

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86**  
**HINSDALE, ILLINOIS**  
**For the Fiscal Year Ended June 30, 2016**

**Officials Issuing Report**

**Mr. Bill Eagan**  
**Chief Financial Officer**

**Department Issuing Report**  
**Business Office**



**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86**

Comprehensive Annual Financial Report

June 30, 2016

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## **INTRODUCTORY SECTION**



## *A Tradition of Excellence*

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November 18, 2016

Citizens, President and Members of the Board of Education  
Hinsdale Township High School District No. 86  
Hinsdale, Illinois

The Comprehensive Annual Financial Report of Hinsdale Township High School District No. 86, Hinsdale, Illinois, for the fiscal year ended June 30, 2016 is submitted herewith. The audit was completed on September 30, 2016 and the Report was subsequently issued. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented are: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial position and results of operations of the School District as shown by the disclosure of all financial activity of its various funds; and, (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the Report.

### Basis of Accounting and Reporting

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the table of contents, this transmittal letter, the District's organizational chart, and a list of principal officials. The Financial Section begins with the Independent Auditor's Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Individual Fund Statements and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District, demographics, and the fiscal capacity of the District.

Hinsdale Township High School District No. 86 is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

## Current Initiatives – 2015-2016

The Hinsdale Township High School District No. 86 Board of Education and Administration recognize the ever changing landscape related to the 21<sup>st</sup> century high schools and the improvements that are needed on an ongoing basis. The Board has adopted goals that center on improving programs and opportunities for the student population. Several supporting areas feed into this student-centered approach. The Board of Education reviews these goals on an annual basis and allocates resources appropriately to achieve the identified goals. There is also continued focus on technology as it relates to educating students and communicating with parents in this 21<sup>st</sup> century learning environment as well.

## Future Initiatives – 2016-2017

- Determine which of the projects identified in the updated Master Facilities Plan should be pursued in the near future and evaluate financing structures to pay for those updates based on community support through survey instruments during 2017-18 school year
- Contingent on Board action, review funding options with Board of Education and potential construction schedules for future implementation of Master Facilities Plan
- Continue implementation of 1:1 computing initiative and evaluate deployment financing and timeline

## Reporting Entity

The District includes all funds that are controlled by, or dependent on, the Board of Education of the District as determined on a basis of financial accountability. The District does not have such financial accountability over any other entity and thus does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

## Economic Outlook

Hinsdale Township High School District No. 86 is located primarily in the Southeast boundary of DuPage County, with the remainder in Western Cook County. The District has an exceptionally strong tax base of over \$5.0 billion. The area is headquarters for many high-profile companies and other successful mid-sized commercial operations (see statistical section, page 102 for further information).

The District operates two schools with a capacity of 4,420 students, which were built in 1947 and 1965. Enrollment for the fiscal year 2016 was 4,387 and is projected to remain stable over the next year.



## Accounting Systems and Budgetary Control

The 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 are properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. Internal control practices are also integrated into the budgetary management of the District's funds.

The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.

Budget control is provided by verification of appropriation amounts prior to expenditures, as well as a monthly review of actual account totals compared to budget. Additional control is established through published policies and procedures for all aspects of accounting practices of the District, which includes the recording of receipts and disbursements of funds entrusted to the District.

To ensure sound financial management, proper accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Board of Education.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

The District has prepared financial statements following GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates basic financial statements for reporting on the District's financial activities as follows:

*Government-wide financial statements.* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Assets and the Statement of Activities.

*Fund financial statements.* These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

As part of this model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2016, with comparisons to 2015.

#### GFOA Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hinsdale Township High School District No. 86 for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ASBO Certificate

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Hinsdale Township High School District No. 86 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This year's comprehensive annual financial report will again be submitted for the ASBO Certificate of Excellence award.

A Certificate of Excellence is awarded to those school districts that have voluntarily submitted their system's Comprehensive Annual Financial Report (CAFR) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

#### Independent Audit

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

Closing Statement

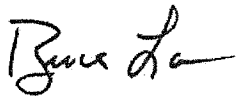
It is our belief that this Comprehensive Annual Financial Report will provide the District's management, local citizens, stake holders and outside investors with a most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2016.

Acknowledgment

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 closing the District's financial records and preparing this report.

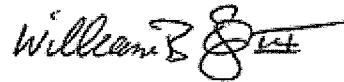
We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible, progressive manner.

Respectfully submitted,



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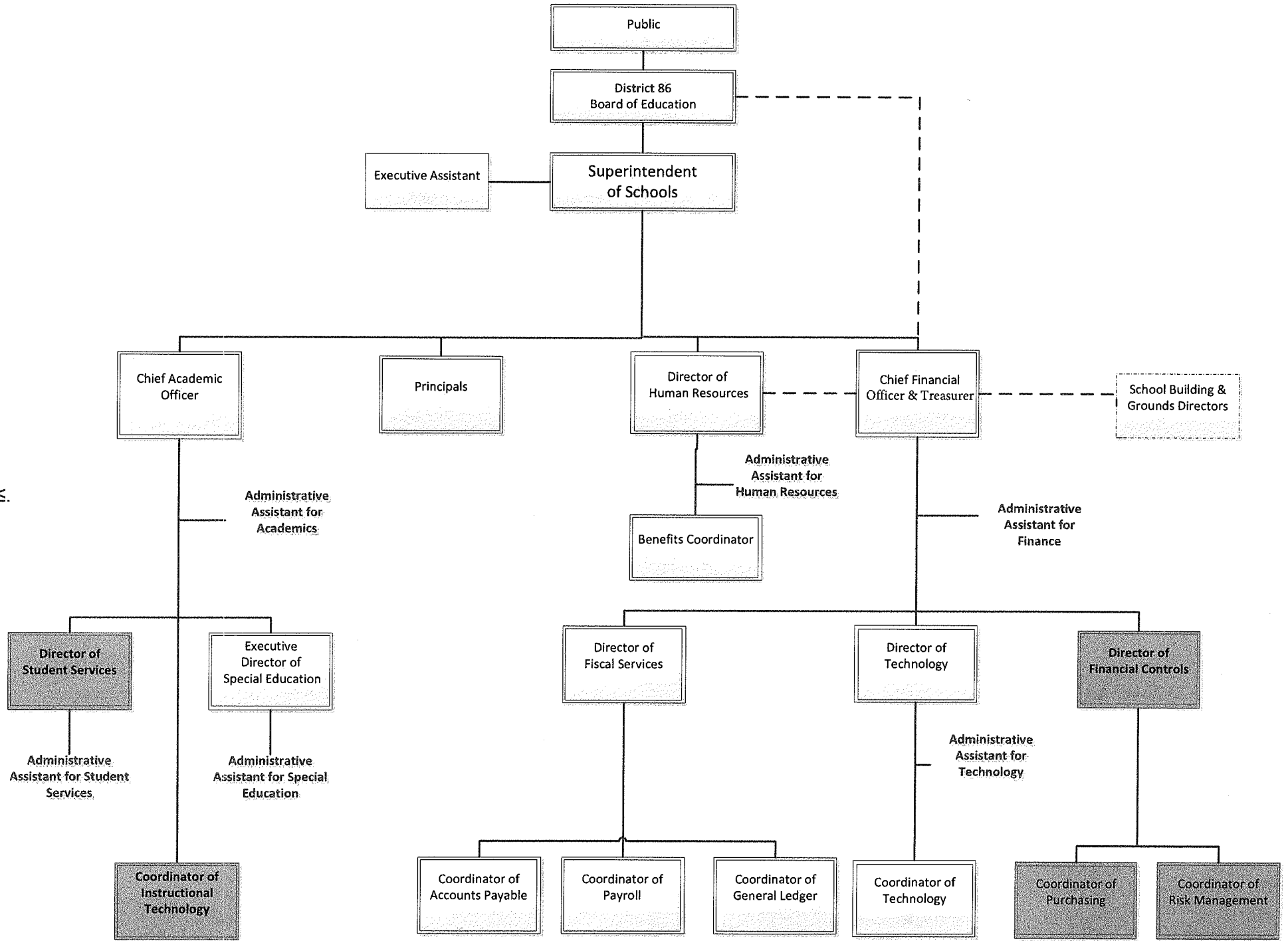
Dr. Bruce Law  
Superintendent of Schools



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Bill Eagan  
Chief Financial Officer

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# **Hinsdale Township High School District 86**

DuPage and Cook Counties

5500 S Grant Street

Hinsdale, IL 60521



## **Principal Officers and Officials**

**Year Ended June 30, 2016**

### **BOARD OF EDUCATION**

Kay S. Gallo, President, Term Expires: April 2017

Jennifer Planson, Vice President, Term Expires: April 2019

Kathleen Hirsman, Secretary, Term Expires: April 2019

Bill Carpenter, Member, Term Expires: April 2019

Ralph Beardsley, Member, Term Expires: April 2017

Edward Corcoran, Member, Term Expires: April 2017

Claudia Manley, Member, Term Expires: April 2017

### **ADMINISTRATIVE STAFF**

Dr. Bruce Law, Superintendent

Pamela Bylsma, Assistant Superintendent for Academics

Tammy Prentiss, Assistant Superintendent for Student Services

Bill Eagan, Chief Financial Officer and Treasurer

Domenico Maniscalco, Chief Human Resources Officer

### **OFFICIAL ISSUING REPORT**

Bill Eagan, Chief Financial Officer and Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Hinsdale Township  
High School District No. 86  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Hinsdale Township  
High School District No. 86**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

## **FINANCIAL SECTION**





3957 75<sup>th</sup> Street, Aurora, IL 60504  
Phone 630.898.5578 | Fax 630.225.5128  
KleinHallcpa.com

### *Independent Auditor's Report*

Board of Education  
Hinsdale Township High School District 86  
Hinsdale, 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 Hinsdale Township High School District 86, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Hinsdale Township High School District 86's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Hinsdale Township High School District 86's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hinsdale Township High School District 86, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinsdale Township High School District 86's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, other supplementary information and statistical sections have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016 on our consideration of Hinsdale Township High School District 86'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 Hinsdale Township High School District 86's internal control over financial reporting and compliance.



Klein Hall CPAs  
Aurora, Illinois  
September 30, 2016

# **Hinsdale Township High School District 86**

Management's Discussion and Analysis

**For the Year Ended June 30, 2016**

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The discussion and analysis of Hinsdale Township High School District 86 (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2016. 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**

- In total, net position decreased by \$1.3. This represents a 5.1% decrease from 2015. This was primarily due to increases in instructional, pupil services, and operation and maintenance expenses. The increase in expense was partially offset by an increase in program and general revenues.
- General revenues (consisting of property taxes, personal property replacement taxes, state-aid formula grants, investment income and other miscellaneous income) accounted for \$79.2 in revenue or 74.4% of all revenues. Program specific revenues in the form of charges for services, fees and grants accounted for \$27.2 or 25.6% of total revenues of \$106.4.
- The District had \$107.7 in expenses related to governmental activities. However, only \$27.2 of these expenses was offset by program specific charges and grants.
- Due to the current market conditions interest income increased from 2015. It is still a small portion of overall revenues.

## **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 the financial statements.

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

# Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

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## *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 information on all of the District's assets, deferred outflows and deferred inflows and liabilities, with the difference between them reported as net position. 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 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 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.

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.

## **Hinsdale Township High School District 86**

Management's Discussion and Analysis

**For the Year Ended June 30, 2016**

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The District maintains five 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 (consisting of the Educational Accounts, Working Cash Accounts, Operations & Maintenance Account and Tort Immunity & Judgment Accounts), Transportation Fund, IMRF/Social Security Fund, Debt Service Fund and Capital Projects 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*

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. The District's fiduciary funds are comprised of student activity accounts.

### *Notes to the 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.

# Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

## District-Wide Financial Analysis

Net position: The District's combined net position was lower on June 30, 2016, than June 30, 2015 by \$1.3.

<b>Table 1</b>		
<b>Condensed Statement of Net Position</b>		
<b>(in millions of dollars)</b>		
	2015	2016
<b>Assets and deferred outflows:</b>		
Current and other assets	\$ 100.0	\$ 103.2
Capital assets	39.2	39.9
Total assets	139.2	143.1
Deferred Outflows	3.0	4.2
<b>Liabilities, Deferred Inflows and Net Position:</b>		
Liabilities		
Current liabilities	4.5	6.3
Long-term debt outstanding	34.0	37.4
Total liabilities	38.5	43.7
Deferred Inflows	77.8	79.0
Net position		
Net investment in capital assets	18.5	20.6
Restricted	10.0	11.7
Unrestricted	(2.6)	(7.7)
Total net position	\$ 25.9	\$ 24.6

## Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Expenses in the governmental activities of the District of \$107.7 exceeded revenues by \$1.3.

<b>Table 2</b>		
<b>Changes in Net Position</b>		
<b>(in millions of dollars)</b>		
	2015	2016
<b>Revenues:</b>		
Program Revenues:		
Charges for services	\$ 5.8	\$ 6.2
Operating grants & contributions	19.1	21.0
Capital grants & contributions	-	-
General revenues:		
Taxes	75.2	76.1
General state aid	1.2	1.2
Other	1.3	1.9
<b>Total revenues</b>	<b>102.6</b>	<b>106.4</b>
<b>Expenses:</b>		
Instruction	73.1	76.1
Pupil & Instructional Staff Services	10.1	11.2
Administration & Business	8.2	7.3
Transportation	3.7	3.7
Operations & Maintenance	4.9	6.1
Other	3.8	3.3
<b>Total expenses</b>	<b>103.8</b>	<b>107.7</b>
<b>Increase (decrease) in net position</b>	<b>(23.6)</b>	<b>(1.3)</b>
<b>Net position, beginning</b>	<b>49.5</b>	<b>25.9</b>
<b>Net position, ending</b>	<b>\$ 25.9</b>	<b>\$ 24.6</b>

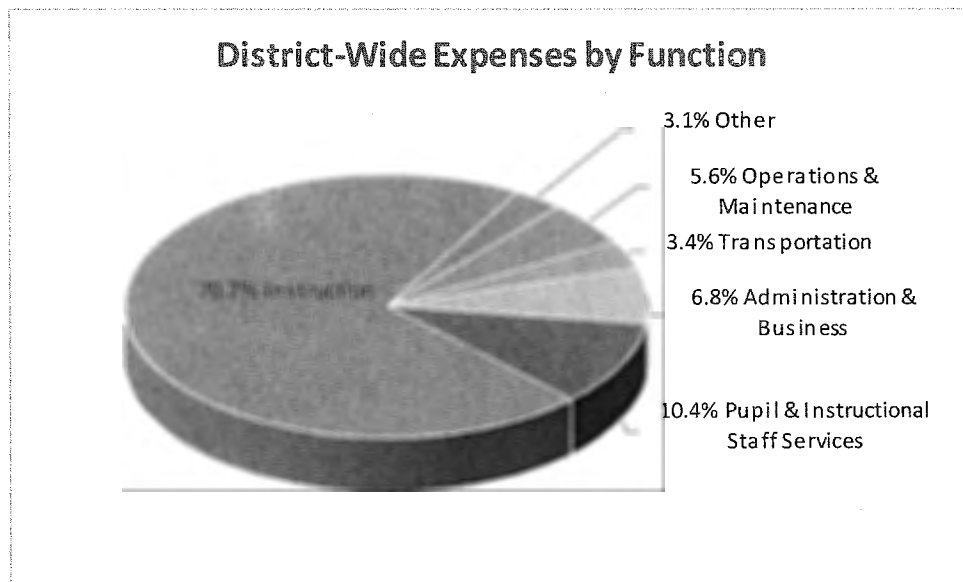
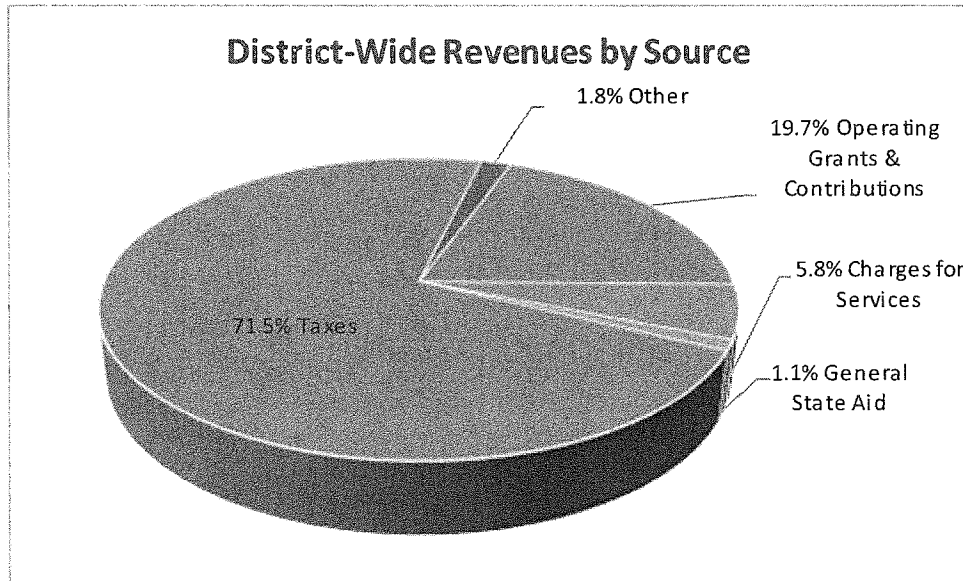
Taxes accounted for the largest portion of the District's revenues, contributing 71.5%. The increase in tax revenue is due to the loss factor applied by the county clerk. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$107.7, mostly related to instruction and care for the students and the operations and maintenance of District-owned facilities.

# Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

## DISTRICT-WIDE REVENUES BY SOURCE



## Financial Analysis of the District's Funds

The District's Governmental Funds balance remained level at \$19.3 from 2015 to 2016.

The financial performance of the District, as it related to the total government funds as a whole, reflects a consistent financial position. The District experienced an immaterial deficit during the year.

The General Fund (consisting of the Educational Accounts, Operations and Maintenance Accounts, Working Cash Accounts, and Tort Immunity & Judgment Accounts) decreased approximately \$0.1 due to transfers to other funds.



# Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

The Transportation Fund decreased approximately \$0.4 due to increased routes and charters.

