructional Staff: | | |
| Improvement of Instruction Services: | | |
| Salaries | $ 5,714,598 | $ 6,263,477 |
| Employee benefits | 1,059,644 | 942,450 |
| Purchased services | 2,336,824 | 1,881,036 |
| Supplies and materials | 687,347 | 1,062,745 |
| Other objects | 54,467 | 20,853 |
| Non-capitalized equipment | 13,807 | 68,655 |
| Total Improvement of Instruction Services | 9,866,687 | 10,239,216 |
| Educational Media Services: | | |
| Salaries | 1,009,199 | 991,799 |
| Employee benefits | 219,370 | 142,588 |
| Supplies and materials | 26,392 | 54,430 |
| Non-capitalized equipment | - | 26,272 |
| Total Educational Media Services | 1,254,961 | 1,215,089 |
| Assessment and Testing: | | |
| Salaries | 149,728 | 142,648 |
| Employee benefits | 22,227 | 14,385 |
| Purchased services | 48,384 | 126,018 |
| Supplies and materials | 109,221 | 95,842 |
| Total Assessment and Testing | 329,560 | 378,893 |
| Total Support Services - Instructional Staff | 11,451,208 | 11,833,198 |
| Support Services - General Administration: | | |
| Board of Education Services: | | |
| Purchased services | 145,673 | 134,706 |
| Supplies and materials | 3,466 | 3,649 |
| Other objects | 4,095 | 25,624 |
| Total Board of Education Service | 153,234 | 163,979 |
| Executive Administration Services: | | |
| Salaries | 459,136 | 451,179 |
| Employee benefits | 40,567 | 26,106 |
| Purchased services | 25,677 | 16,279 |
| Supplies and materials | 3,949 | 5,536 |
| Other objects | 47,735 | 32,827 |
| Total Executive Administration Services | 577,064 | 531,927 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Support Services - General Administration: | | |
| Special Area Administration Services: | | |
| Purchased services | $ - | $ 4,893 |
| Supplies and materials | - | 41,256 |
| Total Special Area Administration Services | - | 46,149 |
| Tort Immunity Services: | | |
| Salaries | 215,909 | 192,836 |
| Employee benefits | 17,386 | 14,617 |
| Purchased services | 2,139 | - |
| Supplies and materials | 230 | - |
| Other objects | 720 | - |
| Non-capitalized equipment | 869 | - |
| Total Tort Immunity Services | 237,253 | 207,453 |
| Total Support Services - General Administration | 967,551 | 949,508 |
| Support Services - School Administration: | | |
| Office of the Principal Services: | | |
| Salaries | 6,902,230 | 7,317,615 |
| Employee benefits | 1,315,565 | 996,366 |
| Total Office of the Principal Services | 8,217,795 | 8,313,981 |
| Total Support Services - School Administration | 8,217,795 | 8,313,981 |
| Support Services - Business: | | |
| Direction of Business Support: | | |
| Salaries | 323,110 | 309,766 |
| Employee benefits | 35,975 | 26,740 |
| Purchased services | 773 | 18,036 |
| Supplies and materials | 3,733 | 7,215 |
| Other objects | 359 | 936 |
| Non-capitalized equipment | - | 1,411 |
| Total Direction of Business Support | 363,950 | 364,104 |
| Fiscal Services: | | |
| Salaries | 623,815 | 618,608 |
| Employee benefits | 99,901 | 62,927 |
| Purchased services | 27,894 | 58,135 |
| Supplies and materials | 9,490 | 18,443 |
| Other objects | 3,752 | 3,371 |
| Non-capitalized equipment | 754 | 3,481 |
| Total Fiscal Services | 765,606 | 764,965 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Support Services - Business: | | |
| Operation & Maintenance of Plant Services: | | |
| Salaries | $ 4,704,420 | $ 4,566,751 |
| Employee benefits | 846,419 | 555,113 |
| Purchased services | 102,923 | 323,512 |
| Supplies and materials | 47,000 | 10,000 |
| Total Operation and Maintenance of Plant Services | 5,700,762 | 5,455,376 |
| Pupil Transportation Services: | | |
| Purchased services | 423,502 | 485,646 |
| Total Pupil Transportation Services: | 423,502 | 485,646 |
| Food Services: | | |
| Salaries | 378,339 | 381,547 |
| Employee benefits | 114,594 | 80,007 |
| Purchased services | 5,800,776 | 393,477 |
| Supplies and materials | 593,409 | 5,866,244 |
| Other objects | 40 | - |
| Non-capitalized equipment | 35,066 | 67,439 |
| Total Food Services | 6,922,224 | 6,788,714 |
| Internal Services: | | |
| Salaries | 349,076 | 425,815 |
| Employee benefits | 61,133 | 41,841 |
| Purchased services | 3,347 | 17,582 |
| Supplies and materials | 139,220 | 67,630 |
| Other objects | 277 | 180 |
| Non-capitalized equipment | - | 1,365 |
| Total Internal Services | 553,053 | 554,413 |
| Total Support Services - Business | 14,729,097 | 14,413,218 |
| Support Services - Central: | | |
| Planning, Research, Development & Evaluation Services: | | |
| Purchased services | - | 2,712 |
| Total Planning, Research, Development & Evaluation Services | - | 2,712 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Support Services - Central: | | |
| Information Services: | | |
| Salaries | $ 40,262 | $ 38,517 |
| Employee benefits | 4,569 | 3,984 |
| Purchased services | - | 127 |
| Supplies and materials | 1,824 | 2,433 |
| Total Information Services | 46,655 | 45,061 |
| Staff Services: | | |
| Salaries | 888,511 | 919,138 |
| Employee benefits | 285,527 | 223,926 |
| Purchased services | 173,669 | 177,772 |
| Supplies and materials | 9,967 | 27,575 |
| Other objects | 390 | 796 |
| Non-capitalized equipment | 1,342 | 5,240 |
| Total Staff Services | 1,359,406 | 1,354,447 |
| Data Processing Services: | | |
| Salaries | 1,556,278 | 1,551,939 |
| Employee benefits | 267,571 | 242,388 |
| Purchased services | 1,396,634 | 1,098,802 |
| Supplies and materials | 402,683 | 469,603 |
| Other objects | 25,656 | 1,331 |
| Non-capitalized equipment | 2,364,964 | 409,677 |
| Total Data Processing Services | 6,013,786 | 3,773,740 |
| Total Support Services - Central | 7,419,847 | 5,175,960 |
| Other Support Services: | | |
| Salaries | 667,051 | 580,247 |
| Employee benefits | 32,994 | 674,640 |
| Purchased services | 205,797 | 1,160,616 |
| Supplies and materials | 76,817 | 428,228 |
| Other objects | 54,000 | 41,581 |
| Non-capitalized equipment | 21,481 | 10,728 |
| Total Other Support Services | 1,058,140 | 2,896,040 |
| Total Support Services | 61,670,558 | 60,315,870 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Community Services: | | |
| Salaries | $ 735,339 | $ 811,471 |
| Employee benefits | 148,663 | 95,368 |
| Purchased services | 12,971 | 28,464 |
| Supplies and materials | 37,806 | 26,981 |
| Total Community Services | 934,779 | 962,284 |
| Payments to Other Districts & Gov't Units: | | |
| Regular programs: | | |
| Purchased services | - | 1,021 |
| Total Regular programs | - | 1,021 |
| Special Education programs: | | |
| Other objects | 14,158 | 279,301 |
| Total Special Education programs | 14,158 | 279,301 |
| Total Payments to Other Districts & Gov't Units | 14,158 | 280,322 |
| Capital Outlay: | | |
| Instruction: | | |
| Regular programs | 5,620 | - |
| Interscholastic programs | - | 17,087 |
| Total Instruction | 5,620 | 17,087 |
| Support Services: | | |
| Attendance and social work | - | 7,060 |
| Improvement of instruction services | 10,000 | 6,142 |
| Operation and maintenance of plant services | 10,000 | - |
| Internal services | - | 403,375 |
| Data processing services | 461,193 | 374,706 |
| Other support services | 43,955 | - |
| Total Support Services | 525,148 | 791,283 |
| Total Capital Outlay | 530,768 | 808,370 |
| Total Expenditures | 203,666,497 | 183,905,936 |
| (Deficiency) of Revenues (Under) Expenditures | (5,396,121) | (8,068,487) |

