

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

**ARLINGTON HEIGHTS SCHOOL
DISTRICT 25**

ARLINGTON HEIGHTS, ILLINOIS

As of and for the Year Ended June 30, 2015

Officials Issuing Report

Ms. Stacey Mallek, Assistant Superintendent for Business

Department Issuing Report

Business Office

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

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Arlington Heights School District 25

Administration Building • 1200 S. Dunton, Arlington Heights, IL 60005 • (847) 758-4880 • FAX (847) 758-4908

Stacey Mallek, Assistant Superintendent for Business

December 10, 2015

President and Members of the Board of Education and
Citizens of Arlington Heights School District 25
Arlington Heights, Illinois 60005

Dear Members of the Board of Education and Citizens,

The Comprehensive Annual Financial Report of Arlington Heights School District 25, Arlington Heights, Illinois, for the fiscal year ended June 30, 2015, is submitted herewith. Submittal of this report complies with the requirements of the Illinois School Code. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects: that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial status have been incorporated within this report.

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

The District is required to undergo an annual single audit as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditor's report on the internal control structure and compliance with applicable laws and regulations are, included in a separate report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the ASBO's Certificate of Excellence. The financial section includes the basic financial statements, individual fund, and account group financial statements and schedules, as well as the independent auditors' report on the basic financial statements. The statistical section includes a number of tables of unaudited data depicting the financial history of the District for multiple years, demographics and other information.

This report includes all funds of the District. For all of the governmental fund types, the District reports on a modified accrual basis of accounting that is applied to the District's budget and accounting records. The notes to the financial statements expand upon the modified accrual basis, as well as the District's accounting policies and procedures. All District funds are included in this report and have been audited by Baker Tilly Virchow Krause, LLP, Certified Public Accountants.

The Reporting Entity and Its Services

The District is a consolidated elementary (K – 8) school district in Wheeling Township, Illinois, which operates as a single district. Made up of seven elementary schools and two middle schools, the District's total student enrollment for 2014-15 was 5,432. The schools currently operating in the district are as follows:

School	Year Built
Dryden Elementary School	1952
Greenbrier Elementary School	1964
Ivy Hill Elementary School	1966
Olive Mary Stitt Elementary School	1962
Patton Elementary School	1962
Westgate Elementary School	1962
Windsor Elementary School	1959
South Middle School	1997
Thomas Middle School	1964

Each elementary school hosts students in grades kindergarten through fifth, and each middle school hosts students in grades six through eighth. Additionally, Greenbrier Elementary school runs an early childhood program for students ages three to five. The governing body consists of a seven member Board of Education elected from within the District's boundaries. The District's boundaries consist of approximately 65% of Wheeling Township. Based on the legislative authority codified in *The Illinois School Code*, the Board of Education:

- a. has the corporate power to sue and be sued in all courts
- b. has the power to levy and collect taxes and to issue bonds
- c. can contract for appointed administrators, teachers, and other personnel as well as for goods and services
- d. holds title to all District property, and
- e. appoints the Treasurer who serves as legal custodian of all the District's funds,

The Board of Education entered into an Intergovernmental Agreement with Township High School District 214 on April 11, 1996 to provide the same services previously provided by the Wheeling Township School Trustees and School Treasurer. This agreement is ongoing unless the Board of Education of Arlington Heights School District 25 should elect to withdraw from the agreement.

The primary purpose of the Board of Education is to provide a superior education for a lifetime of learning. The District believes the following:

- all children can learn.
- learning is a lifelong process.
- effective teaching promotes the desire to learn.
- students learn in different ways and at different rates.
- learning is enhanced in a nurturing and collaborative environment.
- that respect for the worth and dignity of each individual is essential.
- the mastery of basic skills and the integration of higher-order thinking skills are essential elements of education.
- education is a responsibility shared among students, teachers, parents, families, support staff, and community members.
- that essential to a quality education is a well-trained, student-centered staff.
- parental involvement is important to student success.
- all students deserve a challenging and comprehensive curriculum that includes fine and applied arts and physical education.
- high expectations influence performance.
- students and all school personnel are expected to demonstrate trustworthiness, respect, individual responsibility, fairness, caring, citizenship, and ethical behavior.
- in a consistent district-wide curriculum delivered in a way that meets the individual needs of students.
- in a safe and secure school environment.
- in continuous improvement through planning processes that involve the students, teachers, parents, support staff, and community members.
- participatory long-term planning promotes the best use of the district's resources.
- effective communication is essential as part of the educational process.
- in providing timely and accurate information to all members of the community.
- the success of the district requires accountability on the part of students, teachers, parents, support staff, administration, and Board of Education.
- intellectual risk-taking results in learning for students and staff.
- promoting a student's positive self-esteem, attitude, and emotional well-being enhances learning.
- technology is an instructional tool that significantly impacts the educational process.
- rapidly changing technologies will challenge the current structure and process of education.
- diversity enriches our schools, community and society.

Economic Conditions

With approximately 75,101 residents, Arlington Heights is one of the largest communities in Chicago's northwest suburban corridor, located only 25 miles from Chicago's business and entertainment resources. An upper middle class community with a median household income of \$77,195, Arlington Heights attracts both middle and upper management executives. The average resident is 42 years old. Over half of the residents age 25 or older have completed four or more years of college. This data is based on the most recent data available (2010-

2013). The average single-family home sells for \$325,200. Helping to ensure these high property values are strict building and zoning ordinances as well as a frequently updated comprehensive plan that guides all land development in the Village.

What draws people to Arlington Heights in addition to opportunities for employment, are the excellent services provided by its schools, park district, and library. Many of the District's schools have received the Blue Ribbon Award for Excellence.

The community and all of its resources are committed to careful planning and thoughtful renewal. Economic conditions are quite stable.

Local District Economy

Within the Village of Arlington Heights are six industrial areas and six large shopping centers. The industrial area has more than 300 firms. The shopping centers, in addition to many smaller strip-shopping areas, provide the District residents with ample opportunities to supply their needs.

Redevelopment plans for the Village have led to demolition of some older buildings to make room for new shopping areas and multifamily residential areas. The most current assessed valuation shows approximately 82% of the District's valuation to be residential, 17% commercial and, 1% industrial with minimal farmland and railroad valuations.

For The Future

Since 1989, the District has renovated eight schools and has built a middle school. Classrooms were added to Windsor Elementary School during the 1999-2000 fiscal year and to Patton Elementary School for the 2005-2006 fiscal year. The District added two additional classrooms at Olive-Mary Stitt Elementary School and six classrooms at Dryden Elementary School for the 2007-2008 school year. The Board of Education approved the addition of ten classrooms at Ivy Hill School and five classrooms at Olive-Mary Stitt school to be built during the 2015-16 school year, along with new gymnasiums, additional bathrooms, and expanded common spaces to accommodate continued growth. The District engaged Consulting Demographer, John Kasarda, in the fall of 2014 to develop enrollment projections. Future projected student enrollments based on a kindergarten trend projection model are as follows:

Projected Enrollment

Grade	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
K	470	472	476	480	482	475	473	481	480	483
1	576	567	569	573	577	576	569	567	575	574
2	608	600	591	593	597	598	597	590	588	596
3	587	624	616	607	609	613	614	613	606	604
4	607	597	634	626	617	617	621	622	621	614
5	609	608	598	635	627	618	618	622	623	622
6	631	635	634	624	661	653	644	644	648	649
7	578	632	636	635	625	663	655	646	646	650
8	569	582	636	640	639	628	666	658	649	649
Total	5,235	5,317	5,390	5,413	5,434	5,441	5,457	5,443	5,436	5,441

The District is making a concerted effort to communicate with the residents of Arlington Heights concerning its financial picture. In April of 2005, the community approved a Debt Service Extension Base referendum. This allowed the District to add additional space for educational programs, maintain its facilities and refinance outstanding debt that was being paid from operating funds. As of December 1, 2013, the District paid off all of the debt issued as promised to the taxpayers. As of the time of this report, the Board was planning to issue \$18 million in new debt to fund the classroom additions at Ivy Hill and Olive-Mary Stitt Schools.

Strategic Vision

As a result of a strategic planning process involving representatives of the community and District personnel, the Board of Education adopted the following "Strategic Vision 20/20":

Mission

The mission of Arlington Heights School District 25 is to provide a superior education for a lifetime of learning.

Vision

Within a framework of learning for the 21st century, Arlington Heights School District 25 creates a nurturing environment and provides a world class education for all.

Strategic Vision 20/20

Core Subjects and Content

- Arlington Heights School District 25 provides a comprehensive, cohesive, and student-centered education that optimizes the capabilities of the whole child. Excellence defines the core subject areas-literacy, mathematics, the sciences, foreign language, social studies, health and wellness, and the arts-needed to live and contribute in a global community. Core subjects include emerging content areas critical to the future success of our students in the work place and in the world. Core subjects emphasize...
 - An engaging, rigorous, and meaningful curriculum
 - effective use of technologies
 - high level thinking skills and creativity
 - global understanding
 - geographical
 - cultural
 - second language acquisition
 - personalized learning to address all learners
 - access to high quality curriculum and instruction
 - instruction that matches capability and learning style
 - academic, behavioral, social, and emotional support
 - enrichment and accelerated learning
 - application of learning to real life
 - relevance and timeliness
 - financial, economic, business, and entrepreneurial literacy
 - civic literacy and service learning
 - awareness of the world of work

21st Century Learning

- Arlington Heights School District 25 students are prepared to learn throughout their lives by making effective and innovative use of what they know. Students learn to generate questions, pose problems, and come to well-reasoned conclusions. Lifetime learning requires reasoning skills, such as...
 - applying past knowledge to new situations
 - solving problems through analysis and evaluation
 - striving for accuracy, clarity, and precision in thinking
 - finding humor and expressing wonderment
 - gathering and assessing relevant data
 - flexibility in thinking
 - self-reflection about learning
 - creating, imagining, and innovating
 - remaining open to continuous learning
 - using information and communication technologies to solve problems

Life Skills

- Arlington Heights School District 25 provides students with the skills to be productive citizens in a global society in partnership with families and community. Life skills include...
 - persistence and perseverance
 - communication skills
 - interdependence and collaboration
 - social and diplomacy skills
 - Personal responsibility
 - understanding diversity
 - the ability to adapt to change
 - demonstrating leadership
 - taking responsible risks
 - ethical decision making
 - conflict resolution
 - healthy living choices
 - character education

21st Century Assessment

- Arlington Heights School District 25 utilizes purposeful assessments which are the building blocks for continuous improvement and serve as essential components of a 21st century education. These assessments include national, state, district, school, classroom, program, and individual assessments that provide information about student learning to teachers, students, parents, and community. Purposeful assessments emphasize...
 - mastery of content and evidence of successful learning
 - self-assessment, self-reflection, and self-monitoring (metacognitive strategies)
 - reporting student progress
 - timely access for parents to monitor grades and assignments
 - meaningful communication of results toward standards
 - academic and non-academic areas

Structural Foundations

- Arlington Heights School District 25 provides the community with a school district that has structurally sound foundations through fiscal planning; hiring and retaining quality staff; providing safe, up-to-date facilities; and the involvement of community as constituents who support learning. These foundations include...
 - responsible resource allocation
 - varied means of communicating information
 - multiple opportunities for community involvement
 - data-informed decision making

- System-wide evaluations assure attention to the continuous improvement process and include...
 - screening to guarantee the hiring of high quality staff
 - performance evaluations for all employees
 - organizational health surveys
 - audits (i.e., finance, staffing, energy, space, enrollment, board policies and procedures)

This Strategic Vision 20/20 was approved by the Board of Education on April 12, 2007.

Financial Overview

As resources become scarcer and more segments of the community vie for their use, planning and sound fiscal policies become even more critical in providing the financial support needed for the District to fulfill its mission. Accordingly, five-year financial projections, Board budget sessions, and quarterly budget updates have been implemented to provide the Board with accurate financial information and the community the opportunity to participate in the discussion process. Although the District's five-year financial projections point toward continued overall financial strength, several key areas of concern are monitored for probable adverse impact on operations. Key areas of concern include property tax refunds, unfunded mandates, utility costs, growing special education and English Language Learners program needs, increasing health care costs, decreasing investment earnings, the pension crisis, the State financial condition and reductions in State funding.

Several key financial indicators reflect positive results in the District's operating funds including proportion of fund balance to revenue, expenditures to revenues ratio, and fund balance as a percentage of next year's expenditures. However, with minimal increases and probable decreases in state and federal funding projected, the dependence upon local property taxes will become a growing challenge for taxing districts, including District 25. Because property tax increases are limited by the Tax Cap law, it remains a priority to keep overall expenditures in line with revenues. Over the past several years, the District has made some positive financial achievement in the areas of energy utilization and tying salaries to the same inflation rate that property tax increases are tied to. District 25 also seeks out other revenue sources. Grants are actively sought, a District foundation has been created, and facilities not projected to be needed have been rented.

Prudent use of resources, sound fiscal practices, and a plan for programs and expenditures are essential components of the financial policies.

Relevant Financial Policies

The Illinois School Code requires that public school districts approve an annual budget prior to the last day of the first quarter of the current fiscal year. The Board of Education of each district is further required to make these budgets available for public inspection at least 30 days, followed by a public hearing, prior to their adoption. The approved budgets must be filed with the Illinois State Board of Education within 30 days of their approval. The District budget is posted on the District's website. The Board is authorized by Illinois school law to transfer funds up to 10% within each fund in the budget. The budget may be amended through the last day of the fiscal year subject to the same requirements specified above. Budget planning begins no later than November by presenting a tentative tax levy to the Board of Education. The Certificate of Property Tax Levy must be filed with the Cook County Clerk by the last Tuesday in December. The District annually publishes a statement of affairs regarding the financial position of the District for the previous year by December 1 of each year.

The Board of Education maintains established budget and fund balance policies that outline parameters for the distribution of resources, provisions for safe and operational facilities, compliance with all applicable regulations, and continuous monitoring of efficiencies. Budgetary controls are in place to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Education. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All outstanding encumbered amounts are cancelled at year-end. Adequate fund balance level are maintained for operational and financial planning purposes, and a minimum fund balance level of 60% of the next year's budget expenditures is a goal of the Board. This level of fund balance represents approximately 6 months of operations plus a contingency. Fund balances are reported as of June 30 each year.

Internal Accounting and Budgetary Control

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. The internal control structure is designed to provide reasonable assurance that: (1) the cost of a control should not exceed the benefits likely to be derived; (2) the valuation costs and benefits require estimates and judgments by management.

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

As part of the audit of the District, the District's independent auditor considered the District's internal controls to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The auditor also performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. The results of the audit for the fiscal year ended June 30, 2015, are included.

Single Audit. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgeting Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Projected financial plans are adopted for capital outlay funds.

Budgetary control is maintained at line item levels and built up into program and/or cost centers before being combined to form totals by fund. All actual activity compared to budget is reported to the District's management on a regular basis. This report compares each line item account balance to the annual budget with accumulation to the cost center, fund and total District levels. For example, the District maintains an encumbered accounting system as one technique in accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management.

Property Taxes. Property taxes are the most significant revenue source of the District. The three factors that affect property tax revenues are equalized assessed valuation (EAV); levy extension and property tax rates.

The EAV results from a state multiplier, which is applied to base assessments in an attempt to equalize assessment practices of the County Assessors. The District's 2014 EAV of \$1,566,028,236 represents a 1.4% increase over the 2013 EAV amount. The EAV decrease was a continued result of the downturn in the housing market and economy as reflected in the equalized assessed values of all properties.

The Board of Education approves a levy in dollars to meet the District's operating needs for the fiscal year following the levy year. This levy is subject to the Property Tax Extension Limitation Act. This Act limits the increase in the levy extension to the Consumer Price Index or 5%, whichever is less.

Tax rates are determined by dividing the total EAV by the extended levy and are usually expressed as dollars and cents per \$100 of EAV. Extended levies are reduced, if necessary, to stay within the maximum rates established by law or by referendum and/or the limits allowed under the Property Tax Extension Limitation Act.

Real Estate tax bills in Cook County, Illinois are payable in two installments, with the second payments falling due and payable after the close of the fiscal year. The first was due in March of 2015 and was fifty-five percent of the 2013 tax bill. The second installment is due in September after the close of the fiscal year and is the difference between the actual 2014 tax extension amount and the amount paid in the spring. The fall collections have historically been late. Tax collections are expected to exceed 97% of the extended levy. The collection percentage used to exceed 99%, but due to the increase in the number of tax refunds for commercial and industrial property, the percentage has declined in recent years. Following is a tax rate comparison for 2014 and the preceding two fiscal years.

<u>Fund Type</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General	3.0776	3.0407	2.6013
Special Revenue	.5840	.6047	.5027
Debt Service	.0000	.0000	.2999
Capital Projects	.0160	.0130	.0116
Total Tax Rate	<u>3.6776</u>	<u>3.6584</u>	<u>3.4155</u>

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the financial records of all funds of the District. The audit is done by independent certified public accountants that are selected by the District's Board of Education. This requirement has been complied with and the independent auditors' report has been included in this report.

Certificates of Excellence and Achievement

The District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting, for the eleventh consecutive year.

In order to be awarded the ASBO Certificate of Excellence in Financial Reporting, 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.

The Certificate of Excellence in Financial Reporting is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements of the ASBO Certificate of Excellence. We are submitting it to ASBO International for consideration of the award.

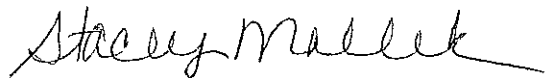
Closing Statement

It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with a most meaningful financial presentation. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2015.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of all the members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report.

We would also like to extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,



Stacey Mallek
Assistant Superintendent for Business/CSBO

Association of School Business Officials International



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

Arlington Heights School District 25

*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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Arlington Heights District 25

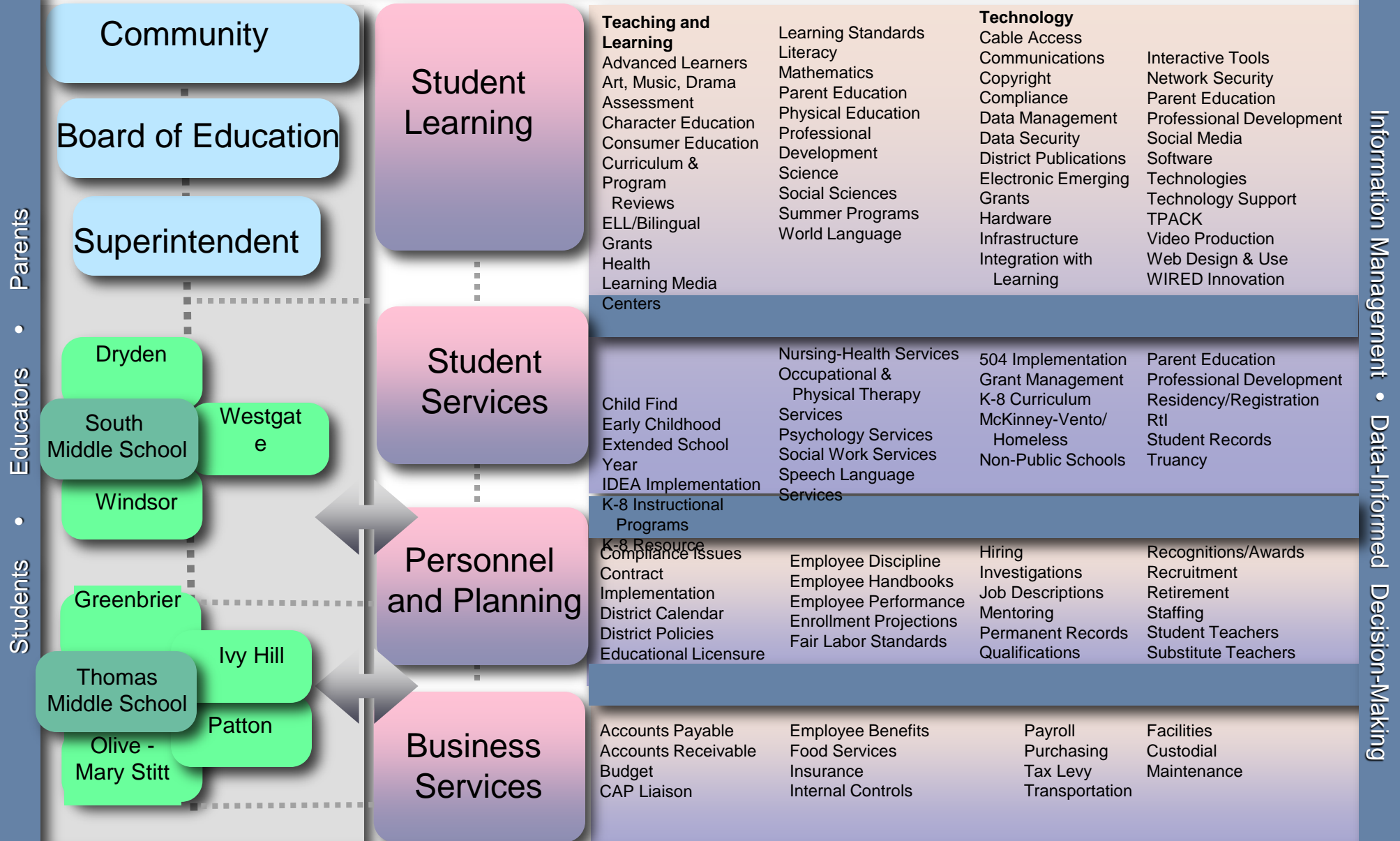
Understanding



for Success &

Comprehensive • Cohesive • Student-Centered

Organization of Services



Information Management • Data-Informed Decision-Making

Professional Learning • Community Learning

Arlington Heights School District 25

1200 S. Dunton Avenue
Arlington Heights, IL 60005

Comprehensive Annual Financial Report Officers and Officials

Fiscal Year Ended June 30, 2015

Board of Education

		<u>Term Expires</u>
David Page	President	2017
Charles W. Williams	Vice President	2019
Denise Glasgow	Secretary	2017
Brian Cerniglia	Member	2019
Diana Chrissis	Member	2019
Erin Johannesen	Member	2017
Rich Olejniczak	Member	2017

Treasurer

Kay Waller Accounting Supervisor Township High School District 214

District Administration

Dr Lori Bein	Superintendent
Stacey Mallek	Assistant Superintendent for Business
Jake Chung	Assistant Superintendent for Personnel & Planning
Dr. Eric Olson	Assistant Superintendent for Student Learning

Principals

Akemi Sessler	Dryden Elementary School
Donna Bingaman	Greenbrier Elementary School
Scott Kaese	Ivy Hill Elementary School
Rebecca Fitzpatrick	Olive-Mary Stitt Elementary School
Eric Larson	Patton Elementary School
Casimer Badynee	Westgate Elementary School
Shelley Fabrizio	Windsor Elementary School
Piper Boston	South Middle School
Brian Kaye	Thomas Middle School

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Arlington Heights School District 25
Arlington Heights, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Arlington Heights School District 25, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Arlington Heights School District 25's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Arlington Heights School District 25'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 Arlington Heights School District 25's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Education
Arlington Heights School District 25

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 Arlington Heights School District 25 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.