The Municipal Retirement/Social Security Fund and the Capital Projects Fund had slight increases due to transfers from other funds.

The Debt Service Fund increased \$0.4 due to transfers from other funds.

## General Fund Budgetary Highlights

Overall the 2016 budget was in line with the District's expectations despite the wavering economic conditions of the State. Revenues in the General Fund were \$15.4 over budget due to on behalf payments not being budgeted, which represents a variance of 16%. During the year, the State improved the timelines of State Categorical payments, resulting in an excess of state revenues over expectations. This was offset by certain local revenue collections being less than expected. Expenditures in the General Fund were \$15.9 or 19% over budget, primarily driven by the on behalf payment not being budgeted.

## Capital Asset and Debt Administration

### *Capital assets*

By the end of 2016, the District had compiled a total investment of \$90.7 (\$39.9 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. The reason for the overall increase was the addition of a new construction in process. Total depreciation expense for the year was \$2.4. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

	2015	2016
Land	\$ 2.6	\$ 2.6
Construction in progress	-	2.1
Land Improvements	5.0	5.1
Building improvements	28.7	27.8
Equipment	2.9	2.3
Total	<u>\$ 39.2</u>	<u>\$ 39.9</u>

# Hinsdale Township High School District 86

Management's Discussion and Analysis

For the Year Ended June 30, 2016

## Long-term debt

The District retired \$1.0 and issued \$4.8 in bond and debt certificate principal in 2016. Bonded Debt and other long term liabilities decreased by increased by \$3.4. At the end of fiscal 2016, the District had a debt margin of \$322.7. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

	2015	2016	Increase (Decrease)
General Obligation bonds	\$ 20.5	\$ 24.2	18.0%
Debt Certificates	0.1	-	-100.0%
Other	13.4	13.2	-1.5%
Total	<u>\$ 34.0</u>	<u>\$ 37.4</u>	<u>27.3%</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 operations in the future:

The Board of Education settled a four-year contract with the Hinsdale High School Teachers Association (2016-2020). The agreement caps the Board's risk on increases in health insurance costs long term, both for current employees and retired employees, for whom the Board subsidized health insurance until they were eligible for Medicare. In order to achieve those long-term gains, costs to the Board will be higher in the first year of the contract. Partially offsetting those costs was a combination of "soft freezes" in salary costs the first two years of the contract, with increases in the final two years tied to increases in inflation as measured by the Public Tax Extension Limitation Law. Salary increases include a floor and ceiling.

The Board of Education has updated its Master Facilities Plan which was developed by the District's architect in conjunction with District faculty, staff, students and community members. Decisions about which projects to pursue could result in considerable increases in expenditures on facilities that will likely be offset by the issuance of debt. Regardless of the size of MFP renovations, Hinsdale Central is overcrowded and needs additional classrooms.

## **Hinsdale Township High School District 86**

Management's Discussion and Analysis

**For the Year Ended June 30, 2016**

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The District is preparing to move to a 1:1 computing environment with partial deployment underway. The methods by which the entire deployment is funded will likely have a significant effect on the future operating costs of the District because of increased staffing costs. As of the time of this report, no final decision has been made on the timing of full implementation.

### **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:

Bill Eagan, Chief Financial Officer  
Hinsdale Township High School District 86  
5500 S. Grant Street  
Hinsdale, Illinois 60521

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**Hinsdale Township High School District No. 86**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Governmental Activities
<b>Assets:</b>	
Cash and investments	\$ 61,920,907
Receivables:	
Property taxes	38,159,823
Due from other governments	1,973,247
Other	884,709
Prepaid items	220,897
Capital assets:	
Land	4,718,917
Other capital assets, net of depreciation	35,227,806
Total Assets	143,106,306
<b>Deferred Outflows:</b>	
Deferred outflows related to pensions	4,168,625
<b>Liabilities:</b>	
Accounts payable	3,079,378
Accrued salaries	3,215,893
Noncurrent liabilities:	
Due within one year	1,458,729
Due in more than one year	35,901,587
Total Liabilities	43,655,587
<b>Deferred Inflows:</b>	
Deferred inflows related to pensions	1,393,650
Property taxes levied for subsequent year	77,612,100
Total deferred inflows	79,005,750
<b>Net Position:</b>	
Net investment in capital assets	20,566,754
Restricted for:	
Operations and maintenance	10,397,964
Tort immunity	262,904
Debt services	933,025
Capital projects	119,026
Unrestricted	(7,666,079)
Total Net Position	\$ 24,613,594

See accompanying notes to basic financial statements

**Hinsdale Township High School District No. 86**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Position
<b>Governmental Activities:</b>					<u>Total Governmental Activities</u>
Instructional services:					
Regular programs	\$ 37,524,537	\$ 3,064,191	\$ 545,622	\$ -	\$ (33,914,724)
Special programs	12,686,660	2,649,516	2,575,421	-	(7,461,723)
Tuition, learning disabilities	9,278,559	-	-	-	(9,278,559)
State retirement contribution:	16,522,220	-	16,522,220	-	-
Support services:					
Pupils	8,803,029	-	-	-	(8,803,029)
Instructional staff	2,395,398	-	108,701	-	(2,286,697)
General administration	2,333,436	-	-	-	(2,333,436)
School administration	2,422,440	-	-	-	(2,422,440)
Business	2,587,854	-	17,634	-	(2,570,220)
Operation and maintenance of facilities	6,085,879	341,151	12,697	-	(5,732,031)
Transportation	3,684,339	167,602	1,241,328	-	(2,275,409)
Central	2,653,164	-	-	-	(2,653,164)
Other	-	-	-	-	-
Community service	37,354	-	-	-	(37,354)
Interest and fees	637,465	-	-	-	(637,465)
<b>Total governmental activities</b>	<u>\$ 107,652,334</u>	<u>\$ 6,222,460</u>	<u>\$ 21,023,623</u>	<u>\$ -</u>	<u>(80,406,251)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					70,384,668
Transportation					1,803,849
Retirement					2,107,661
Debt service					1,725,633
Federal and state aid not restricted to specific purposes					1,228,788
Earnings on investments					379,241
Miscellaneous					1,457,035
					<u>79,086,875</u>
					Change in net position (1,319,376)
					Net position - beginning 25,932,970
					<u>\$ 24,613,594</u>

See accompanying notes to basic financial statements



**FUND FINANCIAL STATEMENTS**

**Hinsdale Township High School District No. 86**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	General	Transportation
<b><u>ASSETS</u></b>		
<b>Assets:</b>		
Cash and investments	\$ 57,417,856	\$ 592,307
Receivables:		
Property taxes	34,961,841	1,033,642
Due from other governments	1,661,782	311,465
Other	830,843	53,866
Prepaid Items	220,897	-
<b>TOTAL ASSETS</b>	<b>\$ 95,093,219</b>	<b>\$ 1,991,280</b>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,619,541	\$ 518,337
Accrued salaries and related expenditures	3,145,830	-
Total Liabilities	4,765,371	518,337
<b>Deferred Inflows:</b>		
Property taxes levied for subsequent year	71,126,849	2,097,304
<b>Fund Balances:</b>		
Nonspendable	220,897	-
Restricted for:		
Operations and Maintenance	10,397,964	-
Tort Immunity	262,904	-
Debt Service	-	-
Capital Projects	-	-
Assigned	3,878,526	-
Unassigned	4,440,708	(624,361)
Total Fund Balances (Deficits)	19,200,999	(624,361)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 95,093,219</b>	<b>\$ 1,991,280</b>

See accompanying notes to basic financial statements

Municipal Retirement/ Social Security	Debt Service	Capital Projects	Total Governmental Funds
\$ 1,531,757	\$ 1,818,461	\$ 560,526	\$ 61,920,907
1,307,824	856,516	-	38,159,823
-	-	-	1,973,247
-	-	-	884,709
-	-	-	220,897
<u>\$ 2,839,581</u>	<u>\$ 2,674,977</u>	<u>\$ 560,526</u>	<u>\$ 103,159,583</u>
\$ 500,000	\$ -	\$ 441,500	\$ 3,079,378
70,063	-	-	3,215,893
<u>570,063</u>	<u>-</u>	<u>441,500</u>	<u>6,295,271</u>
<u>2,645,995</u>	<u>1,741,952</u>	<u>-</u>	<u>77,612,100</u>
-	-	-	220,897
-	-	-	10,397,964
-	-	-	262,904
-	933,025	-	933,025
-	-	119,026	119,026
-	-	-	3,878,526
(376,477)	-	-	3,439,870
<u>(376,477)</u>	<u>933,025</u>	<u>119,026</u>	<u>19,252,212</u>
<u>\$ 2,839,581</u>	<u>\$ 2,674,977</u>	<u>\$ 560,526</u>	<u>\$ 103,159,583</u>

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**Hinsdale Township High School District No. 86**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

**Total fund balances - governmental funds** \$ 19,252,212

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$90,728,336 and the accumulated depreciation is \$50,781,613. 39,946,723

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Bonds and debt certificates payable	\$ (22,220,000)	
Net OPEB obligation	(5,537,954)	
Net pension liability - IMRF	(1,926,312)	
Net pension liability - TRS	(5,577,352)	
Unamortized bond premium	(1,959,969)	
Compensated absences	<u>(138,729)</u>	(37,360,316)

Deferred inflows and outflows of resources related to pensions are not reported in governmental funds.

Deferred outflows	4,168,625	
Deferred intflows	<u>(1,393,650)</u>	

**Net position of governmental activities** \$ 24,613,594

**Hinsdale Township High School District No. 86**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	<u>General</u>	<u>Transportation</u>
<b>REVENUES</b>		
Local sources		
Property taxes	\$ 70,384,668	\$ 1,803,849
Replacement taxes	1,014,302	-
Earnings on investment	372,946	1,144
Other local sources	6,491,602	181,172
Total local sources	<u>78,263,518</u>	<u>1,986,165</u>
State sources	19,656,251	1,241,328
Federal sources	1,249,384	-
Total Revenues	<u>99,169,153</u>	<u>3,227,493</u>
<b>EXPENDITURES</b>		
Current operating:		
Instruction	69,114,347	-
Supporting services	24,349,194	3,660,428
Community service	37,354	-
Non-programmed charges	2,698,571	-
Capital outlay	1,923,750	-
Debt service:		
Principal	-	-
Interest and other	-	-
Total Expenditures	<u>98,123,216</u>	<u>3,660,428</u>
Excess (deficiency) of revenues over expenditures	<u>1,045,937</u>	<u>(432,935)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Principal on bonds sold	4,800,000	-
Sale of non-capitalized equipment	24,895	-
Transfers in	-	-
Transfers out	(5,950,000)	-
Total other financing sources (uses)	<u>(1,125,105)</u>	<u>-</u>
Net change in fund balances	(79,168)	(432,935)
Fund balances (deficits) at beginning of year	<u>19,280,167</u>	<u>(191,426)</u>
<b>FUND BALANCES (DEFICITS) AT END OF YEAR</b>	<u><u>\$ 19,200,999</u></u>	<u><u>\$ (624,361)</u></u>

See accompanying notes to basic financial statements

Municipal Retirement/ Social Security	Debt Service	Capital Projects	Total Governmental Funds
\$ 2,107,661	\$ 1,725,633	\$ -	\$ 76,021,811
97,217	-	-	1,111,519
1,378	2,748	1,025	379,241
650	-	-	6,673,424
<u>2,206,906</u>	<u>1,728,381</u>	<u>1,025</u>	<u>84,185,995</u>
-	-	-	20,897,579
-	-	-	1,249,384
<u>2,206,906</u>	<u>1,728,381</u>	<u>1,025</u>	<u>106,332,958</u>
4,141,818	-	-	73,256,165
1,169,823	-	119,021	29,298,466
-	-	-	37,354
-	-	-	2,698,571
-	-	2,120,992	4,044,742
-	980,000	-	980,000
-	843,840	-	843,840
<u>5,311,641</u>	<u>1,823,840</u>	<u>2,240,013</u>	<u>111,159,138</u>
<u>(3,104,735)</u>	<u>(95,459)</u>	<u>(2,238,988)</u>	<u>(4,826,180)</u>
-	-	-	4,800,000
-	-	-	24,895
3,150,000	500,000	2,300,000	5,950,000
-	-	-	(5,950,000)
<u>3,150,000</u>	<u>500,000</u>	<u>2,300,000</u>	<u>4,824,895</u>
45,265	404,541	61,012	(1,285)
<u>(421,742)</u>	<u>528,484</u>	<u>58,014</u>	<u>19,253,497</u>
<u>\$ (376,477)</u>	<u>\$ 933,025</u>	<u>\$ 119,026</u>	<u>\$ 19,252,212</u>

**Hinsdale Township High School District No. 86**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

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**Net change in fund balances - total governmental funds** \$ (1,285)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 3,163,557	
Depreciation expense	<u>(2,391,125)</u>	772,432

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in net pension liability - TRS	\$ (547,164)	
Change in net pension liability - IMRF	1,344,561	
Change in deferred inflow/outflows related to pensions	1,222,739	
Change in compensated absences	(19,345)	
Change in other post employment benefits	<u>(477,689)</u>	1,523,102

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas this amount is deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal	\$ 980,000	
Principal on bond issuances	(4,800,000)	
Premium on bonds amortization	<u>206,375</u>	<u>(3,613,625)</u>

**Change in net position of governmental activities** \$ (1,319,376)



**Hinsdale Township High School District No. 86**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND**  
**JUNE 30, 2016**

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**Assets:**

Cash	<u>\$ 1,323,532</u>
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**Liabilities:**

Due to student groups	1,242,956
Due to flex benefit plan	<u>80,576</u>

<b>Total liabilities</b>	<u><u>\$ 1,323,532</u></u>
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See accompanying notes to basic financial statements.

**Hinsdale Township High School District 86**  
Notes to Financial Statements  
**June 30, 2016**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Hinsdale Township High School District 86 (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 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.

**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 considered “governmental activities,” that is, activities that are 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 as general revenues instead.

**Governmental Fund Financial Statements**

The governmental fund financial statements are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. 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, liabilities, 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, even though the fiduciary funds are excluded from the government-wide financial statements.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**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. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as 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. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both “measurable and available.” “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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 is 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 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.

*Educational Account* - These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid, student registration fees, and lunch receipts from the District food service program.

*Operations and Maintenance Account* - These accounts are used for expenditures made for operation, repair, and maintenance of District property. Revenue consists primarily of local property taxes.

*Tort Immunity Account* - This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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*Working Cash Account* - This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

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.

*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 Fund – 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.

*Capital Projects Fund* – accounts for construction projects and renovations financed through serial bond issues.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**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 Funds* – 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 accounts 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 deferred 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 and liabilities and disclosure of contingent assets and liabilities 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, Liabilities 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.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**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 “due 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.

**Deferred Inflows/Unearned Revenue**

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Property Tax Revenues**

The District must file its tax levy resolution by the last Tuesday in December of each year. The District’s 2015 levy resolution was approved during the December 7, 2015 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.

A portion of 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 in 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.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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A portion of property taxes are collected by the DuPage County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2015 property tax levy, less amounts received prior to June 30, is recognized as a receivable in fiscal 2016, net of estimated uncollectible amounts approximating 1%. The District has determined that the first and second installment of the 2015 levy is to be used to be used to finance operations in fiscal 2017 and has deferred the corresponding receivable.

**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.

**Capital Assets**

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery, equipment, and construction in progress 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 \$1,000 and an estimated useful life of more than one 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:

	<u>Years</u>
Buildings	40
Land improvements	20
Furniture, equipment and vehicles	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.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matures, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2016 are determined on the basis of current salary rates and include salary related payments.

Full-time, twelve month support staff employees are eligible for paid vacation time based on the number of fully completed years of full-time employment with the District as of July 1 according to the following schedule: 1-5 completed years (10 days), 6-10 completed years (15 days), and 11 completed years or more (20 days). In order to be eligible to earn paid vacation, the employee must work at least 1,600 hours during the year preceding July 1. During the first year of employment, the employee must work at least 120 hours during the preceding month to be eligible to earn vacation days.

Vacation pay shall be paid at the rate of the employee's regular hourly rate of pay in effect for the employee's regular job classification. An employee who provides at least two weeks advance written notice of his/her termination of employment with the District shall be paid for any earned but unused vacation at the time of termination. Upon retirement, resignation, or termination, a maximum of thirty days of accrued vacation days will be paid out. The District's entire liability for unpaid vacation is reported on the government-wide financial statements.

All full-time certified employees receive fourteen sick days per year, in accordance with the agreement between the Board of Education and the Hinsdale High School Teachers Association. The District does not reimburse certified employees covered under this agreement for unused sick days remaining upon termination of employment. Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

**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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.



**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **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 wither 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 constrained imposed require the same formal action of the Board of Education that originally created the commitment.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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*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 Superintendent’s designee 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 other 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, 2016 are as follows:

The restricted fund balance in the General Fund is comprised of \$262,904 for tort immunity and \$10,397,964 for operations and maintenance. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The assigned balance in the General Fund is comprised of \$3,878,526 for self-insurance claims.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers’ Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together “the Plans,” and additions to/deductions from the Plans’ fiduciary net positions have been determined on the same basis as they are reported by the Plans. 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.

**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.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Excess of Expenditures over Budget**

For the year ended June 30, 2016, expenditures exceeded budget as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund			
Educational Account	\$ 73,507,464	\$ 89,578,077	\$ (16,070,613)
Operations and Maintenance Account	8,017,023	7,950,524	66,499
Tort Immunity Account	663,084	594,615	68,469
Total General Fund	<u>\$ 82,187,571</u>	<u>\$ 98,123,216</u>	<u>\$ (15,935,645)</u>
Debt Service Fund	<u>\$ 1,823,680</u>	<u>\$ 1,823,840</u>	<u>\$ (160)</u>
Transportation Fund	<u>\$ 3,369,189</u>	<u>\$ 3,660,428</u>	<u>\$ (291,239)</u>

These excesses were funded by available fund balances or transfers in.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At year end, the District's cash and investments comprised of the following:

	<u>Government-Wide</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	<u>\$ 61,920,907</u>	<u>\$ 1,323,532</u>	<u>\$ 63,244,439</u>
Total	<u>\$ 61,920,907</u>	<u>\$ 1,323,532</u>	<u>\$ 63,244,439</u>

For disclosure purposes, this amount is segregated into the following components: 1) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; 2) external investment pools and 3) other investments, which consist of all investments other than non-negotiable certificates of deposits and external investment pools. As follows:

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

	Cash and Investments
Deposits with financial institutions	\$ 43,235,222
External investment pool - Illinois Funds	560,352
Other investments	19,448,865
 Total	 \$ 63,244,439

The Illinois Funds is investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in Illinois Funds has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of Illinois Funds is determined as of the close of business on each Illinois banking day. Illinois Funds invests in high-quality short-term debt instruments (U.S. Treasuries, U.S. agencies, and commercial paper), and shares may be redeemed on demand. There were no known restrictions on redemption of the District's investments as of June 30, 2016.