(Continued)

SCHEDULE 13
(Concluded)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| OTHER FINANCING SOURCES (USES) | | |
| Capital leases | $ 129,623 | $ 403,376 |
| Transfers in | 900,000 | - |
| Transfers out | (526,338) | (434,873) |
| Total Other Financing Sources (Uses) | 503,285 | (31,497) |
| Net Changes in Fund Balances | (4,892,836) | (8,099,984) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 25,315,565 | 33,415,549 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 20,422,729 | $ 25,315,565 |

SCHEDULE 14

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
WORKING CASH ACCOUNT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 277,121 | $ 299,411 |
| Payments of surplus moneys from TIF districts | 1,024 | - |
| Total Revenues | 278,145 | 299,411 |
| EXPENDITURES | - | - |
| Net Changes in Fund Balances | 278,145 | 299,411 |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 25,999,715 | 25,700,304 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 26,277,860 | $ 25,999,715 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 4,156,809 | $ 4,491,180 |
| Personal property replacement taxes | 150,000 | - |
| Refund of prior years' expenditures | 68,396 | - |
| Payments of surplus monies from TIF districts | 15,357 | - |
| Other local sources | 88,818 | 101 |
| Total Local Sources | 4,479,380 | 4,491,281 |
| State Sources: | | |
| Unrestricted Grants-In-Aid: | | |
| General state aid | 300,000 | 2,750,000 |
| Total Unrestricted Grants-In-Aid | 300,000 | 2,750,000 |
| Rstricted Grants-In-Aid: | | |
| Other state sources | 67,052 | 100,000 |
| Total Restricted Grants-In-Aid | 67,052 | 100,000 |
| Total State Sources | 367,052 | 2,850,000 |
| Total Revenues | 4,846,432 | 7,341,281 |
| EXPENDITURES | | |
| Current: | | |
| Support Services: | | |
| Facilities Acquisition and Construction Services: | | |
| Purchased services | 179,726 | 267,845 |
| Supplies and materials | 24,872 | 4,914 |
| Non-capitalized equipment | 20,941 | 35,376 |
| Total Facilities Acquisition and Construction Services | 225,539 | 308,135 |
| Operation & Maintenance of Plant Services: | | |
| Salaries | 2,400,110 | 2,294,919 |
| Employee benefits | 405,304 | 295,785 |
| Purchased services | 925,750 | 1,112,333 |
| Supplies and materials | 3,128,615 | 3,286,098 |
| Non-capitalized equipment | 134,042 | 100,988 |
| Total Operation & Maintenance of Plant Services | 6,993,821 | 7,090,123 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Other Support Services: | | |
| Purchased services | $ 21,318 | $ 19,446 |
| Total Other Support Services | 21,318 | 19,446 |
| Total Support Services | 7,240,678 | 7,417,704 |
| Capital Outlay: | | |
| Facilities acquisition and construction services | 543,298 | 3,095,859 |
| Operation & maintenance of plant services | 382,792 | 83,058 |
| Pupil transportation services | 150,079 | - |
| Total Capital Outlay | 1,076,169 | 3,178,917 |
| Total Expenditures | 8,316,847 | 10,596,621 |
| (Deficiency) of Revenues (Under) Expenditures | (3,470,415) | (3,255,340) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 4,250,000 | - |
| Transfers out | (1,400,000) | - |
| Total Other Financing Sources (Uses) | 2,850,000 | - |
| Net Changes in Fund Balances | (620,415) | (3,255,340) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 3,890,563 | 7,145,903 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 3,270,148 | $ 3,890,563 |

SCHEDULE 16

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 10,145,266 | $ 3,634,952 |
| Payments of surplus moneys from TIF | 12,614 | - |
| Other local sources | 3,530 | - |
| Total Local Sources | 10,161,410 | 3,634,952 |
| State Sources: | | |
| Restricted Grants-In-Aid: | | |
| Transportation - regular | 2,414,169 | 2,157,468 |
| Transportation - special education | 2,574,865 | 2,472,758 |
| Total Restricted Grants-In-Aid | 4,989,034 | 4,630,226 |
| Total State Sources | 4,989,034 | 4,630,226 |
| Total Revenues | 15,150,444 | 8,265,178 |
| EXPENDITURES | | |
| Current: | | |
| Support Services: | | |
| Pupil Transportation Services: | | |
| Salaries | 68,123 | 78,622 |
| Employee benefits | 6,292 | 7,092 |
| Purchased services | 8,993,417 | 7,860,165 |
| Supplies and materials | 16,106 | 19,789 |
| Total Pupil Transportation Services | 9,083,938 | 7,965,668 |
| Total Support Services | 9,083,938 | 7,965,668 |
| Debt Service: | | |
| Interest | - | 6,970 |
| Principal retirement | - | 243,096 |
| Total Debt Service | - | 250,066 |
| Total Expenditures | 9,083,938 | 8,215,734 |
| Excess of Revenues Over Expenditures | 6,066,506 | 49,444 |
| OTHER FINANCING (USES) | | |
| Transfers out | (5,150,000) | - |
| Total Other Financing (Uses) | (5,150,000) | - |
| Net Changes in Fund Balances | 916,506 | 49,444 |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 6,537,425 | 6,487,981 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 7,453,931 | $ 6,537,425 |

SCHEDULE 17

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 2,754,222 | $ 3,432,403 |
| FICA/Medicare levy | 2,754,222 | 3,432,402 |
| Personal property replacement taxes | 480,000 | 5,000 |
| Payments of surplus moneys from TIF districts | 23,426 | - |
| Total Local Sources | 6,011,870 | 6,869,805 |
| Total Revenues | 6,011,870 | 6,869,805 |
| EXPENDITURES | | |
| Current: | | |
| Employee Benefits: | | |
| Instruction | 2,139,853 | 2,087,637 |
| Support services | 4,041,260 | 3,986,000 |
| Community services | 77,009 | 82,916 |
| Total Employee Benefits | 6,258,122 | 6,156,553 |
| Total Expenditures | 6,258,122 | 6,156,553 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (246,252) | 713,252 |
| OTHER FINANCING (USES) | | |
| Transfers out | (258,313) | (243,563) |
| Total Other Financing (Uses) | (258,313) | (243,563) |
| Net Changes in Fund Balances | (504,565) | 469,689 |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 3,976,581 | 3,506,892 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 3,472,016 | $ 3,976,581 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 1,542,017 | $ 2,660,472 |
| Payments of surplus moneys from TIF districts | 9,092 | - |
| Total Local Sources | 1,551,109 | 2,660,472 |
| Total Revenues | 1,551,109 | 2,660,472 |
| EXPENDITURES | | |
| Current: | | |
| Support Services: | | |
| Workers' Compensation Payments: | | |
| Purchased services | 836,187 | 773,312 |
| Total Workers' Compensation Payments | 836,187 | 773,312 |
| Unemployment Insurance Payments: | | |
| Purchased services | 160,853 | 126,330 |
| Total Unemployment Insurance Payments | 160,853 | 126,330 |
| Insurance Payments: | | |
| Purchased services | 338,629 | 583,437 |
| Total Insurance Payments | 338,629 | 583,437 |
| Risk Management and Claims Services Payments: | | |
| Salaries | 8,011 | 14,907 |
| Employee benefits | 922 | 1,261 |
| Total Risk Management and Claims Services Payments | 8,933 | 16,168 |
| Judgments and Settlements: | | |
| Salaries | - | 103,079 |
| Employee benefits | - | 2,182 |
| Other objects | 38,460 | 144,368 |
| Total Judgments and Settlements | 38,460 | 249,629 |
| Services Related to Loss Prevention: | | |
| Purchased services | 34,143 | 39,643 |
| Total Services Related to Loss Prevention | 34,143 | 39,643 |

(Continued)