Emphasis of Matter

As discussed in Note 3, Arlington Heights School District 25 adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Also, as discussed in Note 3, Arlington Heights School District 25 adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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 Arlington Heights School District 25's basic financial statements. The supplementary information for the year ended June 30, 2015 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2015, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

To the Board of Education
Arlington Heights School District 25

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Arlington Heights School District 25 as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated November 10, 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 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 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 Arlington Heights School District 25'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.

Prior-Year Comparative Information

We have previously audited Arlington Heights School District 25'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 November 10, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of Arlington Heights School District 25'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 Arlington Heights School District 25's internal control over financial reporting and compliance.



Oak Brook, Illinois
December 10, 2015

Arlington Heights School District 25

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

The discussion and analysis of Arlington Heights School District 25's (the "District") financial performance provides an overall review of the District's financial activities as of and for the 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. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > The District's financial status continue to be strong. In total, net position decreased by \$4.7, which represents a 7% decrease from 2014.
- > General revenues accounted for \$56.8 in revenue or 67% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$27.8 or 33% of total revenues of \$84.6.
- > The District had \$89.3 in expenses related to government activities. However, only \$27.8 of these expenses were offset by program specific charges and grants. General revenues of \$56.8 provided for a portion of the remaining costs of these programs.
- > Among the major funds, the General Fund had \$72.5 in revenue for fiscal year 2015, which primarily consisted of property taxes and state aid, and \$76.7 in expenditures. The General Fund includes the recognized revenue and expenditures of \$18.1 in pension contributions that the state of Illinois paid directly to the Teachers' Retirement System (TRS) on behalf of the District's TRS covered employees. The Operations and Maintenance Fund had \$7.9 in revenue for fiscal year 2015, compared to \$5.3 in expenditures, plus an additional \$3 transferred to the Capital Projects Fund. The Transportation Fund had \$2.1 in revenue compared to \$2.3 in expenditures. The excess of expenditures over revenues was anticipated in the budget and is attributed primarily to the purposeful reallocation of existing revenues to fund capital projects.
- > During the year, the Board of Education authorized the transfer of \$2,977,358 from the Operations and Maintenance Fund to the Capital Projects Fund. A transfer of \$837,194 from the General Fund (Working Cash accounts) to the Debt Service Fund was also approved. The transfers were authorized by proper resolution as part of the budget adoption.
- > The District paid down its long term debt in fiscal 2014. At the end of fiscal 2015, the District did not have any long term debt outstanding outside of capital leases.
- > For tax year 2014, payable in 2015, the District's aggregate equalized assessed value for all real property within the District's boundaries increased by 1.4% from the prior year.
- > The District maintained adequate fund balance in accordance with the Board's fund balance goal of not less than 60% of the next year's expenditures.
- > The District achieved Financial Recognition status with the highest ranking of a 4.0 Financial Profile Score from the Illinois State Board of Education for 2014.

Arlington Heights School District 25

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

Overview of the Financial Statements

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

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

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents the net position as the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Arlington Heights School District 25

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

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

Other information

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

Arlington Heights School District 25
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2015, than it was the year before, decreasing 7% to \$137.2.

Table 1		
Condensed Statements of Net Position		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 99.9	\$ 99.3
Capital Assets	<u>81.6</u>	<u>82.0</u>
Total assets	<u>181.5</u>	<u>181.3</u>
Total deferred outflows of resources	<u>0.7</u>	<u>2.6</u>
Liabilities:		
Current liabilities	9.5	10.5
Long-term liabilities outstanding	<u>7.3</u>	<u>8.4</u>
Total liabilities	<u>16.8</u>	<u>18.9</u>
Total deferred inflows of resources	<u>23.5</u>	<u>27.8</u>
Net position:		
Net investment in capital assets	81.5	81.9
Restricted	10.0	9.1
Unrestricted	<u>50.4</u>	<u>46.2</u>
Total net position	<u>\$ 141.9</u>	<u>\$ 137.2</u>

Expenses in the governmental activities of the District of \$89.3 exceeded revenues by \$4.7. This was attributable primarily to a number of capital projects scheduled for the year totaling \$3.9 that were funded through local taxes, thereby depleting reserves. Additionally, the Board added about \$368,000 in staff for 2014-15 and increased the technology budget by \$500,000.

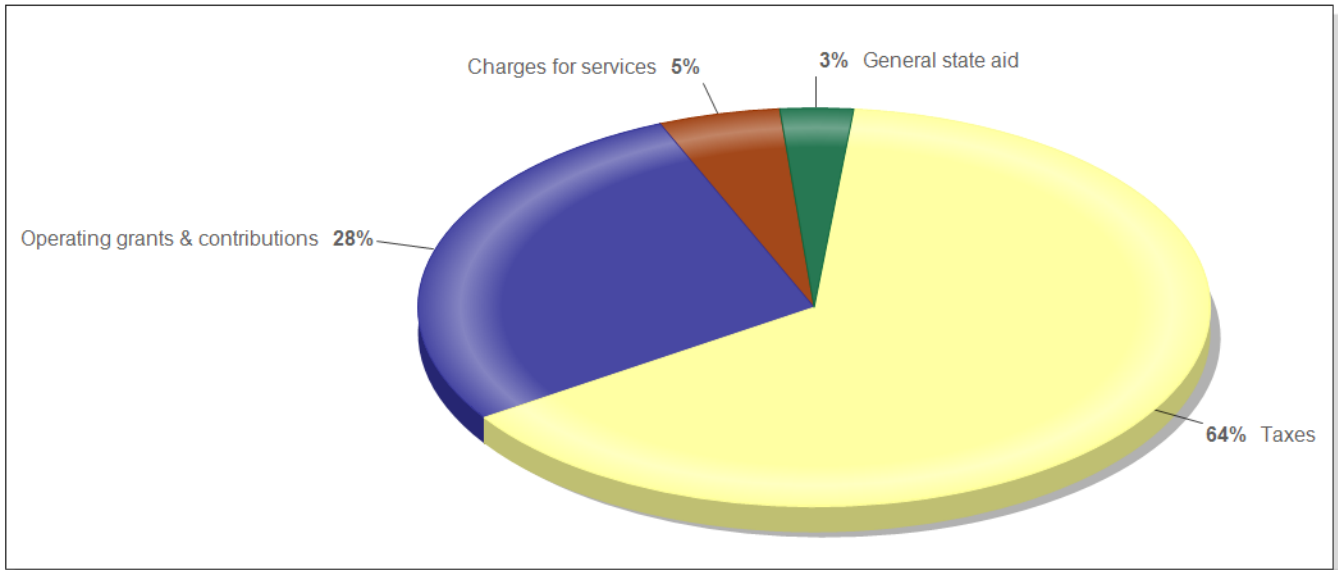
Arlington Heights School District 25
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Table 2		
Changes in Net Position		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 3.7	\$ 3.9
Operating grants & contributions	18.5	23.9
<i>General revenues:</i>		
Taxes	61.1	54.3
General state aid	2.1	2.1
Other	<u>0.2</u>	<u>0.4</u>
Total revenues	<u>85.6</u>	<u>84.6</u>
Expenses:		
Instruction	54.4	61.3
Pupil & instructional staff services	9.6	10.2
Administration & business	6.7	6.9
Transportation	2.2	2.3
Operations & maintenance	6.6	5.9
Other	<u>2.9</u>	<u>2.7</u>
Total expenses	<u>82.4</u>	<u>89.3</u>
Increase in net position	<u>3.2</u>	<u>(4.7)</u>
Net position, beginning	<u>138.7</u>	<u>141.9</u>
Net position, ending	<u>\$ 141.9</u>	<u>\$ 137.2</u>

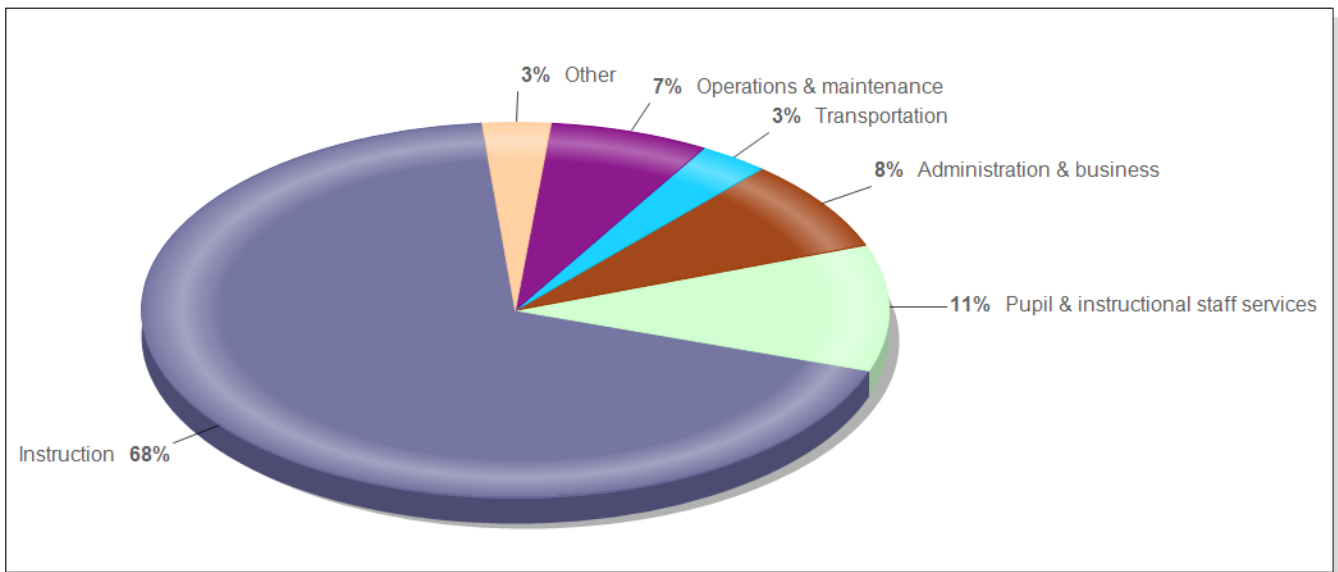
Taxes accounted for the largest portion of the District's revenues, contributing 64%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$89.3, mainly related to instructing and supporting the students, District facilities, and student transportation totaling 83% of all expenditures.

Arlington Heights School District 25
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$66.7 to \$61.8.

Arlington Heights School District 25

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

The District understands the structural deficit with school funding, and therefore, controls costs in the present to minimize the use of fund balances to fund expenditures. The strong financial performance of the District is also reflected in its governmental funds. The District's Governmental Funds reported fiscal year combined fund balances of \$61.8. This is a decrease of \$4.9 from last year's ending fund balance of \$66.7 and is attributable primarily to the planned capital projects of \$3.9 that were paid for using existing revenues and thereby reducing fund balances. Other factors contributing to the decrease are that the Board added staff and increased the technology budget in 2014-15.

The Education Fund tax levy and Transportation Fund tax levy were reduced to increase the Operations and Maintenance Fund tax levy, so that the funds could be transferred to the Capital Projects Fund to cover project costs. This reduction in taxes levied, and the transfer to the Capital Projects Fund, caused expenditures to exceed revenues in these funds. Additionally, the reduction in the total tax levy was applied to the Education Fund levy for 2014, unlike in the past when the reduction was prorated across all funds.

The Capital Projects Fund experienced a deficit of \$101,225 attributable to the large amount of capital projects in progress at the end of June 2015 that were not included in the year-end transfer.

The decrease in fund balance in the Fire Prevention and Life Safety Fund is a result of taxes levied in both the current and prior year to cover the cost of the Life Safety work performed in 2014-15. Some of the expense was covered by revenue received in the prior year, thereby reducing fund balance.

General Fund Budgetary Highlights

The 2014-15 budget was adopted by the Board of Education in September 2014. The District's adopted budget for the General Fund (Education Accounts, Tort Accounts and Working Cash Accounts) anticipated a deficit of about \$2.8, while the actual report for the year shows a deficit of \$5, or about \$2.2 more of a deficit than projected. This was mainly due to the application of the reduction in the tax extension levy to the Education Fund as explained below.

Total revenues in the General Fund reflected a \$3.7 over budget condition, primarily due to the State on behalf payment to TRS (which is reflected as both a revenue and an expenditure) coming in \$6.8 over budget and property tax revenues at \$4.3 under budget. The difference in the General Fund tax revenues was due to the decision to apply 100% of the property tax extension reduction to the Education Fund levy, rather than spread it out against all levies as was historically done. This decision was made subsequent to the budget adoption, so it was not reflected in the budget.

Special education grants reflected a \$117,007 over budget condition, mainly attributable to increased special education private facility costs and personnel costs resulting in higher state reimbursements. Federal aid reflected an over budget condition of \$337,655 mainly due to National School lunch and Federal IDEA room and board reimbursements and Federal food commodities.

For 2014-15, total General Fund expenditures were over budget by \$2.3. This is mainly due to the State on behalf payment to TRS (which is reflected as both a revenue and an expenditure) coming in \$6.8 over budget, offset by under budget expenditures and unspent contingency funds.

Arlington Heights School District 25

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2015

Capital Assets and Debt Administration

Capital assets

By the end of 2015, the District had compiled a total investment of \$136.5 (\$82.0 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$3.5. More detailed information about capital assets can be found in Note 7 of the basic financial statements.

Table 3		
Capital Assets (net of depreciation)		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Land and Construction in Progress	\$ 2.4	\$ 1.3
Buildings	76.0	77.5
Equipment and vehicles	<u>3.2</u>	<u>3.2</u>
Total	<u>\$ 81.6</u>	<u>\$ 82.0</u>

Long-term debt

Capital leases and other debt related activities were reduced by \$0.3 . At the end of fiscal 2015, the District had a debt margin of \$107.9. More detailed information on long-term debt can be found in Note 8 of the basic financial statements.

Table 4		
Outstanding Long-Term Debt		
(in millions of dollars)		
	<u>2014</u>	<u>2015</u>
Net pension liability	\$ 6.9	\$ 8.0
Capital leases and other	<u>0.4</u>	<u>0.4</u>
Total	<u>\$ 7.3</u>	<u>\$ 8.4</u>

Factors Bearing on the District's Future

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

A collective bargaining agreement with the custodial/maintenance union is in place through June 30, 2018. The District also has a collective bargaining agreement with the Arlington Teachers' Association through August of 2016.

The District continues to be concerned about the funding of education in the State of Illinois, the costs of unfunded mandates, and the State pension system stability. The Legislature has yet to approve a State budget for 2015-16. With no specific limits on State spending identified and a decrease in the State income tax from 5% to 3%, it is likely that State reimbursements to school districts will be reduced in upcoming years. Legislators are considering changes to the State funding formula that would drastically change how State funds are allocated to Districts across the State. Currently about 8% of the District's revenues are from state sources and if reduced, would put an increased dependency on local property taxes.

Arlington Heights School District 25
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2015

Pension obligations for certificated employees, including teachers and administrators, are funded by the state and active members of the Illinois Teachers' Retirement System (TRS). The State of Illinois continues its long standing debate on pensions and the need for funding reforms to address an increasing unfunded liability in the system, ironically caused by the State not making its pension payments for years. Currently, employers are mandated to contribute 0.58% of all creditable salary earnings to TRS. Due to the complexities of the pension system and various funding reform issues being discussed in the legislature, increased employer contributions may be a future consideration.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Stacey Mallek
Arlington Heights School District 25
1200 South Dunton
Arlington Heights, Illinois 60005

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
Assets	
Cash and investments	\$ 70,454,106
Receivables (net of allowance for uncollectibles):	
Interest	98,615
Property taxes	26,915,335
Replacement taxes	169,390
Intergovernmental	1,574,112
Other	8,130
Prepaid items	41,798
Capital assets:	
Land	1,060,199
Construction in progress	247,950
Depreciable buildings, property and equipment, net	<u>80,745,122</u>
Total assets	<u>181,314,757</u>
Deferred outflows of resources	
Deferred outflows related to pension	<u>2,588,522</u>
Total deferred outflows of resources	<u>2,588,522</u>
Liabilities	
Accounts payable	1,894,167
Salaries and wages payable	6,876,658
Payroll deductions payable	4,324
Other current liabilities	1,070,452
Health claims payable	725,038
Long-term liabilities:	
Other long-term liabilities - due within one year	34,354
Other long-term liabilities - due after one year	<u>8,336,065</u>
Total liabilities	<u>18,941,058</u>
Deferred inflows of resources	
Property taxes levied for a future period	26,915,335
Deferred inflows related to pension	<u>878,190</u>
Total deferred inflows of resources	<u>27,793,525</u>
Net position	
Net investment in capital assets	81,899,779
Restricted for:	
Tort immunity	211,483
Operations and maintenance	6,870,622
Student transportation	1,770,383
Retirement benefits	195,967
Unrestricted	<u>46,220,462</u>
Total net position	<u>\$ 137,168,696</u>

See Notes to Basic Financial Statements

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental activities				
Instruction:				
Regular programs	\$ 28,663,135	\$ 830,157	\$ 112,690	\$ (27,720,288)
Special programs	11,955,481	136,649	3,835,928	(7,982,904)
Other instructional programs	2,627,459	157,467	175,607	(2,294,385)
State retirement contributions	18,061,433	-	18,061,433	-
Support Services:				
Pupils	4,714,078	-	-	(4,714,078)
Instructional staff	5,450,030	-	109,421	(5,340,609)
General administration	1,343,474	-	-	(1,343,474)
School administration	3,088,709	-	-	(3,088,709)
Business	2,422,037	1,711,800	315,813	(394,424)
Transportation	2,283,712	90,764	1,262,094	(930,854)
Operations and maintenance	5,862,344	992,960	-	(4,869,384)
Central	1,834,261	-	-	(1,834,261)
Other supporting services	417,246	-	-	(417,246)
Community services	603,473	-	-	(603,473)
Interest and fees	5,442	-	-	(5,442)
Total governmental activities	\$ 89,332,314	\$ 3,919,797	\$ 23,872,986	(61,539,531)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	44,478,828
Real estate taxes, levied for specific purposes	8,845,214
Real estate taxes, levied for debt service	(42,815)
Personal property replacement taxes	1,031,896
State aid-formula grants	2,137,771
Investment income	229,205
Miscellaneous	147,829
Total general revenues	56,827,928