The District has the following recurring fair value measurements as of June 30, 2016:

- Government and municipal bonds of \$16,827,063 are valued by a pricing service based on recent market transactions (Level 2 inputs)
- IMET of \$2,621,802 are valued using a matrix pricing model (Level 2 inputs).

At year end, the District had the following investments:

Investment Type	Fair Value	Maturity	% of Portfolio	Credit Rating
IMET	\$ 2,621,802	1 Year	13%	Aaa
Government bonds	1,500,000	1-5 Years	8%	A- to AAA
Municipal bonds	15,327,063	1-5 Years	79%	A- to AAA
 Total	 \$ 19,448,865		 100.00%	

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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increasing interest rates. However, the District's policy states the objectives of the District's investment activities to be meeting the school district's need for safety, liquidity, rate of return, and diversification, and its general performance.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices.

*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, 2016, the bank balance of the District's deposits with financial institutions totaled \$44,699,103, of which all was collateralized or insured.

*Custodial Credit Risk – Investments.* With Respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

The Illinois Metropolitan Investment Fund (IMET) is an investment pool created under the Illinois Municipal Code. The fair value of the District's investment in IMET has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the investments are determined as of the close of business on each Illinois banking day. There were no known restrictions on redemption of the District's investments as of June 30, 2016.

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

**Hinsdale Township High School District 86**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 4 – CAPITAL ASSETS**

Capital Asset activity for the District for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,597,925	\$ -	\$ -	\$ 2,597,925
Construction in process	-	2,120,992	-	2,120,992
Total capital assets not being depreciated	<u>2,597,925</u>	<u>2,120,992</u>	<u>-</u>	<u>4,718,917</u>
<b>Capital assets being depreciated:</b>				
Land improvements	8,797,101	487,397	-	9,284,498
Building	65,675,434	545,055	-	66,220,489
Equipment	10,594,718	10,113	100,399	10,504,432
Total capital assets being depreciated	<u>85,067,253</u>	<u>1,042,565</u>	<u>100,399</u>	<u>86,009,419</u>
<b>Less Accumulated Depreciation for:</b>				
Land improvements	3,768,765	421,429	-	4,190,194
Building	37,010,545	1,341,628	-	38,352,173
Equipment	7,711,577	628,068	100,399	8,239,246
Total accumulated depreciation	<u>48,490,887</u>	<u>2,391,125</u>	<u>100,399</u>	<u>50,781,613</u>
Net capital assets being depreciated	<u>36,576,366</u>	<u>(1,348,560)</u>	<u>-</u>	<u>35,227,806</u>
Net governmental activities capital assets	<u>\$ 39,174,291</u>	<u>\$ 772,432</u>	<u>\$ -</u>	<u>\$ 39,946,723</u>

**Hinsdale Township High School District 86**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016**

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

Governmental Activities	Depreciation
Regular programs	\$ 956,451
Special programs	215,201
Other instructional programs	119,556
Pupils	167,379
Instructional staff	71,734
General administration	95,645
School administration	23,911
Business	23,911
Transportation	23,911
Operations and maintenance	215,201
Central	<u>478,225</u>
Total depreciation expenses - governmental activities	<u><u>\$ 2,391,125</u></u>

**Hinsdale Township High School District 86**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 5 – 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, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One year
General Obligation bonds	\$ 18,320,000	\$ 4,800,000	\$ 900,000	\$ 22,220,000	\$ 1,320,000
Unamortized premium	2,166,344	-	206,375	1,959,969	-
Total bonds payable	<u>20,486,344</u>	<u>4,800,000</u>	<u>1,106,375</u>	<u>24,179,969</u>	<u>1,320,000</u>
Debt certificates	80,000	-	80,000	-	-
Net pension liability - IMRF	3,270,873	3,795,570	5,140,131	1,926,312	-
Net pension liability - TRS	5,030,188	547,164	-	5,577,352	-
Net OPEB obligation	5,060,265	477,689	-	5,537,954	-
Compensated absences	<u>119,384</u>	<u>138,729</u>	<u>119,384</u>	<u>138,729</u>	<u>138,729</u>
Total long-term liabilities - governmental activities	<u>\$ 34,047,054</u>	<u>\$ 9,759,152</u>	<u>\$ 6,445,890</u>	<u>\$ 37,360,316</u>	<u>\$ 1,458,729</u>

The obligations for the compensated absences, net pension liability and net OPEB obligation will be repaid from the General Fund.



**Hinsdale Township High School District 86**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016**

*General Obligation Bonds.* General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Carrying Amount
Series 2008 Limited School Bonds dated November 1, 2008 are due in annual installments through January 15, 2019	4% - 4.25%	\$ 3,980,000	\$ 2,085,000
Series 2012 Limited School Bonds dated February 16, 2012 are due in annual installments through January 15, 2030	2% - 5%	15,395,000	15,335,000
Series 2015 Limited School Bonds dated December 15, 2015 are due in annual installments through January 15, 2027	0.61% - 3.14%	<u>4,800,000</u>	<u>4,800,000</u>
Total		<u>\$ 24,175,000</u>	<u>\$ 22,220,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	Principal	Interest	Total
2017	\$ 1,320,000	926,014	\$ 2,246,014
2018	1,365,000	878,274	2,243,274
2019	1,400,000	833,738	2,233,738
2020	1,460,000	801,538	2,261,538
2021	1,495,000	751,788	2,246,788
2022-2026	8,440,000	2,792,394	11,232,394
2027-2031	<u>6,740,000</u>	<u>808,834</u>	<u>7,548,834</u>
Total	<u>\$ 22,220,000</u>	<u>\$ 7,792,580</u>	<u>\$ 30,012,580</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$343,951,679, providing a debt margin of \$322,664,704. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2016, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

**NOTE 6 – RISK MANAGEMENT**

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

The District continues to carry commercial insurance for all other risks of loss, other than medical and dental coverage. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is self-insured for medical and dental 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 \$150,000 per employee or 125% of the average claim value in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2016, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$727,000. 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, 2015 and June 30, 2016, changes in the liability reported in the General (Educational) Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable End of Year
Fiscal Year 2015	<u>\$ 659,600</u>	<u>\$ 8,852,409</u>	<u>\$ 8,780,309</u>	<u>\$ 731,700</u>
Fiscal Year 2016	<u>\$ 731,700</u>	<u>\$ 8,714,807</u>	<u>\$ 8,719,507</u>	<u>\$ 727,000</u>

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**NOTE 7 - EMPLOYEE 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 of the State of Illinois (TRS)**

**Plan Description**

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

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

**Benefits Provided**

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

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

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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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% of the total actuarial liabilities of the System by the end of fiscal year 2045.

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the 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 \$16,045,109 in pension contributions from the State of Illinois.

**2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2016 were \$258,621, and are deferred because they were paid after the June 30, 2015 measurement date.

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

For the year ended June 30, 2016, the employer pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$94,256 were paid from the federal and special trust funds that required employer contributions of \$33,989. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The 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% and

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer paid \$0 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$17,043 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2016, 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 net pension liability	\$ 5,577,352
State's proportionate share of the net pension liability associated with the District	<u>274,573,116</u>
Total	<u>\$ 280,150,468</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.00851%, which was an increase of 0.0025 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$16,045,109 and revenue of \$16,045,109 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,073	\$ 6,114
Changes in assumptions	77,129	-
Net difference between projected and actual earnings on pension plan investments	110,456	195,300
Changes in proportion and differences between District contributions and proportionate share of contributions	126,460	919,838
District contributions subsequent to the measurement date	309,653	-
 Total	 \$ 625,771	 \$ 1,121,252

\$309,653 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ (281,394)
2017	(281,394)
2018	(281,394)
2019	39,048
 Total	 \$ (805,134)

**Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

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

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

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

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

**Discount rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
District's proportionate share of the net pension liability	\$ 6,892,240	\$ 5,577,352	\$ 4,499,109

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



**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
June 30, 2016

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**Illinois Municipal Retirement Fund (IMRF)**

**Plan Description and Benefits**

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. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**Plan Membership**

As of June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	225
Inactive employees entitled to but not yet receiving benefits	242
Active employees	<u>215</u>
Total	<u><u>682</u></u>

**Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rate for calendar year 2015 was 48.18% of covered payroll. The District 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.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**Net Pension Liability**

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

Total pension liability/(asset)	\$ 40,286,164
Plan fiduciary net position	<u>38,359,852</u>
Net pension liability/(asset)	<u><u>\$ 1,926,312</u></u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, 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



**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

**Changes in Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 38,804,664	\$ 35,533,791	\$ 3,270,873
Changes for the year:			
Service Cost	925,097	-	925,097
Interest on the Total Pension Liability	2,870,473	-	2,870,473
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(427,779)	-	(427,779)
Changes of Assumptions	-	-	-
Contributions - Employer	-	3,936,715	(3,936,715)
Contributions - Employees	-	373,764	(373,764)
Net Investment Income	-	183,729	(183,729)
Benefit Payments, including Refunds of Employee Contributions	(1,886,291)	(1,886,291)	-
Other (Net Transfer)	-	218,144	(218,144)
Net Changes	1,481,500	2,826,061	(1,344,561)
Balances at December 31, 2015	\$ 40,286,164	\$ 38,359,852	\$ 1,926,312

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.49%, 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 (6.49%) or 1-percentage-point higher (8.49%) than the current rate:

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net pension liability (asset)	\$ 6,738,217	\$ 1,926,312	\$ (2,072,740)

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

For the year ended December 31, 2015, the District recognized pension expense of \$1,828,981. At December 31, 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
Difference between expected and actual experience	\$ 254,401	\$ 272,398
Changes in assumptions	461,446	-
Net difference between projected and actual earnings on pension plan investments	2,348,427	-
Contributions subsequent to the measurement date	478,580	-
 Total	 <u>\$ 3,542,854</u>	 <u>\$ 272,398</u>

\$478,580 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 1,171,250
2017	493,767
2018	610,782
2019	516,077
Total	\$ 2,791,876

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS**

**Teacher Health Insurance Security (THIS)**

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. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. 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 THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% 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 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$477,111, and the district recognized revenue and expenditures of this amount during the year.

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$356,719 to the THIS Fund, which was 100 percent of the required contribution.

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

**Retirees’ Health Plan**

The District administers a single-employer defined healthcare plan (“the Retiree’s Health Plan”). The plan provides medical, dental and life insurance benefits for eligible retirees and their spouses through the District’s group insurance which covers both active and retired members. Benefit provisions are established through collective bargaining agreements. The Retirees’ Health Plan does not issue a publicly available financial report.

Retirees are eligible for post-employment benefits if they complete at least 15 years of full time service or its equivalent in the District and meet one of the following age requirements 1) the retiree is age 55 or older on the last day of work, or 2) the retiree is less than age 55 when he/she ceases working and then turns 55 within six months of the end of the contract.

Former employees who retired prior to 2007 can continue on the District’s health insurance plan until the retiree turns age 70. The retiree makes contributions equal to the active contributions of the same coverage.

Certificated retirees who meet the above eligibility requirements and retire under the 2006-2010 negotiated contract may elect one of two options when choosing insurance. Under Option 1, the Board will reimburse the retiree 100% of the single TRIP premium or 90% of the premium for single plus one dependent TRIP premium to a maximum reimbursement of \$1,200 per month. The retiree will also be allowed to continue participation in the District’s dental plan, receiving a maximum of \$2,000 per year in benefits in accordance with the plan. Under Option 2, the retiree continues on the District’s health insurance plan for up to ten years or until the retiree is Medicare eligible, whichever occurs first. The retiree will pay a percentage of the premium, depending on the year of eligibility for the benefit. In the retirees’ first 5 years of retirement, the retiree must pay 30% of the required premium. After 5 years of retirement, the retiree must pay 50% of the required premium. Retirees are also allowed to continue participation in the District’s dental plan, at the current active employee rate, receiving a maximum of \$1,500 per year in benefits in accordance with the plan.

Non-certified retirees who meet the above eligibility requirements can continue on the District’s health insurance plan up to ten years or until the retiree is Medicare eligible, whichever occurs

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

first. The retiree will pay a percentage of the premium, depending on the year of eligibility for the benefit. In the retiree's first 5 years of retirement, the retiree must pay 30% of the required premium. After 5 years, the retiree must pay 50% of the required premium. The retiree will also be allowed to continue participation in the District's dental plan, at the current active employee rate, receiving a maximum of \$1,500 per year in benefits in accordance with the plan. At the age of Medicare-eligibility, retirees under the IMRF are allowed to continue on the District's medical and dental plans, but they must pay the total cost of the coverage.

The District also pays life insurance premiums for eligible retirees. Life insurance is based on the retiree's salary at the time of retirement. Single coverage (or waived coverage) retirees receive the retiree's base salary in insurance coverage. Family coverage retirees receive two times the retirees' base salary in insurance coverage. Life insurance benefits extend for 10 years after retirement or until the retiree becomes eligible for Medicare, whichever occurs first.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the Board and the union. The Retiree's Health Plan is funded by the District on a pay-as-you-go basis. Retiree group life insurance premiums are paid monthly by the District. For fiscal year 2016, the District contributed \$1,485,138 to the Retirees' Health Plan. Administrative costs of the Retirees' Health Plan are financed through employer contributions.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). 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 Retiree's Health Plan, and changes in the District's net OPEB obligation to the Retirees' Health Plan:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual required contribution	\$ 1,979,675	\$ 2,041,797	\$ 2,041,797
Interest on net OEB obligation	135,856	174,986	202,411
Adjustment to annual required contribution	<u>(188,860)</u>	<u>(243,257)</u>	<u>(281,381)</u>
Annual OPEB cost	1,926,671	1,973,526	1,962,827
Contributions made	<u>(948,406)</u>	<u>(1,287,919)</u>	<u>(1,485,138)</u>
Increase in net OPEB obligation	978,265	685,607	477,689
 Net OPEB Obligation - Beginning of Year	 <u>3,396,393</u>	 <u>4,374,658</u>	 <u>5,060,265</u>
 Net OPEB Obligation - End of Year	 <u>\$ 4,374,658</u>	 <u>\$ 5,060,265</u>	 <u>\$ 5,537,954</u>



**Hinsdale Township High School District 86**  
Notes to Financial Statements (Continued)  
**June 30, 2016**

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, 2016 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2016	\$ 1,962,827	75.66%	\$ 5,537,954
June 30, 2015	1,973,526	65.26%	5,060,265
June 30, 2014	1,926,671	44.04%	4,374,658

The funded status of the Retirees' Health Plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 18,250,032
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 18,250,032</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 46,735,351
UAAL as a percentage of covered payroll	39.05%

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

**Hinsdale Township High School District 86**  
Notes to Financial Statements (Concluded)  
June 30, 2016

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plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4 percent investment rate of return and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent. 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 dollar method since retiree benefits are not related to salary level. The remaining amortization period at June 30, 2016 on an open 30 year basis.

**NOTE 9 – 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 terms of the grants. Management believes such disallowance, if any, would be immaterial.

**NOTE 10 – INTERFUND TRANSFERS**

During the year, the General Fund (Working Cash Account) transferred \$2,500,000 to the IMRF/Social Security Fund to fund operations.

The General Fund (Working Cash Account) transferred \$2,300,000 to the Capital Projects Fund to fund future construction projects.

The General Fund (Operations and Maintenance Account) transferred \$500,000 to the Debt Service Funds and \$650,000 to the IMRF/Social Security Fund to fund future operations.

State law allows for the above transfers.

**NOTE 11 – CONTINGENT LIABILITIES**

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 13 – DEFICIT FUND BALANCE**

The following funds had deficit fund balances at June 30, 2016:

Transportation Fund	\$ 624,361
IMRF/Social Security Fund	\$ 376,477

**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT NO. 86**

Schedule of Funding Progress  
Other Postemployment Benefits (unaudited)  
June 30, 2016

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]
7/1/2014	\$ -	\$ 18,250,032	\$ 18,250,032	n/a	\$ 46,735,351	39.05%
7/1/2012	-	16,003,942	16,003,942	n/a	37,178,647	43.05%
7/1/2010	-	19,200,635	19,200,635	n/a	37,582,941	51.09%

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.