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
TORT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| Support Services: | | |
| Legal Service: | | |
| Salaries | $ 49,524 | $ 48,084 |
| Employee benefits | 3,328 | 3,360 |
| Purchased services | 585,127 | 338,658 |
| Total Legal Service | 637,979 | 390,102 |
| Total Support Services | 2,055,184 | 2,178,621 |
| Total Expenditures | 2,055,184 | 2,178,621 |
| Net Changes in Fund Balances | (504,075) | 481,851 |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 4,232,122 | 3,750,271 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 3,728,047 | $ 4,232,122 |

SCHEDULE 19

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 8,749,401 | $ 8,318,808 |
| Total Local Sources | 8,749,401 | 8,318,808 |
| State Sources: | | |
| Unrestricted Grants-In-Aid: | | |
| General state aid | 340,000 | 340,000 |
| Total Unrestricted Grants-In-Aid | 340,000 | 340,000 |
| Total State Sources | 340,000 | 340,000 |
| Total Revenues | 9,089,401 | 8,658,808 |
| EXPENDITURES | | |
| Debt Service: | | |
| Interest | 6,047,304 | 5,871,543 |
| Principal retirement | 3,430,872 | 3,500,418 |
| Other | 5,240 | 5,186 |
| Total Debt Service | 9,483,416 | 9,377,147 |
| Total Expenditures | 9,483,416 | 9,377,147 |
| (Deficiency) of Revenues (Under) Expenditures | (394,015) | (718,339) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 784,651 | 678,436 |
| Total Other Financing Sources | 784,651 | 678,436 |
| Net Changes in Fund Balances | 390,636 | (39,903) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 8,886,567 | 8,926,470 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 9,277,203 | $ 8,886,567 |

SCHEDULE 20

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 Actual | 2014 Actual |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| Earnings on investments | $ 4,159 | $ 10,640 |
| Total Local Sources | 4,159 | 10,640 |
| State Sources: | | |
| Restricted Grants-In-Aid: | | |
| Other state sources | 4,275,571 | 1,193,786 |
| Total Restricted Grants-In-Aid | 4,275,571 | 1,193,786 |
| Total State Sources | 4,275,571 | 1,193,786 |
| Total Revenues | 4,279,730 | 1,204,426 |
| EXPENDITURES | | |
| Current: | | |
| Support Services: | | |
| Facilities Acquisition and Construction Services: | | |
| Non-capitalized equipment | 21,948 | 733,152 |
| Total Facilities Acquisition and Construction Services | 21,948 | 733,152 |
| Total Support Services | 21,948 | 733,152 |
| Capital Outlay: | | |
| Facilities acquisition and construction services | 724,724 | 9,097,615 |
| Total Capital Outlay | 724,724 | 9,097,615 |
| Total Expenditures | 746,672 | 9,830,767 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,533,058 | (8,626,341) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 1,400,000 | - |
| Total Other Financing Sources | 1,400,000 | - |
| Net Changes in Fund Balances | 4,933,058 | (8,626,341) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | (7,449,535) | 1,176,806 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ (2,516,477) | $ (7,449,535) |

SCHEDULE 21

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
FIRE PREVENTION AND SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL TOTALS FOR 2014)

| | 2015 | 2014 |
|---|---|---|
| REVENUES | | |
| Local Sources: | | |
| General tax levy | $ 550,886 | $ 602,079 |
| Earnings on investments | 6 | 382 |
| Total Local Sources | 550,892 | 602,461 |
| Total Revenues | 550,892 | 602,461 |
| EXPENDITURES | | |
| Current: | | |
| Support Services: | | |
| Facilities Acquisition and Construction Services: | | |
| Non-capitalized equipment | 9,734 | 8,171 |
| Total Facilities Acquisition and Construction Services | 9,734 | 8,171 |
| Total Support Services | 9,734 | 8,171 |
| Capital Outlay: | | |
| Facilities acquisition and construction services | 354,332 | 850,547 |
| Total Capital Outlay | 354,332 | 850,547 |
| Total Expenditures | 364,066 | 858,718 |
| Net Changes in Fund Balances | 186,826 | (256,257) |
| Fund Balance, Modified Accrual Basis, at Beginning of Year | 1,651,410 | 1,907,667 |
| Fund Balance, Modified Accrual Basis, at End of Year | $ 1,838,236 | $ 1,651,410 |

SCHEDULE 22

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF NET ACTIVITY
STUDENT ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2015

| | Balance July 1, 2014 | Net Activity | Balance June 30, 2015 |
|---|---|---|---|
| District student activities | $ 1,262,049 | $ 153,275 | $ 1,415,324 |
| REPRESENTED BY: | | | |
| Cash and cash equivalent investments | | | |
| First Midwest Bank/Associated Bank | | | |
| Checking account | | $ 1,007,752 | |
| Certificates of deposit | | 15,006 | $ 1,022,758 |
| Norstates Bank | | | |
| Lulu V. Rippberger Fund | | 69,723 | |
| Allen J. Larson Music Scholarship Fund | | 4,241 | 73,964 |
| Illinois School District Liquid Asset Fund | | | |
| Money market | | | 318,602 |
| Total cash and cash equivalent investments | | | $ 1,415,324 |

SCHEDULE 23

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
OF THE SELF-INSURANCE ACCOUNT
YEAR ENDED JUNE 30, 2015

| | 2015 |
|---|---|
| RECEIPTS | |
| Premiums | $ 24,597,854 |
| Earnings on investments | 102 |
| TOTAL RECEIPTS | 24,597,956 |
| DISBURSEMENTS | |
| Claims and Administration | 20,432,261 |
| TOTAL DISBURSEMENTS | 20,432,261 |
| EXCESS OF RECEIPTS OVER DISBURSEMENTS | 4,165,695 |
| Cash Balances at July 1, 2014 | 2,317,672 |
| Cash Balances at June 30, 2015 | $ 6,483,367 |

Note: The Self Insurance Account is part of the General Fund (Assigned Fund Balance).

SCHEDULE 24

WAUKEGAN COMMUNITY SCHOOL DISTRICT NO. 60
SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS
AND COLLECTIONS
YEARS ENDED JUNE 30, 2015 AND 2014