Change in net position	(4,711,603)
Net position, beginning of year (as restated)	141,880,299
Net position, end of year	\$ 137,168,696

See Notes to Basic Financial Statements

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GOVERNMENTAL FUNDS

BALANCE SHEET
AS OF JUNE 30, 2015
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Assets				
Cash and investments	\$ 58,836,980	\$ 7,975,305	\$ 1,628,599	\$ 1,622,399
Receivables (net allowance for uncollectibles):				
Interest	82,123	11,322	2,312	2,303
Property taxes	22,664,817	2,729,304	331,816	1,072,561
Replacement taxes	-	169,390	-	-
Intergovernmental	1,266,547	-	307,565	-
Other	8,130	-	-	-
Loan to debt service fund	42,808	-	-	-
Prepaid items	35,294	6,504	-	-
Total assets	<u>\$ 82,936,699</u>	<u>\$ 10,891,825</u>	<u>\$ 2,270,292</u>	<u>\$ 2,697,263</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 961,016	\$ 221,417	\$ 168,093	\$ -
Salaries and wages payable	6,876,658	-	-	-
Payroll deductions payable	4,294	30	-	-
Other current liabilities	-	1,070,452	-	-
Loan from working cash fund	-	-	-	-
Health claims payable	725,038	-	-	-
Total liabilities	<u>8,567,006</u>	<u>1,291,899</u>	<u>168,093</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for a future period	22,664,817	2,729,304	331,816	1,072,561
Unavailable state and federal aid receivable	8,784	-	-	-
Total deferred inflows of resources	<u>22,673,601</u>	<u>2,729,304</u>	<u>331,816</u>	<u>1,072,561</u>
Fund balance				
Nonspendable	35,294	6,504	-	-
Restricted	180,794	6,864,118	1,770,383	1,624,702
Unassigned	51,480,004	-	-	-
Total fund balance (deficit)	<u>51,696,092</u>	<u>6,870,622</u>	<u>1,770,383</u>	<u>1,624,702</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 82,936,699</u>	<u>\$ 10,891,825</u>	<u>\$ 2,270,292</u>	<u>\$ 2,697,263</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2015	2014
\$ -	\$ 64,888	\$ 325,935	\$ 70,454,106	\$ 75,457,044
-	92	463	98,615	103,509
-	-	116,837	26,915,335	23,496,389
-	-	-	169,390	162,943
-	-	-	1,574,112	503,153
-	-	-	8,130	100,012
-	-	-	42,808	803,582
-	-	-	41,798	41,798
<u>\$ -</u>	<u>\$ 64,980</u>	<u>\$ 443,235</u>	<u>\$ 99,304,294</u>	<u>\$ 100,668,430</u>
\$ 2,582	\$ 541,059	\$ -	\$ 1,894,167	\$ 1,243,202
-	-	-	6,876,658	6,417,327
-	-	-	4,324	30
-	-	-	1,070,452	1,253,209
42,808	-	-	42,808	803,582
-	-	-	725,038	608,086
<u>45,390</u>	<u>541,059</u>	<u>-</u>	<u>10,613,447</u>	<u>10,325,436</u>
-	-	116,837	26,915,335	23,496,389
-	-	-	8,784	122,808
-	-	116,837	26,924,119	23,619,197
-	-	-	41,798	41,798
-	-	326,398	10,766,395	11,315,356
<u>(45,390)</u>	<u>(476,079)</u>	<u>-</u>	<u>50,958,535</u>	<u>55,366,643</u>
<u>(45,390)</u>	<u>(476,079)</u>	<u>326,398</u>	<u>61,766,728</u>	<u>66,723,797</u>
<u>\$ -</u>	<u>\$ 64,980</u>	<u>\$ 443,235</u>	<u>\$ 99,304,294</u>	<u>\$ 100,668,430</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Total fund balances - governmental funds		\$ 61,766,728
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		82,053,271
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.		8,784
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		2,588,522
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(878,190)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2015 are:		
Other post retirement benefits obligation	\$ (10,160)	
Net pension liability	(7,987,917)	
Capital leases	(153,492)	
Compensated absences	<u>(218,850)</u>	
		<u>(8,370,419)</u>
Net position of governmental activities		<u>\$ 137,168,696</u>

See Notes to Basic Financial Statements

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
Revenues				
Property taxes	\$ 44,714,589	\$ 5,615,885	\$ 721,596	\$ 2,049,307
Corporate personal property replacement taxes	-	1,011,896	-	20,000
State aid	22,786,133	-	1,262,094	-
Federal aid	2,058,342	-	18,212	-
Investment income	187,322	29,612	5,122	6,018
Other	2,723,394	1,229,254	95,381	806
Total revenues	<u>72,469,780</u>	<u>7,886,647</u>	<u>2,102,405</u>	<u>2,076,131</u>
Expenditures				
Current:				
Instruction:				
Regular programs	25,175,105	-	-	263,971
Special programs	9,733,973	-	-	577,407
Other instructional programs	2,585,692	-	-	42,384
State retirement contributions	18,061,433	-	-	-
Support Services:				
Pupils	4,617,615	-	-	95,774
Instructional staff	5,229,443	-	-	203,585
General administration	1,305,968	-	-	38,229
School administration	3,041,164	-	-	141,150
Business	2,249,848	-	-	160,474
Transportation	-	-	2,275,673	7,399
Operations and maintenance	-	4,768,839	-	422,531
Central	1,274,982	-	-	57,800
Other supporting services	-	310,208	-	-
Community services	563,671	-	-	37,114
Payments to other districts and gov't units	1,798,364	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	1,028,065	246,985	-	-
Total expenditures	<u>76,665,323</u>	<u>5,326,032</u>	<u>2,275,673</u>	<u>2,047,818</u>
Excess (deficiency) of revenues over expenditures	<u>(4,195,543)</u>	<u>2,560,615</u>	<u>(173,268)</u>	<u>28,313</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(837,194)	(2,977,358)	-	-
Capital lease value	-	-	-	-
Total other financing sources (uses)	<u>(837,194)</u>	<u>(2,977,358)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,032,737)	(416,743)	(173,268)	28,313
Fund balance (deficit), beginning of year	<u>56,728,829</u>	<u>7,287,365</u>	<u>1,943,651</u>	<u>1,596,389</u>
Fund balance (deficit), end of year	<u>\$ 51,696,092</u>	<u>\$ 6,870,622</u>	<u>\$ 1,770,383</u>	<u>\$ 1,624,702</u>

See Notes to Basic Financial Statements

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2015	2014
\$ (42,815)	\$ -	\$ 213,043	\$ 53,271,605	\$ 60,128,314
-	-	-	1,031,896	959,888
-	-	-	24,048,227	18,646,660
-	-	-	2,076,554	1,844,567
5	92	1,034	229,205	203,324
-	28,413	-	4,077,248	3,789,903
<u>(42,810)</u>	<u>28,505</u>	<u>214,077</u>	<u>84,734,735</u>	<u>85,572,656</u>
-	-	-	25,439,076	24,112,196
-	-	-	10,311,380	10,061,217
-	-	-	2,628,076	2,588,383
-	-	-	18,061,433	12,918,267
-	-	-	4,713,389	4,607,560
-	-	-	5,433,028	4,960,482
-	-	-	1,344,197	1,312,889
-	-	-	3,182,314	3,126,967
-	-	-	2,410,322	2,223,128
-	-	-	2,283,072	2,150,608
-	1,124,070	-	6,315,440	6,421,905
-	-	-	1,332,782	1,293,814
-	-	-	310,208	365,040
-	-	-	600,785	615,293
-	-	-	1,798,364	1,862,046
28,168	-	-	28,168	5,120,000
5,442	-	-	5,442	153,107
-	1,983,018	236,260	3,494,328	3,585,829
<u>33,610</u>	<u>3,107,088</u>	<u>236,260</u>	<u>89,691,804</u>	<u>87,478,731</u>
<u>(76,420)</u>	<u>(3,078,583)</u>	<u>(22,183)</u>	<u>(4,957,069)</u>	<u>(1,906,075)</u>
837,194	2,977,358	-	3,814,552	-
-	-	-	(3,814,552)	-
-	-	-	-	181,660
<u>837,194</u>	<u>2,977,358</u>	<u>-</u>	<u>-</u>	<u>181,660</u>
760,774	(101,225)	(22,183)	(4,957,069)	(1,724,415)
<u>(806,164)</u>	<u>(374,854)</u>	<u>348,581</u>	<u>66,723,797</u>	<u>68,448,212</u>
<u>\$ (45,390)</u>	<u>\$ (476,079)</u>	<u>\$ 326,398</u>	<u>\$ 61,766,728</u>	<u>\$ 66,723,797</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	\$	(4,957,069)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense in the current period.		
		449,319
The net effect of various miscellaneous transactions involving capital assets (sale, disposal, transfer, etc.) is to decrease net position.		
		(23,271)
Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements.		
		(114,024)
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments on outstanding capital leases.		
		28,168
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Compensated absences	\$	(7,007)
OPEB		(1,378)
Net pension liability		(1,091,281)
Deferred outflows of resources due to pensions		1,883,130
Deferred inflows of resources due to pensions		<u>(878,190)</u>
		<u>(94,726)</u>
Change in net position of governmental activities	\$	<u>(4,711,603)</u>

See Notes to Basic Financial Statements

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015

	<u>AGENCY STUDENT ACTIVITY FUND</u>
Assets	
Cash and investments	\$ 299,652
Total assets	<u>\$ 299,652</u>
Liabilities	
Due to student groups	\$ 192,569
Due to employees	<u>107,083</u>
Total liabilities	<u>\$ 299,652</u>

See Notes to Basic Financial Statements

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arlington Heights School District 25 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

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

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

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

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

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

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Projects Fund - accounts for construction projects and renovations financed through bond proceeds or transfers from other funds for such purpose.

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

Other Fund Types

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

Agency Fund - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

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

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

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

All Financial Statements

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

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

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2014 levy resolution was approved during the November 20, 2014 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2014 and 2013 tax levies were 1.5% and 1.7%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

The 2014 property tax levy is recognized as a receivable in fiscal 2015, net of estimated uncollectible amounts approximating 2% and less amounts already received. The District considers that the first installment of the 2014 levy is to be used to finance operations in fiscal 2015. The District has determined that the second installment of the 2014 levy is to be used to finance operations in fiscal 2016 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid assets.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Capital Assets

Capital assets, which include land, construction in progress, buildings, building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings	50
Building improvements	20-50
Vehicles	8
Machinery & Equipment	5-20

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Employees who work a twelve month year are entitled to be compensated for vacation time. Vacations are usually taken within the fiscal year. A limit of 10 days may be carried over into the next year. Maintenance employees are awarded vacation time on July 1 in the year following the year in which they earned the vacation time.

All certified employees receive a specified number of sick days per year depending on the years of service, in accordance with the agreement between the Board of Education and the Arlington Teachers' Association. Unused sick leave days accumulate to a maximum of 340 days. Employees are not compensated for accumulated sick days upon retirement.

Educational support personnel receive 15 sick days per year, which accumulate to a maximum of 255 days. The District does not reimburse employees for unused sick days remaining upon termination of employment.

Long-Term Obligations

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

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

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

Equity Classifications

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

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

Restricted net position - Consists of net position with constraints placed on its 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 does 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.

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

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

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

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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

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

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

Governmental fund balances reported on the fund financial statements at June 30, 2015 are as follows:

The nonspendable fund balances in the General Fund and Operations & Maintenance Fund are comprised of \$35,294 and \$6,504, respectively, for prepaid items. The restricted fund balance in the General Fund is comprised of \$180,794 for tort immunity. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

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.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the General Fund, Transportation Fund, and Debt Service Fund by \$5,894,128, \$117,473 and \$33,610, respectively. These excesses were funded by available fund balances in the General Fund and the Transportation Fund. The excess in the Debt Service Fund will be funded through a transfer from the General Fund in fiscal year 2016.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (CONTINUED)

Deficit Fund Equity

The Debt Service Fund had a deficit fund balance of \$45,390 as of June 30, 2015. District management expects to fund this deficit through a partial abatement of the General Fund fund that will be made within the next year.

The Capital Projects Fund had a deficit fund balance of \$476,079 as of June 30, 2015. District management expects to fund this deficit through the transfer of funds from the Operations & Maintenance Fund that will be made within the next year.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This standard was implemented effective July 1, 2014.

In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This standard was implemented effective July 1, 2014.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash & Investments under the custody of the Township Treasury

The voters of the respective school districts located within the boundaries of the offices of the Wheeling Township School Treasurer passed referendums abolishing the offices of the Township School Treasurer effective July 1, 1996. The Boards of Education of the respective school districts and the Board of Education of Arlington Heights School District 25 (also located in Wheeling Township) entered into an intergovernmental agreement creating the Wheeling Township Treasury Intergovernmental Agreement ("Treasury") administered by Township High School District 214. The Treasury agreed to provide to the respective school districts many of the services that were provided by the Township School Treasurer. These services are provided on an optional basis and without costs to the districts.

The Treasury is the lawful custodian of all school funds. The Treasury is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasury invests excess funds at its discretion, subject to the legal restrictions discussed below. For these purposes, the Treasury is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasury maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Debt Service Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

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

The Treasury operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasury.

The weighted average maturity of all marketable pooled investments held by the Treasury was 1.24 years at June 30, 2015. The Treasury also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2015, the fair value of all investments held by the Treasury was \$285,589,386 and the fair value of the District's proportionate share of the pool was \$70,437,515.

Because all cash and investments are pooled by a separate legal governmental agency (Treasury), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasury's financial statements.

Cash & Investments in the custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits with financial institutions	\$ 299,652	\$ 313,881
Total	<u>\$ 299,652</u>	<u>\$ 313,881</u>

The District maintains \$16,591 in petty cash.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2015, the bank balance of the District's deposit with financial institutions totaled \$313,881; of this amount, \$63,881 was uncollateralized and uninsured.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5 - INTERFUND LOANS

The composition of interfund loan balances as of June 30, 2015 for the District's individual major funds, is as follows:

<u>Loan Receivable Fund</u>	<u>Loan Payable Fund</u>	<u>Amount</u>
General	Debt Service	\$ 42,808
Total		<u>\$ 42,808</u>

The above interfund balances exist because prior year property tax refunds related to past debt service levies were processed in 2015. The General Fund absorbed the difference on behalf of the Debt Service Fund. The amount will be paid back in 2016 through an interfund transfer from the General Fund to the Debt Service Fund.. All amounts will be repaid within one year.

NOTE 6 - INTERFUND TRANSFERS

During the year, the Board transferred \$803,584 of funds through a partial abatement of the General Fund (Working Cash Accounts) to fund the deficit fund balance in the Debt Service Fund at June 30, 2014.

Also, during the year, the Board transferred \$33,610 from the General Fund (Education Accounts) to the Debt Service Fund for the payment of principal and interest on outstanding capital leases.

Also, during the year, the Board transferred \$2,977,358 from the O&M Fund to the Capital Projects Fund for various projects throughout the year.

State law allows for the above transfers.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7 - CAPITAL ASSETS

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

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,060,199	\$ -	\$ -	\$ 1,060,199
Construction in progress	<u>1,333,872</u>	<u>1,339,027</u>	<u>2,424,949</u>	<u>247,950</u>
Total capital assets not being depreciated	<u>2,394,071</u>	<u>1,339,027</u>	<u>2,424,949</u>	<u>1,308,149</u>
<i>Capital assets being depreciated:</i>				
Buildings	111,927,784	-	-	111,927,784
Building improvements	7,676,761	3,966,362	-	11,643,123
Equipment	10,808,823	1,113,551	779,741	11,142,633
Vehicles	<u>453,087</u>	<u>-</u>	<u>-</u>	<u>453,087</u>
Total capital assets being depreciated	<u>130,866,455</u>	<u>5,079,913</u>	<u>779,741</u>	<u>135,166,627</u>
<i>Less Accumulated Depreciation for:</i>				
Buildings	41,096,260	2,038,380	-	43,134,640
Building improvements	2,513,960	363,531	-	2,877,491
Equipment	7,725,467	1,113,658	756,470	8,082,655
Vehicles	<u>297,616</u>	<u>29,103</u>	<u>-</u>	<u>326,719</u>
Total accumulated depreciation	<u>51,633,303</u>	<u>3,544,672</u>	<u>756,470</u>	<u>54,421,505</u>
Net capital assets being depreciated	<u>79,233,152</u>	<u>1,535,241</u>	<u>23,271</u>	<u>80,745,122</u>
Net governmental activities capital assets	<u>\$ 81,627,223</u>	<u>\$ 2,874,268</u>	<u>\$ 2,448,220</u>	<u>\$ 82,053,271</u>

Depreciation expense, including amounts deleted from accumulated depreciation and adjustments, was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 2,831,084
Operations and maintenance	107,038
Central	499,512
Other supporting services	<u>107,038</u>
Total depreciation expense - governmental activities	<u>\$ 3,544,672</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2015:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Capital leases	\$ 181,660	\$ -	\$ 28,168	\$ 153,492	\$ 34,354
Net pension liability	6,896,636	1,091,281	-	7,987,917	-
OPEB	8,782	11,434	10,056	10,160	-
Compensated absences	<u>211,843</u>	<u>295,750</u>	<u>288,743</u>	<u>218,850</u>	<u>-</u>
Total long-term liabilities - governmental activities	<u>\$ 7,298,921</u>	<u>\$ 1,398,465</u>	<u>\$ 326,967</u>	<u>\$ 8,370,419</u>	<u>\$ 34,354</u>

The obligations for the compensated absences and other-post retirement benefits will be repaid from the General Fund. The obligation for the net pension liability will be paid from the General Fund and the Municipal Retirement / Social Security Fund.

Capital Leases. The District has entered into a lease agreement as lessee for financing the acquisition of \$181,660 of equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for the capital leases will be repaid from the Debt Service Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

	<i>Amount</i>
2016	\$ 40,332
2017	40,332
2018	40,332
2019	40,332
2020	<u>6,722</u>
Total minimum lease payments	168,050
Less: amount representing interest	<u>(14,558)</u>
Present value of minimum lease payments	<u>\$ 153,492</u>

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: SSCIP and IPR. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9 - RISK MANAGEMENT - (CONTINUED)

The District is self-insured for medical coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$100,000 per employee or 125 percent of the expected claims in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2015, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$725,038. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2014 and June 30, 2015, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

	<i>Claims Payable Beginning of Year</i>	<i>Current Year Claims and Changes in Estimates</i>	<i>Claims Payments</i>	<i>Claims Payable End of Year</i>
Fiscal Year 2014	<u>\$ 1,083,720</u>	<u>\$ 4,604,531</u>	<u>\$ 5,080,165</u>	<u>\$ 608,086</u>
Fiscal Year 2015	<u>\$ 608,086</u>	<u>\$ 5,655,315</u>	<u>\$ 5,538,363</u>	<u>\$ 725,038</u>

NOTE 10 - JOINT AGREEMENTS

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

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

The District 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$372,088, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and June 30, 2013 were 0.97 and 0.92 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$345,476 and \$318,071, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015 and 0.72 and 0.69 percent during the years ended June 30, 2014 and 2013, respectively. For the years ended June 30, 2015, 2014 and 2013 the District paid \$277,242, \$256,436 and \$238,554 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The 2014 and 2013 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Retirees' Health Plan

The District administers a single-employer defined benefit healthcare plan ("the Retirees' Health Plan") for active employees. The District does not allow retirees and/or their spouses to access the District's group health insurance plan during retirement, except under two specific laws: the Consolidated Omnibus Budget Reconciliation Act (COBRA) or Public Act 86-1444. In accordance with federal COBRA legislation, the District must allow a covered employee to continue his or her health insurance for a minimum of 18 months after employment ends. Public Act 86-1444 amends the Illinois Insurance Code to require Illinois Municipal Retirement Fund (IMRF) employees who offer health insurance to their active employees to offer the same health insurance to retirees at the same premium rate for active employers. If a retiree elects to leave the Retirees' Health Plan, he/she may not return to the plan in a future year.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), retirees contribute the same premium amount as active employees plus a 2% COBRA administration fee. Under Public Act 86-1444, retirees are responsible to contribute the full premium toward the cost of their insurance. There is not an additional administrative charge allowed under this act. Retirees may also access dental and life insurance benefits on a "direct pay" basis. Currently, the District contributes 87.9 percent to the postemployment benefits for retirees.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and 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 Retirees' Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

Annual required contribution	\$ 11,385
Interest on net OPEB obligation	296
Adjustment to annual required contribution	<u>(247)</u>
Annual OPEB cost	11,434
Contributions made	<u>(10,056)</u>
Increase in net OPEB obligation (asset)	1,378
Net OPEB Obligation (Asset) - Beginning of Year	<u>8,782</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 10,160</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Retirees' Health Plan, and the net OPEB obligation for June 30, 2015 and the two preceding years are as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	\$ 11,434	87.95 %	\$ 10,160
June 30, 2014	11,434	87.95 %	8,782
June 30, 2013	11,439	87.91 %	7,404

The funded status of the Retirees' Health Plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 244,094
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 244,094</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 39,340,716
UAAL as a percentage of covered payroll	0.62%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

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

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

In the June 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent. Both rates include a 3 percent inflation assumption. The actuarial value of the Retirees' Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Retirees' Health Plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015 is 18 years.