**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO CALENDAR YEARS**

	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 925,097	\$ 910,170
Interest	2,870,473	2,554,976
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(427,779)	918,285
Changes of Assumptions	-	1,665,638
Benefit Payments, Including Refunds of Member Contributions	<u>(1,886,291)</u>	<u>(1,711,332)</u>
Net Change in Total Pension Liability	1,481,500	4,337,737
Total Pension Liability - Beginning	<u>38,804,664</u>	<u>34,466,927</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 40,286,164</u></u>	<u><u>\$ 38,804,664</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 3,936,715	\$ 1,412,348
Contributions - Member	373,764	364,314
Net Investment Income	183,729	2,029,043
Benefit Payments, Including Refunds of Member Contributions	(1,886,291)	(1,711,332)
Other	<u>218,144</u>	<u>209,076</u>
Net Change in Plan Fiduciary Net Position	2,826,061	2,303,449
Plan Net Position - Beginning	<u>35,533,791</u>	<u>33,230,342</u>
<b>PLAN NET POSITION - ENDING</b>	<u><u>\$ 38,359,852</u></u>	<u><u>\$ 35,533,791</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u><u>\$ 1,926,312</u></u>	<u><u>\$ 3,270,873</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.22%	91.57%
Covered-Employee Payroll	\$ 8,170,206	\$ 8,023,013
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	23.58%	40.77%

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

**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO CALENDAR YEARS**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 937,940	\$ 3,936,715	\$ (2,998,775)	\$ 8,170,206	48.18%
2014	910,588	1,412,348	(501,760)	8,058,301	17.53%

**Notes to Schedule**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.00%
Salary increases	4.0% to 16.0%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

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

**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.85100%	0.00826%
District's proportionate share of the net pension liability	\$ 5,577,352	\$ 5,030,188
State's proportionate share of the net pension liability associated with the District	<u>274,573,116</u>	<u>267,900,899</u>
Total	<u>\$ 280,150,468</u>	<u>\$ 272,931,087</u>
District's covered-employee payroll	44,589,844	44,046,865
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	12.51%	11.42%
Plan fiduciary net position as a percentage of the total pension liability	41.50%	43.00%

**Notes to Required Supplementary Information**

**Changes of assumptions**

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

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

**HINSDALE TOWNSHIP HIGH SCHOOL DISTRICT 86**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 309,653	\$ 309,653	\$ -	\$ 44,589,844	0.69%
2015	294,008	294,008	-	44,046,865	0.67%

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

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	General		
	Original and Final Budget	Actual	Variance over/under
<b>REVENUES</b>			
Local sources	\$ 79,387,809	\$ 78,263,518	\$ (1,124,291)
State sources	2,985,155	19,656,251	16,671,096
Federal sources	1,354,922	1,249,384	(105,538)
<b>Total Revenues</b>	<u>83,727,886</u>	<u>99,169,153</u>	<u>15,441,267</u>
<b>EXPENDITURES</b>			
Current operating:			
Instruction	52,002,990	69,114,347	(17,111,357)
Support services	25,850,995	24,349,194	1,501,801
Community service	85,696	37,354	48,342
Non-programmed charges	3,334,646	2,698,571	636,075
Capital outlay	913,244	1,923,750	(1,010,506)
<b>Total Expenditures</b>	<u>82,187,571</u>	<u>98,123,216</u>	<u>(15,935,645)</u>
Excess (deficiency) of revenues over expenditures	<u>1,540,315</u>	<u>1,045,937</u>	<u>(494,378)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal on bonds sold	4,800,000	4,800,000	-
Sale of non capitalized assets	8,500	24,895	16,395
Transfers in	-	-	-
Transfers out	(6,031,640)	(5,950,000)	81,640
<b>Total other financing sources (uses)</b>	<u>(1,223,140)</u>	<u>(1,125,105)</u>	<u>98,035</u>
Net changes in fund balance	<u>\$ 317,175</u>	<u>(79,168)</u>	<u>\$ (396,343)</u>
Fund Balances at beginning of year		<u>19,280,167</u>	
<b>FUND BALANCES AT END OF YEAR</b>		<u>\$ 19,200,999</u>	



Transportation			Municipal Retirement/Social Security		
Final Budget	Actual	Variance over/under	Final Budget	Actual	Variance over/under
\$ 1,884,009	\$ 1,986,165	\$ 102,156	\$ 2,262,515	\$ 2,206,906	\$ (55,609)
1,180,000	1,241,328	61,328	-	-	-
-	-	-	-	-	-
<u>3,064,009</u>	<u>3,227,493</u>	<u>163,484</u>	<u>2,262,515</u>	<u>2,206,906</u>	<u>(55,609)</u>
-	-	-	4,248,768	4,141,818	106,950
3,369,189	3,660,428	(291,239)	1,169,617	1,169,823	(206)
-	-	-	-	-	-
<u>3,369,189</u>	<u>3,660,428</u>	<u>(291,239)</u>	<u>5,418,385</u>	<u>5,311,641</u>	<u>106,744</u>
<u>(305,180)</u>	<u>(432,935)</u>	<u>(127,755)</u>	<u>(3,155,870)</u>	<u>(3,104,735)</u>	<u>51,135</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,150,000	3,150,000	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,150,000</u>	<u>3,150,000</u>	<u>-</u>
<u>\$ (305,180)</u>	<u>(432,935)</u>	<u>\$ (127,755)</u>	<u>\$ (5,870)</u>	<u>45,265</u>	<u>\$ 51,135</u>
	<u>(191,426)</u>			<u>(421,742)</u>	
	<u>\$ (624,361)</u>			<u>\$ (376,477)</u>	

**Hinsdale Township High School District 86**  
Notes to Required Supplementary Information  
**June 30, 2016**

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**Budgetary Data**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on September 21, 2015.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

**Educational Account** - To account for most of the instructional and administrative aspects of the District's operations.

**Operations and Maintenance Account** - To account for repair and maintenance of the District's property.

**Working Cash Account** - To account for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied.

**Tort Immunity Account** - To account for revenues and expenditures related to tort immunity.

**Hinsdale Township High School District No. 86**  
**BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2016**

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
<b><u>ASSETS</u></b>					
Cash and investments	\$ 35,793,827	\$ 15,007,512	\$ 5,992,211	\$ 624,306	\$ 57,417,856
Receivables:					
Property taxes	30,531,255	4,078,760	-	351,826	34,961,841
Due from other governments	661,782	-	1,000,000	-	1,661,782
Other	793,155	37,688	-	-	830,843
Prepaid Items	220,897	-	-	-	220,897
<b>TOTAL ASSETS</b>	<b><u>\$ 68,000,916</u></b>	<b><u>\$ 19,123,960</u></b>	<b><u>\$ 6,992,211</u></b>	<b><u>\$ 976,132</u></b>	<b><u>\$ 95,093,219</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,257,013	\$ 362,528	\$ -	\$ -	\$ 1,619,541
Accrued salaries and related	3,128,047	17,783	-	-	3,145,830
<b>Total Liabilities</b>	<b><u>4,385,060</u></b>	<b><u>380,311</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,765,371</u></b>
<b>Deferred Inflows:</b>					
Property taxes levied for subsequent year	62,067,936	8,345,685	-	713,228	71,126,849
<b>Fund balances:</b>					
Nonspendable	220,897	-	-	-	220,897
Restricted	-	10,397,964	-	262,904	10,660,868
Assigned	3,878,526	-	-	-	3,878,526
Unassigned	(2,551,503)	-	6,992,211	-	4,440,708
<b>Total Fund Balances</b>	<b><u>1,547,920</u></b>	<b><u>10,397,964</u></b>	<b><u>6,992,211</u></b>	<b><u>262,904</u></b>	<b><u>19,200,999</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 68,000,916</u></b>	<b><u>\$ 19,123,960</u></b>	<b><u>\$ 6,992,211</u></b>	<b><u>\$ 976,132</u></b>	<b><u>\$ 95,093,219</u></b>

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

	Educational	Operations and Maintenance	Working Cash	Tort	Total General
<b>REVENUES</b>					
Local sources					
Property taxes	\$ 59,840,813	\$ 9,845,907	\$ -	\$ 697,948	\$ 70,384,668
Replacement taxes	1,014,302	-	-	-	1,014,302
Earnings on investment	282,903	64,281	24,804	958	372,946
Other local sources	6,120,412	371,190	-	-	6,491,602
Total local sources	<u>67,258,430</u>	<u>10,281,378</u>	<u>24,804</u>	<u>698,906</u>	<u>78,263,518</u>
State sources	19,656,251	-	-	-	19,656,251
Federal sources	1,249,384	-	-	-	1,249,384
Total revenues	<u>88,164,065</u>	<u>10,281,378</u>	<u>24,804</u>	<u>698,906</u>	<u>99,169,153</u>
<b>EXPENDITURES</b>					
Current operating:					
Instruction	69,114,347	-	-	-	69,114,347
Support services	17,055,263	6,699,316	-	594,615	24,349,194
Community service	37,354	-	-	-	37,354
Non-programmed charges	2,698,571	-	-	-	2,698,571
Capital outlay	672,542	1,251,208	-	-	1,923,750
Total Expenditures	<u>89,578,077</u>	<u>7,950,524</u>	<u>-</u>	<u>594,615</u>	<u>98,123,216</u>
Excess (deficiency) of revenues over expenditures	<u>(1,414,012)</u>	<u>2,330,854</u>	<u>24,804</u>	<u>104,291</u>	<u>1,045,937</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Principal on bonds sold	-	-	4,800,000	-	4,800,000
Sale of non-capitalized equipment	24,895	-	-	-	24,895
Transfers	-	(1,150,000)	(4,800,000)	-	(5,950,000)
Total other financing sources (uses)	<u>24,895</u>	<u>(1,150,000)</u>	<u>-</u>	<u>-</u>	<u>(1,125,105)</u>
Net changes in fund balance	<u>(1,389,117)</u>	<u>1,180,854</u>	<u>24,804</u>	<u>104,291</u>	<u>(79,168)</u>
Fund balances at beginning of year	<u>2,937,037</u>	<u>9,217,110</u>	<u>6,967,407</u>	<u>158,613</u>	<u>19,280,167</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,547,920</u>	<u>\$ 10,397,964</u>	<u>\$ 6,992,211</u>	<u>\$ 262,904</u>	<u>\$ 19,200,999</u>

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources:			
General levy	\$ 58,664,356	\$ 57,983,900	\$ (680,456)
Special education levy	1,871,620	1,856,913	(14,707)
Corporate personal property replacement taxes	1,134,419	1,014,302	(120,117)
Summer school - tuition from pupils or parents (in state)	110,000	186,588	76,588
Special education - tuition from other LEA's (in state)	3,096,000	2,649,516	(446,484)
Investment Income	106,069	282,903	176,834
Admissions - athletic	42,000	46,118	4,118
Admissions - other	3,000	3,394	394
Fees	540,500	528,908	(11,592)
Sales - book store	85,000	-	(85,000)
Rentals - regular textbook	-	15,396	15,396
Sales - regular textbooks	135,000	-	(135,000)
Other - textbooks	-	70,575	70,575
Refund of prior years' expenditures	12,000	61,189	49,189
Driver's education fees	55,000	397,756	342,756
Proceeds from vendor contracts	175,000	158,928	(16,072)
Other	2,272,000	2,002,044	(269,956)
<b>Total local sources</b>	<b>68,301,964</b>	<b>67,258,430</b>	<b>(1,043,534)</b>
State sources:			
General State aid	1,133,455	1,129,130	(4,325)
Special education - private facility tuition	190,000	387,534	197,534
Special education - extraordinary	565,000	555,213	(9,787)
Special education - personnel	850,000	823,756	(26,244)
Special education - orphanage - individual	15,000	50,251	35,251
Special education - orphanage - summer	-	5,420	5,420
Special education - summer school	2,000	1,246	(754)
CTE - Technical education - tech prep	37,997	37,864	(133)
Bilingual education - downstate - TPI	28,995	18,630	(10,365)
Driver education	75,000	75,948	948
Other restricted revenue from state sources	87,708	49,039	(38,669)
On behalf payment to TRS from the state	-	16,522,220	16,522,220
<b>Total state sources</b>	<b>\$ 2,985,155</b>	<b>\$ 19,656,251</b>	<b>\$ 16,671,096</b>

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>Federal sources:</b>			
Special milk program	\$ 21,000	\$ 17,634	\$ (3,366)
Title I - Low income	300,656	334,565	33,909
Federal - special education - IDEA - flow-through	685,353	458,685	(226,668)
Federal - special education - IDEA - room & board	65,000	179,504	114,504
Vocational education - Perkins	36,348	36,227	(121)
Emergency Immigrant Ed	19,012	-	(19,012)
Title III - English language acquisition	-	14,410	14,410
Title II - Teacher Quality	117,553	108,701	(8,852)
Medicaid matching funds - administrative outreach	50,000	49,912	(88)
Medicaid matching funds - fee-for-service program	-	48,951	48,951
Other restricted revenue from federal sources	60,000	795	(59,205)
	<u>1,354,922</u>	<u>1,249,384</u>	<u>(105,538)</u>
Total federal sources			
Total revenues	<u>72,642,041</u>	<u>88,164,065</u>	<u>15,522,024</u>
<b>EXPENDITURES</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	28,501,769	28,232,050	269,719
Employee benefits	5,083,476	5,177,407	(93,931)
On-behalf payments to TRS from state	-	16,522,220	(16,522,220)
Purchased services	224,719	171,731	52,988
Supplies and materials	631,098	621,321	9,777
Capital outlay	105,544	199,394	(93,850)
Other objects	108,384	107,516	868
Non-capitalized equipment	66,895	48,431	18,464
	<u>34,721,885</u>	<u>51,080,070</u>	<u>(16,358,185)</u>
Total			
<b>Special education programs:</b>			
Salaries	6,540,928	6,909,227	(368,299)
Employee benefits	1,891,784	1,923,841	(32,057)
Purchased services	66,605	53,582	13,023
Supplies and materials	156,912	62,286	94,626
Capital outlay	60,000	774	59,226
Other objects	4,492	711	3,781
Non-capitalized equipment	12,670	14,157	(1,487)
	<u>12,670</u>	<u>14,157</u>	<u>(1,487)</u>
Total	<u>\$ 8,733,391</u>	<u>\$ 8,964,578</u>	<u>\$ (231,187)</u>

(Continued)



**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>Remedial and supplemental programs K-12</b>			
Salaries	\$ 330,009	\$ 298,578	\$ 31,431
Employee benefits	35,685	35,508	177
Purchased services	54,119	43,450	10,669
Supplies and materials	25,923	22,558	3,365
Capital outlay	-	775	(775)
Non-capitalized equipment	2,850	-	2,850
Total	<u>448,586</u>	<u>400,869</u>	<u>47,717</u>
<b>CTE programs</b>			
Salaries	2,525,104	2,440,068	85,036
Employee benefits	406,307	415,164	(8,857)
Purchased services	19,750	12,605	7,145
Supplies and materials	71,932	70,154	1,778
Capital outlay	41,160	65,166	(24,006)
Other objects	525	509	16
Non-capitalized equipment	26,350	8,506	17,844
Total	<u>3,091,128</u>	<u>3,012,172</u>	<u>78,956</u>
<b>Interscholastic programs</b>			
Salaries	2,670,324	2,830,649	(160,325)
Employee benefits	78,565	78,822	(257)
Purchased services	215,000	253,172	(38,172)
Supplies and materials	192,600	184,577	8,023
Capital outlay	5,840	23,025	(17,185)
Other objects	111,000	143,650	(32,650)
Total	<u>3,273,329</u>	<u>3,513,895</u>	<u>(240,566)</u>
<b>Summer school programs</b>			
Salaries	230,000	287,208	(57,208)
Employee benefits	-	3,702	(3,702)
Supplies and materials	3,000	1,940	1,060
Total	<u>233,000</u>	<u>292,850</u>	<u>(59,850)</u>
<b>Driver's education programs</b>			
Salaries	12,372	12,129	243
Employee benefits	39	102	(63)
Purchased services	7,250	1,636	5,614
Supplies and materials	3,500	9,686	(6,186)
Other objects	160	-	160
Total	<u>23,321</u>	<u>23,553</u>	<u>(232)</u>
<b>Special education programs K-12 - private tuition</b>			
Other objects	1,600,000	2,059,214	(459,214)
Total	<u>\$ 1,600,000</u>	<u>\$ 2,059,214</u>	<u>\$ (459,214)</u>

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
Bilingual			
Salaries	\$ 90,894	\$ 56,280	\$ 34,614
Total	90,894	56,280	34,614
Total instruction	52,215,534	69,403,481	(17,187,947)
Support Services			
Pupils			
Attendance and social work services			
Salaries	2,097,087	2,080,103	16,984
Employee benefits	807,573	771,554	36,019
Purchased services	13,290	12,285	1,005
Supplies and materials	25,370	16,102	9,268
Capital outlay	6,400	6,168	232
Other	2,765	3,235	(470)
Non-capitalized equipment	400	-	400
Total	2,952,885	2,889,447	63,438
Guidance Services			
Salaries	2,861,271	2,883,545	(22,274)
Employee benefits	554,777	563,679	(8,902)
Purchased services	46,650	34,010	12,640
Supplies and materials	390,820	395,780	(4,960)
Capital outlay	0	307	(307)
Other objects	3,900	2,567	1,333
Non-capitalized equipment	13,800	10,276	3,524
Total	3,871,218	3,890,164	(18,946)
Health services			
Salaries	256,955	264,108	(7,153)
Employee benefits	93,002	91,608	1,394
Purchased services	75,510	7,717	67,793
Supplies and materials	18,550	20,627	(2,077)
Capital outlay	-	15,644	(15,644)
Other objects	450	-	450
Total	444,467	399,704	44,763
Psychological services			
Salaries	508,681	456,361	52,320
Employee benefits	98,317	88,797	9,520
Purchased services	38,000	47,379	(9,379)
Supplies and materials	5,000	5,149	(149)
Total	\$ 649,998	\$ 597,686	\$ 52,312

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>Speech path. /audio services</b>			
Salaries	\$ 389,362	\$ 368,929	\$ 20,433
Employee benefits	61,174	60,892	282
Purchased services	5,000	5,142	(142)
Supplies and materials	5,000	928	4,072
Total	460,536	435,891	24,645
<b>Other support services</b>			
Salaries	141,270	141,467	(197)
Employee benefits	37,201	37,201	-
Total	178,471	178,668	(197)
Total pupil	8,557,575	8,391,560	166,015
<b>Instructional Staff</b>			
<b>Improvement of instructional services</b>			
Salaries	817,673	785,886	31,787
Employee benefits	39,618	43,967	(4,349)
Purchased services	350,578	153,670	196,908
Supplies and materials	26,121	22,039	4,082
Capital outlay	33,200	32,327	873
Other objects	3,000	1,474	1,526
Total	1,270,190	1,039,363	230,827
<b>Educational media services</b>			
Salaries	794,009	796,850	(2,841)
Employee benefits	213,002	211,797	1,205
Purchased services	13,605	11,154	2,451
Supplies and materials	149,285	145,913	3,372
Capital outlay	1,800	1,900	(100)
Other objects	485	235	250
Non-capitalized equipment	100	662	(562)
Total	1,172,286	1,168,511	3,775
<b>Assessment and testing</b>			
Salaries	28,000	39,381	(11,381)
Employee benefits	-	2	(2)
Purchased services	25,000	1,559	23,441
Other objects	7,000	9,029	(2,029)
Total	60,000	49,971	10,029
Total instructional staff	\$ 2,502,476	\$ 2,257,845	\$ 244,631