| TAX LEVY YEAR | 2014 | | 2013 | |
|---|---|---|---|---|
| ASSESSED VALUATION | $560,125,351 | | $608,160,750 | |
| TAX EXTENSIONS BY LEVY | RATE | AMOUNT | RATE | AMOUNT |
| Educational | 4.000% | $ 22,405,014 | 4.000% | $ 24,326,431 |
| Special Education | 0.800% | 4,481,003 | 0.800% | 4,865,286 |
| Operations and Maintenance | 0.750% | 4,200,940 | 0.750% | 4,561,206 |
| Debt Service | 1.579% | 8,841,747 | 1.388% | 8,441,271 |
| Transportation | 1.830% | 10,249,504 | 0.616% | 3,746,270 |
| Tort | 0.278% | 1,558,862 | 0.444% | 2,700,234 |
| Working Cash | 0.050% | 280,063 | 0.050% | 304,080 |
| Municipal Retirement | 0.497% | 2,783,677 | 0.572% | 3,478,679 |
| Social Security/Medicare | 0.497% | 2,783,677 | 0.572% | 3,478,679 |
| Fire Prevention & Safety | 0.099% | 556,737 | 0.100% | 608,161 |
| Total | 10.380% | $ 58,141,224 | 9.292% | $ 56,510,297 |
| TAX COLLECTIONS | | | | |
| Year Ended June 30, | | | | |
| 2014 | | $ - | | $ 28,064,827 |
| 2015 | | 28,769,268 | | 27,854,071 |
| Total | | $ 28,769,268 | | $ 55,918,898 |
| Percent of Total Levy Collected through June 30, 2015 | | 49.48% | | 98.95% |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | 1996C Refunding<br>Original Amount: $8,257,466<br>Capital Appreciation Bonds<br>November 26, 1996 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ 2,570,293 | $ 5,194,707 | $ 7,765,000 |
| TOTAL | $ 2,570,293 | $ 5,194,707 | $ 7,765,000 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | 1999B Building<br>Original Amount: $32,895,316<br>Capital Appreciation Bonds<br>January 15, 1999 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ 174,308 | $ 230,692 | $ 405,000 |
| 2017 | 1,947,792 | 2,852,208 | 4,800,000 |
| 2018 | 1,939,817 | 3,135,183 | 5,075,000 |
| 2019 | 1,884,853 | 3,305,147 | 5,190,000 |
| TOTAL | $ 5,946,770 | $ 9,523,230 | $ 15,470,000 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | 2001A Working Cash/Refunding<br>Original Amount: $18,329,222<br>Capital Appreciation Bonds<br>November 1, 2001 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ - | $ - | $ - |
| 2017 | 1,629,022 | 1,850,978 | 3,480,000 |
| 2018 | 1,524,414 | 1,955,586 | 3,480,000 |
| 2019 | 1,428,436 | 2,051,564 | 3,480,000 |
| 2020 | 1,338,791 | 2,141,209 | 3,480,000 |
| 2021 | 1,255,340 | 2,224,660 | 3,480,000 |
| 2022 | 1,178,050 | 2,301,950 | 3,480,000 |
| TOTAL | $ 8,354,053 | $ 12,525,947 | $ 20,880,000 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | General Obligation Series 2006<br>Original Amount: $1,685,000<br>January 1, 2007 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ 245,000 | $ 21,781 | $ 266,781 |
| 2017 | 180,000 | 9,225 | 189,225 |
| TOTAL | $ 425,000 | $ 31,006 | $ 456,006 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | General Obligation Series 2010A<br>Original Amount: $4,995,268<br>Capital Apreciation Bonds<br>January 28, 2010 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ - | $ - | $ - |
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | - | - | - |
| 2023 | 1,777,619 | 1,702,381 | 3,480,000 |
| 2024 | 1,662,187 | 1,817,813 | 3,480,000 |
| 2025 | 1,555,462 | 1,914,538 | 3,470,000 |
| TOTAL | $ 4,995,268 | $ 5,434,732 | $ 10,430,000 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | General Obligation Series 2010B<br>Original Amount: $13,505,000<br>January 28, 2010 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ - | $ 584,200 | $ 584,200 |
| 2017 | - | 584,200 | 584,200 |
| 2018 | - | 584,200 | 584,200 |
| 2019 | - | 584,200 | 584,200 |
| 2020 | 5,365,000 | 454,900 | 5,819,900 |
| 2021 | 5,605,000 | 213,500 | 5,818,500 |
| 2022 | 2,535,000 | 50,700 | 2,585,700 |
| TOTAL | $ 13,505,000 | $ 3,055,900 | $ 16,560,900 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

| | General Obligation Debt Certificates<br>Original Amount: $9,695,000<br>June 30, 2011 | | |
|---|---|---|---|
| Due Year Ended June 30, | Principal | Interest | Total |
| 2016 | $ 9,695,000 | $ 169,663 | $ 9,864,663 |
| TOTAL | $ 9,695,000 | $ 169,663 | $ 9,864,663 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
YEARS ENDED JUNE 30, 2015 AND 2014

| | Year Ended June 30, | |
|---|---|---|
| | 2015 | 2014 |
| Total Expenditures | | |
| Education | $ 203,308,353 | $ 183,969,183 |
| Less: On behalf payments | (43,473,294) | (30,270,995) |
| Commodities provided | (562,693) | (503,305) |
| Operations and Maintenance | 8,086,517 | 10,414,001 |
| Debt service | 9,483,416 | 9,377,147 |
| Transportation | 9,153,016 | 8,228,886 |
| Municipal Retirement/Social Security | 6,258,122 | 6,156,553 |
| Tort | 2,089,764 | 2,047,713 |
| Total | 194,343,201 | 189,419,183 |
| Less Receipts/Revenues or Disbursements/Expenditures Not Applicable to the Regular K-12 Program | 12,740,931 | 13,602,998 |
| Operating Expense Regular K-12 | 181,602,270 | 175,816,185 |
| Average Daily Attendance | 14,181 | 13,954 |
| Estimated Operating Expense Per Pupil | $ 12,806 | $ 12,600 |
| Operating Expense Regular K-12 | $ 181,602,270 | $ 175,816,185 |
| Less Offsetting Receipts/Revenues | 33,522,451 | 35,995,495 |
| Net Operating Expense For Tuition Computation | 148,079,819 | 139,820,690 |
| Add Total Depreciation Allowance | 4,384,917 | 3,395,775 |
| Total Allowance For Tuition Computation | 152,464,736 | 143,216,465 |
| Average Daily Attendance | 14,181 | 13,954 |
| Estimated Per Capita Tuition Charge | $ 10,751.53 | $ 10,263.53 |

Note: Items reported as subtractions are not utilized by Illinois State Board of Education in calculations.

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**STATISTICAL SECTION**
(UNAUDITED)

This part of the Waukegan Community Unit School District No. 60's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends 129

*These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. Tables 1 – 4*

Revenue Capacity 137

*These tables contain information to help the reader assess the District's most significant revenue source, the property tax. Tables 5 – 8*

Debt Capacity 142

*These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. Tables 9 – 12*

Demographic and Economic Information 146

*These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. Tables 13 – 14*

Operating Information 148

*These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. Tables 15 – 17*


Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Years | | | |
|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 |
| Governmental Activities: | | | | |
| Net investment in capital assets | $ (753,682) | $ 631,740 | $ 6,392,547 | $ 6,496,380 |
| Restricted | - | - | - | - |
| Unrestricted | 5,054,992 | 3,209,687 | 5,134,554 | 10,847,665 |
| Total governmental activities net position | $ 4,301,310 | $ 3,841,427 | $ 11,527,101 | $ 17,344,045 |

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 1

| 2011 | 2012 | 2013 | (Restated) 2014 | 2015 |
|---|---|---|---|---|
| $ 574,089 | $ 3,598,370 | $ 34,390,282 | $ 44,399,882 | $ 43,048,372 |
| 32,600,995 | 37,071,060 | 34,484,797 | 27,821,009 | 28,962,620 |
| 3,951,654 | 6,874,695 | 5,783,811 | (31,064,725) | (27,953,102) |
| $ 37,126,738 | $ 47,544,125 | $ 74,658,890 | $ 41,156,166 | $ 44,057,890 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CHANGE IN NET POSITION
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal | | | |
|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 |
| Expenses | | | | |
| Governmental Activities: | | | | |
| Instruction | $ 84,088,310 | $ 92,185,972 | $ 99,070,855 | $ 109,284,495 |
| Support services | 63,075,346 | 66,082,613 | 71,189,222 | 76,095,567 |
| Community services | 1,290,724 | 1,608,653 | 1,329,215 | 1,049,105 |
| Payments to other governmental units | 448,330 | 379,029 | 569,234 | 276,273 |
| Interest and other on long-term debt | 4,245,749 | 4,800,890 | 4,440,723 | 4,237,845 |
| Capital outlay | 484,030 | 1,080,129 | 1,310,126 | 2,852,010 |
| Depreciation - unallocated | 2,168,607 | 1,657,241 | 1,699,099 | 975,935 |
| Total Expenses | 155,801,096 | 167,794,527 | 179,608,474 | 194,771,230 |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges For Services: | | | | |
| Instruction | 1,986,664 | 1,437,900 | 1,204,876 | 1,091,805 |
| Support services | 790,049 | 744,338 | 675,060 | 704,214 |
| Operating Grants and Contributions: | | | | |
| Instruction | 31,535,300 | 38,259,792 | 42,159,220 | 53,829,093 |
| Support services | 10,893,932 | 11,115,165 | 11,952,863 | 12,069,475 |
| Capital Grants and Contributions: | | | | |
| Support services | - | - | - | - |
| Total Program Revenues | 45,205,945 | 51,557,195 | 55,992,019 | 67,694,587 |
| Net (Expense)/ Revenue | (110,595,151) | (116,237,332) | (123,616,455) | (127,076,643) |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Taxes: | | | | |
| Real estate taxes, levied for general purposes | 55,943,258 | 58,505,382 | 60,950,338 | 61,421,911 |
| Real estate taxes, levied for debt service | 6,162,443 | 6,425,095 | 6,636,857 | 6,577,113 |
| Personal property replacement taxes | 7,233,850 | 7,735,680 | 6,766,944 | 5,474,404 |
| General state aid | 47,130,481 | 51,914,054 | 55,546,863 | 60,565,597 |
| Interest on investments | 381,737 | 448,406 | 238,408 | 17,282 |
| Other | - | - | - | - |
| (Loss) on disposal of capital assets | (32,929) | - | - | - |
| Total General Revenues and Other Changes in Net Position | 116,818,840 | 125,028,617 | 130,139,410 | 134,056,307 |
| Change in Net Position | $ 6,223,689 | $ 8,791,285 | $ 6,522,955 | $ 6,979,664 |