NOTE 12 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System

Plan Description. The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. 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 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

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 District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2015, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$17,689,345 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 \$211,579, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an 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.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2015, were \$1,782, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Early Retirement Option. Contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District 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 District paid \$217,154 to TRS for District ERO contributions.

Salary increases over 6 percent. The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2015, the District paid \$836 to TRS for employer contributions due on salary increases in excess of 6 percent.

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.

Net Pension Liability. At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net pension liability	\$ 4,186,232
State's proportionate share of the collective net pension liability associated with the District	219,714,441
Total	<u>\$ 223,900,673</u>

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 District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.00687866 percent.

The net pension liability as of the beginning of the measurement period 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 District's proportion of the net pension liability as of June 30, 2013, was based on the District'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 District's proportion was 0.00820332 percent.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2014 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases of 5.75%, average, including inflation, and (c) inflation of 3.00%.

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.

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

Long-Term Expected Real Rate of Return. 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	18.00 %	8.23 %
Global equity excluding U.S.	18.00 %	8.58 %
Aggregate bonds	16.00 %	2.27 %
U.S. TIPS	2.00 %	3.52 %
NCREIF	11.00 %	5.81 %
Opportunistic real estate	4.00 %	9.79 %
ARS	8.00 %	3.27 %
Risk parity	8.00 %	5.57 %
Diversified inflation strategy	1.00 %	3.96 %
Private equity	14.00 %	13.03 %

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 5,169,791	\$ 4,186,232	\$ 3,371,733

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of \$168,477 and on-behalf revenue of \$17,689,345 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,211	\$ -
Net difference between projected and actual earnings on pension plan investments	-	210,390
Changes in proportion and differences between District contributions and proportionate share of contributions	-	667,800
District contributions subsequent to the measurement date	<u>213,361</u>	<u>-</u>
Total	<u>\$ 215,572</u>	<u>\$ 878,190</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$875,979)) will be recognized in pension expense as follows:

	<u>Year Ending June 30,</u>	<u>Amount</u>
2016		\$ (214,148)
2017		(214,148)
2018		(214,148)
2019		(214,148)
2020		<u>(19,387)</u>
Total		<u>\$ (875,979)</u>

Illinois Municipal Retirement Fund

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

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2014, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	239
Inactive, non-retired members	242
Active members	<u>266</u>
Total	<u><u>747</u></u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2014 was 12.06 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2014 annual actuarial valuation included (a) 7.48% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-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.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Projected Returns/Risk		
	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	63.20 %	9.15 %	7.60 %
International equities	2.60 %	9.80 %	7.80 %
Fixed income	23.50 %	3.05 %	3.00 %
Real estate	4.30 %	7.35 %	6.15 %
Alternatives	4.50 %		
Private equity		13.55 %	8.50 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.90 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.48%. The discount rate calculated using the December 31, 2013 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.48% used to determine the total pension liability. The year ending December 31, 2082 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.48% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 45,203,929	\$ 40,272,247	\$ 36,178,616
Plan fiduciary net position	<u>36,470,562</u>	<u>36,470,562</u>	<u>36,470,562</u>
Net pension liability/(asset)	<u>\$ 8,733,367</u>	<u>\$ 3,801,685</u>	<u>\$ (291,946)</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12 - RETIREMENT SYSTEMS - (CONTINUED)

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2014 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2013	\$ 36,311,431	\$ 34,553,956	\$ 1,757,475
Service cost	915,435	-	915,435
Interest on total pension liability	2,690,242	-	2,690,242
Differences between expected and actual experience of the total pension liability	347,151	-	347,151
Change of assumptions	1,806,494	-	1,806,494
Benefit payments, including refunds of employee contributions	(1,798,506)	(1,798,506)	-
Contributions - employer	-	916,975	(916,975)
Contributions - employee	-	346,070	(346,070)
Net investment income	-	2,091,460	(2,091,460)
Other (Net Transfer)	-	360,607	(360,607)
Balances at December 31, 2014	<u>\$ 40,272,247</u>	<u>\$ 36,470,562</u>	<u>\$ 3,801,685</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the District recognized pension expense of \$1,110,886. The District reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,611	\$ -
Assumption changes	1,220,864	-
Net difference between projected and actual earnings on pension plan investments	394,824	-
Contributions subsequent to the measurement date	<u>522,651</u>	<u>-</u>
Total	<u>\$ 2,372,950</u>	<u>\$ -</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,850,299) will be recognized in pension expense as follows:

	Year Ending December 31,	Amount
2015		\$ 796,876
2016		796,876
2017		157,841
2018		<u>98,706</u>
Total		<u>\$ 1,850,299</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 - CONSTRUCTION COMMITMENTS

As of June 30, 2015, the District is committed to approximately \$497,680 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and building bonds already issued.

NOTE 14 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

NOTE 15 - SUBSEQUENT EVENTS

On July 29, 2015, the District issued \$9,050,000 in general obligation bonds for the purpose of funding future capital projects. The bonds carry an average interest rate of 3.22% and are payable through December 15, 2022.

NOTE 16 - RESTATEMENT

Net position has been restated due to the implementation of GASB Statement No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date.

	Governmental Activities
Net position as previously reported, June 30, 2014	\$ 147,673,491
Adjustment to record the net pension liability as of June 30, 2014	(6,896,636)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	705,392
Adjustment to record net pension obligation under GASB 25/50	<u>398,052</u>
Net position as restated, June 30, 2014	<u>\$ 141,880,299</u>

NOTE 17 - EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Application of these standards may restate portions of these financial statements.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Most Recent Fiscal Year

	2015
Total pension liability	
Service cost	\$ 915,435
Interest	2,690,242
Differences between expected and actual experience	347,151
Changes of assumptions	1,806,494
Benefit payments, including refunds of member contributions	<u>(1,798,506)</u>
Net change in total pension liability	3,960,816
Total pension liability - beginning	<u>36,311,431</u>
Total pension liability - ending (a)	<u>\$ 40,272,247</u>
 Plan fiduciary net position	
Employer contributions	\$ 916,975
Employee contributions	346,070
Net investment income	2,091,460
Benefit payments, including refunds of member contributions	(1,798,506)
Other (net transfer)	<u>360,607</u>
Net change in plan fiduciary net position	1,916,606
Plan fiduciary net position - beginning	<u>34,553,956</u>
Plan fiduciary net position - ending (b)	<u>\$ 36,470,562</u>
 Employer's net pension liability - ending (a) - (b)	<u>\$ 3,801,685</u>
 Plan fiduciary net position as a percentage of the total pension liability	90.56%
 Covered-employee payroll	\$ 7,603,446
 Employer's net pension liability as a percentage of covered-employee payroll	50.00%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Most Recent Fiscal Year

	<u>2015</u>
Actuarially determined contribution	\$ 916,975
Contributions in relation to the actuarially determined contribution	<u>(916,975)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 7,603,446
Contributions as a percentage of covered-employee payroll	12.06%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Most Recent Fiscal Year

	2015
District's proportion of the net pension liability	0.00687866%
District's proportionate share of the net pension liability	\$ 4,186,232
State's proportionate share of the net pension liability	<u>219,714,441</u>
Total net pension liability	<u>\$ 223,900,673</u>
Covered-employee payroll	\$ 36,479,215
District's proportionate share of the net pension liability as a percentage of covered payroll	11.48%
Plan fiduciary net position as a percentage of the total pension liability	43.00%
Contractually required contribution	\$ 213,361
Contributions in relation to the contractually required contribution	<u>(213,361)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.5849%

Note: The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Notes to Schedule:

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.

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
 SCHEDULE OF FUNDING PROGRESS FOR RETIREES' HEALTH PLAN
 AS OF JUNE 30, 2015

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)
7/1/14	\$ -	\$ 244,094	\$ 244,094	N/A	\$ 39,340,716	0.62%
7/1/12	-	116,704	116,704	N/A	40,888,389	0.29%
7/1/10	-	116,704	116,704	N/A	-	N/A%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members. As such, only one year's information is applicable.

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 48,151,820	\$ 43,841,169	\$ (4,310,651)	\$ 47,709,928
Tort immunity levy	192,265	245,383	53,118	226,567
Special education levy	264,747	628,037	363,290	272,133
Regular tuition from pupils or parents (in state)	99,500	94,569	(4,931)	110,113
Summer school - tuition from pupils or parents (in state)	140,000	157,467	17,467	140,806
Special education - tuition from pupils or parents (in state)	70,000	136,649	66,649	101,484
Investment income	132,668	187,322	54,654	166,625
Sales to pupils - lunch	700,000	651,529	(48,471)	705,226
Sales to pupils - breakfast	-	3,577	3,577	1,792
Sales to pupils - other	250,000	336,825	86,825	264,703
Sales to adults	10,000	10,280	280	7,247
Other food service	568,500	709,589	141,089	720,266
Fees	97,500	51,269	(46,231)	50,998
Rentals - regular textbook	289,200	283,668	(5,532)	293,296
Impact fees from municipal or county governments	-	-	-	1,297
Refund of prior years' expenditures	-	143,396	143,396	-
Other	119,292	144,576	25,284	113,152
Total local sources	<u>51,085,492</u>	<u>47,625,305</u>	<u>(3,460,187)</u>	<u>50,885,633</u>
State sources				
General state aid	2,184,984	2,137,771	(47,213)	2,073,027
Special education - private facility tuition	300,652	354,738	54,086	303,353
Special education - extraordinary	623,600	639,116	15,516	623,600
Special education - personnel	1,359,672	1,422,593	62,921	1,356,595
Special education - orphanage - individual	45,000	17,586	(27,414)	49,526
Special education - summer school	5,000	6,780	1,780	5,525
Bilingual education - downstate - TPI	173,926	143,635	(30,291)	127,820
State free lunch & breakfast	3,000	2,481	(519)	2,328
Other restricted revenue from state sources	3,500	-	(3,500)	3,357
On behalf payment to TRS from the state	11,300,000	18,061,433	6,761,433	12,918,267
Total state sources	<u>15,999,334</u>	<u>22,786,133</u>	<u>6,786,799</u>	<u>17,463,398</u>
Federal sources				
National school lunch program	220,000	300,333	80,333	238,456
School breakfast program	3,000	13,204	10,204	5,772
Federal - special education - preschool flow-through	44,856	43,000	(1,856)	43,020
Federal - special education - IDEA - flow-through/low incident	1,099,699	1,099,699	-	1,114,991
Federal - special education - IDEA - room & board	-	88,341	88,341	6,676
Title III - English language acquisition	34,728	40,851	6,123	54,516

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Title II - Teacher quality	\$ 97,404	\$ 109,421	\$ 12,017	\$ 79,250
Medicaid matching funds - administrative outreach	166,000	104,279	(61,721)	140,122
Medicaid matching funds - fee-for-service program	55,000	146,524	91,524	55,897
Other restricted revenue from federal sources	-	112,690	112,690	92,710
Total federal sources	<u>1,720,687</u>	<u>2,058,342</u>	<u>337,655</u>	<u>1,831,410</u>
Total revenues	<u>68,805,513</u>	<u>72,469,780</u>	<u>3,664,267</u>	<u>70,180,441</u>
Expenditures				
Instruction				
Regular programs				
Salaries	21,223,100	20,694,491	528,609	20,130,306
Employee benefits	2,813,600	2,622,830	190,770	2,210,389
On-behalf payments to TRS from the state	11,300,000	18,061,433	(6,761,433)	12,918,267
Purchased services	329,270	329,479	(209)	306,107
Supplies and materials	1,219,620	1,437,837	(218,217)	1,147,115
Capital outlay	30,300	13,738	16,562	56,977
Other objects	29,960	45,468	(15,508)	41,032
Termination benefits	45,000	45,000	-	19,152
Total	<u>36,990,850</u>	<u>43,250,276</u>	<u>(6,259,426)</u>	<u>36,829,345</u>
Special education programs				
Salaries	6,695,640	6,495,009	200,631	6,487,802
Employee benefits	1,211,300	1,299,517	(88,217)	1,140,782
Purchased services	25,525	18,111	7,414	25,211
Supplies and materials	217,425	230,556	(13,131)	93,895
Capital outlay	22,500	14,618	7,882	32,737
Total	<u>8,172,390</u>	<u>8,057,811</u>	<u>114,579</u>	<u>7,780,427</u>
Special education programs Pre-K				
Salaries	779,000	788,865	(9,865)	864,344
Employee benefits	115,800	92,612	23,188	106,991
Purchased services	5,200	969	4,231	1,045
Supplies and materials	11,000	6,802	4,198	5,153
Total	<u>911,000</u>	<u>889,248</u>	<u>21,752</u>	<u>977,533</u>
Remedial and supplemental programs K-12				
Supplies and materials	-	-	-	2,692
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,692</u>
Adult/continuing education programs				
Supplies and materials	-	-	-	50
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>

See Auditors' Report and Notes to Required Supplementary Information

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ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Interscholastic programs				
Salaries	\$ 148,605	\$ 122,731	\$ 25,874	\$ 123,978
Employee benefits	2,100	1,492	608	1,454
Purchased services	12,506	13,486	(980)	16,309
Supplies and materials	3,750	5,063	(1,313)	3,808
Capital outlay	6,145	-	6,145	-
Other objects	-	5,263	(5,263)	4,255
Total	<u>173,106</u>	<u>148,035</u>	<u>25,071</u>	<u>149,804</u>
Summer school programs				
Salaries	247,250	236,737	10,513	271,412
Employee benefits	2,700	2,655	45	3,133
Purchased services	2,980	5,227	(2,247)	2,538
Supplies and materials	8,700	16,230	(7,530)	11,905
Total	<u>261,630</u>	<u>260,849</u>	<u>781</u>	<u>288,988</u>
Gifted programs				
Salaries	671,800	650,737	21,063	552,192
Employee benefits	58,200	64,436	(6,236)	54,997
Supplies and materials	1,140	743	397	952
Total	<u>731,140</u>	<u>715,916</u>	<u>15,224</u>	<u>608,141</u>
Bilingual programs				
Salaries	1,235,134	1,212,820	22,314	1,219,131
Employee benefits	174,300	187,871	(13,571)	166,513
Purchased services	37,276	38,761	(1,485)	69,517
Supplies and materials	28,294	21,440	6,854	20,304
Capital outlay	-	-	-	19,864
Total	<u>1,475,004</u>	<u>1,460,892</u>	<u>14,112</u>	<u>1,495,329</u>
Pre - K programs - private tuition				
Other objects	-	-	-	20,620
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,620</u>
Special education programs K-12 - private tuition				
Other objects	664,878	801,532	(136,654)	737,839
Total	<u>664,878</u>	<u>801,532</u>	<u>(136,654)</u>	<u>737,839</u>
Total instruction	<u>49,379,998</u>	<u>55,584,559</u>	<u>(6,204,561)</u>	<u>48,890,768</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 1,065,830	\$ 1,074,409	\$ (8,579)	\$ 1,013,349
Employee benefits	120,100	130,784	(10,684)	114,933
Purchased services	1,600	1,579	21	1,921
Supplies and materials	<u>4,000</u>	<u>1,408</u>	<u>2,592</u>	<u>1,295</u>
Total	<u>1,191,530</u>	<u>1,208,180</u>	<u>(16,650)</u>	<u>1,131,498</u>
Health services				
Salaries	546,724	537,558	9,166	534,679
Employee benefits	48,800	39,138	9,662	45,607
Purchased services	1,700	2,015	(315)	3,903
Supplies and materials	<u>8,200</u>	<u>11,960</u>	<u>(3,760)</u>	<u>16,374</u>
Total	<u>605,424</u>	<u>590,671</u>	<u>14,753</u>	<u>600,563</u>
Psychological services				
Salaries	549,900	542,259	7,641	546,519
Employee benefits	59,800	70,195	(10,395)	56,442
Purchased services	1,100	5,138	(4,038)	5,912
Supplies and materials	<u>11,000</u>	<u>6,278</u>	<u>4,722</u>	<u>4,057</u>
Total	<u>621,800</u>	<u>623,870</u>	<u>(2,070)</u>	<u>612,930</u>
Speech pathology and audiology services				
Salaries	1,462,100	1,468,130	(6,030)	1,531,633
Employee benefits	179,000	184,247	(5,247)	207,818
Purchased services	42,150	107,705	(65,555)	7,121
Supplies and materials	<u>12,400</u>	<u>11,654</u>	<u>746</u>	<u>12,858</u>
Total	<u>1,695,650</u>	<u>1,771,736</u>	<u>(76,086)</u>	<u>1,759,430</u>
Other support services - pupils				
Salaries	393,800	385,632	8,168	376,464
Employee benefits	3,400	3,034	366	2,846
Purchased services	10,000	-	10,000	472
Supplies and materials	<u>36,702</u>	<u>34,492</u>	<u>2,210</u>	<u>33,711</u>
Total	<u>443,902</u>	<u>423,158</u>	<u>20,744</u>	<u>413,493</u>
Total pupils	<u>4,558,306</u>	<u>4,617,615</u>	<u>(59,309)</u>	<u>4,517,914</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Instructional staff				
Improvement of instructional services				
Salaries	\$ 1,776,636	\$ 1,755,879	\$ 20,757	\$ 1,717,153
Employee benefits	182,100	194,985	(12,885)	177,464
Purchased services	296,820	224,307	72,513	325,622
Supplies and materials	163,408	149,610	13,798	137,828
Capital outlay	2,020	7,224	(5,204)	-
Other objects	2,500	805	1,695	2,659
Total	<u>2,423,484</u>	<u>2,332,810</u>	<u>90,674</u>	<u>2,360,726</u>
Educational media services				
Salaries	1,591,480	1,562,181	29,299	1,442,973
Employee benefits	254,800	277,458	(22,658)	245,500
Purchased services	310,979	308,181	2,798	170,717
Supplies and materials	513,758	639,696	(125,938)	438,141
Capital outlay	1,072,456	966,371	106,085	701,223
Total	<u>3,743,473</u>	<u>3,753,887</u>	<u>(10,414)</u>	<u>2,998,554</u>
Assessment and testing				
Salaries	2,000	225	1,775	226
Employee benefits	100	3	97	3
Purchased services	4,000	1,095	2,905	-
Supplies and materials	116,250	115,018	1,232	109,572
Total	<u>122,350</u>	<u>116,341</u>	<u>6,009</u>	<u>109,801</u>
Total instructional staff	<u>6,289,307</u>	<u>6,203,038</u>	<u>86,269</u>	<u>5,469,081</u>
General administration				
Board of education services				
Employee benefits	-	138	(138)	672
Purchased services	156,000	143,915	12,085	205,098
Supplies and materials	3,000	1,801	1,199	4,739
Other objects	10,500	11,277	(777)	9,637
Total	<u>169,500</u>	<u>157,131</u>	<u>12,369</u>	<u>220,146</u>
Executive administration services				
Salaries	313,140	314,644	(1,504)	332,387
Employee benefits	35,800	37,608	(1,808)	41,016
Purchased services	16,000	45,178	(29,178)	22,921
Supplies and materials	4,000	5,148	(1,148)	2,019
Other objects	3,300	4,879	(1,579)	1,642
Total	<u>372,240</u>	<u>407,457</u>	<u>(35,217)</u>	<u>399,985</u>