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
General administration			
Board of education services			
Salaries	\$ 13,000	\$ -	\$ 13,000
Purchased services	426,000	528,218	(102,218)
Supplies and materials	2,000	1,159	841
Other objects	20,500	356	20,144
Total	<u>461,500</u>	<u>529,733</u>	<u>(68,233)</u>
Executive administration services			
Salaries	582,331	654,538	(72,207)
Employee benefits	95,693	82,124	13,569
Purchased services	34,460	216,128	(181,668)
Supplies and materials	19,500	11,833	7,667
Other objects	1,458	513	945
Total	<u>733,442</u>	<u>965,136</u>	<u>(231,694)</u>
Judgements and settlements			
Other objects	-	65,000	(65,000)
Total	<u>-</u>	<u>65,000</u>	<u>(65,000)</u>
Total general administration	<u>1,194,942</u>	<u>1,559,869</u>	<u>(364,927)</u>
School administration			
Office of the principal services			
Salaries	1,332,631	1,467,836	(135,205)
Employee benefits	309,851	315,552	(5,701)
Purchased services	379,250	301,069	78,181
Supplies and materials	141,000	111,557	29,443
Capital outlay	9,300	26,011	(16,711)
Other objects	20,400	17,978	2,422
Non-capitalized equipment	23,458	58,287	(34,829)
Total	<u>2,215,890</u>	<u>2,298,290</u>	<u>(82,400)</u>
Total school administration	<u>2,215,890</u>	<u>2,298,290</u>	<u>(82,400)</u>
Business			
Direction of business support services			
Salaries	178,500	178,500	-
Total	<u>\$ 178,500</u>	<u>\$ 178,500</u>	<u>\$ -</u>

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>Fiscal services</b>			
Salaries	\$ 442,960	\$ 472,630	\$ (29,670)
Employee benefits	130,203	121,478	8,725
Purchased services	124,700	47,585	77,115
Supplies and materials	18,600	15,480	3,120
Capital outlay	10,000	388	9,612
Other objects	13,900	22,389	(8,489)
Non-capitalized equipment	5,000	5,422	(422)
Total	745,363	685,372	59,991
<b>Food services</b>			
Purchased services	30,000	28,742	1,258
Capital outlay	5,000	-	5,000
Total	35,000	28,742	6,258
Total business	958,863	892,614	66,249
<b>Central</b>			
<b>Information services</b>			
Salaries	84,864	84,864	-
Employee benefits	-	8,594	(8,594)
Purchased services	44,000	19,257	24,743
Supplies and materials	1,200	2,601	(1,401)
Other objects	2,100	3,200	(1,100)
Non-capitalized equipment	3,200	2,873	327
Total	135,364	121,389	13,975
<b>Data processing services</b>			
Salaries	711,904	663,970	47,934
Employee benefits	204,604	199,079	5,525
Purchased services	655,770	702,699	(46,929)
Supplies and materials	79,200	50,693	28,507
Capital outlay	635,000	300,663	334,337
Total	2,286,478	1,917,104	369,374
Total central	2,421,842	2,038,493	383,349
<b>Other supporting services</b>			
Other objects	20,000	-	20,000
Total	20,000	-	20,000
Total support services	\$ 17,871,588	\$ 17,438,671	\$ 432,917

(Continued)

**Hinsdale Township High School District No. 86**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 EDUCATIONAL ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	2016 Actual	Variance over/under
Community Services			
Purchased services	\$ 50,696	\$ 4,524	\$ 46,172
Supplies and materials	15,000	16,354	(1,354)
Non-capitalized equipment	20,000	16,476	3,524
Total community services	<u>85,696</u>	<u>37,354</u>	<u>48,342</u>
Payments to other districts and governmental units			
Payments for regular programs			
Other objects	62,000	-	62,000
Total	<u>62,000</u>	<u>-</u>	<u>62,000</u>
Other payments to in-state governmental units			
Purchased services	-	-	-
Other objects	12,462	11,240	1,222
Total	<u>12,462</u>	<u>11,240</u>	<u>1,222</u>
Payments for special education programs - tuition			
Other objects	2,980,000	2,414,457	565,543
Total	<u>2,980,000</u>	<u>2,414,457</u>	<u>565,543</u>
Payments for CTE programs - tuition			
Other objects	280,184	272,874	7,310
Total	<u>280,184</u>	<u>272,874</u>	<u>7,310</u>
Total payments to other districts and governmental units	<u>3,334,646</u>	<u>2,698,571</u>	<u>636,075</u>
Total expenditures	<u>73,507,464</u>	<u>89,578,077</u>	<u>(16,070,613)</u>
Excess (deficiency) of revenues over expenditures	<u>(865,423)</u>	<u>(1,414,012)</u>	<u>(548,589)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of non capitalized assets	7,000	24,895	17,895
Total other financing sources (uses)	<u>7,000</u>	<u>24,895</u>	<u>17,895</u>
Net changes in fund balance	<u>\$ (858,423)</u>	<u>(1,389,117)</u>	<u>\$ (530,694)</u>
Fund balance at beginning of year		<u>2,937,037</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 1,547,920</u>	

(Concluded)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources:			
General levy	\$ 9,957,612	\$ 9,845,907	\$ (111,705)
Investment Income	39,196	64,281	25,085
Rentals	207,000	199,007	(7,993)
Contributions and donations from private sources	21,000	12,697	(8,303)
Refund of prior years' expenditures	14,000	17,342	3,342
Other	103,000	142,144	39,144
<b>Total local sources</b>	<b>10,341,808</b>	<b>10,281,378</b>	<b>(60,430)</b>
<b>Total revenues</b>	<b>10,341,808</b>	<b>10,281,378</b>	<b>(60,430)</b>
<b>EXPENDITURES</b>			
Support Services			
Business			
Facilities acquisition and construction service			
Purchased services	120,500	289,832	(169,332)
Capital outlay	1,143,950	1,145,820	(1,870)
<b>Total</b>	<b>1,264,450</b>	<b>1,435,652</b>	<b>(171,202)</b>
Operation and maintenance of plant services			
Salaries	2,376,036	2,350,777	25,259
Employee benefits	651,013	601,356	49,657
Purchased services	2,228,654	2,362,736	(134,082)
Supplies and materials	1,360,970	1,092,246	268,724
Capital outlay	94,000	105,388	(11,388)
Other objects	11,000	459	10,541
Non-capitalized equipment	30,900	1,910	28,990
<b>Total</b>	<b>6,752,573</b>	<b>6,514,872</b>	<b>237,701</b>
<b>Total business</b>	<b>8,017,023</b>	<b>7,950,524</b>	<b>66,499</b>
<b>Total support services</b>	<b>8,017,023</b>	<b>7,950,524</b>	<b>66,499</b>
<b>Total expenditures</b>	<b>8,017,023</b>	<b>7,950,524</b>	<b>66,499</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 2,324,785</b>	<b>\$ 2,330,854</b>	<b>\$ 6,069</b>

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale or compensation for capital assets	\$ 1,500	\$ -	\$ (1,500)
Transfers out	(1,231,640)	(1,150,000)	81,640
Total other financing sources (uses)	(1,230,140)	(1,150,000)	80,140
Net changes in fund balance	<u>\$ 1,094,645</u>	1,180,854	<u>\$ 86,209</u>
Fund balance at beginning of year		<u>9,217,110</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u><u>\$ 10,397,964</u></u>	



**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources			
Investment income	\$ 35,905	\$ 24,804	\$ (11,101)
Total local sources	<u>35,905</u>	<u>24,804</u>	<u>(11,101)</u>
Total revenues	<u>35,905</u>	<u>24,804</u>	<u>(11,101)</u>
Excess of revenues over expenditures	<u>35,905</u>	<u>24,804</u>	<u>(11,101)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal on bonds sold	4,800,000	4,800,000	-
Transfers out	<u>(4,800,000)</u>	<u>(4,800,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 35,905</u>	24,804	<u>\$ (11,101)</u>
Fund balance at beginning of year		<u>6,967,407</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 6,992,211</u>	

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TORT IMMUNITY AND JUDGEMENT ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources:			
Tort immunity levy	\$ 706,161	\$ 697,948	\$ (8,213)
Investment income	1,971	958	(1,013)
Total local sources	<u>708,132</u>	<u>698,906</u>	<u>(9,226)</u>
Total revenues	<u>708,132</u>	<u>698,906</u>	<u>(9,226)</u>
<b>EXPENDITURES</b>			
Support services			
General administration			
Workers compensation or workers' occupational disease			
Purchased services	<u>300,000</u>	<u>358,152</u>	<u>58,152</u>
Total	<u>300,000</u>	<u>358,152</u>	<u>58,152</u>
Unemployment insurance payments			
Purchased services	<u>18,500</u>	<u>13,290</u>	<u>5,210</u>
Total	<u>18,500</u>	<u>13,290</u>	<u>5,210</u>
Insurance payments (regular or self insurance)			
Purchased services	<u>217,318</u>	<u>194,384</u>	<u>22,934</u>
Total	<u>217,318</u>	<u>194,384</u>	<u>22,934</u>
Risk management and claims services			
Purchased services	<u>-</u>	<u>8,789</u>	<u>(8,789)</u>
Total	<u>-</u>	<u>8,789</u>	<u>(8,789)</u>
Judgements and settlements			
Other objects	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
Total	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>
Legal services			
Purchased services	<u>48,766</u>	<u>-</u>	<u>48,766</u>
Total	<u>48,766</u>	<u>-</u>	<u>48,766</u>
Property insurance			
Purchased services	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total	<u>\$ 60,000</u>	<u>-</u>	<u>\$ 60,000</u>

(Continued)

**Hinsdale Township High School District No. 86**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 TORT IMMUNITY AND JUDGEMENT ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budget	2016 Actual	Variance over/under
Vehicle insurance (transportation) Purchased services	\$ 18,500	\$ -	\$ 18,500
Total	18,500	-	18,500
Total general administration	663,084	594,615	68,469
Total expenditures	663,084	594,615	68,469
Net change in fund balance	<u>\$ 45,048</u>	104,291	<u>\$ 59,243</u>
Fund balance at beginning of year		<u>158,613</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 262,904</u>	

## **MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Funds:

**Transportation Fund** - To account for activity relating to student transportation to and from school.

**Municipal Retirement/Social Security Fund** - To account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for noncertified employees.

### **DEBT SERVICE FUND**

**Debt Service Fund** - To account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest and related costs.

### **CAPITAL PROJECTS FUND**

**Capital Projects Fund** - To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local Sources			
General levy	\$ 1,824,524	\$ 1,803,849	\$ (20,675)
Investment income	4,485	1,144	(3,341)
Refund of prior years' expenditures	5,000	13,570	8,570
Other local revenues	50,000	167,602	117,602
Total local sources	<u>1,884,009</u>	<u>1,986,165</u>	<u>102,156</u>
State sources:			
Transportation - regular/vocational	130,000	97,065	(32,935)
Transportation - special education	1,050,000	1,144,263	94,263
Total state sources	<u>1,180,000</u>	<u>1,241,328</u>	<u>61,328</u>
Total revenues	<u>3,064,009</u>	<u>3,227,493</u>	<u>163,484</u>
<b>EXPENDITURES</b>			
Support services:			
Business			
Pupil transportation services			
Purchased services	3,355,189	3,653,522	(298,333)
Supplies and materials	14,000	6,906	7,094
Total support services	<u>3,369,189</u>	<u>3,660,428</u>	<u>(291,239)</u>
Total expenditures	<u>3,369,189</u>	<u>3,660,428</u>	<u>(291,239)</u>
Net change in fund balance	<u>\$ (305,180)</u>	(432,935)	<u>\$ (127,755)</u>
Fund balance at beginning of year		<u>(191,426)</u>	
FUND BALANCE AT END OF YEAR		<u>\$ (624,361)</u>	

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources:			
General levy	\$ 2,128,053	\$ 2,107,661	\$ (20,392)
Corporate personal property replacement taxes	131,721	97,217	(34,504)
Investment income	2,741	1,378	(1,363)
Refund of prior years' expenditures	-	650	650
	<u>2,262,515</u>	<u>2,206,906</u>	<u>(55,609)</u>
Total local sources			
	<u>2,262,515</u>	<u>2,206,906</u>	<u>(55,609)</u>
Total revenues			
	<u>2,262,515</u>	<u>2,206,906</u>	<u>(55,609)</u>
<b>EXPENDITURES</b>			
Instruction			
Regular programs	3,769,595	3,512,676	256,919
Pre-K programs	14,669	20,662	(5,993)
Special education programs	343,305	392,308	(49,003)
Remedial and supplemental programs K-12	36,531	15,133	21,398
CTE programs	43,607	39,385	4,222
Interscholastic programs	20,447	143,584	(123,137)
Summer school programs	-	7,255	(7,255)
Bilingual	19,662	9,994	9,668
Driver's ed programs	952	821	131
	<u>4,248,768</u>	<u>4,141,818</u>	<u>106,950</u>
Total instruction			
	<u>4,248,768</u>	<u>4,141,818</u>	<u>106,950</u>
Support services			
Pupils			
Attendance and social work services	58,442	64,481	(6,039)
Guidance service	89,033	84,551	4,482
Psychology	19,212	8,482	10,730
Speech pathology	5,646	5,218	428
Other support service	26,997	32,481	(5,484)
Health services	49,710	48,877	833
	<u>249,040</u>	<u>244,090</u>	<u>4,950</u>
Total pupils			
	<u>249,040</u>	<u>244,090</u>	<u>4,950</u>
Instructional staff			
Improvement of instruction services	12,203	17,222	(5,019)
Educational media services	44,267	45,594	(1,327)
Assessment and training	-	3,003	(3,003)
	<u>56,470</u>	<u>65,819</u>	<u>(9,349)</u>
Total instructional staff			
	<u>\$ 56,470</u>	<u>\$ 65,819</u>	<u>\$ (9,349)</u>

(Continued)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
General administration			
Board of education services	\$ 77,852	\$ 83,307	\$ (5,455)
Total general administration	<u>77,852</u>	<u>83,307</u>	<u>(5,455)</u>
School administration			
Office of the principal services	96,533	100,239	(3,706)
Total school administration	<u>96,533</u>	<u>100,239</u>	<u>(3,706)</u>
Business			
Direction of business support services	30,391	30,366	25
Facilities acquisition and construction services	-	-	-
Fiscal services	84,650	86,290	(1,640)
Operations and maintenance of plant services	425,587	423,266	2,321
Total business	<u>540,628</u>	<u>539,922</u>	<u>706</u>
Central			
Information services	16,218	16,933	(715)
Data processing services	132,876	119,513	13,363
Total central	<u>149,094</u>	<u>136,446</u>	<u>13,363</u>
Total support services	<u>1,169,617</u>	<u>1,169,823</u>	<u>509</u>
Total expenditures	<u>5,418,385</u>	<u>5,311,641</u>	<u>106,744</u>
Excess (deficiency) of revenues over expenditures	<u>(3,155,870)</u>	<u>(3,104,735)</u>	<u>51,135</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers	2,500,000	2,500,000	-
Other sources not classified elsewhere	650,000	650,000	-
Total other financing sources	<u>3,150,000</u>	<u>3,150,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ (5,870)</u>	45,265	<u>\$ 51,135</u>
Fund balance (deficit) at beginning of year		<u>(421,742)</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ (376,477)</u>	

(Concluded)

**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources			
General levy	\$ 1,252,316	\$ 1,725,633	\$ 473,317
Investment income	4,236	2,748	(1,488)
Total local sources	<u>1,256,552</u>	<u>1,728,381</u>	<u>471,829</u>
Total revenues	<u>1,256,552</u>	<u>1,728,381</u>	<u>471,829</u>
<b>EXPENDITURES</b>			
Debt service			
Interest on long term debt	842,965	842,965	-
Principal payments on long term debt	980,000	980,000	-
Total	<u>1,822,965</u>	<u>1,822,965</u>	<u>-</u>
Other debt service			
Other objects	715	875	(160)
Total	<u>715</u>	<u>875</u>	<u>(160)</u>
Total debt service	<u>1,823,680</u>	<u>1,823,840</u>	<u>(160)</u>
Total expenditures	<u>1,823,680</u>	<u>1,823,840</u>	<u>(160)</u>
Deficiency of revenues over expenditures	<u>(567,128)</u>	<u>(95,459)</u>	<u>471,669</u>
<b>OTHER FINANCING SOURCES</b>			
Other sources not classified elsewhere	581,640	500,000	(81,640)
Total other financing sources	<u>581,640</u>	<u>500,000</u>	<u>(81,640)</u>
Net changes in fund balance	<u>\$ 14,512</u>	404,541	<u>\$ 390,029</u>
Fund balance at beginning of year		<u>528,484</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 933,025</u>	



**Hinsdale Township High School District No. 86**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original and Final Budget	2016 Actual	Variance over/under
<b>REVENUES</b>			
Local sources			
Earnings on investments	\$ 186	\$ 1,025	\$ 839
Total local sources	186	1,025	839
Total revenues	186	1,025	839
<b>EXPENDITURES</b>			
Support Services			
Business			
Facilities acquisition and construction service			
Purchased services	200,000	119,021	80,979
Capital outlay	2,100,000	2,120,992	(20,992)
Total	2,300,000	2,240,013	59,987
Deficiency of revenues over expenditures	(2,299,814)	(2,238,988)	60,826
<b>OTHER FINANCING SOURCES</b>			
Transfers	2,300,000	2,300,000	-
Total other financing sources	2,300,000	2,300,000	-
Net changes in fund balance	\$ 186	61,012	\$ 60,826
Fund balance at beginning of year		58,014	
FUND BALANCE AT END OF YEAR		\$ 119,026	

## **AGENCY FUNDS**

**Student Activity Funds** - To account for assets held by the District in a trustee capacity as an agent for student organizations and employees.