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

| Years | | | | |
|---|---|---|---|---|
| | | | (Restated) | |
| 2011 | 2012 | 2013 | 2014 | 2015 |
| $106,891,124 | $ 91,752,680 | $ 118,720,317 | $ 122,936,371 | $ 144,184,752 |
| 73,660,700 | 99,175,009 | 82,684,647 | 80,681,902 | 84,061,013 |
| 1,190,740 | 1,111,796 | 1,328,453 | 1,045,200 | 1,011,788 |
| 279,321 | 162,818 | 19,625 | 280,322 | 14,158 |
| 4,149,998 | 5,360,630 | 4,097,245 | 3,701,027 | 3,817,461 |
| 2,212,463 | - | - | - | - |
| 1,038,204 | 2,517,166 | 2,816,964 | 3,173,451 | 4,037,503 |
| 189,422,550 | 200,080,099 | 209,667,251 | 211,818,273 | 237,126,675 |
| 1,201,671 | 1,230,084 | 816,005 | 833,995 | 1,025,739 |
| 271,384 | 167,278 | 160,066 | 229,952 | 163,120 |
| 50,379,996 | 26,297,667 | 47,817,931 | 53,324,240 | 66,863,793 |
| 12,283,354 | 32,179,765 | 10,695,851 | 11,311,551 | 14,036,833 |
| - | - | 23,073,311 | 1,193,786 | 4,275,571 |
| 64,136,405 | 59,874,794 | 82,563,164 | 66,893,524 | 86,365,056 |
| (125,286,145) | (140,205,305) | (127,104,087) | (144,924,749) | (150,761,619) |
| 63,155,756 | 64,458,290 | 64,413,762 | 47,296,457 | 48,784,116 |
| 8,002,050 | 7,793,667 | 8,400,748 | 8,318,808 | 8,749,401 |
| 7,099,308 | 6,530,858 | 6,672,863 | 6,750,403 | 7,259,799 |
| 67,383,061 | 69,642,723 | 74,471,954 | 82,441,382 | 88,552,015 |
| 34,327 | 15,148 | 24,458 | 19,397 | 15,687 |
| 423,275 | 2,182,006 | 235,067 | 19,320 | 302,325 |
| - | - | - | - | - |
| 146,097,777 | 150,622,692 | 154,218,852 | 144,845,767 | 153,663,343 |
| $ 20,811,632 | $ 10,417,387 | $ 27,114,765 | $ (78,982) | $ 2,901,724 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal | | | |
|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | |
| Nonspendable | $ 201,877 | $ 204,866 | $ - | $ - |
| Restricted | 341,650 | 319,249 | 1,240,352 | 1,407,744 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | 35,677,999 | 41,025,975 | 42,117,144 | 48,308,216 |
| Total General Fund | 36,221,526 | 41,550,090 | 43,357,496 | 49,715,960 |
| All Other Governmental Funds | | | | |
| Nonspendable | - | 40,616 | 73,305 | 82,210 |
| Restricted | 11,230,805 | 13,305,634 | 15,530,211 | 16,748,399 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | (10,714,964) | (10,995,531) | (11,031,757) | (6,795,741) |
| Total All Other Governmental Funds | 515,841 | 2,350,719 | 4,571,759 | 10,034,868 |
| Total General and All Other Governmental Funds | $ 36,737,367 | $43,900,809 | $47,929,255 | $ 59,750,828 |

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 3

| Years | | | | |
|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| $ 331,050 | $ - | $ - | $ - | $ - |
| 1,651,589 | - | | - | - |
| - | 2,706,692 | 486,692 | - | - |
| 99,945 | - | 1,096,115 | 2,317,672 | 6,483,367 |
| 60,384,592 | 63,080,414 | 57,533,046 | 48,997,608 | 40,217,222 |
| 62,467,176 | 65,787,106 | 59,115,853 | 51,315,280 | 46,700,589 |
| 30,622 | 236,346 | 241,789 | 226,708 | 232,986 |
| 30,457,167 | 27,372,576 | 27,504,439 | 27,897,970 | 28,806,595 |
| - | 6,409,077 | 5,155,762 | 1,461,068 | - |
| - | - | - | - | - |
| (7,081,395) | (5,010,218) | - | (7,860,613) | (2,516,477) |
| 23,406,394 | 29,007,781 | 32,901,990 | 21,725,133 | 26,523,104 |
| $ 85,873,570 | $ 94,794,887 | $ 92,017,843 | $ 73,040,413 | $73,223,693 |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal | | | |
|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | |
| Local sources: | | | | |
| Tax levies | $62,105,701 | $ 64,930,477 | $ 67,587,195 | $ 67,999,024 |
| Personal property replacement taxes | 7,233,850 | 7,735,680 | 6,766,944 | 5,474,404 |
| Tuition | 96,742 | 60,626 | 49,438 | 79,577 |
| Earnings on investments | 381,737 | 448,406 | 238,408 | 17,282 |
| Food service | 790,049 | 744,338 | 675,061 | 598,498 |
| District/School activity income | 159,039 | 248,046 | 146,997 | 226,478 |
| Textbooks | 1,419,083 | 884,931 | 506,152 | 503,566 |
| Rentals | 55,209 | 58,248 | 49,486 | 50,244 |
| Contributions and donations | 12,263 | 272 | 74,531 | 30,495 |
| Refund of prior years' expenditures | 196,151 | 100,481 | 157,717 | 146,887 |
| Other local sources | 48,177 | 85,296 | 220,555 | 160,274 |
| State sources | 73,482,494 | 83,352,727 | 78,101,062 | 90,109,485 |
| Federal sources | 16,077,219 | 17,936,284 | 31,557,885 | 36,354,677 |
| Total Revenues | 162,057,714 | 176,585,812 | 186,131,431 | 201,750,891 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 84,088,310 | 92,029,962 | 97,908,138 | 107,931,994 |
| Support services | 63,075,346 | 66,036,234 | 71,201,303 | 76,092,353 |
| Community services | 1,290,724 | 1,608,653 | 1,329,215 | 1,049,105 |
| Payments to other districts & gov't units | 448,330 | 379,029 | 569,234 | 276,273 |
| Debt Service: | | | | |
| Principal retirement | 4,979,708 | 5,179,854 | 6,532,626 | 7,759,207 |
| Interest and other | 1,531,531 | 1,671,202 | 1,269,751 | 1,690,562 |
| Capital outlay | 2,319,635 | 2,908,658 | 3,292,716 | 5,507,597 |
| Total Expenditures | 157,733,584 | 169,813,592 | 182,102,983 | 200,307,091 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,324,130 | 6,772,220 | 4,028,448 | 1,443,800 |
| Other Financing Sources (Uses) | | | | |
| Premium on bonds issued | 1,945 | - | - | 822,683 |
| Bonds issued | 1,685,000 | - | - | 29,780,268 |
| Capital leases | 1,049,761 | 15,564 | - | 155,033 |
| Transfers in | - | - | 1,958,897 | 16,405,786 |
| Transfers out | - | - | (1,958,897) | (16,405,786) |
| Debt issuance costs | - | - | - | - |
| Payment to bond escrow agent | - | - | - | (20,380,211) |
| Mortgage | - | 831,746 | - | - |
| Total Other Financing Sources (Uses) | 2,736,706 | 847,310 | - | 10,377,773 |
| Net Change in Fund Balances | $ 7,060,836 | $ 7,619,530 | $ 4,028,448 | $ 11,821,573 |
| Debt Service as a Percentage of Non-capital Expenditures | 4.4% | 4.3% | 4.6% | 5.1% |