See Auditors' Report and Notes to Required Supplementary Information

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ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Special area administration services				
Salaries	\$ 393,760	\$ 392,468	\$ 1,292	\$ 358,225
Employee benefits	49,800	68,290	(18,490)	49,762
Purchased services	23,650	42,883	(19,233)	32,872
Supplies and materials	2,000	652	1,348	699
Other objects	<u>1,500</u>	<u>712</u>	<u>788</u>	<u>824</u>
Total	<u>470,710</u>	<u>505,005</u>	<u>(34,295)</u>	<u>442,382</u>
Tort immunity services				
Purchased services	270,000	236,375	33,625	207,953
Other objects	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>3,158</u>
Total	<u>280,000</u>	<u>236,375</u>	<u>43,625</u>	<u>211,111</u>
Total general administration	<u>1,292,450</u>	<u>1,305,968</u>	<u>(13,518)</u>	<u>1,273,624</u>
School administration				
Office of the principal services				
Salaries	2,448,720	2,444,037	4,683	2,401,020
Employee benefits	498,500	541,280	(42,780)	514,637
Purchased services	30,000	18,093	11,907	23,544
Supplies and materials	<u>41,901</u>	<u>37,754</u>	<u>4,147</u>	<u>48,814</u>
Total	<u>3,019,121</u>	<u>3,041,164</u>	<u>(22,043)</u>	<u>2,988,015</u>
Total school administration	<u>3,019,121</u>	<u>3,041,164</u>	<u>(22,043)</u>	<u>2,988,015</u>
Business				
Direction of business support services				
Salaries	242,580	242,572	8	237,600
Employee benefits	52,700	53,105	(405)	51,179
Purchased services	4,450	5,171	(721)	4,564
Supplies and materials	-	-	-	35
Other objects	<u>1,200</u>	<u>1,115</u>	<u>85</u>	<u>1,836</u>
Total	<u>300,930</u>	<u>301,963</u>	<u>(1,033)</u>	<u>295,214</u>
Fiscal services				
Salaries	165,690	156,227	9,463	147,967
Employee benefits	15,800	15,019	781	14,676
Purchased services	171,465	118,531	52,934	66,379
Supplies and materials	<u>69,100</u>	<u>62,238</u>	<u>6,862</u>	<u>60,272</u>
Total	<u>422,055</u>	<u>352,015</u>	<u>70,040</u>	<u>289,294</u>
Operation and maintenance of plant services				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,660</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,660</u>

See Auditors' Report and Notes to Required Supplementary Information

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ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Food services				
Salaries	\$ 653,130	\$ 668,763	\$ (15,633)	\$ 625,437
Employee benefits	50,900	48,291	2,609	49,093
Purchased services	33,375	29,670	3,705	30,709
Supplies and materials	652,500	732,801	(80,301)	691,222
Capital outlay	<u>38,000</u>	<u>21,027</u>	<u>16,973</u>	<u>30,707</u>
Total	<u>1,427,905</u>	<u>1,500,552</u>	<u>(72,647)</u>	<u>1,427,168</u>
Internal services				
Purchased services	127,000	116,345	10,655	85,166
Capital outlay	<u>-</u>	<u>823</u>	<u>(823)</u>	<u>-</u>
Total	<u>127,000</u>	<u>117,168</u>	<u>9,832</u>	<u>85,166</u>
Total business	<u>2,277,890</u>	<u>2,271,698</u>	<u>6,192</u>	<u>2,278,502</u>
Central				
Information services				
Salaries	68,090	68,088	2	69,539
Employee benefits	7,900	7,857	43	7,658
Purchased services	6,500	3,469	3,031	1,675
Supplies and materials	3,500	4,910	(1,410)	6,646
Capital outlay	<u>8,000</u>	<u>4,264</u>	<u>3,736</u>	<u>8,000</u>
Total	<u>93,990</u>	<u>88,588</u>	<u>5,402</u>	<u>93,518</u>
Staff services				
Salaries	943,430	944,418	(988)	957,535
Employee benefits	125,300	99,440	25,860	82,041
Purchased services	132,100	72,621	59,479	66,870
Supplies and materials	80,925	65,075	15,850	36,986
Other objects	<u>8,660</u>	<u>9,104</u>	<u>(444)</u>	<u>1,700</u>
Total	<u>1,290,415</u>	<u>1,190,658</u>	<u>99,757</u>	<u>1,145,132</u>
Total central	<u>1,384,405</u>	<u>1,279,246</u>	<u>105,159</u>	<u>1,238,650</u>
Total support services	<u>18,821,479</u>	<u>18,718,729</u>	<u>102,750</u>	<u>17,765,786</u>
Community services				
Salaries	283,470	244,833	38,637	254,551
Employee benefits	20,500	30,297	(9,797)	19,495
Supplies and materials	<u>293,000</u>	<u>288,541</u>	<u>4,459</u>	<u>299,366</u>
Total community services	<u>596,970</u>	<u>563,671</u>	<u>33,299</u>	<u>573,412</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Payments to other districts and governmental units				
Payments for special education programs				
Other objects	\$ 191,668	\$ 244,523	\$ (52,855)	\$ 301,729
Total	<u>191,668</u>	<u>244,523</u>	<u>(52,855)</u>	<u>301,729</u>
Payments for Regular Programs - Tuition				
Other objects	1,681,080	-	1,681,080	-
Total	<u>1,681,080</u>	<u>-</u>	<u>1,681,080</u>	<u>-</u>
Payments for special education programs - tuition				
Other objects	-	1,553,841	(1,553,841)	1,560,317
Total	<u>-</u>	<u>1,553,841</u>	<u>(1,553,841)</u>	<u>1,560,317</u>
Total payments to other districts and governmental units	<u>1,872,748</u>	<u>1,798,364</u>	<u>74,384</u>	<u>1,862,046</u>
Provision for contingencies				
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>70,771,195</u>	<u>76,665,323</u>	<u>(5,894,128)</u>	<u>69,092,012</u>
Excess (deficiency) of revenues over expenditures	<u>(1,965,682)</u>	<u>(4,195,543)</u>	<u>(2,229,861)</u>	<u>1,088,429</u>
Other financing sources (uses)				
Capital lease value	-	-	-	181,660
Permanent transfer from working cash accounts - abatement	(803,584)	-	803,584	-
Permanent transfer from working cash accounts - interest	-	(803,584)	(803,584)	-
Transfer to debt service fund to pay principal on capital leases	-	(28,168)	(28,168)	-
Transfer to debt service fund to pay interest on capital leases	-	(5,442)	(5,442)	-
Total other financing sources (uses)	<u>(803,584)</u>	<u>(837,194)</u>	<u>(33,610)</u>	<u>181,660</u>
Net change in fund balance	<u>\$ (2,769,266)</u>	<u>(5,032,737)</u>	<u>\$ (2,263,471)</u>	<u>1,270,089</u>
Fund balance, beginning of year		<u>56,728,829</u>		<u>55,458,740</u>
Fund balance, end of year		<u>\$ 51,696,092</u>		<u>\$ 56,728,829</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues				
Local sources				
General levy	\$ 4,657,970	\$ 5,615,885	\$ 957,915	\$ 6,156,257
Mobile home privilege tax	6,000	9,622	3,622	6,897
Corporate personal property replacement taxes	995,150	1,011,896	16,746	939,888
Investment income	19,286	29,612	10,326	22,178
Rentals	931,700	992,960	61,260	957,343
Impact fees from municipal or county governments	-	600	600	15,014
Refund of prior years' expenditures	-	3,027	3,027	18,850
Other	171,129	223,045	51,916	180,573
Total local sources	<u>6,781,235</u>	<u>7,886,647</u>	<u>1,105,412</u>	<u>8,297,000</u>
Total revenues	<u>6,781,235</u>	<u>7,886,647</u>	<u>1,105,412</u>	<u>8,297,000</u>
Expenditures				
Support services				
Business				
Operation and maintenance of plant services				
Salaries	2,444,980	2,367,642	77,338	2,330,522
Employee benefits	349,250	344,635	4,615	332,909
Purchased services	1,021,475	952,470	69,005	2,152,241
Supplies and materials	1,303,048	1,086,475	216,573	1,147,849
Capital outlay	219,721	246,985	(27,264)	2,094,056
Termination benefits	5,000	17,617	(12,617)	10,486
Total	<u>5,343,474</u>	<u>5,015,824</u>	<u>327,650</u>	<u>8,068,063</u>
Total business	<u>5,343,474</u>	<u>5,015,824</u>	<u>327,650</u>	<u>8,068,063</u>
Other supporting services				
Purchased services	312,500	310,208	2,292	365,040
Total	<u>312,500</u>	<u>310,208</u>	<u>2,292</u>	<u>365,040</u>
Total support services	<u>5,655,974</u>	<u>5,326,032</u>	<u>329,942</u>	<u>8,433,103</u>
Total expenditures	<u>5,655,974</u>	<u>5,326,032</u>	<u>329,942</u>	<u>8,433,103</u>
Excess (deficiency) of revenues over expenditures	<u>1,125,261</u>	<u>2,560,615</u>	<u>1,435,354</u>	<u>(136,103)</u>

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Other financing sources (uses)				
Transfer to capital projects fund	\$ (3,579,646)	\$ (2,977,358)	\$ 602,288	\$ -
Total other financing sources (uses)	<u>(3,579,646)</u>	<u>(2,977,358)</u>	<u>602,288</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,454,385)</u>	(416,743)	<u>\$ 2,037,642</u>	(136,103)
Fund balance, beginning of year		<u>7,287,365</u>		<u>7,423,468</u>
Fund balance, end of year		<u>\$ 6,870,622</u>		<u>\$ 7,287,365</u>

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 398,941	\$ 721,596	\$ 322,655	\$ 971,654
Regular transportation fees from pupils or parents (in state)	30,000	16,215	(13,785)	26,106
Regular transportation fees from co-curricular act (in state)	40,000	74,549	34,549	66,394
Investment income	4,523	5,122	599	5,369
Other	<u>-</u>	<u>4,617</u>	<u>4,617</u>	<u>5,674</u>
Total local sources	<u>473,464</u>	<u>822,099</u>	<u>348,635</u>	<u>1,075,197</u>
State sources				
Transportation - regular/vocational	20,848	14,847	(6,001)	16,070
Transportation - special education	<u>1,315,703</u>	<u>1,247,247</u>	<u>(68,456)</u>	<u>1,167,192</u>
Total state sources	<u>1,336,551</u>	<u>1,262,094</u>	<u>(74,457)</u>	<u>1,183,262</u>
Federal sources				
Title III - English language acquisition	<u>15,000</u>	<u>18,212</u>	<u>3,212</u>	<u>13,157</u>
Total federal sources	<u>15,000</u>	<u>18,212</u>	<u>3,212</u>	<u>13,157</u>
Total revenues	<u>1,825,015</u>	<u>2,102,405</u>	<u>277,390</u>	<u>2,271,616</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	43,000	43,069	(69)	43,265
Employee benefits	12,200	12,180	20	11,640
Purchased services	1,981,000	2,083,018	(102,018)	2,060,407
Supplies and materials	<u>122,000</u>	<u>137,406</u>	<u>(15,406)</u>	<u>27,632</u>
Total	<u>2,158,200</u>	<u>2,275,673</u>	<u>(117,473)</u>	<u>2,142,944</u>
Total business	<u>2,158,200</u>	<u>2,275,673</u>	<u>(117,473)</u>	<u>2,142,944</u>
Total support services	<u>2,158,200</u>	<u>2,275,673</u>	<u>(117,473)</u>	<u>2,142,944</u>
Total expenditures	<u>2,158,200</u>	<u>2,275,673</u>	<u>(117,473)</u>	<u>2,142,944</u>
Net change in fund balance	<u>\$ (333,185)</u>	<u>(173,268)</u>	<u>\$ 159,917</u>	128,672
Fund balance, beginning of year		<u>1,943,651</u>		<u>1,814,979</u>
Fund balance, end of year		<u>\$ 1,770,383</u>		<u>\$ 1,943,651</u>

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2014 ACTUAL
Revenues				
Local sources				
General levy	\$ 456,975	\$ 685,018	\$ 228,043	\$ 417,401
Social security/medicare only levy	1,561,527	1,364,289	(197,238)	1,672,051
Corporate personal property replacement taxes	20,000	20,000	-	20,000
Investment income	3,905	6,018	2,113	4,978
Refund of prior years' expenditures	-	806	806	2,672
Total local sources	<u>2,042,407</u>	<u>2,076,131</u>	<u>33,724</u>	<u>2,117,102</u>
Total revenues	<u>2,042,407</u>	<u>2,076,131</u>	<u>33,724</u>	<u>2,117,102</u>
Expenditures				
Instruction				
Regular programs	296,700	263,971	32,729	258,095
Pre-K programs	13,000	-	13,000	-
Special education programs	540,400	528,233	12,167	538,863
Special education programs Pre-K	43,400	49,174	(5,774)	56,600
Interscholastic programs	3,300	3,011	289	3,388
Summer school programs	9,600	11,016	(1,416)	13,324
Gifted programs	9,200	8,127	1,073	6,878
Bilingual programs	29,500	20,230	9,270	21,725
Total instruction	<u>945,100</u>	<u>883,762</u>	<u>61,338</u>	<u>898,873</u>
Support services				
Pupils				
Attendance and social work services	16,250	13,196	3,054	12,414
Health services	35,000	38,584	(3,584)	33,213
Psychological services	8,000	6,650	1,350	6,734
Speech pathology and audiology services	16,800	18,437	(1,637)	17,477
Other support services - pupils	25,400	18,907	6,493	19,808
Total pupils	<u>101,450</u>	<u>95,774</u>	<u>5,676</u>	<u>89,646</u>
Instructional staff				
Improvement of instructional staff	49,070	44,119	4,951	43,589
Educational media services	156,000	159,463	(3,463)	149,032
Assessment and testing	100	3	97	3
Total instructional staff	<u>205,170</u>	<u>203,585</u>	<u>1,585</u>	<u>192,624</u>
General administration				
Executive administration services	19,300	19,322	(22)	19,833
Special area administration services	20,600	18,907	1,693	19,432
Total general administration	<u>39,900</u>	<u>38,229</u>	<u>1,671</u>	<u>39,265</u>

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
School administration				
Office of the principal services	\$ 153,900	\$ 141,150	\$ 12,750	\$ 138,952
Total school administration	<u>153,900</u>	<u>141,150</u>	<u>12,750</u>	<u>138,952</u>
Business				
Direction of business support services	17,800	17,101	699	17,075
Fiscal services	30,900	30,815	85	29,282
Operations and maintenance of plant services	445,500	422,531	22,969	422,830
Pupil transportation services	8,800	7,399	1,401	7,664
Food services	<u>119,600</u>	<u>112,558</u>	<u>7,042</u>	<u>110,636</u>
Total business	<u>622,600</u>	<u>590,404</u>	<u>32,196</u>	<u>587,487</u>
Central				
Information services	14,100	13,323	777	13,545
Staff services	<u>50,000</u>	<u>44,477</u>	<u>5,523</u>	<u>49,619</u>
Total central	<u>64,100</u>	<u>57,800</u>	<u>6,300</u>	<u>63,164</u>
Total support services	<u>1,187,120</u>	<u>1,126,942</u>	<u>60,178</u>	<u>1,111,138</u>
Community services				
Total expenditures	<u>45,300</u>	<u>37,114</u>	<u>8,186</u>	<u>41,881</u>
Total expenditures	<u>2,177,520</u>	<u>2,047,818</u>	<u>129,702</u>	<u>2,051,892</u>
Net change in fund balance	\$ (135,113)	28,313	\$ 163,426	65,210
Fund balance, beginning of year		<u>1,596,389</u>		<u>1,531,179</u>
Fund balance, end of year		<u>\$ 1,624,702</u>		<u>\$ 1,596,389</u>

See Auditors' Report and Notes to Required Supplementary Information

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose 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 September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Excess of Expenditures over Budget

For the year ended June 30, 2015, expenditures exceeded budget in the General Fund and the Transportation Fund by \$5,894,128 and \$117,473, respectively. These excesses were funded by available fund balances.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ -	\$ (42,815)	\$ (42,815)	\$ 2,493,089
Investment income	-	5	5	2,961
Total local sources	-	(42,810)	(42,810)	2,496,050
Total revenues	-	(42,810)	(42,810)	2,496,050
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	-	5,442	(5,442)	102,400
Principal payments on long term debt	-	28,168	(28,168)	5,120,000
Total	-	33,610	(33,610)	5,222,400
Other debt service				
Other objects	-	-	-	50,707
Total	-	-	-	50,707
Total debt services	-	33,610	(33,610)	5,273,107
Total expenditures	-	33,610	(33,610)	5,273,107
Excess (deficiency) of revenues over expenditures	-	(76,420)	(76,420)	(2,777,057)
Other financing sources (uses)				
Permanent transfer from working cash accounts - abatement	803,584	-	(803,584)	-
Permanent transfer from working cash accounts - interest	-	803,584	803,584	-
Transfer to debt service to pay principal on capital leases	-	28,168	28,168	-
Transfer to debt service to pay interest on capital leases	-	5,442	5,442	-
Total other financing sources (uses)	803,584	837,194	33,610	-
Net change in fund balance	\$ 803,584	760,774	\$ (42,810)	(2,777,057)
Fund balance (deficit), beginning of year		(806,164)		1,970,893
Fund balance (deficit), end of year		\$ (45,390)		\$ (806,164)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ -	\$ 92	\$ 92	\$ -
Other	<u>-</u>	<u>28,413</u>	<u>28,413</u>	<u>-</u>
Total local sources	<u>-</u>	<u>28,505</u>	<u>28,505</u>	<u>-</u>
Total revenues	<u>-</u>	<u>28,505</u>	<u>28,505</u>	<u>-</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	983,246	1,123,636	(140,390)	22,599
Supplies and materials	20,000	434	19,566	-
Capital outlay	<u>2,576,400</u>	<u>1,983,018</u>	<u>593,382</u>	<u>352,255</u>
Total	<u>3,579,646</u>	<u>3,107,088</u>	<u>472,558</u>	<u>374,854</u>
Total business	<u>3,579,646</u>	<u>3,107,088</u>	<u>472,558</u>	<u>374,854</u>
Total support services	<u>3,579,646</u>	<u>3,107,088</u>	<u>472,558</u>	<u>374,854</u>
Total expenditures	<u>3,579,646</u>	<u>3,107,088</u>	<u>472,558</u>	<u>374,854</u>
Excess (deficiency) of revenues over expenditures	<u>(3,579,646)</u>	<u>(3,078,583)</u>	<u>501,063</u>	<u>(374,854)</u>
Other financing sources (uses)				
Transfer to capital projects fund	<u>3,579,646</u>	<u>2,977,358</u>	<u>(602,288)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,579,646</u>	<u>2,977,358</u>	<u>(602,288)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(101,225)</u>	<u>\$ (101,225)</u>	<u>(374,854)</u>
Fund balance (deficit), beginning of year		<u>(374,854)</u>		<u>-</u>
Fund balance (deficit), end of year		<u>\$ (476,079)</u>		<u>\$ (374,854)</u>

**ARLINGTON HEIGHTS SCHOOL DISTRICT 25
FIRE PREVENTION AND LIFE SAFETY FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 167,773	\$ 213,043	\$ 45,270	\$ 209,234
Investment income	<u>1,130</u>	<u>1,034</u>	<u>(96)</u>	<u>1,213</u>
Total local sources	<u>168,903</u>	<u>214,077</u>	<u>45,174</u>	<u>210,447</u>
Total revenues	<u>168,903</u>	<u>214,077</u>	<u>45,174</u>	<u>210,447</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	10,000	-	10,000	2,469
Capital outlay	<u>344,610</u>	<u>236,260</u>	<u>108,350</u>	<u>108,350</u>
Total	<u>354,610</u>	<u>236,260</u>	<u>118,350</u>	<u>110,819</u>
Total business	<u>354,610</u>	<u>236,260</u>	<u>118,350</u>	<u>110,819</u>
Total support services	<u>354,610</u>	<u>236,260</u>	<u>118,350</u>	<u>110,819</u>
Total expenditures	<u>354,610</u>	<u>236,260</u>	<u>118,350</u>	<u>110,819</u>
Net change in fund balance	<u>\$ (185,707)</u>	(22,183)	<u>\$ 163,524</u>	99,628
Fund balance, beginning of year		<u>348,581</u>		<u>248,953</u>
Fund balance, end of year		<u>\$ 326,398</u>		<u>\$ 348,581</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