**Hinsdale Township High School District No. 86**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - ACTIVITY FUNDS**  
**YEAR ENDED JUNE 30, 2016**

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Assets:</b>				
Cash	<u>\$ 1,531,017</u>	<u>\$ 3,945,105</u>	<u>\$ 4,152,590</u>	<u>\$ 1,323,532</u>
<b>Liabilities:</b>				
Student groups	1,370,156	3,737,034	3,864,234	1,242,956
Flex benefit plan	<u>160,861</u>	<u>208,071</u>	<u>288,356</u>	<u>80,576</u>
Due to organizations	<u>\$ 1,531,017</u>	<u>\$ 3,945,105</u>	<u>\$ 4,152,590</u>	<u>\$ 1,323,532</u>

**Hinsdale Township High School District No. 86**  
**OPERATING COST AND TUITION CHARGE**  
**YEARS ENDED JUNE 30, 2015 AND 2016**

	2016	2015
<b>Operating Cost Per Pupil:</b>		
Average Daily Attendance (ADA):	4,406	4,225
<b>Operating Costs:</b>		
Educational Fund	\$ 73,055,857	\$ 72,125,865
Operations and Maintenance Fund	7,950,524	7,612,692
Debt Service Fund	1,823,840	2,281,287
Transportation Fund	3,660,428	3,473,183
Municipal Retirement/Social Security Fund	5,311,641	2,775,105
Tort Fund	594,615	742,058
Subtotal	92,396,905	89,010,190
Less revenues/expenditures not applicable to operating expense of regular program:		
Tuition paid	2,103,208	2,131,493
Summer school	300,105	5,159
Capital outlay	1,923,750	2,981,168
Non capitalized equipment	167,000	6,739
Bond and other debt principal retired	980,000	1,386,550
Community services	20,878	7,452
Payments to other districts & governmental units	2,698,571	3,050,425
Subtotal	8,193,512	9,568,986
Regular operating costs	\$ 84,203,393	\$ 79,441,204
Operating Cost Per Pupil - based on ADA	\$ 19,111	\$ 18,804
<b>Tuition Charge:</b>		
Operating Costs	\$ 84,203,393	\$ 79,441,204
Less offsetting revenues from specific programs	5,359,011	4,683,863
Net operating expenditures	78,844,382	74,757,341
Depreciation allowance	2,407,825	2,543,595
Total allowance for tuition computation	\$ 81,252,207	\$ 77,300,936
Tuition Charge Per Pupil - based on ADA	\$ 18,444	\$ 18,298

**Hinsdale Township High School District No. 86**  
**NOVEMBER 1, 2008 LIMITED SCHOOL BONDS**  
**AS OF JUNE 30, 2016**

<u>YEAR ENDED JUNE 30:</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$ 875,000	\$ 85,675	\$ 960,675
2018	910,000	50,675	960,675
2019	300,000	12,000	312,000
Total	<u>\$ 2,085,000</u>	<u>\$ 148,350</u>	<u>\$ 2,233,350</u>

Paying Agent	Cole Taylor Bank
Principal payment date	January 15
Interest payment dates	January 15 and July 15
Interest rates	4% - 4.25%

**Hinsdale Township High School District No. 86**  
**FEBRUARY 16, 2012 LIMITED SCHOOL BONDS**  
**AS OF JUNE 30, 2016**

<u>YEAR ENDED JUNE 30:</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$ 60,000	\$ 720,850	\$ 780,850
2018	60,000	719,650	779,650
2019	700,000	718,450	1,418,450
2020	1,050,000	704,450	1,754,450
2021	1,080,000	662,450	1,742,450
2022	1,120,000	619,250	1,739,250
2023	1,180,000	563,250	1,743,250
2024	1,240,000	504,250	1,744,250
2025	1,300,000	442,250	1,742,250
2026	1,365,000	377,250	1,742,250
2027	1,435,000	309,000	1,744,000
2028	1,505,000	237,250	1,742,250
2029	1,580,000	162,000	1,742,000
2030	1,660,000	83,000	1,743,000
Total	<u>\$ 15,335,000</u>	<u>\$ 6,823,350</u>	<u>\$ 22,158,350</u>

Paying Agent Amalgamated Bank of Chicago

Principal payment date January 15

Interest payment dates January 15 and July 15

Interest rates 2%-5%

**Hinsdale Township High School District No. 86**  
December 15, 2015 LIMITED SCHOOL BONDS  
AS OF JUNE 30, 2016

<u>YEAR ENDED JUNE 30:</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	\$ 385,000	\$ 119,488	\$ 504,488
2018	395,000	107,948	502,948
2019	400,000	103,288	503,288
2020	410,000	97,088	507,088
2021	415,000	89,338	504,338
2022	395,000	80,168	475,168
2023	460,000	70,450	530,450
2024	445,000	58,050	503,050
2025	460,000	45,500	505,500
2026	475,000	31,976	506,976
2027	560,000	17,584	577,584
Total	<u>\$ 4,800,000</u>	<u>\$ 820,878</u>	<u>\$ 5,620,878</u>

Paying Agent Amalgamated Bank of Chicago

Principal payment date January 15

Interest payment dates January 15 and July 15

Interest rates 4%-4.25%

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## **STATISTICAL SECTION (UNAUDITED)**

### **Financial Trends**

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**

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

### **Debt Capacity**

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.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Hinsdale Township High School District No. 86**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities				
Net investment in capital Assets	\$ 20,566,754	\$ 18,546,379	\$ 40,306,248	\$ 39,527,899
Restricted	11,712,919	9,962,221	16,025,961	14,192,755
Unrestricted	<u>(7,666,079)</u>	<u>(2,575,630)</u>	<u>37,902,388</u>	<u>39,465,506</u>
Total governmental activities net position	<u>\$ 24,613,594</u>	<u>\$ 25,932,970</u>	<u>\$ 94,234,597</u>	<u>\$ 93,186,160</u>

Source of Information: Annual Financial Statements

2012	2011	2010	2009	2008	2007
\$ 37,290,387	\$ 41,101,096	\$ 39,420,996	\$ 39,548,318	\$ 36,271,204	\$ 33,622,989
12,562,801	11,441,069	3,144,468	2,992,939	2,730,885	5,979,220
40,996,676	43,250,178	55,250,435	53,015,563	51,847,132	46,849,536
<u>\$ 90,849,864</u>	<u>\$ 95,792,343</u>	<u>\$ 97,815,899</u>	<u>\$ 95,556,820</u>	<u>\$ 90,849,221</u>	<u>\$ 86,451,745</u>

**Hinsdale Township High School District No. 86**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014
Expenses			
Instruction:			
Regular programs	\$ 37,524,537	\$ 36,608,459	\$ 35,787,132
Special programs	12,686,660	18,359,429	17,827,764
Other instructional programs	9,278,559	3,177,571	3,292,690
State retirement contributions	16,522,220	14,946,207	15,784,187
Support services:			
Pupils	8,803,029	7,508,219	7,306,174
Instructional staff	2,395,398	2,603,092	2,561,571
General administration	2,333,436	2,918,944	2,277,820
School administration	2,422,440	2,720,867	2,422,197
Business	2,587,854	2,580,559	2,084,501
Transportation	3,684,339	3,702,046	3,140,015
Operation and maintenance	6,085,879	4,867,669	5,541,033
Central	2,653,164	3,084,855	2,565,722
Other supporting services	-	7,452	-
Community services	37,354	-	5,980
Payments to other Districts excluding special ed	-	-	423,731
Interest and fees	637,465	687,012	320,101
<b>Total expenses</b>	<b>107,652,334</b>	<b>103,772,381</b>	<b>101,340,618</b>
Program revenues			
Governmental activities			
Charges for services			
Instruction	5,713,707	5,333,380	4,683,392
Support services	508,753	416,705	394,965
Operating grants and contributions:			
Instrution	19,643,263	17,979,858	18,473,615
Support services	1,380,360	1,128,710	881,603
Capital grants and contributions:			
Support services	-	-	-
<b>Total governmental activities program revenues</b>	<b>27,246,083</b>	<b>24,858,653</b>	<b>24,433,575</b>
Net expense	(80,406,251)	(78,913,728)	(76,907,043)
Governmental activities			
General revenues			
Taxes:			
Real estate taxes, levied for general purposes	70,384,668	69,520,738	69,595,652
Real estate taxes, levied for specific purposes	3,911,510	3,681,857	3,681,025
Real estate taxes, levied for debt service	1,725,633	1,983,863	2,193,496
Personal property replacement taxes	1,111,519	1,015,573	1,129,786
Federal and state aid	1,228,788	1,179,191	1,174,142
Investment earnings	379,241	198,561	77,550
Miscellaneous	345,516	132,606	103,829
<b>Total governmental activities general revenues</b>	<b>79,086,875</b>	<b>77,712,389</b>	<b>77,955,480</b>
Reappraised net capital assets	-	(22,438,106)	-
<b>Change in net position</b>	<b>\$ (1,319,376)</b>	<b>\$ (23,639,445)</b>	<b>\$ 1,048,437</b>

Note: The breakdown of charges for services and operating grants and contributions by function prior to 2008 was not available. The breakdown of replacement tax revenues prior to 2008 was not available.

Source of Information: Annual Financial Statements

2013	2012	2011	2010	2009	2008	2007
\$ 34,208,538	\$ 33,380,436	\$ 34,637,249	\$ 32,068,979	\$ 31,178,827	\$ 28,201,992	\$ 29,491,055
13,969,380	14,236,316	10,498,470	10,257,483	12,002,181	10,775,867	12,917,821
7,081,793	6,862,750	6,927,142	6,703,928	6,373,356	5,356,275	2,625,598
12,238,718	10,724,680	9,656,723	9,487,830	6,767,807	4,968,168	-
6,083,406	6,056,903	6,005,892	5,790,277	5,542,823	5,337,393	5,162,782
2,523,876	2,467,926	2,457,496	2,455,514	2,194,476	1,688,286	1,689,837
1,991,247	1,907,783	2,084,211	2,080,966	1,898,278	1,487,780	1,416,100
2,499,564	2,492,571	2,526,265	2,318,084	2,388,443	3,800,014	3,536,207
657,453	650,883	598,741	545,952	523,134	1,134,039	579,833
2,537,137	2,746,643	2,430,173	2,622,130	2,457,257	2,130,565	1,860,924
7,563,221	7,393,140	8,616,645	7,404,494	6,839,011	7,317,317	7,224,423
2,145,230	2,847,759	1,577,187	2,041,441	2,608,264	2,209,026	2,377,168
-	3,100	-	2,625	-	8,766	8,766
9,550	-	1,180	4,200	-	-	-
221,289	259,066	3,911,636	3,504,907	245,722	284,964	-
824,846	615,379	410,611	396,961	452,650	408,810	477,698
94,555,248	92,645,335	92,339,621	87,685,771	81,472,229	75,109,262	69,368,212
4,469,964	4,408,603	5,628,370	5,239,278	5,322,091	3,707,450	3,787,435
276,861	304,742	257,022	222,305	194,088	181,056	-
14,966,724	13,668,698	12,816,064	12,583,200	9,347,146	7,239,911	6,231,746
1,155,121	946,038	1,171,892	1,134,149	1,031,494	901,517	-
50,000	-	-	-	746,480	-	-
20,918,670	19,328,081	19,873,348	19,178,932	16,641,299	12,029,934	10,019,181
(73,636,578)	(73,317,254)	(72,466,273)	(68,506,839)	(64,830,930)	(63,079,328)	(59,349,031)
57,251,732	55,555,688	52,869,625	53,148,033	51,979,998	49,765,700	55,101,307
13,838,054	13,668,500	13,091,038	13,218,077	12,342,889	11,067,356	2,677,453
2,379,601	2,114,987	2,021,133	2,343,147	1,990,542	2,000,753	2,328,001
1,116,809	1,093,041	1,188,181	916,227	1,132,554	1,294,687	-
1,063,464	1,118,033	1,133,467	904,536	823,881	1,054,118	2,338,354
112,920	112,283	117,519	211,983	1,218,156	2,158,460	2,660,185
210,294	328,599	21,754	23,915	50,509	1,494,772	355,781
75,972,874	73,991,131	70,442,717	70,765,918	69,538,529	68,835,846	65,461,081
-	(5,616,356)	-	-	-	-	-
\$ 2,336,296	\$ (4,942,479)	\$ (2,023,556)	\$ 2,259,079	\$ 4,707,599	\$ 5,756,518	\$ 6,112,050

**Hinsdale Township High School District No. 86**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
General Fund				
Nonspendable	\$ 220,897	\$ -	\$ -	\$ -
Restricted	10,660,868	9,375,723	12,300,412	597,655
Assigned	3,878,526	2,937,037	5,257,911	5,873,486
Unassigned	4,440,708	6,967,407	37,076,880	36,924,747
Total general fund	<u>\$ 19,200,999</u>	<u>\$ 19,280,167</u>	<u>\$ 54,635,203</u>	<u>\$ 43,395,888</u>
All Other Governmental Funds				
Restricted, reported in:				
Capital projects funds	\$ 119,026	\$ 58,014	\$ 57,816	\$ 57,745
Debt service funds	933,025	528,484	1,632,075	1,779,462
Special revenue funds	-	-	2,035,658	12,190,374
Unassigned	(1,000,838)	(613,168)	-	-
Total all other governmental funds	<u>\$ 51,213</u>	<u>\$ (26,670)</u>	<u>\$ 3,725,549</u>	<u>\$ 14,027,581</u>

General Fund  
 Reserved  
 Unreserved

Total general fund

All Other Governmental Funds  
 Reserved  
 Unreserved, reported in:  
 Capital projects funds  
 Debt service funds  
 Special revenue funds

Total all other governmental funds

Source of Information: Annual Financial Statements

Note: In 2011 the District implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The implementation required consolidation of certain funds into the General Fund. Additionally, new fund balance classifications were implemented.

2012	2011	2010	2009	2008	2007
\$ -	\$ 103,823				
652,230	527,086				
5,031,313	4,780,999				
37,646,283	39,440,596				
<u>\$ 43,329,826</u>	<u>\$ 44,852,504</u>				

\$ -	\$ 57,646
1,800,734	1,427,735
10,507,794	9,583,198
14,298,682	-
<u>\$ 26,607,210</u>	<u>\$ 11,068,579</u>

\$ 1,069,094	\$ 955,690	\$ 750,602	\$ 1,439,129
39,282,463	39,618,661	38,438,992	37,236,439
<u>\$ 40,351,557</u>	<u>\$ 40,574,351</u>	<u>\$ 39,189,594</u>	<u>\$ 38,675,568</u>
\$ -	\$ -	\$ 510,213	\$ 1,695,302
1,528,308	4,000,421	115,203	-
1,714,474	1,692,263	1,341,836	-
16,383,914	14,556,631	13,883,574	8,948,567
<u>\$ 19,626,696</u>	<u>\$ 20,249,315</u>	<u>\$ 15,850,826</u>	<u>\$ 10,643,869</u>

**Hinsdale Township High School District No. 86**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Local sources</b>				
Property Taxes	\$ 76,021,811	\$ 75,186,458	\$ 75,470,173	\$ 73,469,387
Replacement taxes	1,111,519	1,015,573	1,129,786	1,116,809
Earnings on investment	379,241	198,561	77,550	112,920
Other local sources	<u>6,673,424</u>	<u>5,973,068</u>	<u>5,284,133</u>	<u>4,957,119</u>
Total local sources	<u>84,185,995</u>	<u>82,373,660</u>	<u>81,961,642</u>	<u>79,656,235</u>
<b>State Sources</b>				
General state aid	1,129,130	1,077,809	1,094,513	1,063,464
Other state aid	<u>19,768,449</u>	<u>17,845,979</u>	<u>18,241,032</u>	<u>15,657,221</u>
Total state sources	<u>20,897,579</u>	<u>18,923,788</u>	<u>19,335,545</u>	<u>16,720,685</u>
<b>Federal sources</b>	<u>1,249,384</u>	<u>1,273,594</u>	<u>1,091,866</u>	<u>1,175,001</u>
Total	<u><u>\$ 106,332,958</u></u>	<u><u>\$ 102,571,042</u></u>	<u><u>\$ 102,389,053</u></u>	<u><u>\$ 97,551,921</u></u>

Source of Information: Annual Financial Statements



2012	2011	2010	2009	2008	2007
\$ 71,339,175	\$ 67,981,796	\$ 68,709,257	\$ 66,313,429	\$ 62,833,809	\$ 60,106,761
1,093,041	1,188,181	916,227	1,132,554	1,294,687	-
112,283	117,519	211,983	1,218,156	2,158,460	2,428,426
5,179,363	5,907,146	5,485,498	6,175,749	5,373,657	6,534,532
<u>77,723,862</u>	<u>75,194,642</u>	<u>75,322,965</u>	<u>74,839,888</u>	<u>71,660,613</u>	<u>69,069,719</u>
1,409,383	1,769,560	904,536	823,881	1,054,118	6,463,001
<u>13,133,877</u>	<u>12,022,511</u>	<u>11,598,077</u>	<u>9,376,683</u>	<u>7,323,075</u>	<u>2,000</u>
<u>14,543,260</u>	<u>13,792,071</u>	<u>12,502,613</u>	<u>10,200,564</u>	<u>8,377,193</u>	<u>6,465,001</u>
<u>1,139,695</u>	<u>1,443,574</u>	<u>1,429,998</u>	<u>921,496</u>	<u>827,974</u>	<u>894,401</u>
<u>\$ 93,406,817</u>	<u>\$ 90,430,287</u>	<u>\$ 89,255,576</u>	<u>\$ 85,961,948</u>	<u>\$ 80,865,780</u>	<u>\$ 76,429,121</u>