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

| Years | | | | |
|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| $ 71,157,806 | $ 72,251,957 | $ 72,814,510 | $ 55,615,265 | $ 57,533,517 |
| 7,099,308 | 6,530,858 | 6,672,863 | 6,750,403 | 7,259,799 |
| 86,830 | 53,665 | 94,178 | 79,023 | 111,359 |
| 34,327 | 15,148 | 24,458 | 19,397 | 15,687 |
| 231,954 | 119,578 | 124,980 | 168,813 | 137,790 |
| 174,621 | 67,414 | 151,433 | 167,534 | 258,828 |
| 731,006 | 586,777 | 552,932 | 473,703 | 480,586 |
| 24,534 | 25,961 | 30,086 | 30,809 | 19,100 |
| 14,896 | 23,850 | 5,000 | 30,330 | 6,230 |
| 234,614 | 22,267 | 84,130 | 19,320 | 112,054 |
| 397,875 | 2,578,591 | 168,399 | 113,735 | 365,237 |
| 103,824,599 | 108,071,277 | 137,192,085 | 129,992,051 | 154,336,350 |
| 26,221,812 | 20,048,878 | 18,866,962 | 18,278,908 | 19,391,862 |
| 210,234,182 | 210,396,221 | 236,782,016 | 211,739,291 | 240,028,399 |
| 105,539,884 | 110,146,628 | 116,781,675 | 123,626,727 | 142,656,087 |
| 73,627,015 | 78,625,443 | 82,660,739 | 82,605,186 | 84,123,300 |
| 1,190,740 | 1,111,796 | 1,328,453 | 1,045,200 | 1,011,788 |
| 279,321 | 162,818 | 19,625 | 280,322 | 14,158 |
| 6,691,214 | 7,022,486 | 6,021,254 | 3,743,514 | 3,430,872 |
| 928,542 | 1,131,136 | 2,692,491 | 5,883,699 | 6,052,544 |
| 4,653,430 | 3,370,404 | 31,062,146 | 13,935,449 | 2,685,993 |
| 192,910,146 | 201,570,711 | 240,566,383 | 231,120,097 | 239,974,742 |
| 17,324,036 | 8,825,510 | (3,784,367) | (19,380,806) | 53,657 |
| - | - | - | - | - |
| 9,695,000 | - | - | - | - |
| 196,942 | 95,808 | 1,007,323 | 403,376 | 129,623 |
| 462,437 | 480,248 | 551,351 | 678,436 | 7,334,651 |
| (462,437) | (480,248) | (551,351) | (678,436) | (7,334,651) |
| (80,747) | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 9,811,195 | 95,808 | 1,007,323 | 403,376 | 129,623 |
| $ 27,135,231 | $ 8,921,318 | $ (2,777,044) | $ (18,977,430) | $ 183,280 |
| 4.2% | 4.3% | 4.3% | 4.6% | 4.2% |

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST NINE TAX YEARS

| Tax Year | Real Property | | | | | Total Taxable Assessed Value |
|---|---|---|---|---|---|---|
| | Residential | Commercial | Industrial | Rural | Railroad | |
| 2006 | $779,211,537 | $261,166,229 | $26,311,588 | $ 84,716 | $ 1,583,953 | $ 1,068,358,023 |
| 2007 | 837,769,478 | 285,729,070 | 26,699,396 | 76,371 | 1,390,865 | 1,151,665,180 |
| 2008 | 867,321,576 | 297,030,240 | 27,322,835 | 77,894 | 1,088,409 | 1,192,840,954 |
| 2009 | 825,587,625 | 283,707,693 | 26,712,097 | 78,453 | 1,292,672 | 1,137,378,540 |
| 2010 | 717,906,417 | 285,339,323 | 25,770,668 | 85,723 | 1,891,332 | 1,030,993,463 |
| 2011 | 595,856,306 | 265,717,897 | 24,355,091 | 94,433 | 2,093,459 | 888,117,186 |
| 2012 | 456,740,055 | 240,663,394 | 22,507,138 | 87,308 | 2,281,052 | 722,278,947 |
| 2013 | 362,088,867 | 223,153,416 | 19,689,596 | 77,860 | 3,151,011 | 608,160,750 |
| 2014 | 329,679,911 | 208,664,414 | 18,319,479 | 79,073 | 3,382,474 | 560,125,351 |

Sources: Lake County levy, rate and extension reports and Lake County Clerk's office.

Note: Property in the county is reassessed annually. The county assesses property at approximately 33.33% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per $100 of assessed value.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

| Total Direct Tax Rate | Estimated Actual Taxable Value | Value as a Percentage of Actual Value |
|---|---|---|
| 5.8340 | $ 3,205,394,608 | 33.33% |
| 5.6390 | 3,455,341,074 | 33.33% |
| 5.6910 | 3,578,880,750 | 33.33% |
| 5.9860 | 3,412,476,868 | 33.33% |
| 6.1430 | 3,093,289,718 | 33.33% |
| 7.2930 | 2,664,618,020 | 33.33% |
| 9.2790 | 2,167,053,546 | 33.33% |
| 9.2920 | 1,824,664,716 | 33.33% |
| 10.3800 | 1,680,544,107 | 33.33% |

TABLE 6

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
PROPERTY TAX RATES -- DIRECT AND OVERLAPPING GOVERNMENTS
LAST NINE TAX YEARS
(RATE PER $100 OF ASSESSED VALUE)

| | | Overlapping Rates | |
|---|---|---|---|
| | Waukegan School CUSD #60 | City of Waukegan | Other Lake County Governments |
| Tax Year | Total Millage | Total Millage | Total Millage |
| 2006 | 5.8340 | 1.3890 | 4.5670 |
| 2007 | 5.6390 | 1.3690 | 4.5490 |
| 2008 | 5.6910 | 1.4080 | 4.6830 |
| 2009 | 5.9860 | 1.6440 | 4.8100 |
| 2010 | 6.9210 | 1.9560 | 4.7170 |
| 2011 | 8.1750 | 2.1910 | 5.4600 |
| 2012 | 10.1360 | 2.8270 | 6.6040 |
| 2013 | 9.2920 | 3.3400 | 7.4380 |
| 2014 | 10.3800 | 3.4737 | 7.7463 |

Source: Lake County Clerk's Office.

Note: The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service are set based on each year's requirements.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 7

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AREA PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

| | 2014 Tax Levy | | | 2005 Tax Levy | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Equalized Assessed Valuation (1) | Rank | Percentage of Total District Taxable Assessed Value (2) | Taxable Equalized Assessed Valuation (3) | Rank | Percentage of Total District Taxable Assessed Value (4) |
| Community Health Systems, Inc. | $17,692,817 | 1 | 3.16% | | | |
| Paul, Brady | 5,195,080 | 2 | 0.93% | | | |
| Nicolls, II, C Robert | 4,896,047 | 3 | 0.87% | | | |
| JRS/SCE Eagle Ridge JV LLC | 4,845,461 | 4 | 0.87% | | | |
| Property Valuation Services | 4,544,484 | 5 | 0.81% | | | |
| Sunset Lake Apartments | 3,837,930 | 6 | 0.69% | 4,373,096 | 5 | 0.43% |
| Whispering Oaks Associates, LP | 3,684,457 | 7 | 0.66% | 3,906,561 | 6 | 0.39% |
| Heritage Green Apartments LLC | 2,755,293 | 8 | 0.49% | 3,590,233 | 7 | 0.35% |
| Lake Towers Associates II LTD | 2,652,315 | 9 | 0.47% | 3,259,807 | 10 | 0.32% |
| Briarwood Investments LLC | 2,541,829 | 10 | 0.45% | 3,319,690 | 9 | 0.33% |
| Bank of Waukegan Trust: 204226 | - | | | 9,623,434 | 1 | 0.95% |
| RSD Waukegan LP | - | | | 6,670,666 | 2 | 0.66% |
| Midwest Generation LLC | - | | | 5,989,488 | 3 | 0.59% |
| LA Venture LLC, Debruler Co. | - | | | 4,555,948 | 4 | 0.45% |
| Amico/Foxcrest LLC | - | | | 3,362,849 | 8 | 0.33% |
| Total | $52,645,713 | | 9.40% | $48,651,772 | | 4.80% |

Source: Office of the Lake County Clerk

(1) Includes tax year 2014 equalized assessed valuations of property parcels with an aggregate total over approximately $464,728.
(2) Uses the District's 2014 equalized assessed valuation of $560,125,351.
(3) Includes tax year 2005 equalized assessed valuations of property parcels with an aggregate total over approximately $1,000,000.
(4) Uses the District's 2005 equalized assessed valuation of $1,014,002,944.