GENERAL FUND

COMBINING BALANCE SHEET

AS OF JUNE 30, 2015

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets				
Cash	\$ 51,833,598	\$ 180,538	\$ 6,822,844	\$ 58,836,980
Receivables (net allowance for uncollectibles):				
Interest	72,181	256	9,686	82,123
Property taxes	22,517,218	147,599	-	22,664,817
Intergovernmental	1,266,547	-	-	1,266,547
Other	8,130	-	-	8,130
Loan to debt service fund	-	-	42,808	42,808
Prepaid items	4,605	30,689	-	35,294
Total assets	\$ 75,702,279	\$ 359,082	\$ 6,875,338	\$ 82,936,699
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 961,016	\$ -	\$ -	\$ 961,016
Salaries and wages payable	6,876,658	-	-	6,876,658
Payroll deductions payable	4,294	-	-	4,294
Health claims payable	725,038	-	-	725,038
Total liabilities	8,567,006	-	-	8,567,006
Deferred inflows of resources				
Property taxes levied for a future period	22,517,218	147,599	-	22,664,817
Unavailable state and federal aid receivable	8,784	-	-	8,784
Total deferred inflows of resources	22,526,002	147,599	-	22,673,601
Fund balance				
Nonspendable	4,605	30,689	-	35,294
Restricted	-	180,794	-	180,794
Unassigned	44,604,666	-	6,875,338	51,480,004
Total fund balance	44,609,271	211,483	6,875,338	51,696,092
Total liabilities, deferred inflows of resources, and fund balance	\$ 75,702,279	\$ 359,082	\$ 6,875,338	\$ 82,936,699

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	EDUCATIONAL ACCOUNTS	TORT IMMUNITY AND JUDGMENT ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues				
Property taxes	\$ 44,469,206	\$ 245,383	\$ -	\$ 44,714,589
State aid	22,786,133	-	-	22,786,133
Federal aid	2,058,342	-	-	2,058,342
Investment income	165,595	577	21,150	187,322
Other	<u>2,704,434</u>	<u>18,960</u>	<u>-</u>	<u>2,723,394</u>
Total revenues	<u>72,183,710</u>	<u>264,920</u>	<u>21,150</u>	<u>72,469,780</u>
Expenditures				
Current:				
Instruction:				
Regular programs	25,175,105	-	-	25,175,105
Special programs	9,733,973	-	-	9,733,973
Other instructional programs	2,585,692	-	-	2,585,692
State retirement contributions	18,061,433	-	-	18,061,433
Support Services:				
Pupils	4,617,615	-	-	4,617,615
Instructional staff	5,229,443	-	-	5,229,443
General administration	1,075,968	230,000	-	1,305,968
School administration	3,041,164	-	-	3,041,164
Business	2,249,848	-	-	2,249,848
Central	1,274,982	-	-	1,274,982
Community services	563,671	-	-	563,671
Payments to other districts and gov't units	1,798,364	-	-	1,798,364
Capital outlay	<u>1,028,065</u>	<u>-</u>	<u>-</u>	<u>1,028,065</u>
Total expenditures	<u>76,435,323</u>	<u>230,000</u>	<u>-</u>	<u>76,665,323</u>
Excess (deficiency) of revenues over expenditures	<u>(4,251,613)</u>	<u>34,920</u>	<u>21,150</u>	<u>(4,195,543)</u>
Other financing sources (uses)				
Transfers (out)	<u>(33,610)</u>	<u>-</u>	<u>(803,584)</u>	<u>(837,194)</u>
Total other financing sources (uses)	<u>(33,610)</u>	<u>-</u>	<u>(803,584)</u>	<u>(837,194)</u>
Net change in fund balance	(4,285,223)	34,920	(782,434)	(5,032,737)
Fund balance, beginning of year	<u>48,894,494</u>	<u>176,563</u>	<u>7,657,772</u>	<u>56,728,829</u>
Fund balance, end of year	<u>\$ 44,609,271</u>	<u>\$ 211,483</u>	<u>\$ 6,875,338</u>	<u>\$ 51,696,092</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Revenues				
Local sources				
General levy	\$ 48,151,820	\$ 43,841,169	\$ (4,310,651)	\$ 47,709,928
Special education levy	264,747	628,037	363,290	272,133
Regular tuition from pupils or parents (in state)	99,500	94,569	(4,931)	110,113
Summer school - tuition from pupils or parents (in state)	140,000	157,467	17,467	140,806
Special education - tuition from pupils or parents (in state)	70,000	136,649	66,649	101,484
Investment income	113,115	165,595	52,480	147,752
Sales to pupils - lunch	700,000	651,529	(48,471)	705,226
Sales to pupils - breakfast	-	3,577	3,577	1,792
Sales to pupils - other	250,000	336,825	86,825	264,703
Sales to adults	10,000	10,280	280	7,247
Other food service	568,500	709,589	141,089	720,266
Fees	97,500	51,269	(46,231)	50,998
Rentals - regular textbook	289,200	283,668	(5,532)	293,296
Impact fees from municipal or county governments	-	-	-	1,297
Refund of prior years' expenditures	-	124,436	124,436	-
Other	119,292	144,576	25,284	113,152
Total local sources	<u>50,873,674</u>	<u>47,339,235</u>	<u>(3,534,439)</u>	<u>50,640,193</u>
State sources				
General state aid	2,184,984	2,137,771	(47,213)	2,073,027
Special education - private facility tuition	300,652	354,738	54,086	303,353
Special education - extraordinary	623,600	639,116	15,516	623,600
Special education - personnel	1,359,672	1,422,593	62,921	1,356,595
Special education - orphanage - individual	45,000	17,586	(27,414)	49,526
Special education - summer school	5,000	6,780	1,780	5,525
Bilingual education - downstate - TPI	173,926	143,635	(30,291)	127,820
State free lunch & breakfast	3,000	2,481	(519)	2,328
Other restricted revenue from state sources	3,500	-	(3,500)	3,357
On behalf payment to TRS from the state	11,300,000	18,061,433	6,761,433	12,918,267
Total state sources	<u>15,999,334</u>	<u>22,786,133</u>	<u>6,786,799</u>	<u>17,463,398</u>
Federal sources				
National school lunch program	220,000	300,333	80,333	238,456
School breakfast program	3,000	13,204	10,204	5,772
Federal - special education - preschool flow-through	44,856	43,000	(1,856)	43,020
Federal - special education - IDEA - flow-through/low incident	1,099,699	1,099,699	-	1,114,991
Federal - special education - IDEA - room & board	-	88,341	88,341	6,676
Title III - English language acquisition	34,728	40,851	6,123	54,516

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Title II - Teacher quality	\$ 97,404	\$ 109,421	\$ 12,017	\$ 79,250
Medicaid matching funds - administrative outreach	166,000	104,279	(61,721)	140,122
Medicaid matching funds - fee-for-service program	55,000	146,524	91,524	55,897
Other restricted revenue from federal sources	-	112,690	112,690	92,710
Total federal sources	<u>1,720,687</u>	<u>2,058,342</u>	<u>337,655</u>	<u>1,831,410</u>
Total revenues	<u>68,593,695</u>	<u>72,183,710</u>	<u>3,590,015</u>	<u>69,935,001</u>
Expenditures				
Instruction				
Regular programs				
Salaries	21,223,100	20,694,491	528,609	20,130,306
Employee benefits	2,813,600	2,622,830	190,770	2,210,389
On-behalf payments to TRS from the state	11,300,000	18,061,433	(6,761,433)	12,918,267
Purchased services	329,270	329,479	(209)	306,107
Supplies and materials	1,219,620	1,437,837	(218,217)	1,147,115
Capital outlay	30,300	13,738	16,562	56,977
Other objects	29,960	45,468	(15,508)	41,032
Termination benefits	45,000	45,000	-	19,152
Total	<u>36,990,850</u>	<u>43,250,276</u>	<u>(6,259,426)</u>	<u>36,829,345</u>
Special education programs				
Salaries	6,695,640	6,495,009	200,631	6,487,802
Employee benefits	1,211,300	1,299,517	(88,217)	1,140,782
Purchased services	25,525	18,111	7,414	25,211
Supplies and materials	217,425	230,556	(13,131)	93,895
Capital outlay	22,500	14,618	7,882	32,737
Total	<u>8,172,390</u>	<u>8,057,811</u>	<u>114,579</u>	<u>7,780,427</u>
Special education programs Pre-K				
Salaries	779,000	788,865	(9,865)	864,344
Employee benefits	115,800	92,612	23,188	106,991
Purchased services	5,200	969	4,231	1,045
Supplies and materials	11,000	6,802	4,198	5,153
Total	<u>911,000</u>	<u>889,248</u>	<u>21,752</u>	<u>977,533</u>
Remedial and supplemental programs K - 12				
Supplies and materials	-	-	-	2,692
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,692</u>
Adult/continuing education programs				
Supplies and materials	-	-	-	50
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Interscholastic programs				
Salaries	\$ 148,605	\$ 122,731	\$ 25,874	\$ 123,978
Employee benefits	2,100	1,492	608	1,454
Purchased services	12,506	13,486	(980)	16,309
Supplies and materials	3,750	5,063	(1,313)	3,808
Capital outlay	6,145	-	6,145	-
Other objects	-	5,263	(5,263)	4,255
Total	<u>173,106</u>	<u>148,035</u>	<u>25,071</u>	<u>149,804</u>
Summer school programs				
Salaries	247,250	236,737	10,513	271,412
Employee benefits	2,700	2,655	45	3,133
Purchased services	2,980	5,227	(2,247)	2,538
Supplies and materials	8,700	16,230	(7,530)	11,905
Total	<u>261,630</u>	<u>260,849</u>	<u>781</u>	<u>288,988</u>
Gifted programs				
Salaries	671,800	650,737	21,063	552,192
Employee benefits	58,200	64,436	(6,236)	54,997
Supplies and materials	1,140	743	397	952
Total	<u>731,140</u>	<u>715,916</u>	<u>15,224</u>	<u>608,141</u>
Bilingual programs				
Salaries	1,235,134	1,212,820	22,314	1,219,131
Employee benefits	174,300	187,871	(13,571)	166,513
Purchased services	37,276	38,761	(1,485)	69,517
Supplies and materials	28,294	21,440	6,854	20,304
Capital outlay	-	-	-	19,864
Total	<u>1,475,004</u>	<u>1,460,892</u>	<u>14,112</u>	<u>1,495,329</u>
Truant's alternative and optional programs				
Pre - K programs - private tuition				
Other objects	-	-	-	20,620
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,620</u>
Special education programs K -12 - private tuition				
Other objects	664,878	801,532	(136,654)	737,839
Total	<u>664,878</u>	<u>801,532</u>	<u>(136,654)</u>	<u>737,839</u>
Total instruction	<u>49,379,998</u>	<u>55,584,559</u>	<u>(6,204,561)</u>	<u>48,890,768</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Support services				
Pupils				
Attendance and social work services				
Salaries	\$ 1,065,830	\$ 1,074,409	\$ (8,579)	\$ 1,013,349
Employee benefits	120,100	130,784	(10,684)	114,933
Purchased services	1,600	1,579	21	1,921
Supplies and materials	<u>4,000</u>	<u>1,408</u>	<u>2,592</u>	<u>1,295</u>
Total	<u>1,191,530</u>	<u>1,208,180</u>	<u>(16,650)</u>	<u>1,131,498</u>
Health services				
Salaries	546,724	537,558	9,166	534,679
Employee benefits	48,800	39,138	9,662	45,607
Purchased services	1,700	2,015	(315)	3,903
Supplies and materials	<u>8,200</u>	<u>11,960</u>	<u>(3,760)</u>	<u>16,374</u>
Total	<u>605,424</u>	<u>590,671</u>	<u>14,753</u>	<u>600,563</u>
Psychological services				
Salaries	549,900	542,259	7,641	546,519
Employee benefits	59,800	70,195	(10,395)	56,442
Purchased services	1,100	5,138	(4,038)	5,912
Supplies and materials	<u>11,000</u>	<u>6,278</u>	<u>4,722</u>	<u>4,057</u>
Total	<u>621,800</u>	<u>623,870</u>	<u>(2,070)</u>	<u>612,930</u>
Speech pathology and audiology services				
Salaries	1,462,100	1,468,130	(6,030)	1,531,633
Employee benefits	179,000	184,247	(5,247)	207,818
Purchased services	42,150	107,705	(65,555)	7,121
Supplies and materials	<u>12,400</u>	<u>11,654</u>	<u>746</u>	<u>12,858</u>
Total	<u>1,695,650</u>	<u>1,771,736</u>	<u>(76,086)</u>	<u>1,759,430</u>
Other support services - pupils				
Salaries	393,800	385,632	8,168	376,464
Employee benefits	3,400	3,034	366	2,846
Purchased services	10,000	-	10,000	472
Supplies and materials	<u>36,702</u>	<u>34,492</u>	<u>2,210</u>	<u>33,711</u>
Total	<u>443,902</u>	<u>423,158</u>	<u>20,744</u>	<u>413,493</u>
Total pupils	<u>4,558,306</u>	<u>4,617,615</u>	<u>(59,309)</u>	<u>4,517,914</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Instructional staff				
Improvement of instructional services				
Salaries	\$ 1,776,636	\$ 1,755,879	\$ 20,757	\$ 1,717,153
Employee benefits	182,100	194,985	(12,885)	177,464
Purchased services	296,820	224,307	72,513	325,622
Supplies and materials	163,408	149,610	13,798	137,828
Capital outlay	2,020	7,224	(5,204)	-
Other objects	2,500	805	1,695	2,659
Total	<u>2,423,484</u>	<u>2,332,810</u>	<u>90,674</u>	<u>2,360,726</u>
Educational media services				
Salaries	1,591,480	1,562,181	29,299	1,442,973
Employee benefits	254,800	277,458	(22,658)	245,500
Purchased services	310,979	308,181	2,798	170,717
Supplies and materials	513,758	639,696	(125,938)	438,141
Capital outlay	1,072,456	966,371	106,085	701,223
Total	<u>3,743,473</u>	<u>3,753,887</u>	<u>(10,414)</u>	<u>2,998,554</u>
Assessment and testing				
Salaries	2,000	225	1,775	226
Employee benefits	100	3	97	3
Purchased services	4,000	1,095	2,905	-
Supplies and materials	116,250	115,018	1,232	109,572
Total	<u>122,350</u>	<u>116,341</u>	<u>6,009</u>	<u>109,801</u>
Total instructional staff	<u>6,289,307</u>	<u>6,203,038</u>	<u>86,269</u>	<u>5,469,081</u>
General administration				
Board of education services				
Employee benefits	-	138	(138)	672
Purchased services	156,000	143,915	12,085	205,098
Supplies and materials	3,000	1,801	1,199	4,739
Other objects	10,500	11,277	(777)	9,637
Total	<u>169,500</u>	<u>157,131</u>	<u>12,369</u>	<u>220,146</u>
Executive administration services				
Salaries	313,140	314,644	(1,504)	332,387
Employee benefits	35,800	37,608	(1,808)	41,016
Purchased services	16,000	45,178	(29,178)	22,921
Supplies and materials	4,000	5,148	(1,148)	2,019
Other objects	3,300	4,879	(1,579)	1,642
Total	<u>372,240</u>	<u>407,457</u>	<u>(35,217)</u>	<u>399,985</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Special area administration services				
Salaries	\$ 393,760	\$ 392,468	\$ 1,292	\$ 358,225
Employee benefits	49,800	68,290	(18,490)	49,762
Purchased services	23,650	42,883	(19,233)	32,872
Supplies and materials	2,000	652	1,348	699
Other objects	<u>1,500</u>	<u>712</u>	<u>788</u>	<u>824</u>
Total	<u>470,710</u>	<u>505,005</u>	<u>(34,295)</u>	<u>442,382</u>
Tort immunity services				
Purchased services	40,000	6,375	33,625	39,109
Other objects	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>3,158</u>
Total	<u>50,000</u>	<u>6,375</u>	<u>43,625</u>	<u>42,267</u>
Total general administration	<u>1,062,450</u>	<u>1,075,968</u>	<u>(13,518)</u>	<u>1,104,780</u>
School administration				
Office of the principal services				
Salaries	2,448,720	2,444,037	4,683	2,401,020
Employee benefits	498,500	541,280	(42,780)	514,637
Purchased services	30,000	18,093	11,907	23,544
Supplies and materials	<u>41,901</u>	<u>37,754</u>	<u>4,147</u>	<u>48,814</u>
Total	<u>3,019,121</u>	<u>3,041,164</u>	<u>(22,043)</u>	<u>2,988,015</u>
Total school administration	<u>3,019,121</u>	<u>3,041,164</u>	<u>(22,043)</u>	<u>2,988,015</u>
Business				
Direction of business support services				
Salaries	242,580	242,572	8	237,600
Employee benefits	52,700	53,105	(405)	51,179
Purchased services	4,450	5,171	(721)	4,564
Supplies and materials	-	-	-	35
Other objects	<u>1,200</u>	<u>1,115</u>	<u>85</u>	<u>1,836</u>
Total	<u>300,930</u>	<u>301,963</u>	<u>(1,033)</u>	<u>295,214</u>
Fiscal services				
Salaries	165,690	156,227	9,463	147,967
Employee benefits	15,800	15,019	781	14,676
Purchased services	171,465	118,531	52,934	66,379
Supplies and materials	<u>69,100</u>	<u>62,238</u>	<u>6,862</u>	<u>60,272</u>
Total	<u>422,055</u>	<u>352,015</u>	<u>70,040</u>	<u>289,294</u>
Operation and maintenance of plant services				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,660</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,660</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
Food services				
Salaries	\$ 653,130	\$ 668,763	\$ (15,633)	\$ 625,437
Employee benefits	50,900	48,291	2,609	49,093
Purchased services	33,375	29,670	3,705	30,709
Supplies and materials	652,500	732,801	(80,301)	691,222
Capital outlay	<u>38,000</u>	<u>21,027</u>	<u>16,973</u>	<u>30,707</u>
Total	<u>1,427,905</u>	<u>1,500,552</u>	<u>(72,647)</u>	<u>1,427,168</u>
Internal services				
Purchased services	127,000	116,345	10,655	85,166
Capital outlay	<u>-</u>	<u>823</u>	<u>(823)</u>	<u>-</u>
Total	<u>127,000</u>	<u>117,168</u>	<u>9,832</u>	<u>85,166</u>
Total business	<u>2,277,890</u>	<u>2,271,698</u>	<u>6,192</u>	<u>2,278,502</u>
Central				
Information services				
Salaries	68,090	68,088	2	69,539
Employee benefits	7,900	7,857	43	7,658
Purchased services	6,500	3,469	3,031	1,675
Supplies and materials	3,500	4,910	(1,410)	6,646
Capital outlay	<u>8,000</u>	<u>4,264</u>	<u>3,736</u>	<u>8,000</u>
Total	<u>93,990</u>	<u>88,588</u>	<u>5,402</u>	<u>93,518</u>
Staff services				
Salaries	943,430	944,418	(988)	957,535
Employee benefits	125,300	99,440	25,860	82,041
Purchased services	132,100	72,621	59,479	66,870
Supplies and materials	80,925	65,075	15,850	36,986
Other objects	<u>8,660</u>	<u>9,104</u>	<u>(444)</u>	<u>1,700</u>
Total	<u>1,290,415</u>	<u>1,190,658</u>	<u>99,757</u>	<u>1,145,132</u>
Total central	<u>1,384,405</u>	<u>1,279,246</u>	<u>105,159</u>	<u>1,238,650</u>
Total support services	<u>18,591,479</u>	<u>18,488,729</u>	<u>102,750</u>	<u>17,596,942</u>
Community services				
Salaries	283,470	244,833	38,637	254,551
Employee benefits	20,500	30,297	(9,797)	19,495
Supplies and materials	<u>293,000</u>	<u>288,541</u>	<u>4,459</u>	<u>299,366</u>
Total community services	<u>596,970</u>	<u>563,671</u>	<u>33,299</u>	<u>573,412</u>