**Hinsdale Township High School District No. 86**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
<b>Current:</b>				
Instruction				
Regular programs	\$ 37,891,794	\$ 34,930,831	\$ 34,244,591	\$ 32,097,924
Special programs	9,771,339	12,110,860	10,180,297	10,129,337
Other instructional programs	9,070,812	5,895,392	7,269,431	6,923,282
State retirement contributions	16,522,220	14,946,207	15,784,187	12,238,718
Total instruction	<u>73,256,165</u>	<u>67,883,290</u>	<u>67,478,506</u>	<u>61,389,261</u>
Supporting Services				
Pupils	8,613,531	7,330,215	7,079,717	5,879,065
Instructional Staff	2,289,437	2,526,804	2,453,833	2,442,079
General administration	2,237,791	2,817,227	2,154,695	1,881,941
School administration	2,372,518	2,695,438	2,328,548	2,482,072
Business	1,312,347	847,059	1,108,281	621,011
Transportation	3,660,428	3,473,183	2,862,983	2,509,259
Operations and maintenance	6,938,138	6,349,545	6,422,099	7,116,704
Central	1,874,276	1,850,474	1,714,824	1,585,218
Other supporting services	-	-	-	-
Total supporting services	<u>29,298,466</u>	<u>27,889,945</u>	<u>26,124,980</u>	<u>24,517,349</u>
Community services	<u>37,354</u>	<u>7,452</u>	<u>5,980</u>	<u>9,550</u>
Payments to other districts	<u>2,698,571</u>	<u>3,050,425</u>	<u>3,138,783</u>	<u>3,699,072</u>
Total current	<u>105,290,556</u>	<u>98,831,112</u>	<u>96,748,249</u>	<u>89,615,232</u>
<b>Other:</b>				
Debt Service:				
Principal	980,000	1,386,550	1,704,817	1,960,221
Interest	843,840	894,737	959,857	965,497
Capital Outlay	<u>4,044,742</u>	<u>2,843,998</u>	<u>2,042,073</u>	<u>17,915,283</u>
Total Other	<u>5,868,582</u>	<u>5,125,285</u>	<u>4,706,747</u>	<u>20,841,001</u>
Total	<u>\$ 111,159,138</u>	<u>\$ 103,956,397</u>	<u>\$ 101,454,996</u>	<u>\$ 110,456,233</u>
Debt services as a percentage of noncapital expenditure	1.70%	2.26%	2.68%	3.16%

Source of Information: Annual Financial Statements

2012	2011	2010	2009	2008	2007
\$ 31,783,434	\$ 32,646,033	\$ 30,139,199	\$ 29,653,209	\$ 27,251,112	\$ 29,829,702
10,267,577	10,169,280	9,953,894	8,916,569	8,016,125	7,319,989
6,697,867	6,737,473	6,539,435	6,253,839	5,218,650	5,039,557
10,724,680	9,656,723	9,487,830	6,767,807	4,968,168	-
59,473,558	59,209,509	56,120,358	51,591,424	45,454,055	42,189,248
5,866,553	5,752,027	5,552,028	5,365,326	5,168,525	5,020,052
2,388,627	2,343,535	2,354,633	2,117,547	1,598,803	1,596,934
1,790,510	1,936,129	1,930,468	1,809,474	1,388,252	1,323,075
2,460,542	2,468,698	2,313,802	2,418,939	3,778,260	3,490,999
628,682	560,330	510,849	500,822	582,061	9,193,423
2,720,472	2,393,885	2,588,200	2,350,131	2,106,639	-
6,957,328	7,587,825	7,032,763	6,618,761	6,947,492	-
1,782,761	1,659,536	1,588,077	2,154,829	1,744,738	1,395,671
3,100	-	2,625	-	8,766	8,766
24,598,575	24,701,965	23,873,445	23,335,829	23,323,536	22,028,920
-	1,180	4,200	-	-	-
3,989,398	3,911,636	3,504,907	3,103,237	2,828,638	2,834,715
88,061,531	87,824,290	83,502,910	78,030,490	71,606,229	67,052,883
1,761,459	2,383,214	2,250,164	1,686,132	2,204,680	1,964,000
578,236	444,520	559,327	480,894	485,303	536,541
7,156,434	4,463,416	3,792,295	4,424,010	3,868,357	5,740,260
9,496,129	7,291,150	6,601,786	6,591,036	6,558,340	8,240,801
\$ 97,557,660	\$ 95,115,440	\$ 90,104,696	\$ 84,621,526	\$ 78,164,569	\$ 75,293,684
2.59%	3.13%	3.26%	2.70%	3.62%	3.60%

**Hinsdale Township High School District No. 86**  
**OTHER FINANCING SOURCES AND USES AND CHANGES IN FUND BALANCE**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
<b>Excess of revenues over (under) expenditures</b>	\$ (4,826,180)	\$ (1,385,335)	\$ 934,057	\$ (12,904,312)
<b>Other financing sources (uses)</b>				
Principal on bonds sold	4,800,000	-	-	-
Premium on bonds sold	-	-	-	-
Accrued interest on bonds sold	-	-	-	-
Payments to escrow agent	-	-	-	-
Sale of capital assets	24,895	-	3,226	10,956
Capital lease value	-	-	-	379,789
Other	-	-	-	-
<b>Total</b>	4,824,895	-	3,226	390,745
<b>Net change in fund balances</b>	<u>\$ (1,285)</u>	<u>\$ (1,385,335)</u>	<u>\$ 937,283</u>	<u>\$ (12,513,567)</u>

Source of Information: Annual Financial Statements

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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ (4,150,843)</u>	<u>\$ (4,685,153)</u>	<u>\$ (849,120)</u>	<u>\$ 1,340,422</u>	<u>\$ 2,701,211</u>	<u>\$ 1,135,437</u>
15,395,000	-	-	3,980,000	-	1,050,000
2,771,056	-	-	80,587	-	-
-	-	-	13,905	-	-
-	-	-	-	-	-
740	37,433	3,707	5,803	10,194	-
-	590,550	-	362,529	487,370	-
-	-	-	-	-	12,857
<u>18,166,796</u>	<u>627,983</u>	<u>3,707</u>	<u>4,442,824</u>	<u>497,564</u>	<u>1,062,857</u>
<u>\$ 14,015,953</u>	<u>\$ (4,057,170)</u>	<u>\$ (845,413)</u>	<u>\$ 5,783,246</u>	<u>\$ 3,198,775</u>	<u>\$ 2,198,294</u>

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**Hinsdale Township High School District No. 86**  
**EQUALIZED ASSESSED VALUATION AND**  
**ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL TAX YEARS**

Tax Year	Cook County	Total Dupage County Equalized Assessed Valuation	Percentage Increase/ (Decrease) Over Previous Year	Total Direct Tax Rate	Actual Estimated Value*
2015	\$ 227,811,700	\$4,984,806,945	4.68%	1.5727	\$14,954,420,835
2014	224,841,440	4,751,513,224	-0.41%	1.6227	14,254,539,672
2013	237,739,100	4,771,138,986	-4.66%	1.5681	14,313,416,958
2012	254,192,457	5,004,192,002	-8.17%	1.4984	15,012,576,006
2011	322,647,761	5,449,520,492	-7.31%	1.3362	16,348,561,476
2010	326,387,396	5,879,539,563	-5.72%	1.2011	17,638,618,689
2009	309,213,610	6,236,283,757	0.81%	1.0948	18,708,851,271
2008	255,034,723	6,186,148,839	6.67%	1.0804	18,558,446,517
2007	242,465,995	5,799,484,693	8.24%	1.0943	17,398,454,079
2006	242,465,995	5,357,972,745	8.74%	1.1418	16,073,918,235

Tax Levy Year	Dupage County				
	Residential	Farm	Commercial	Industrial	Railroad
2015	\$ 4,161,681,395	\$ 73,895	\$ 484,903,634	\$ 108,983,128	\$ 1,353,193
2014	3,953,445,411	72,472	470,798,148	101,058,580	1,297,173
2013	3,967,314,276	72,238	464,444,660	100,288,120	1,280,592
2012	4,155,601,672	71,249	489,922,596	103,225,020	1,179,008
2011	4,492,888,703	64,770	522,906,666	109,921,590	1,091,002
2010	4,900,000,910	63,969	539,823,471	112,349,200	914,617
2009	5,221,982,275	59,800	584,404,907	119,785,560	837,605
2008	5,214,805,612	59,089	602,018,526	113,536,660	694,229
2007	4,862,430,459	58,513	624,794,250	69,131,550	603,926
2006	4,448,642,272	59,365	598,851,230	67,416,220	537,663

\* Equalized Assessed Valuation is one-third of the Actual Estimated Value.

Source of information: DuPage County Levy, Rate and Extension Reports for the years 2006 to 2015

**Hinsdale Township High School District No. 86**  
**PROPERTY TAX RATES DIRECT AND OVERLAPPING**  
**GOVERNMENTS**  
**LAST TEN FISCAL TAX YEARS**

Taxing District	2015	2014	2013
DuPage County	\$ 0.1971	\$ 0.2057	\$ 0.2040
DuPage County Forest Preserve District	0.1622	0.1691	0.1657
DuPage Airport Authority	0.0188	0.0196	0.0178
Downers Grove Township	0.0368	0.0378	0.0368
Downers Grove Township Road District	0.0550	0.0564	0.0549
Grade School District 181	2.7350	2.8455	2.8094
Community College 502	0.2786	0.2975	0.2956
Village of Hinsdale & Library	0.5626	0.5858	0.5711
Total overlapping rate	4.0461	4.2174	4.1553
Hinsdale Township High School District No. 86	1.5727	1.6227	1.5681
Total rate	\$ 5.6188	\$ 5.8401	\$ 5.7234



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	2012	2011	2010	2009	2008	2007	2006
\$	0.1929	\$ 0.1773	\$ 0.1659	\$ 0.1554	\$ 0.1557	\$ 0.1651	\$ 0.1713
	0.1542	0.1414	0.1321	0.1217	0.1206	0.1187	0.1303
	0.0168	0.0169	0.0158	0.0148	0.0160	0.0170	0.0183
	0.0343	0.0307	0.0281	0.0256	0.0254	0.0256	0.0268
	0.0512	0.0459	0.0420	0.0382	0.0379	0.0383	0.0401
	2.6965	2.3877	2.1353	1.9023	1.8306	1.8836	1.9491
	0.2681	0.2495	0.2349	0.2127	0.1858	0.1888	0.1929
	0.5457	0.4928	0.4538	0.4024	0.3888	0.3964	0.4110
	<u>3.9597</u>	<u>3.5422</u>	<u>3.2079</u>	<u>2.8731</u>	<u>2.7608</u>	<u>2.8335</u>	<u>2.9398</u>
	<u>1.4984</u>	<u>1.3362</u>	<u>1.2011</u>	<u>1.0948</u>	<u>1.0804</u>	<u>1.0943</u>	<u>1.1418</u>
\$	<u>5.4581</u>	<u>\$ 4.8784</u>	<u>\$ 4.4090</u>	<u>\$ 3.9679</u>	<u>\$ 3.8412</u>	<u>\$ 3.9278</u>	<u>\$ 4.0816</u>

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**Hinsdale Township High School District No. 86**  
**PRINCIPAL PROPERTY TAX PAYERS IN THE DISTRICT**  
**CURRENT YEAR AND NINE YEARS AGO**

Name	Type of Business	Equalized Assessed Valuation	Percentage Of Total Equalized Assessed Valuation
<u>Year Ended June 30, 2016</u>			
McDonalds Corporation	Headquarters-Fast Food Chain	\$ 25,560,980	0.51 %
TGM Willowbrook Inc.	Apartments	15,891,020	0.32
ASVRF Real Estate Corp.	Regency Towers- office building/restaurant	13,889,300	0.28
Ag Oak Brook Ex Park Vent	Commercial Property	13,582,320	0.27
USB Realty Investors LLC	Shopping center	11,126,920	0.22
Harlem Irving Companies	Commercial Property	9,486,440	0.19
Adventus US Realty 4 LP	Commercial Property	9,442,240	0.19
Three Galleria Tower	Apartments	7,267,340	0.15
OB I LLC	Commercial Property	7,172,180	0.14
Case Corp	Commercial Property	6,994,580	0.14
Total		<u>\$ 120,413,320</u>	<u>2.41 %</u>

<u>Year Ended June 30, 2007</u>			
McDonalds Corporation	Headquarter-Fast Food Chain	\$ 27,325,510	0.51 %
National Tax Search	Office buildings/Restaurant	20,259,450	0.38
SFERS Real Estate Corp.	Office buildings	16,840,920	0.31
Hinsdale Management Co.	Office buildings	15,750,340	0.29
Kensington Road Apartments	Office Center	12,376,090	0.23
Ipers Willowbrook Inc.	Apartments	12,273,140	0.23
Credit Management, LP	Shopping Center	11,169,930	0.21
OB I, LLC	Office Buildings and Hotel	10,907,240	0.20
Equity Office Properties	Office Building	9,315,260	0.17
Prime Group Realty Trust	Commercial Properties	8,762,160	0.16
		<u>\$ 144,980,040</u>	<u>2.69 %</u>

\*The figures above are totals of numerous parcels with Cook and DuPage Counties' 2015 equalized assessed valuations greater than \$300,000 as recorded in the County Assessor's offices. They were compiled from a meticulous page by page search of a listing of such records. It is possible however, that certain parcels may have been overlooked.

Source of information: Cook and DuPage Counties, York and Downers Grove Township Tax Assessor's Offices

**Hinsdale Township High School District No. 86**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

	2015	2014	2013	2012
Educational	1.2200	1.2377	1.1953	1.1358
Tort immunity	0.0145	0.0149	0.0145	0.0136
Special education	0.0383	0.0395	0.0381	0.0361
Operations and maintenance	0.1681	0.2101	0.2023	0.1922
Debt Service	0.0353	0.0371	0.0411	0.0473
Transportation	0.0426	0.0385	0.0371	0.0354
Municipal retirement	0.0255	0.0190	0.0203	0.0194
Social Security	0.0284	0.0259	0.0194	0.0186
<b>Total rates extended</b>	<b>1.5727</b>	<b>1.6227</b>	<b>1.5681</b>	<b>1.4984</b>
<b>Property tax extensions:</b>				
Educational	\$ 60,814,645	\$ 58,809,479	\$ 57,520,570	\$ 57,064,710
Tort Immunity	722,797	707,975	696,238	683,083
Special Education	1,909,181	1,876,848	1,830,946	1,814,097
Operations and maintenance	8,414,354	9,982,929	9,724,825	9,659,774
Debt Service	1,759,637	1,762,811	1,980,287	2,381,412
Transportation	2,103,589	1,829,333	1,783,307	1,778,643
Municipal Retirement	1,271,126	902,788	975,598	974,415
Social Security	1,400,731	1,230,642	932,493	934,237
<b>Total levies extended</b>	<b>\$ 78,396,060</b>	<b>\$ 77,102,805</b>	<b>\$ 75,444,264</b>	<b>\$ 75,290,371</b>
Collected in first year of levy	39,452,276	37,807,539	36,735,667	36,024,189
Collected in subsequent years	-	38,225,974	38,506,461	38,952,481
<b>Total collections</b>	<b>\$ 39,452,276</b>	<b>\$ 76,033,513</b>	<b>\$ 75,242,128</b>	<b>\$ 74,976,670</b>
Percentage collected in first year	50.32%	49.04%	48.69%	47.85%
Percentage collected	50.32%	98.61%	99.73%	99.58%

Note: The District's ability to increase property tax levels is limited by the Property Tax Extension Limitation Act passed by the Illinois legislature in 1994. The legislation limits the levy increase to the lesser of the increase in consumer price index or five percent of existing property values.

Tax rates are expressed in dollars per one hundred of assessed valuation

Source of information: DuPage County Levy, Rate, and Extension Reports for 2006-2015.

2011	2010	2009	2008	2007	2006
1.0040	0.9176	0.8269	0.8166	0.8503	0.8833
0.0110	0.0104	0.0096	0.0097	0.0086	0.0098
0.1770	0.1557	0.1459	0.1498	0.1380	0.1324
0.0325	0.0228	0.0195	0.0184	0.0194	0.0190
0.0334	0.0341	0.0279	0.0233	0.0243	0.0285
0.0174	0.0166	0.0151	0.0134	0.0133	0.0134
0.0449	0.0301	0.0373	0.0372	0.0281	0.0431
0.0160	0.0138	0.0126	0.0120	0.0123	0.0123
<u>1.3362</u>	<u>1.2011</u>	<u>1.0948</u>	<u>1.0804</u>	<u>1.0943</u>	<u>1.1418</u>
\$ 54,344,336	\$ 53,905,491	\$ 51,789,063	\$ 51,319,179	\$ 49,759,579	\$ 47,762,839
595,559	611,053	603,378	609,705	498,756	534,321
1,759,683	1,339,455	1,224,750	9,441,391	8,072,883	7,177,328
9,585,540	9,149,133	9,161,485	1,158,973	1,130,900	1,029,526
2,435,119	1,771,889	2,341,978	1,467,032	1,420,874	1,544,479
1,808,584	2,003,454	1,751,247	842,627	777,131	724,159
941,917	975,183	947,960	2,343,747	1,641,254	2,336,146
866,440	810,511	790,741	754,751	719,136	664,913
<u>\$ 72,337,178</u>	<u>\$ 70,566,169</u>	<u>\$ 68,610,602</u>	<u>\$ 67,937,405</u>	<u>\$ 64,020,513</u>	<u>\$ 61,773,711</u>
35,688,360	34,612,137	32,380,476	31,605,639	29,533,149	29,357,374
36,421,398	35,760,269	36,047,346	36,142,010	34,803,264	32,448,043
<u>\$ 72,109,758</u>	<u>\$ 70,372,406</u>	<u>\$ 68,427,822</u>	<u>\$ 67,747,649</u>	<u>\$ 64,336,413</u>	<u>\$ 61,805,417</u>
<u>49.34%</u>	<u>49.05%</u>	<u>47.19%</u>	<u>46.52%</u>	<u>46.13%</u>	<u>47.52%</u>
<u>99.69%</u>	<u>99.73%</u>	<u>99.73%</u>	<u>99.72%</u>	<u>100.49%</u>	<u>100.05%</u>

**Hinsdale Township High School District No. 86**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Bonded Debt	Debt Certificates	Capital Leases	Total	Percentage of Estimated Actual Taxable Value of Property	General Debt Per Capita
2016	\$ 24,179,969	\$ -	\$ -	24,179,969	0.16%	319
2015	20,486,344	80,000	-	20,566,344	0.13%	183
2014	21,769,069	265,000	126,550	22,160,619	0.13%	256
2013	23,376,794	445,000	251,368	24,073,162	0.14%	279
2012	25,031,056	615,000	196,800	25,842,856	0.14%	300
2011	8,275,000	775,000	388,259	9,438,259	0.05%	122
2010	10,180,000	930,000	120,923	11,230,923	0.06%	145
2009	12,000,000	1,080,000	401,087	13,481,087	0.07%	174
2008	9,280,000	1,225,000	319,600	10,824,600	0.06%	140
2007	11,160,000	1,382,000	-	12,542,000	0.08%	162

Source of information: Annual Financial Statements

Note: Population estimates were based on official U.S. Census, Local, City, Village and School data.