TABLE 8

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | $ 62,328,007 | $ 30,585,648 | 49.07% | $ 31,698,322 | $ 62,283,970 | 99.93% |
| 2008 | 64,942,399 | 31,584,645 | 48.63% | 33,060,373 | 64,645,018 | 99.54% |
| 2009 | 67,884,579 | 33,215,244 | 48.93% | 34,568,465 | 67,783,709 | 99.85% |
| 2010 | 68,083,479 | 33,411,440 | 49.07% | 34,474,790 | 67,886,230 | 99.71% |
| 2011 | 71,355,058 | 34,513,198 | 48.37% | 36,490,237 | 71,003,435 | 99.51% |
| 2012 | 72,603,580 | 35,419,131 | 48.78% | 36,788,753 | 72,207,884 | 99.45% |
| 2013 | 73,210,194 | 35,916,491 | 49.06% | 36,963,776 | 72,880,267 | 99.55% |
| 2014 | 56,510,297 | 28,064,827 | 49.66% | 27,854,071 | 55,918,898 | 98.95% |
| 2015 | 58,141,224 | 28,769,268 | 49.48% | - | 28,769,268 | 49.48% |

Source: Lake County Clerk's Office.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 9

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS

| | Governmental Activities | | | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds [2] | Debt Certificates | Capital Lease | Mortgage | Total Primary Government | Percentage of Personal Income [1] | Per Capita [1] |
| 2007 | $59,621,937 | $ 215,000 | $ 1,043,998 | $ - | $ 60,880,935 | 3.7% | $ 677 |
| 2008 | 55,031,937 | 110,000 | 574,708 | 831,746 | 56,548,391 | 4.0% | 629 |
| 2009 | 49,222,469 | - | 96,929 | 731,899 | 50,051,297 | 3.6% | 557 |
| 2010 | 57,045,429 | - | 153,353 | 626,310 | 57,825,092 | 3.1% | 622 |
| 2011 | 62,129,803 | 9,695,000 | 277,181 | 514,649 | 72,616,633 | 4.0% | 815 |
| 2012 | 47,596,896 | 9,695,000 | 279,692 | 396,569 | 57,968,157 | 3.2% | 651 |
| 2013 | 41,908,558 | 9,695,000 | 1,078,969 | 271,699 | 52,954,226 | 3.0% | 594 |
| 2014 | 38,771,265 | 9,695,000 | 1,008,175 | 139,648 | 49,614,088 | 2.7% | 557 |
| 2015 | 35,796,384 | 9,695,000 | 818,548 | - | 46,309,932 | 2.6% | 521 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
[1] See the Schedule of Demographic and Economic Statistics on page 147 for personal income and population data.
[2] General obligation bonds without accretion.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 10

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST NINE FISCAL YEARS

| Fiscal Year | General Obligation Bonds [3] | Less: Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property [1] | Per Capita [2] |
|---|---|---|---|---|---|
| 2007 | $ 59,621,937 | $ 8,143,921 | $ 51,478,016 | 1.61% | 573 |
| 2008 | 55,031,937 | 8,851,530 | 46,180,407 | 1.34% | 514 |
| 2009 | 49,222,469 | 8,819,508 | 40,402,961 | 1.13% | 450 |
| 2010 | 57,045,429 | 3,905,292 | 53,140,137 | 1.56% | 572 |
| 2011 | 62,129,803 | 8,163,017 | 53,966,786 | 1.74% | 606 |
| 2012 | 47,596,896 | 8,623,310 | 38,973,586 | 1.46% | 438 |
| 2013 | 41,908,558 | 8,926,470 | 32,982,088 | 1.52% | 370 |
| 2014 | 38,771,265 | 8,886,567 | 29,884,698 | 1.64% | 335 |
| 2015 | 35,796,384 | 9,277,203 | 26,519,181 | 1.58% | 298 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

[1] See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on pages 137-138 for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics on page 147.

[3] General obligation bonds without accretion.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 11

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

| Taxing Authority | Outstanding Bonds | | Applicable to District Percentage | Applicable to District Amount |
|---|---|---|---|---|
| Debt repaid with property taxes: | | | | |
| Lake County | $ - | (1) | 2.500% | $ - |
| Lake County Forest Preserve | 274,450,000 | (4) | 2.580% | 6,861,250 |
| Central Lake County Joint Action Water Agency | 11,530,000 | | 0.002% | 231 |
| Village of Beach Park | - | (1) | 13.616% | - |
| Village of Gurnee | 11,100,000 | | 0.018% | 1,998 |
| City of Park City | 500,000 | | 18.107% | 90,535 |
| City of Waukegan | 75,025,000 | (3) | 54.951% | 41,226,988 |
| Warren-Newport Library | - | (1) | 1.554% | - |
| Foss Park District | - | (1) | 6.327% | - |
| Gurnee Park District | 942,895 | (1) | 0.021% | 198 |
| Waukegan Park District | 1,721,000 | (1) | 56.206% | 967,305 |
| Community College No. 532 | 18,430,000 | (1)(4) | 2.595% | 478,259 |
| Subtotal, Overlapping Debt | | | | $ 49,626,764 |
| **Waukegan School District No. 60 Direct Debt** | | (1)(2)(5) | 10.000% | 35,371,384 |
| Total Direct and Overlapping Debt | | | | $ 84,998,148 |

Rates may not be increased without voter approval by referendum.
Lake County governmental units are subject to Illinois Property Tax Extention Limitation laws. Property tax increases are limited to the lesser of 5% or the reported increase in the Consumer Price Index (CPI).

Source: Lake County Clerk's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

(1) Excludes outstanding principal amounts of General Obligation Alternative Revenue Source Bonds
(2) Includes outstanding original principal amounts of Capital Appreciation Bonds
(3) Includes tax increment bonds
(4) Excludes outstanding Debt Certificates
(5) Excludes outstanding 2006 Municipial Retirement Fund General Obligation Bond

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS

| | Fiscal | | | |
|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 |
| Debt Limit | $147,433,407 | $158,929,795 | $164,612,052 | $156,958,239 |
| Total Net Debt Applicable to Limit | 52,737,015 | 47,696,861 | 41,231,789 | 53,919,790 |
| Legal Debt Margin | $ 68,809,856 | $111,232,934 | $123,380,263 | $103,038,449 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 35.77% | 30.01% | 25.05% | 34.35% |

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 13.8 percent of total assessed property value.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

| Years | | | | |
|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| $ 142,277,098 | $ 122,560,172 | $ 99,674,495 | $ 83,926,184 | $ 77,297,298 |
| 54,758,617 | 39,649,847 | 44,027,756 | 40,727,521 | 46,309,932 |
| $ 87,518,481 | $ 82,910,325 | $ 55,646,739 | $ 43,198,663 | $ 30,987,366 |
| 38.49% | 32.35% | 44.17% | 48.53% | 59.91% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|---|---|
| Assessed Value | $ 560,125,351 |
| Debt Limit (13.8% of total assessed value) | 77,297,298 |
| Debt Applicable to Limit: | |
| General Obligation Bonds and Debt Certificates | 45,491,384 |
| Capital Lease | 818,548 |
| Total | 46,309,932 |
| Legal Debt Margin | $ 30,987,366 |