(Continued)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Payments to other districts and governmental units				
Payments for special education programs				
Other objects	\$ 191,668	\$ 244,523	\$ (52,855)	\$ 301,729
Total	<u>191,668</u>	<u>244,523</u>	<u>(52,855)</u>	<u>301,729</u>
Payments for Regular Programs - Tuition				
Other objects	<u>1,681,080</u>	<u>-</u>	<u>1,681,080</u>	<u>-</u>
Total	<u>1,681,080</u>	<u>-</u>	<u>1,681,080</u>	<u>-</u>
Payments for special education programs - tuition				
Other objects	<u>-</u>	<u>1,553,841</u>	<u>(1,553,841)</u>	<u>1,560,317</u>
Total	<u>-</u>	<u>1,553,841</u>	<u>(1,553,841)</u>	<u>1,560,317</u>
Total payments to other districts and governmental units	<u>1,872,748</u>	<u>1,798,364</u>	<u>74,384</u>	<u>1,862,046</u>
Provision for contingencies	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>70,541,195</u>	<u>76,435,323</u>	<u>(5,894,128)</u>	<u>68,923,168</u>
Excess (deficiency) of revenues over expenditures	<u>(1,947,500)</u>	<u>(4,251,613)</u>	<u>(2,304,113)</u>	<u>1,011,833</u>
Other financing sources (uses)				
Permanent transfer from working cash accounts - interest	-	-	-	16,500
Capital lease value	-	-	-	181,660
Transfer to debt service fund to pay principal on capital leases	-	(28,168)	(28,168)	-
Transfer to debt service fund to pay interest on capital leases	<u>-</u>	<u>(5,442)</u>	<u>(5,442)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(33,610)</u>	<u>(33,610)</u>	<u>198,160</u>
Net change in fund balance	<u>\$ (1,947,500)</u>	<u>(4,285,223)</u>	<u>\$ (2,337,723)</u>	<u>1,209,993</u>
Fund balance, beginning of year		<u>48,894,494</u>		<u>47,684,501</u>
Fund balance, end of year		<u>\$ 44,609,271</u>		<u>\$ 48,894,494</u>

(Concluded)

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
TORT IMMUNITY AND JUDGMENT ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Tort immunity levy	\$ 192,265	\$ 245,383	\$ 53,118	\$ 226,567
Investment income	242	577	335	438
Refund of prior years' expenditures	<u>-</u>	<u>18,960</u>	<u>18,960</u>	<u>-</u>
Total local sources	<u>192,507</u>	<u>264,920</u>	<u>72,413</u>	<u>227,005</u>
Total revenues	<u>192,507</u>	<u>264,920</u>	<u>72,413</u>	<u>227,005</u>
Expenditures				
Support Services				
General administration				
Workers' compensation or workers' occupational disease act payments				
Purchased services	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>168,844</u>
Total	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>168,844</u>
Total general administration	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>168,844</u>
Total expenditures	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>168,844</u>
Net change in fund balance	<u>\$ (37,493)</u>	34,920	<u>\$ 72,413</u>	58,161
Fund balance, beginning of year		<u>176,563</u>		<u>118,402</u>
Fund balance, end of year		<u>\$ 211,483</u>		<u>\$ 176,563</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
WORKING CASH ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		VARIANCE WITH FINAL BUDGET	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
Investment income	\$ 19,311	\$ 21,150	\$ 1,839	\$ 18,435
Total local sources	<u>19,311</u>	<u>21,150</u>	<u>1,839</u>	<u>18,435</u>
Total revenues	<u>19,311</u>	<u>21,150</u>	<u>1,839</u>	<u>18,435</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	19,311	21,150	1,839	18,435
Other financing sources (uses)				
Permanent transfer from working cash accounts - abatement	(803,584)	-	803,584	-
Permanent transfer from working cash accounts - interest	<u>-</u>	<u>(803,584)</u>	<u>(803,584)</u>	<u>(16,500)</u>
Total other financing sources (uses)	<u>(803,584)</u>	<u>(803,584)</u>	<u>-</u>	<u>(16,500)</u>
Net change in fund balance	<u>\$ (784,273)</u>	<u>(782,434)</u>	<u>\$ 1,839</u>	1,935
Fund balance, beginning of year		<u>7,657,772</u>		<u>7,655,837</u>
Fund balance, end of year		<u>\$ 6,875,338</u>		<u>\$ 7,657,772</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

AGENCY FUND

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015**

	BALANCE JUNE 30, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Assets				
Cash	\$ 292,354	\$ 807,814	\$ 800,516	\$ 299,652
Total assets	<u>\$ 292,354</u>	<u>\$ 807,814</u>	<u>\$ 800,516</u>	<u>\$ 299,652</u>
Liabilities				
Due to student groups - activity funds	\$ 206,405	\$ 545,513	\$ 559,349	\$ 192,569
Due to employees - flexible spending account	<u>85,949</u>	<u>262,301</u>	<u>241,167</u>	<u>107,083</u>
Total liabilities	<u>\$ 292,354</u>	<u>\$ 807,814</u>	<u>\$ 800,516</u>	<u>\$ 299,652</u>

Statistical Section

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

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	93
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
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These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
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These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
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These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

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

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2015*	2014	2013	2012
Governmental activities				
Net investment in capital assets	\$ 81,899,779	\$ 81,445,563	\$ 76,558,426	\$ 72,194,161
Restricted	9,048,455	11,352,549	13,090,807	12,811,200
Unrestricted	<u>46,220,462</u>	<u>54,875,379</u>	<u>54,800,925</u>	<u>53,616,633</u>
Total governmental activities net position	<u>\$ 137,168,696</u>	<u>\$ 147,673,491</u>	<u>\$ 144,450,158</u>	<u>\$ 138,621,994</u>

*The District implemented GASB 68 and 71 in 2015.
Amounts in prior years have not been adjusted.

2011	2010	2009	2008	2007	2006
\$ 67,179,282	\$ 63,532,991	\$ 54,602,552	\$ 39,989,857	\$ 36,806,197	\$ 27,794,218
5,863,906	6,318,095	7,842,981	7,841,567	7,163,851	10,062,908
<u>61,139,228</u>	<u>58,687,324</u>	<u>56,338,333</u>	<u>60,378,082</u>	<u>50,191,384</u>	<u>51,841,333</u>
<u>\$ 134,182,416</u>	<u>\$ 128,538,410</u>	<u>\$ 118,783,866</u>	<u>\$ 108,209,506</u>	<u>\$ 94,161,432</u>	<u>\$ 89,698,459</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2015#	2014	2013	2012
Expenses				
Instruction:				
Regular programs	\$ 28,663,135	\$ 26,919,025	\$ 25,511,002	\$ 25,607,333
Special programs	11,955,481	11,968,909	10,780,199	10,379,098
Other instructional programs	2,627,459	2,608,247	2,427,583	2,212,870
State retirement contributions	18,061,433	12,918,267	9,984,364	8,573,755
Support services:				
Pupils	4,714,078	4,607,560	4,402,573	4,252,148
Instructional staff	5,450,030	4,960,482	5,005,589	4,795,013
General administration	1,343,474	1,312,889	1,604,607	1,668,816
School administration	3,088,709	3,132,584	3,174,416	3,145,892
Business	2,422,037	2,251,402	2,093,047	2,494,810
Transportation	2,283,712	2,150,608	1,987,469	1,920,596
Operations and maintenance	5,862,344	6,591,693	5,643,826	5,516,852
Central and other	1,834,261	1,791,412	1,912,515	1,949,986
Other supporting services	417,246	469,953	-	-
Community services	603,473	615,293	559,319	553,810
Payments to other districts and gov't units	-	-	-	11,562
Nonprogrammed charges	-	-	-	-
Interest and fees	5,442	98,616	249,074	483,159
Unallocated depreciation	-	-	-	-
Total expenses	<u>\$ 89,332,314</u>	<u>\$ 82,396,940</u>	<u>\$ 75,335,583</u>	<u>\$ 73,565,700</u>
Program Revenues				
Charges for services:				
Instruction*	\$ 1,124,273	\$ 996,096	\$ 1,079,348	\$ 1,044,620
Support services*	2,795,524	2,749,077	2,726,699	2,686,853
Operating grants and contributions	-	-	-	-
Instruction*	22,185,658	16,956,544	13,671,002	12,583,471
Support services*	1,687,328	1,509,273	1,459,200	1,055,593
Capital grants and contributions	-	-	-	-
Total program revenues	<u>\$ 27,792,783</u>	<u>\$ 22,210,990</u>	<u>\$ 18,936,249</u>	<u>\$ 17,370,537</u>
Net (expense)/revenue	<u>\$ (61,539,531)</u>	<u>\$ (60,185,950)</u>	<u>\$ (56,399,334)</u>	<u>\$ (56,195,163)</u>
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 44,478,828	\$ 47,988,958	\$ 45,505,806	\$ 45,844,312
Real estate taxes, levied for specific purposes	8,845,214	9,653,164	8,149,848	6,603,218
Real estate taxes, levied for debt service	(42,815)	2,493,089	5,323,903	5,433,933
Personal property replacement taxes	1,031,896	959,888	948,877	928,679
Unrestricted grants and contributions	2,137,771	2,073,027	1,972,777	2,094,284
Investment earnings	229,205	203,324	241,586	(328,920)
Miscellaneous	147,829	37,833	84,701	59,235
Total general revenues	<u>\$ 56,827,928</u>	<u>\$ 63,409,283</u>	<u>\$ 62,227,498</u>	<u>\$ 60,634,741</u>
Change in net position	<u>\$ (4,711,603)</u>	<u>\$ 3,223,333</u>	<u>\$ 5,828,164</u>	<u>\$ 4,439,578</u>

NOTE: * Information prior to 2012 is not available
#The District implemented GASB 68 and 71 in 2015.
Amounts in prior years have not been adjusted.

	2011	2010	2009	2008	2007	2006
\$	22,325,897	\$ 23,802,870	\$ 22,532,296	\$ 20,665,110	\$ 20,275,380	\$ 19,289,439
	8,404,462	8,826,609	8,021,378	7,502,458	8,287,423	7,655,563
	4,842,590	3,041,262	3,232,429	1,760,888	1,556,410	1,575,827
	7,934,736	8,022,134	5,607,110	4,139,852	2,697,912	1,841,948
	4,048,759	3,633,769	3,430,394	3,201,995	1,915,909	1,621,609
	5,224,305	5,636,145	4,901,783	5,376,031	4,129,547	3,862,370
	1,347,151	1,350,947	1,724,353	1,189,361	1,195,634	1,299,864
	3,283,749	3,190,837	3,088,493	2,870,305	2,473,805	2,470,477
	1,276,302	1,974,980	2,053,358	2,540,315	2,809,170	2,699,038
	1,517,949	2,037,335	1,602,246	1,971,821	2,038,686	1,900,692
	5,795,017	4,854,686	4,949,474	4,877,287	4,833,132	4,745,319
	1,621,861	1,554,972	1,435,455	1,138,175	965,618	1,324,368
	-	-	-	-	-	-
	244,144	219,599	258,487	213,482	122,601	166,325
	-	-	-	-	-	-
	207,621	436,488	88,278	842,870	1,137,466	1,821,968
	906,552	1,227,027	1,651,805	1,538,130	1,813,973	2,075,827
	-	-	-	-	62,082	62,082
<u>\$</u>	<u>68,981,095</u>	<u>\$ 69,809,660</u>	<u>\$ 64,577,339</u>	<u>\$ 59,828,080</u>	<u>\$ 56,314,748</u>	<u>\$ 54,412,716</u>
\$	3,161,422	\$ 3,185,475	\$ 3,462,179	\$ 3,000,025	\$ 3,206,822	\$ 2,932,152
	-	-	-	-	-	-
	-	-	-	-	-	-
	13,757,207	10,266,275	10,576,779	10,939,006	7,692,374	6,124,570
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	165,101	184,381	155,307
<u>\$</u>	<u>16,918,629</u>	<u>\$ 13,451,750</u>	<u>\$ 14,038,958</u>	<u>\$ 14,104,132</u>	<u>\$ 11,083,577</u>	<u>\$ 9,212,029</u>
<u>\$</u>	<u>(52,062,466)</u>	<u>\$ (56,357,910)</u>	<u>\$ (50,538,381)</u>	<u>\$ (45,723,948)</u>	<u>\$ (45,231,171)</u>	<u>\$ (45,200,687)</u>
\$	42,757,403	\$ 47,053,517	\$ 40,220,343	\$ 44,194,863	\$ 35,452,971	\$ 43,794,705
	5,845,346	7,177,688	7,176,535	1,237,121	887,370	1,396,835
	5,185,579	7,809,607	8,765,912	8,349,503	6,756,017	7,650,226
	1,009,510	778,451	962,248	1,100,001	1,028,641	942,831
	2,171,697	2,054,834	2,006,709	1,958,119	1,804,286	1,662,118
	302,390	925,090	1,632,837	2,739,678	3,530,093	2,120,890
	434,547	313,267	348,157	328,929	251,335	70,064
<u>\$</u>	<u>57,706,472</u>	<u>\$ 66,112,454</u>	<u>\$ 61,112,741</u>	<u>\$ 59,908,214</u>	<u>\$ 49,710,713</u>	<u>\$ 57,637,669</u>
<u>\$</u>	<u>5,644,006</u>	<u>\$ 9,754,544</u>	<u>\$ 10,574,360</u>	<u>\$ 14,184,266</u>	<u>\$ 4,479,542</u>	<u>\$ 12,436,982</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	35,294	35,294	40,363	135,199	135,418
Restricted	180,794	145,874	87,713	60,059	50,697
Unassigned	<u>51,480,004</u>	<u>56,547,661</u>	<u>55,330,664</u>	<u>53,176,748</u>	<u>51,799,408</u>
Total general fund	<u>\$ 51,696,092</u>	<u>\$ 56,728,829</u>	<u>\$ 55,458,740</u>	<u>\$ 53,372,006</u>	<u>\$ 51,985,523</u>
All other governmental funds					
Unreserved, reported in:					
Debt service fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Unassigned, reported in:					
Debt service fund	(45,390)	(806,164)	-	-	-
Capital projects fund	(476,079)	(374,854)	-	-	(37,897)
Restricted, reported in:					
Debt service fund	-	-	1,970,893	2,068,027	2,291,126
Special revenue funds	10,585,601	10,820,901	10,763,122	10,621,838	13,100,459
Capital projects fund	-	348,581	248,953	66,196	-
Nonspendable, reported in:					
Special revenue funds	<u>6,504</u>	<u>6,504</u>	<u>6,504</u>	<u>32,626</u>	<u>39,646</u>
Total all other governmental funds	<u>\$ 10,070,636</u>	<u>\$ 9,994,968</u>	<u>\$ 12,989,472</u>	<u>\$ 12,788,687</u>	<u>\$ 15,393,334</u>
Total Governmental Funds	<u>\$ 61,766,728</u>	<u>\$ 66,723,797</u>	<u>\$ 68,448,212</u>	<u>\$ 66,160,693</u>	<u>\$ 67,378,857</u>

NOTE: GASB 54 was implemented as of June 30, 2011. Prior years are not adjusted.

2010	2009	2008	2007	2006
\$ 87,968	\$ 94,235	\$ 167,805	\$ 64,262	\$ 135,879
40,581,799	33,522,737	30,968,742	27,702,418	28,006,945
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 40,669,767</u>	<u>\$ 33,616,972</u>	<u>\$ 31,136,547</u>	<u>\$ 27,766,680</u>	<u>\$ 28,142,824</u>
\$ 2,753,750	\$ 4,146,966	\$ 4,391,560	\$ 4,438,554	\$ 7,144,146
21,731,456	23,288,174	28,601,040	23,165,595	24,311,509
33,276	82,424	278,524	36,593	350,211
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 24,518,482</u>	<u>\$ 27,517,564</u>	<u>\$ 33,271,124</u>	<u>\$ 27,640,742</u>	<u>\$ 31,805,866</u>
<u>\$ 65,188,249</u>	<u>\$ 61,134,536</u>	<u>\$ 64,407,671</u>	<u>\$ 55,407,422</u>	<u>\$ 59,948,690</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Local Sources				
Property taxes	\$ 53,271,605	\$ 60,128,314	\$ 58,970,899	\$ 57,873,914
Replacement taxes	1,031,896	959,888	948,877	928,679
Earnings on investments	229,205	203,324	241,586	(328,920)
Other local sources	<u>4,077,248</u>	<u>3,789,903</u>	<u>3,899,406</u>	<u>3,798,257</u>
Total local sources	<u>58,609,954</u>	<u>65,081,429</u>	<u>64,060,768</u>	<u>62,271,930</u>
State sources	<u>24,048,227</u>	<u>18,646,660</u>	<u>16,148,919</u>	<u>12,972,844</u>
Federal sources	<u>2,076,554</u>	<u>1,844,567</u>	<u>1,661,653</u>	<u>1,977,720</u>
 Total	 <u>\$ 84,734,735</u>	 <u>\$ 85,572,656</u>	 <u>\$ 81,871,340</u>	 <u>\$ 77,222,494</u>

2011	2010	2009	2008	2007	2006
\$ 53,788,328	\$ 62,040,812	\$ 56,162,790	\$ 53,781,487	\$ 43,096,358	\$ 52,841,766
1,009,510	778,451	962,248	1,100,001	1,028,641	942,831
302,390	925,090	1,632,837	2,739,678	3,530,093	2,120,890
<u>3,462,020</u>	<u>3,417,273</u>	<u>3,814,886</u>	<u>3,192,762</u>	<u>3,474,557</u>	<u>3,024,516</u>
<u>58,562,248</u>	<u>67,161,626</u>	<u>62,572,761</u>	<u>60,813,928</u>	<u>51,129,649</u>	<u>58,930,003</u>
<u>13,264,411</u>	<u>12,764,852</u>	<u>10,991,751</u>	<u>10,029,826</u>	<u>8,647,956</u>	<u>6,874,872</u>
<u>2,798,442</u>	<u>2,831,060</u>	<u>2,126,269</u>	<u>1,208,214</u>	<u>983,631</u>	<u>1,085,165</u>
<u>\$ 74,625,101</u>	<u>\$ 82,757,538</u>	<u>\$ 75,690,781</u>	<u>\$ 72,051,968</u>	<u>\$ 60,761,236</u>	<u>\$ 66,890,040</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011
Current:					
Instruction					
Regular programs	\$ 25,439,076	\$ 24,112,196	\$ 22,686,596	\$ 22,415,974	\$ 19,753,207
Special programs	10,311,380	10,061,217	9,367,091	8,818,368	7,155,948
Other instructional programs	2,628,076	2,588,383	2,427,583	2,211,284	4,843,209
State retirement contributions	18,061,433	12,918,267	9,984,364	8,573,755	7,934,736
Total instruction	<u>56,439,965</u>	<u>49,680,063</u>	<u>44,465,634</u>	<u>42,019,381</u>	<u>39,687,100</u>
Supporting Services					
Pupils	4,713,389	4,607,560	4,402,573	4,252,148	4,048,759
Instructional staff	5,433,028	4,960,482	5,005,589	4,795,013	5,224,305
General administration	1,344,197	1,312,889	1,604,607	1,668,816	1,347,151
School administration	3,182,314	3,126,967	3,157,041	3,117,324	3,283,749
Business	2,410,322	2,223,128	2,093,047	2,195,148	2,026,760
Transportation	2,283,072	2,150,608	1,987,469	1,920,596	1,517,949
Operations and maintenance	6,315,440	6,421,905	5,655,507	5,236,075	5,042,663
Central	1,332,782	1,293,814	1,319,738	1,274,807	1,112,114
Other supporting services	310,208	365,040	-	-	-
Community services	600,785	615,293	559,319	553,810	244,144
Nonprogrammed charges	1,798,364	1,862,046	1,373,175	1,472,420	1,455,516
Total supporting services	<u>29,723,901</u>	<u>28,939,732</u>	<u>27,158,065</u>	<u>26,486,157</u>	<u>25,303,110</u>
Other:					
Debt service:					
Principal	28,168	5,120,000	5,045,958	5,036,141	4,790,488
Interest	5,442	153,107	373,403	615,821	864,147
Capital outlay	3,494,328	3,585,829	2,540,761	4,283,158	1,789,648
Total Other	<u>3,527,938</u>	<u>8,858,936</u>	<u>7,960,122</u>	<u>9,935,120</u>	<u>7,444,283</u>
Total	<u>\$ 89,691,804</u>	<u>\$ 87,478,731</u>	<u>\$ 79,583,821</u>	<u>\$ 78,440,658</u>	<u>\$ 72,434,493</u>
Debt service as a percentage of noncapital expenditures	0.04%	6.29%	7.03%	7.62%	8.00%