**Hinsdale Township High School District No. 86**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2016**

Taxing Authority	2014 Equalized		Applicable to District	
	Assessed Valuation	Outstanding Bonds	Percent	Amount
<b>Governmental:</b>				
DuPage County	\$ 33,900,296,790	\$ 42,020,000 (2)	14.045%	\$ 5,901,709
DuPage County Forest Preserve	33,900,296,790	140,577,987 (3)	14.045%	19,744,178
Cook County	132,714,850,419	3,362,051,750	0.167%	5,614,626
Cook County Forest Preserve	132,714,850,419	116,060,000 (2)	0.167%	193,820
Metropolitan Water Reclamation District	130,304,803,798	2,629,938,991 (1)	0.171%	4,497,196
<b>Municipalities:</b>				
Village of Burr Ridge	1,008,782,227	505,000	72.149%	364,352
Village of Clarendon Hills	495,292,137	- (2)	93.269%	-
City of Darien	782,722,895	4,830,000	59.513%	2,874,478
Village of Hinsdale	1,626,204,809	1,710,000 (2)	99.898%	1,708,256
Village of Lemont	523,105,153	- (2)	0.076%	-
Village of Westmont	751,674,910	- (2)	21.097%	-
Village of Willowbrook	393,038,691	- (2)	100.000%	-
<b>Special Service Areas:</b>				
Clarendon Hills #7	1,835,043	25,000	100.000%	25,000
Clarendon Hills #13	1,000,170	19,000	100.000%	19,000
Clarendon Hills #15	11,201,440	- (2)	100.000%	-
Hinsdale #13	46,517,162	1,170,000	100.000%	1,170,000
Willowbrook #1	11,071,200	2,725,000	100.000%	2,725,000
<b>Park Districts:</b>				
Burr Ridge Park District	679,409,394	3,610,000	100.000%	3,610,000
Clarendon Hills Park District	494,776,287	1,263,000	93.262%	1,177,899
Darien Park District	494,776,287	1,889,070 (2)	60.068%	1,134,727
Oak Brook Park District	1,356,294,912	1,886,126	59.782%	1,127,564
Oakbrook Terrace Park District	260,597,576	403,000	4.327%	17,438
Westmont Park District	767,296,700	825,000 (2)	20.338%	167,789
<b>Miscellaneous Districts:</b>				
Darien-Woodridge Fire District	1,019,017,902	- (2)	15.934%	-
<b>School Districts:</b>				
#53	791,397,204	840,000	100.000%	840,000
#60	542,935,063	15,085,000	77.102%	11,630,837
#61	434,026,149	5,525,000	54.082%	2,988,031
#62	662,278,180	7,160,000	100.000%	7,160,000
#63	306,094,953	3,637,687 (2)(3)	96.573%	3,513,023
#181	2,310,385,375	55,030,000 (2)	100.000%	55,030,000
College of DuPage #502	38,018,285,744	193,170,000 (2)	13.111%	25,326,519
Total indirect debt				158,561,442
Hinsdale Twp. High School District No. 86				24,179,969
Total direct and overlapping bonded debt				<u>\$ 182,741,411</u>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Excludes outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.  
 Also excludes installment contracts, loans, notes and debt certificates.

(3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

Source: Offices of the Cook and DuPage County Clerks, Cook County Comptroller and Treasurer of Metropolitan Water Reclamation District of Greater Chicago

**Hinsdale Township High School District No. 86**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Legal debt limit (6.9% of equalized assessed valuation)	<u>\$ 343,951,679</u>	<u>\$ 327,854,412</u>	<u>\$ 329,954,232</u>	<u>\$ 346,067,193</u>
General Bonded debt outstanding				
General obligation bonds/debt certificates	22,220,000	18,400,000	19,660,000	21,240,000
Less:				
Amounts set aside to repay general debt	<u>933,025</u>	<u>528,484</u>	<u>1,632,074</u>	<u>1,779,462</u>
Total net debt applicable to debt limit	<u>21,286,975</u>	<u>17,871,516</u>	<u>18,027,926</u>	<u>19,460,538</u>
Legal debt margin	<u>\$ 322,664,704</u>	<u>\$ 309,982,896</u>	<u>\$ 311,926,306</u>	<u>\$ 326,606,655</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>93.81%</u>	<u>94.55%</u>	<u>94.54%</u>	<u>94.38%</u>

Legal Debt Margin calculation for fiscal year June 30, 2015

Assessed valuation of taxable properties for the tax year 2014	\$4,984,806,945
Rate	<u>6.9%</u>
Bonded debt limit	<u>343,951,679</u>
Debt subject to limitation:	
General obligation bonds payable	<u>22,220,000</u>
Total debt subject to limitation	22,220,000
Less Debt Service Fund balance	<u>(933,025)</u>
Net Debt outstanding subject to limitation	<u>21,286,975</u>
Legal bonded debt margin at June 30, 2016	<u>\$ 322,664,704</u>

Source of Information: Annual Financial Statements



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 376,813,181</u>	<u>\$ 406,469,532</u>	<u>\$ 431,132,579</u>	<u>\$ 430,582,613</u>	<u>\$ 400,164,444</u>	<u>\$ 369,700,119</u>
22,875,000	9,050,000	11,110,000	13,080,000	10,505,000	12,542,000
<u>1,800,734</u>	<u>1,427,735</u>	<u>1,714,474</u>	<u>1,692,263</u>	<u>1,341,836</u>	<u>1,585,979</u>
<u>21,074,266</u>	<u>7,622,265</u>	<u>9,395,526</u>	<u>11,387,737</u>	<u>9,163,164</u>	<u>10,956,021</u>
<u>\$ 355,738,915</u>	<u>\$ 398,847,267</u>	<u>\$ 421,737,053</u>	<u>\$ 419,194,876</u>	<u>\$ 391,001,280</u>	<u>\$ 358,744,098</u>
<u>94.41%</u>	<u>98.12%</u>	<u>97.82%</u>	<u>97.36%</u>	<u>97.71%</u>	<u>97.04%</u>

**Hinsdale Township High School District No. 86**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS - POPULATION**  
**JUNE 30, 2016**

NAME OF ENTITY	1990	2000	2010	% Change
<b>County</b>				
Cook County	5,105,067	5,376,741	5,194,675	-3.50%
DuPage County	781,666	904,161	916,924	1.39%
<b>Municipalities</b>				
Village of Burr Ridge	7,669	10,408	10,559	1.43%
Village of Clarendon Hills	6,994	7,610	8,427	9.70%
Village of Hinsdale	16,029	17,349	16,816	-3.17%
Village of Oak Brook	9,178	8,702	7,883	-10.39%
Village of Westmont	21,228	24,554	24,685	0.53%
Village of Willowbrook	8,598	8,967	8,540	-5.00%
<b>Miscellaneous</b>				
City of Darien	18,341	22,860	22,086	-3.50%
State of Illinois	11,430,602	12,419,293	12,830,632	3.21%

Source of information: U.S. Census Bureau

Note: Personal income data was not available for the District.

**Hinsdale Township High School District No. 86**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS - MEDIAN HOUSEHOLD INCOME**  
**JUNE 30, 2016**

	<u>VILLAGE OF BURR RIDGE</u>		<u>VILLAGE OF CLARENDON HILLS</u>		<u>CITY OF DARIEN</u>	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	81	2.37%	20	0.69%	209	2.38%
\$10,000 to \$14,999	39	1.14%	66	2.28%	231	2.63%
\$15,000 to \$24,999	66	1.93%	150	5.18%	509	5.79%
\$25,000 to \$34,999	136	3.98%	214	7.39%	574	6.53%
\$35,000 to \$49,999	175	5.12%	284	9.81%	1,037	11.80%
\$50,000 to \$74,999	509	14.89%	527	18.21%	1,847	21.02%
\$75,000 to \$99,999	338	9.89%	466	16.10%	1,475	16.79%
\$100,000 to \$149,999	602	17.61%	558	19.28%	1,816	20.67%
\$150,000 to \$199,999	418	12.23%	262	9.05%	578	6.58%
\$200,000 or more	1,055	30.86%	347	11.99%	510	5.80%

	<u>VILLAGE OF HINSDALE</u>		<u>VILLAGE OF OAK BROOK</u>		<u>VILLAGE OF WESTMONT</u>	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	162	2.67%	38	1.27%	563	5.77%
\$10,000 to \$14,999	169	2.79%	56	1.87%	510	5.23%
\$15,000 to \$24,999	360	5.94%	93	3.11%	935	9.58%
\$25,000 to \$34,999	330	5.44%	109	3.64%	1,073	11.00%
\$35,000 to \$49,999	487	8.03%	175	5.85%	1,624	16.64%
\$50,000 to \$74,999	738	12.17%	366	12.23%	2,175	22.29%
\$75,000 to \$99,999	67	11.11%	250	8.35%	1,373	14.07%
\$100,000 to \$149,999	905	14.92%	436	14.57%	1,002	10.27%
\$150,000 to \$199,999	585	9.65%	329	10.99%	273	2.80%
\$200,000 or more	1655	27.29%	1,141	38.12%	230	2.36%

	<u>VILLAGE OF WILLOWBROOK</u>		<u>COUNTY OF DUPAGE</u>		<u>COUNTY OF COOK</u>	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	95	2.26%	9,716	2.98%	192,689	9.76%
\$10,000 to \$14,999	118	2.80%	8,540	2.62%	107,043	5.42%
\$15,000 to \$24,999	353	8.39%	19,578	6.01%	215,908	10.94%
\$25,000 to \$34,999	566	13.45%	26,702	8.13%	230,787	11.69%
\$35,000 to \$49,999	653	15.51%	43,786	13.43%	316,575	16.03%
\$50,000 to \$74,999	940	22.33%	73,339	22.50%	390,779	19.79%
\$75,000 to \$99,999	525	12.47%	54,538	16.73%	222,453	11.27%
\$100,000 to \$149,999	533	12.66%	53,930	16.54%	181,938	9.21%
\$150,000 to \$199,999	148	3.52%	17,737	5.44%	53,986	2.73%
\$200,000 or more	278	6.60%	18,145	5.57%	62,250	3.15%

<u>STATE OF ILLINOIS</u>		
	Number	Percent
Under \$10,000	383,299	8.35%
\$10,000 to \$14,999	252,485	5.50%
\$15,000 to \$24,999	517,812	11.27%
\$25,000 to \$34,999	545,962	11.89%
\$35,000 to \$49,999	745,180	16.23%
\$50,000 to \$74,999	952,940	20.75%
\$75,000 to \$99,999	531,760	11.58%
\$100,000 to \$149,999	415,348	9.04%
\$150,000 to \$199,999	119,056	2.59%
\$200,000 or more	128,898	2.81%

Source of information: U.S. Bureau of the Census (2000 Census)

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**Hinsdale Township High School District No. 86**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Firm	Type of Business	Approximate Employment	Percentage of Total Employment
<u>Year Ended June 30, 2016</u>			
Argonne Research Laboratory	Laboratory	3,350	11.10 %
McDonalds Corporation	Headquarters - fast food chain	1,700	5.60
Adventist Hinsdale Hospital	Hospital	1,560	5.20
Ace Hardware Corp.	Wholesale hardware co-op	900	3.00
C.N.H America, LLC	Product development and engineering	800	2.60
Advocate Health Care	Healthcare services	800	2.60
Hinsdale Township HS Dist. 86	Public high school district	725	2.40
Nordstrom	Department store	700	2.30
Continental Electrical Construction	Construction company	500	1.70
Citgo Petroleum	Oil and gas supplier	500	1.70
Crowe Horwath, LLP	Public accounting firm	500	1.70
Inland Real Estate Corporation	Real estate corporation	445	1.50
A.M. Castle & Co. HQ	Metal distribution	400	1.30
RML Specialty Hospital	Hospital	400	1.30
		<u>13,280</u>	<u>44.00</u> %
Total		<u><u>13,280</u></u>	<u><u>44.00</u></u> %
<u>Year Ended June 30, 2007</u>			
McDonalds Corporation	Headquarters - fast food chain	3,000	9.0%
Adventist Hinsdale Hospital	Hospital	2,500	7.5%
Ace Hardware Corp	Wholesale hardware co-op	950	2.9%
Inland Group	Real estate investment services	800	2.4%
Nordstrom	Department store	700	2.1%
Hinsdale Township HS Dist. 86	Public high school district	603	1.8%
TCF National Bank of Illinois	Bank headquarters	600	1.8%
Interactive Business Systems	Corporate headquarters	600	1.8%
Sandford Corp.	Office supplies	600	1.8%
Crowe, Chizek & Co., LLP	Accounting services	518	1.6%
		<u>10,871</u>	<u>32.7%</u>

\*2016, the current year, information is actually information obtained in the previous year (2015) by the publishers of the directories.

\*\*The 2015 estimated total employment in High School District 86 was approximately 30,215.

\*\*\*The 2006 estimated total employment in High School District 86 was approximately 33,260.

Sources:

- 2016 Illinois Manufacturers Directory
- 2016 Illinois Services Directory
- Reference USA.com
- Phone Canvass of Employer
- Official Website of Employer
- Phone Canvass of employers.
- 2007 Illinois Manufactures' News and 2007 Illinois Services Directories
- 2007 Harris Illinois Industrial Directory
- Illinois Department of Employment Security

**Hinsdale Township High School District No. 86**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS-AVERAGE UNEMPLOYMENT RATES**  
**LAST TEN YEARS**

	VILLAGE OF BURR RIDGE		VILLAGE OF CLARENDON HILLS		CITY OF DARIEN		VILLAGE OF HINDSDALE		VILLAGE OF OAK BROOK	
2004 - Average	1.8	%	1.6	%	3.8	%	3.9	%	5.6	%
2005 - Average	1.7		1.5		3.6		3.7		5.3	
2006 - Average	1.2		1.1		2.6		2.6		3.9	
2007 - Average	1.4		1.3		2.9		3.0		4.4	
2008 - Average	1.8		1.7		3.9		4.0		5.8	
2009 - Average	3.1		2.9		6.6		6.7		9.7	
2010 - Average	3.1		2.9		6.6		6.7		9.6	
2011 - Average	2.4		3.4		6.1		6.4		9.2	
2012 - Average	2.1		3.1		5.5		5.8		8.4	
2013 - Average	7.8		6.7		7.5		7.3		6.6	

Source of information: State of Illinois Department of Employment Security  
 Note: 2013 was the most recent information available.

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VILLAGE OF WESTMONT		VILLAGE OF WILLOWBOOK		COUNTY OF DUPAGE		COUNTY OF COOK		STATE OF ILLINOIS	
5.3	%	4.4	%	5.0	%	6.7	%	6.2	%
5.0		4.1		4.7		6.4		5.8	
3.6		3.0		3.4		4.7		4.6	
3.9		3.4		3.8		5.1		5.1	
5.1		4.5		5.0		6.5		6.4	
8.5		7.6		8.4		10.3		10.0	
8.5		7.5		8.3		10.5		10.4	
8.1		7.2		10.4		10.3		9.7	
7.4		6.5		7.3		9.3		8.9	
7.7		7.2		5.6		9.6		7.4	

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**Hinsdale Township High School District No. 86**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

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Fiscal Year	(1) Expenditure	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Record
2016	\$ 81,252,207	4,406	\$ 18,444	0.80%	388	11.4	94.00%
2015	77,300,936	4,225	18,298	0.75%	381	11.1	93.30%
2014	75,966,601	4,183	18,161	-25.42%	377	11.1	93.40%
2013	110,456,233	4,536	24,351	14.27%	377	12.0	94.30%
2012	97,557,660	4,578	21,310	2.37%	370	12.4	94.20%
2011	95,115,440	4,569	20,818	5.40%	367	12.4	94.20%
2010	90,104,696	4,562	19,751	6.76%	362	12.6	93.89%
2009	84,621,526	4,574	18,501	8.88%	359	12.7	94.04%
2008	78,164,569	4,600	16,992	2.14%	365	12.6	94.45%
2007	75,293,684	4,526	16,636	3.33%	357	12.7	93.73%

Source of information: District records.

(1) Total allowance for per capita tuition computation

**Hinsdale Township High School District No. 86**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014
<b>Hindsdale Central High School (1947)</b>			
Buildings (square feet)	478,425	478,425	478,425
Available capacity (students)	2,490	2,650	2,650
Enrollment (students housed)	2,792	2,792	2,775
<b>Hindsdale South High School (1965)</b>			
Buildings (square feet)	462,508	462,508	462,508
Available capacity (students)	1,930	1,875	1,875
Enrollment (students housed)	1,595	1,653	1,719

Source of information: District building and enrollment records

2013	2012	2011	2010	2009	2008	2007
478,425	478,425	478,425	478,425	478,425	478,425	478,425
2,650	2,650	2,650	2,650	2,650	2,650	2,650
2,806	2,830	2,686	2,722	2,726	2,750	2,657
462,508	462,508	462,508	462,508	462,508	462,508	462,508
1,875	1,875	1,875	1,875	1,875	1,875	1,875
1,730	1,748	1,866	1,840	1,848	1,850	1,869

**Hinsdale Township High School District No. 86**  
**SCHOOL DISTRICT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010
Teacher count:	388	379	377	370	367	362	359
Administrator count:	26	21	11	19	19	19	19
Clerk count:	1	1	2	2	2	2	2
Student Safety Count:	22	19	19	18	17	18	17
Library Aides count:	5	5	5	5	5	5	5
Custodian Count:	8	9	12	12	11	12	12
Secretaires Count:	18	20	19	19	19	18	19
Instructional Aides Count:	78	71	65	70	69	66	72
Senior Secretaries Count:	10	9	12	12	14	13	12
Grounds Count:	7	8	8	9	8	8	8
Specialized Aides Count:	6	9	8	8	8	8	8
Help Desk Coordinator Count:	0	0	1	1	1	1	1
Specialist and Financial Count:	8	4	6	6	6	6	6
Maintenance Count:	11	9	12	12	12	12	11
Desktop Specialist Count:	4	6	6	5	5	5	5
Supervisors Count:	5	5	7	8	8	8	8
Non-Classified Count:	32	30	31	28	29	26	30

Source of information: District records - full time equivalents.

Note: School district employee by function information for fiscal years ending in 2007 through 2009 was not available.