TABLE 13

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST NINE FISCAL YEARS

| Fiscal Year | Population [2] | Personal Income [2] | Per Capita Personal Income [2] | Median Age [2] | School Enrollment [3] | Unemployment Rate [1] |
|---|---|---|---|---|---|---|
| 2007 | 89,877 | $ 1,640,524,881 | $ 18,253 | 29.9 | 16,901 | 5.50% |
| 2008 | 89,877 | 1,403,878,740 | 15,620 | 29.0 | 16,938 | 14.20% |
| 2009 | 89,877 | 1,403,878,740 | 15,620 | 29.0 | 16,957 | 12.10% |
| 2010 | 92,929 | 1,881,719,321 | 20,249 | 30.0 | 16,548 | 12.08% |
| 2011 | 89,078 | 1,803,740,422 | 20,249 | 30.0 | 16,328 | 14.70% |
| 2012 | 89,078 | 1,803,740,422 | 20,249 | 30.5 | 16,152 | 10.80% |
| 2013 | 89,159 | 1,791,471,787 | 20,093 | 30.5 | 16,600 | 10.60% |
| 2014 | 89,078 | 1,810,421,272 | 20,324 | 30.7 | 16,732 | 11.40% |
| 2015 | 88,915 | 1,798,394,790 | 20,266 | 30.5 | 16,892 | 12.00% |

Sources:
[1] State of Illinois Department of Employment Security
[2] City of Waukegan
[3] School District

Note: Population, per capita income and median age are based on data provided by Lake County Partners

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 14

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
AREA PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

| | 2015 | | | 2006[8] | | |
|---|---|---|---|---|---|---|
| Taxpayer | Approximate Number of Employees* | Rank | Percentage of Total District Employment** | Approximate Number of Employees* | Rank | Percentage of Total District Employment** |
| Southwire Co. & Coleman Cable Systems, Inc. | 1,500 | 1 | 3.65% | 1,000 | 4 | 2.44% |
| **School District #60** | 1,200 | 2 | 2.92% | 1,900 | 2 | 4.63% |
| Vista Medical Centers (East & West) | 1,200 | 2 | 2.92% | 1300-1500 | 3 | 3.66% |
| Lake County Health Department | 900 | 3 | 2.19% | | | |
| Medline Industries, Inc. | 900 | 3 | 2.19% | 820 | 6 | 2.00% |
| Lake County Court House | 800 | 4 | 1.95% | | | |
| Jewel Foods (2 stores)* | 525 | 5 | 1.28% | | | |
| WMS Industries | 500 | 5 | 1.22% | 500 | 7 | 1.22% |
| City of Waukegan | 460 | 6 | 1.12% | | | |
| Kiley Developmental Center | 423 | 7 | 1.03% | | | |
| Yaskawa America, Inc. | 420 | 8 | 1.02% | 465 | 8 | 1.13% |
| Lake County Sherriff Department | 417 | 9 | 1.01% | | | |
| Uline Shipping Supplies | 350 | 10 | 0.85% | 875 | 5 | 2.13% |
| Walmart Supercenter * | 350 | 10 | 0.85% | | | |
| Cardinal Health, Inc. | 340 | 11 | 0.83% | 340 | 10 | 0.83% |
| Waukegan Park District* | 309 | 12 | 0.75% | | | |
| Visual Pak* | 250 | 13 | 0.61% | | | |
| Nosco Inc. | 200 | 14 | 0.49% | 400 | 9 | 0.97% |
| Lake County (in City of Waukegan) | | | | 2,000 | 1 | 4.87% |
| Peer Bearing Co. | 200 | | 0.49% | 300 | 11 | 0.73% |
| Certified Packaging Corp. | | | | 300 | 11 | 0.73% |
| Total | 11,244 | | 27.37% | 10,400 | | 25.34% |

*Includes full and part-time and/or seasonal
The number of employees listed in the 2015 and 2006 directories are actually the numbers employed in the previous year.
**The Illinois Department of Employment Security reports that 41,130 were employed in 2014 in the City of Waukegan and 41,028 were employed in 2005.

(1) 2015 Illinois Manufacturers Directory
(2) 2015 Illinois Services Directory
(3) City/Village Financial Reports
(4) Phone canvass of employers
(5) ReferenceUSA.com
(6) Company/Organization Website
(7) Illinois Department of Employment Security
(8) City of Waukegan 2006 Official Statement

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION
LAST NINE FISCAL YEARS

| | Year Ended June 30, | | | | |
|---|---|---|---|---|---|
| Function | 2007 | 2008 | 2009 | 2010 | 2011 |
| Instruction | 1,465 | 1,297 | 1,316 | 1,387 | 1,514 |
| Support Services | 492 | 602 | 690 | 784 | 677 |
| Community Services | 20 | 29 | 26 | 23 | 17 |
| Total | 1,977 | 1,928 | 2,032 | 2,194 | 2,208 |

Source: Waukegan School District

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 15

| 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|
| 1,294 | 1,272 | 1,323 | 1,292 |
| 708 | 629 | 679 | 725 |
| 19 | 17 | 13 | 17 |
| 2,021 | 1,918 | 2,015 | 2,034 |

TABLE 16

WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
OPERATING STATISTICS
LAST NINE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| Fiscal Year | Operating Expenses | Enrollment | Cost per Pupil | Percentage Change | Teaching Staff | Pupil/ Teacher Ratio | Student Attendance Percentage |
|---|---|---|---|---|---|---|---|
| 2007 | $135,235,670 | 16,901 | $ 8,002 | N/A | 1,094 | 15.45 | 85% |
| 2008 | 142,981,041 | 16,938 | 8,441 | 5.73% | 1,096 | 15.45 | 91% |
| 2009 | 154,200,958 | 16,957 | 9,094 | 7.85% | 1,138 | 14.90 | 85% |
| 2010 | 164,331,777 | 16,548 | 9,931 | 6.57% | 1,224 | 13.52 | 92% |
| 2011 | 161,101,143 | 16,328 | 9,867 | -1.97% | 1,158 | 14.10 | 94% |
| 2012 | 168,309,701 | 16,152 | 10,420 | 4.47% | 1,178 | 13.71 | 94% |
| 2013 | 179,149,901 | 16,600 | 10,792 | 6.44% | 1,190 | 13.95 | 96% |
| 2014 | 180,782,470 | 16,732 | 10,805 | 0.91% | 1,214 | 13.78 | 95% |
| 2015 | 185,907,294 | 16,892 | 11,006 | 2.83% | 1,162 | 14.54 | 93% |

Sources: Nonfinancial information provided by the District's personnel department.

Note: Enrollment based on start-of-year census. Teaching staff are full-time equivalents for the year as a whole. Attendance is a yearly average.

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

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WAUKEGAN COMMUNITY UNIT SCHOOL DISTRICT NO. 60
CAPITAL ASSETS BY FUNCTION
LAST NINE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| Function | Fiscal 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| Instruction | $ 1,298,730 | $ 362,062 | $ 797,226 | $ 849,531 |
| Support services | 1,010,453 | 2,544,500 | 2,491,795 | 4,649,231 |
| Community services | 10,452 | 2,096 | 3,695 | 8,835 |
| Total | $ 2,319,635 | $ 2,908,658 | $ 3,292,716 | $ 5,507,597 |

Less than ten years are presented on this table due to the District implementing this statistical table during the year ended June 30, 2007. Additional years will be presented as they become available.

TABLE 17

| Years | | | | |
|---|---|---|---|---|
| 2011 | 2012 | 2013 | 2014 | 2015 |
| $ 399,118 | $ 39,473 | $ 58,921 | $ 17,087 | $ 5,620 |
| 4,253,467 | 3,330,931 | 31,003,225 | 13,918,362 | 2,680,373 |
| 845 | - | - | - | - |
| $ 4,653,430 | $ 3,370,404 | $ 31,062,146 | $ 13,935,449 | $ 2,685,993 |

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