2010	2009	2008	2007	2006
\$ 21,450,621	\$ 20,265,649	\$ 19,129,598	\$ 17,966,673	\$ 16,994,614
7,533,065	6,663,875	7,476,522	8,264,490	7,649,778
3,083,056	3,232,429	1,760,888	1,556,410	1,575,827
8,022,134	5,607,110	4,139,852	2,697,912	1,841,948
<u>40,088,876</u>	<u>35,769,063</u>	<u>32,506,860</u>	<u>30,485,485</u>	<u>28,062,167</u>
3,633,769	3,430,394	3,196,010	1,915,909	1,621,609
5,451,561	4,936,439	4,340,609	3,886,000	3,642,288
1,350,947	1,724,353	1,180,471	1,186,562	1,307,564
3,190,837	3,088,493	2,866,703	2,467,381	2,467,757
1,974,980	2,255,039	2,426,779	2,269,046	2,176,195
2,037,335	1,602,246	1,971,775	2,037,709	1,896,101
5,178,139	5,578,657	5,865,605	5,318,220	4,651,726
1,153,820	1,055,551	1,135,762	962,139	1,326,322
-	-	-	-	-
219,599	258,487	213,482	122,601	166,325
1,251,750	1,357,503	842,870	1,137,466	1,821,968
<u>25,442,737</u>	<u>25,287,162</u>	<u>24,040,066</u>	<u>21,303,033</u>	<u>21,077,855</u>
8,043,675	7,522,115	6,445,000	5,960,000	4,035,000
1,177,379	1,578,936	1,734,900	1,982,783	2,342,764
3,951,159	8,806,640	4,418,119	5,571,203	2,493,329
<u>13,172,213</u>	<u>17,907,691</u>	<u>12,598,019</u>	<u>13,513,986</u>	<u>8,871,093</u>
<u>\$ 78,703,826</u>	<u>\$ 78,963,916</u>	<u>\$ 69,144,945</u>	<u>\$ 65,302,504</u>	<u>\$ 58,011,115</u>
12.34%	12.97%	12.64%	13.30%	11.49%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011
Excess of revenues over (under) expenditures	\$ (4,957,069)	\$ (1,906,075)	\$ 2,287,519	\$ (1,218,164)	\$ 2,190,608
Other financing sources (uses)					
General long-term debt issued	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Capital lease value	-	181,660	-	-	-
Transfers in	3,814,552	-	8,000	266,261	88,294
Transfers out	<u>(3,814,552)</u>	<u>-</u>	<u>(8,000)</u>	<u>(266,261)</u>	<u>(88,294)</u>
Total	<u>-</u>	<u>181,660</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,957,069)</u>	<u>\$ (1,724,415)</u>	<u>\$ 2,287,519</u>	<u>\$ (1,218,164)</u>	<u>\$ 2,190,608</u>

2010	2009	2008	2007	2006
\$ 4,053,712	\$ (3,273,135)	\$ 2,907,023	\$ (4,541,268)	\$ 8,878,925
-	-	5,770,000	-	25,272,095
-	-	-	-	(16,665,768)
-	-	323,226	-	-
606,901	12,130,552	3,272,314	1,953,688	943,364
<u>(606,901)</u>	<u>(12,130,552)</u>	<u>(3,272,314)</u>	<u>(1,953,688)</u>	<u>(943,364)</u>
-	-	<u>6,093,226</u>	-	<u>8,606,327</u>
<u>\$ 4,053,712</u>	<u>\$ (3,273,135)</u>	<u>\$ 9,000,249</u>	<u>\$ (4,541,268)</u>	<u>\$ 17,485,252</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

LEVY YEAR	ASSESSED VALUATION				TOTAL ASSESSED VALUE	TOTAL DIRECT RATE	ESTIMATED ACTUAL VALUE
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	RAILROAD			
2013	1,225,191,821	275,774,212	42,554,968	949,072	1,544,470,073	3.659	4,633,410,219
2012	1,432,255,225	301,051,221	41,541,630	772,137	1,775,620,213	3.416	5,326,860,639
2011	1,545,361,840	315,879,445	41,824,944	685,447	1,903,751,676	3.101	5,711,255,028
2010	1,637,910,787	371,807,291	53,033,542	647,112	2,063,398,732	2.812	6,190,196,196
2009	1,802,833,985	386,057,940	54,243,854	523,321	2,243,659,100	2.509	6,730,977,300
2008	1,656,938,154	379,232,180	64,165,989	439,004	2,100,775,327	2.807	6,302,325,981
2007	N/A	N/A	N/A	N/A	1,947,173,834	2.889	5,841,521,502
2006	N/A	N/A	N/A	N/A	1,638,468,637	3.295	4,915,405,911
2005	N/A	N/A	N/A	N/A	1,546,456,494	3.225	4,639,369,482
2004	N/A	N/A	N/A	N/A	1,427,317,580	3.138	4,281,952,740

Source: Cook County Clerk

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

** 2013 levy year was the most recent information available as of report issuance.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010
District direct rates					
Total direct	\$ 3.6780	\$ 3.6590	\$ 3.4160	\$ 3.1010	\$ 2.8130
Overlapping rates					
County of Cook	0.5680	0.5600	0.5310	0.4620	0.4230
Cook County Forest Preserve District	0.0690	0.0690	0.0630	0.0580	0.0510
Consolidated Elections	0.0000	0.0310	0.0000	0.0250	0.0000
Wheeling Township	0.0520	0.0560	0.0520	0.0480	0.0430
Wheeling Twp General Assistance	0.0100	0.0100	0.0090	0.0090	0.0050
Wheeling Twp Road & Bridge	0.0190	0.0190	0.0160	0.0150	0.0140
Metro Water Reclamation District of Chicago	0.4300	0.4170	0.3700	0.3200	0.2740
Northwest Mosquito Abatement District	0.0130	0.0130	0.0110	0.0100	0.0090
Village of Arlington Heights & Library Fund	1.8160	1.8180	1.5320	1.3850	1.2540
Arlington Heights Park District	0.6360	0.6330	0.5450	0.4960	0.4500
Arlington Heights High School #214	2.7760	2.7680	2.3240	2.0670	1.8390
Harper Comm College #512	0.4510	0.4440	0.3730	0.3340	0.2950
Suburban TB Sanitarium	-	-	-	-	-
Total direct and overlapping rate	\$ 10.5180	\$ 10.4970	\$ 9.2420	\$ 8.3300	\$ 7.4700

Source: Cook County Clerk

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

2009	2008	2007	2006	2005
<u>\$ 2.5100</u>	<u>\$ 2.8070</u>	<u>\$ 2.8900</u>	<u>\$ 3.2950</u>	<u>\$ 3.2250</u>
0.3940	0.4150	0.4460	0.5000	0.5330
0.0490	0.0510	0.0530	0.0570	0.0600
0.0210	0.0000	0.0120	0.0000	0.0140
0.0390	0.0380	0.0380	0.0430	0.0410
0.0090	0.0090	0.0090	0.0100	0.0090
0.0120	0.0120	0.0120	0.0130	0.0120
0.2610	0.2520	0.2630	0.2840	0.3150
0.0080	0.0080	0.0080	0.0090	0.0090
1.1080	1.0720	1.1340	0.8660	0.8000
0.3920	0.3790	0.4040	0.4610	0.4530
1.6360	1.5870	1.6210	1.8230	1.7590
0.2580	0.2560	0.2600	0.2880	0.2810
-	-	-	0.0050	0.0050
<u>\$ 6.6970</u>	<u>\$ 6.8860</u>	<u>\$ 7.1500</u>	<u>\$ 7.6540</u>	<u>\$ 7.5160</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT

CURRENT LEVY YEAR AND NINE YEARS AGO

TAXPAYER	2014 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2014 EQUALIZED ASSESSED VALUATION
Luther Village	\$ 31,495,633	2.01%
Town & Country Chicago	19,226,193	1.23%
Amcap Northpoint LLC	17,119,899	1.09%
New Plan Excel Prop Tr	14,423,784	0.92%
John Hancock Life Ins	10,901,221	0.70%
WBCMT 2007 C33 Evgrn A	10,455,613	0.67%
Stonebridge Real Est	9,505,771	0.61%
Robin Realty Mgt	8,874,433	0.57%
Northwest Com Hospital	7,382,265	0.47%
Sptmrt Properties Trus	<u>7,135,977</u>	0.46%
 Total	 \$ <u>136,520,789</u>	 8.72%

Source: Cook County Clerk

Taxpayer	2005 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2005 EQUALIZED ASSESSED VALUATION
Luther Village	\$ 37,634,207	2.43%
Avalon Bay Communities	14,334,280	0.93%
Northpoint & Arlington Heights Freed	13,605,678	0.88%
Stronebridge Trust	13,549,230	0.88%
Dominicks	13,424,432	0.87%
M&J Wilkow, Ltd.	9,966,728	0.64%
Arlington Town Square	9,854,534	0.64%
Sunrise Tax Dept.	8,542,976	0.55%
Berkshire Mortgage	8,288,522	0.54%
Rysco Inc.	<u>7,651,363</u>	0.49%
 Total	 \$ <u>136,851,950</u>	 8.84%

Source: Cook County Clerk Assessor's Office

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

LEVY YEAR	TAXES LEVIED FOR THE LEVY 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
2014	\$ 57,591,809	\$ 29,524,638	51.27%	\$ -	\$ 29,524,638	51.27%
2013	56,502,889	31,876,442	56.42%	23,502,583	55,379,025	98.01%
2012	60,646,018	31,057,458	51.21%	28,432,112	59,489,570	98.09%
2011	59,027,139	30,563,740	51.78%	27,369,585	57,933,325	98.15%
2010	58,027,938	29,393,451	50.65%	27,698,422	57,091,873	98.39%
2009	56,300,925	30,713,241	54.55%	24,264,057	54,977,298	97.65%
2008	58,963,859	26,909,408	45.64%	31,442,037	58,351,445	98.96%
2007	56,261,420	25,955,145	46.13%	29,213,062	55,168,207	98.06%
2006	53,979,932	25,042,407	46.39%	28,176,730	53,219,137	98.59%
2005	49,866,599	22,184,811	44.49%	27,074,172	49,258,983	98.78%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	SCHOOL BUILDING OBLIGATION*	CAPITAL LEASES	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2015	\$ -	\$ -	\$ 153,492	\$ 153,492	0.01%	\$ 2
2014	-	-	181,660	181,660	0.01%	2
2013	5,120,000	-	-	5,120,000	0.17%	68
2012	10,165,000	-	958	10,165,958	0.33%	135
2011	15,190,000	-	12,099	15,202,099	0.50%	201
2010	19,970,000	-	22,587	19,992,587	0.77%	260
2009	27,980,000	-	56,262	28,036,262	1.09%	376
2008	35,350,000	-	208,377	35,558,377	1.38%	483
2007	36,025,000	-	309,444	36,334,444	1.41%	488
2006	41,985,000	-	452,265	42,437,265	1.64%	569

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

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2014	-	-	-	0.00%	-
2013	5,120,000	-	5,120,000	0.10%	68
2012	10,165,000	-	10,165,000	0.18%	135
2011	15,190,000	-	15,190,000	0.25%	202
2010	19,970,000	-	19,970,000	0.30%	260
2009	27,980,000	-	27,980,000	0.44%	364
2008	35,350,000	-	35,350,000	0.61%	459
2007	36,025,000	-	36,025,000	0.73%	468
2006	41,985,000	-	41,985,000	0.90%	546

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2015

GOVERNMENTAL JURISDICTION	DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
County			
Cook County	\$3,466,976,750	1.224%	\$42,428,148
Cook County Forest Preserve	118,610,000	1.224%	\$1,451,525
Metro Water Reclamation District of Chicago	2,619,000,317	1.248%	\$32,678,880
School Districts			
High School District 214	42,800,000	20.748%	\$8,880,268
Harper Community College 512	170,935,000	9.308%	\$15,911,427
Park Districts			
Arlington Heights Park District	22,825,000	62.525%	\$14,271,219
Mt. Prospect Park District	7,112,000	3.339%	\$237,488
Prospect Heights Park District	560,990	3.504%	\$19,659
Municipalities			
Village of Arlington Heights	39,615,000	60.451%	\$23,947,735
Village of Mount Prospect	48,075,000	3.024%	\$1,453,649
City of Prospect Heights	13,365,000	1.267%	\$169,384
City of Rolling Meadows	12,530,000	0.621%	\$77,836
Total overlapping debt			<u>141,527,219</u>
Direct debt:			
School District Number 25	0	100.000%	<u>-</u>
Total Direct and Overlapping Debt			<u>\$ 141,527,219</u>

Source: Office of the County Clerk, Cook County, IL

NOTE: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Valuation	<u>\$1,566,028,236</u>
Debt Limit - 6.9% of Assessed Valuation	\$ 108,055,948
Total Debt Outstanding	\$ 153,492
Less: Exempted Debt	<u>\$ -</u>
Net Subject to 6.9% Limit	\$ 153,492
Total Debt Margin	<u>\$ 107,902,456</u>

	2015	2014	2013	2012
Debt Limit	\$ 108,055,948	\$ 106,568,435	\$ 122,517,795	\$ 131,358,866
Total Net Debt Applicable to Limit	<u>153,492</u>	<u>181,660</u>	<u>5,120,000</u>	<u>10,165,958</u>
Legal Debt Margin	<u>\$ 107,902,456</u>	<u>\$ 106,386,775</u>	<u>\$ 117,397,795</u>	<u>\$ 121,192,908</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.1%	0.2%	4.2%	7.7%

Fiscal Year					
2011	2010	2009	2008	2007	2006
\$ 142,374,513	\$ 154,812,478	\$ 144,953,498	\$ 134,354,995	\$ 113,054,336	\$ 106,705,498
<u>15,202,099</u>	<u>19,992,587</u>	<u>28,036,262</u>	<u>35,350,000</u>	<u>36,025,000</u>	<u>41,985,000</u>
<u>\$ 127,172,414</u>	<u>\$ 134,819,891</u>	<u>\$ 116,917,236</u>	<u>\$ 99,004,995</u>	<u>\$ 77,029,336</u>	<u>\$ 64,720,498</u>
10.7%	12.9%	19.3%	26.3%	31.9%	39.3%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	UNEMPLOYMENT RATE
2015	76,024	\$3,055,328,536	\$ 40,189 (1b)	6.40%
2014	76,006	3,089,263,870	40,645 (1a)	6.60%
2013	75,763	3,079,387,135	40,645	6.60%
2012	75,388	3,036,402,476	40,277	7.20%
2011	75,101	3,024,842,977	40,277	7.40%
2010	76,943	2,580,975,992	33,544	7.60%
2009	76,943	2,580,975,992	33,544	4.30%
2008	76,943	2,580,975,992	33,544	3.50%
2007	76,943	2,580,975,992	33,544	3.20%
2006	76,943	2,580,975,992	33,544	4.50%

SOURCE OF INFORMATION:

- (1) U.S. Bureau of the Census Quick Facts, information is for the Village of Arlington Heights, IL
- (1a) Per capita income in past 12 months (2012 dollars), 2008-2012
- (1b) Per capita income in past 12 months (2013 dollars), 2009-2013
- (2) Illinois Department of Employment Security

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

2015

EMPLOYER	NUMBER OF EMPLOYEES	SOURCE	PERCENTAGE OF TOTAL EMPLOYMENT (6)
Northwest Community Hospital	4,000	2	16.4%
Northrop Grumman Electro Systems	1,900	1	7.8%
Clearbrook	1,000	2	4.1%
CVS Caremark Prescription Svc	850	2	3.5%
Arlington International Race Track	845	5	3.5%
Lutheran Home*	700	5	2.9%
Mt Prospect Park District*	600	4	2.5%
Alexian Brothers Health System	500	2	2.0%
Level 3 Communications, LLC	500	2	2.0%
Paylocity Holding Corp	500	2	2.0%

* Includes part-time and/or seasonal

(6) Using reports from the Illinois Department of Employment Securities we have calculated that 24,464 person were employed in the District in 2014, most recent information available.

2006

EMPLOYER	NUMBER OF EMPLOYEES	SOURCE	PERCENTAGE OF TOTAL EMPLOYMENT
Northwest Community Hospital	3,300	(7)	N/A^
Motorola	3,000	(7)	N/A^
Northrop Grunman Corp., Defensive Syst	2,000	(7)	N/A^
HSBC	1,100	(7)	N/A^
GTSS	1,000	(7)	N/A^
Broadwing Communications, LLC	800	(7)	N/A^
Arlington Heights School District 25	756	(7)	N/A^
Caremark, Inc	750	(7)	N/A^
Robert Bosch Tool Corp.	600	(7)	N/A^

^Percentage of total employment not available

Data Sources

(1) 2015 Illinois Manufacturers Directory

(2) 2015 Illinois Services Directory

(3) ReferenceUSA.com

(4) Phone canvass of employers

ARLINGTON HEIGHTS SCHOOL DISTRICT 25

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2014 - 2015	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010	2008 - 2009	2007 - 2008	2006 - 2007	2005 - 2006
Administration:										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	3	3	3	3	3	3	4	4	4	4
District Administrators	9	7	5	5	5	5	5	5	4	4
Principals and assistants	<u>18</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>15</u>	<u>15</u>	<u>13</u>	<u>13</u>
Total administration	<u>31</u>	<u>28</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>22</u>	<u>22</u>
Teachers:										
Elementary	183	186	181	173	168	168	168	165	158	133
Middle school	112	111	109	105	110	111	111	111	109	109
District Instruction Support	82	81	82	82	86	84	84	84	82	91
Special education and bilingual	<u>83</u>	<u>79</u>	<u>67</u>	<u>64</u>	<u>59</u>	<u>54</u>	<u>52</u>	<u>52</u>	<u>52</u>	<u>59</u>
Total teachers	<u>460</u>	<u>457</u>	<u>439</u>	<u>424</u>	<u>423</u>	<u>417</u>	<u>415</u>	<u>412</u>	<u>401</u>	<u>392</u>
Other supporting staff:										
Cafeteria	59	49	29	45	39	27	27	27	24	26
Clerical and Aides, Playground Supervisor Maintenance, custodians and warehouse and crossing guards	196	192	192	197	197	197	197	197	197	193
	<u>74</u>	<u>78</u>	<u>64</u>	<u>54</u>	<u>50</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>
Total support staff	<u>329</u>	<u>319</u>	<u>285</u>	<u>296</u>	<u>286</u>	<u>272</u>	<u>272</u>	<u>272</u>	<u>269</u>	<u>267</u>
Total staff	<u>820</u>	<u>804</u>	<u>750</u>	<u>746</u>	<u>735</u>	<u>715</u>	<u>712</u>	<u>709</u>	<u>692</u>	<u>681</u>

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	EXPENSES	PER CAPITA TUITION CHARGE
2015	4,962	\$ 62,572,837	\$ 12,610	0.1%	\$ 57,145,480	\$ 11,517
2014	4,860	61,257,274	12,604	5.0%	56,243,555	11,573
2013	4,852	58,228,272	12,001	0.0%	52,880,003	10,899
2012	4,737	56,837,743	11,999	5.7%	52,973,805	11,183
2011	4,722	53,608,714	11,353	-4.7%	47,795,073	10,122
2010	4,683	55,788,010	11,913	2.3%	49,845,430	10,644
2009	4,630	53,928,313	11,648	1.9%	47,981,979	10,363
2008	4,623	52,824,283	11,426	7.0%	47,327,942	10,237
2007	4,639	49,556,357	10,683	1.0%	44,031,437	9,492
2006	4,481	47,376,554	10,573	2.8%	42,684,392	9,526

PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO	PERCENTAGE OF STUDENTS RECEIVING FREE OR REDUCED PRICE-MEALS
-0.5%	460	11.0	14%
6.2%	457	11.0	10%
-2.5%	439	11.0	10%
10.5%	424	11.2	10%
-4.9%	423	12.3	9%
2.7%	417	12.5	7%
1.2%	415	12.3	7%
7.9%	412	12.3	4%
-0.4%	401	13.5	4%
2.1%	392	12.7	4%

ARLINGTON HEIGHTS SCHOOL DISTRICT 25
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010
Elementary						
Buildings	7	7	7	7	7	7
Square Feet	446,817	446,817	446,817	446,817	446,817	446,817
Capacity (Students)	4,454	4,454	4,454	4,454	4,454	4,454
Enrollment	3,610	3,428	3,443	3,443	3,360	3,226
Middle						
Buildings	2	2	2	2	2	2
Square Feet	270,013	270,013	270,013	270,013	270,013	270,013
Capacity (Students)	1,892	1,892	1,892	1,892	1,892	1,892
Enrollment	1,788	1,795	1,719	1,719	1,742	1,773
Other						
Buildings	3	3	3	3	3	3
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A
Athletics						
Play grounds	7	7	7	7	7	7

2009	2008	2007	2006
7	7	7	7
446,817	446,817	429,186	429,186
4,454	4,454	4,238	4,238
3,206	3,350	3,168	3,174
2	2	2	2
270,013	270,013	270,013	270,013
1,892	1,892	1,892	1,892
1,777	1,737	1,737	1,718
3	3	3	3
N/A	N/A	N/A	N/A
7	7	7	7