

**Alsip, Hazelgreen and Oak Lawn  
School District 126  
Alsip, Illinois**

Annual Financial Report  
June 30, 2017

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### Financial Section (Continued)

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## **Independent Auditor's Report**

RSM US LLP

Members of the Board of Education  
Alsip, Hazelgreen and Oak Lawn School District 126  
Alsip, Illinois

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Alsip, Hazelgreen and Oak Lawn School District 126, Illinois (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Alsip, Hazelgreen and Oak Lawn School District 126, Illinois, as of June 30, 2017, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Other Matters******Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the budgetary comparison information, combining and individual fund financial statements, schedule of assessed valuations, tax rates, extensions and collections, and schedule of debt service requirements, and the other information, such as the schedules of employer contributions and changes in net pension liabilities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The other information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*RSM US LLP*

Chicago, Illinois  
September 21, 2017

## **Basic Financial Statements**

**Government-Wide  
Financial Statements (GWFS)**

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Statement of Net Position - Modified Cash Basis**

**June 30, 2017**

	Governmental Activities
<hr/>	
<b>Assets</b>	
Cash and investments	\$ 52,795,868
Other assets	95
Capital assets not being depreciated	1,304,771
Capital assets being depreciated, net	<u>26,347,063</u>
<b>Total assets</b>	<u><u>\$ 80,447,797</u></u>
<b>Liabilities and Net Position</b>	
Liabilities:	
Payroll liabilities	\$ 1,744
Short-term obligations, due in one year:	
General obligation bonds	685,000
Long-term obligations, due in more than one year:	
General obligation bonds	<u>2,830,000</u>
<b>Total liabilities</b>	<u>3,516,744</u>
Net position:	
Net investment in capital assets	27,651,834
Restricted for:	
Tort immunity	380,552
Transportation	1,418,930
Debt service	452,376
Retirement benefits	1,484,062
Capital improvements and maintenance	1,490,759
Unrestricted	<u>44,052,540</u>
<b>Total net position</b>	<u><u>76,931,053</u></u>
<b>Total liabilities and net position</b>	<u><u>\$ 80,447,797</u></u>

See notes to basic financial statements.



**Alsip, Hazelgreen and Oak Lawn School District 126**

**Statement of Activities - Modified Cash Basis  
Year Ended June 30, 2017**

				Net (Expense), Revenue and Changes in Net Position
		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 10,329,694	\$ 50,388	\$ -	\$ (10,279,306)
Special programs	2,795,310	-	885,399	(1,909,911)
Other instructional programs	1,297,675	-	434,898	(862,777)
Support services:				
Pupils	1,163,109	-	-	(1,163,109)
Instructional staff	514,886	-	28,822	(486,064)
General administration	648,225	-	-	(648,225)
School administration	1,129,573	-	-	(1,129,573)
Business	1,099,477	92,354	480,875	(526,248)
Central office	1,429,636	-	-	(1,429,636)
Transportation	855,068	-	257,997	(597,071)
Community services	17,957	-	266,578	248,621
Payments to other governments	640,229	-	-	(640,229)
Interest and fees	152,064	-	-	(152,064)
<b>Total governmental activities</b>	<b>\$ 23,865,306</b>	<b>\$ 142,742</b>	<b>\$ 2,354,569</b>	<b>(21,367,995)</b>
General revenues:				
Taxes:				
Real estate taxes, general purposes				21,998,514
Real estate taxes, debt service				398,249
Corporate property replacement taxes				1,123,730
State aid-formula grants				1,877,120
Investment earnings				599,542
Other				230,215
<b>Total general revenues</b>				<b>26,227,370</b>
<b>Change in net position</b>				<b>4,859,375</b>
Net position:				
July 1, 2016				72,071,678
June 30, 2017				\$ 76,931,053

See notes to basic financial statements.

## **Fund Financial Statements (FFS)**

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Balance Sheet - Modified Cash Basis  
Governmental Funds  
June 30, 2017**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 49,161,416	\$ 3,634,452	\$ 52,795,868
Other assets	68	27	95
<b>Total assets</b>	<b>\$ 49,161,484</b>	<b>\$ 3,634,479</b>	<b>\$ 52,795,963</b>
<b>Liabilities and Fund Balances</b>			
Liabilities,			
Other liabilities	\$ 1,744	\$ -	\$ 1,744
Fund balances:			
Restricted for:			
Tort immunity	380,552	-	380,552
Transportation	-	1,418,930	1,418,930
Debt service	-	452,376	452,376
Retirement benefits	-	1,484,062	1,484,062
Capital improvements and maintenance	1,211,648	279,111	1,490,759
Committed	22,099,300	-	22,099,300
Unassigned	25,468,240	-	25,468,240
<b>Total fund balances</b>	<b>49,159,740</b>	<b>3,634,479</b>	<b>52,794,219</b>
<b>Total liabilities and fund balances</b>	<b>\$ 49,161,484</b>	<b>\$ 3,634,479</b>	<b>\$ 52,795,963</b>

See notes to basic financial statements.

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position - Modified Cash Basis  
June 30, 2017**

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Total fund balances - governmental funds	\$ 52,794,219
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	27,651,834
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds General obligation bonds	<u>(3,515,000)</u>
Net position of governmental activities	<u><u>\$ 76,931,053</u></u>

See notes to basic financial statements.

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**  
**Governmental Funds**  
**Year Ended June 30, 2017**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 18,790,963	\$ 3,605,800	\$ 22,396,763
Corporate property replacement taxes	1,020,122	103,608	1,123,730
Charges for services	372,957	-	372,957
Unrestricted state aid	1,877,120	-	1,877,120
Restricted state aid	869,794	257,997	1,127,791
Restricted federal aid	1,226,778	-	1,226,778
Interest	568,547	30,995	599,542
<b>Total revenues</b>	<b>24,726,281</b>	<b>3,998,400</b>	<b>28,724,681</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	9,138,188	160,500	9,298,688
Special programs	2,431,842	84,469	2,516,311
Other instructional programs	1,148,988	19,166	1,168,154
Support services:			
Pupils	1,006,749	40,271	1,047,020
Instructional staff	463,495	-	463,495
General administration	569,387	14,138	583,525
School administration	976,200	40,631	1,016,831
Business	824,111	165,627	989,738
Transportation	-	855,068	855,068
Operations and maintenance	1,613,503	-	1,613,503
Central office	1,245,397	41,547	1,286,944
Community services	15,913	251	16,164
Payments to other governments	640,229	-	640,229
Debt service:			
Principal	-	655,000	655,000
Interest and charges	-	152,066	152,066
Capital outlay	2,582,250	12,228	2,594,478
<b>Total expenditures</b>	<b>22,656,252</b>	<b>2,240,962</b>	<b>24,897,214</b>
<b>Change in fund balances</b>	<b>2,070,029</b>	<b>1,757,438</b>	<b>3,827,467</b>
Fund balances:			
July 1, 2016	47,089,711	1,877,041	48,966,752
June 30, 2017	\$ 49,159,740	\$ 3,634,479	\$ 52,794,219

See notes to basic financial statements.

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Modified Cash Basis  
Year Ended June 30, 2017**

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Net change in fund balances—total governmental funds	\$ 3,827,467
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlay exceeded depreciation expense for the current period:	
Capital outlay	1,437,126
Depreciation expense	(1,060,218)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond principal retirement	<u>655,000</u>
Change in net position of governmental activities	<u>\$ 4,859,375</u>

See notes to basic financial statements.

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Statement of Fiduciary Assets and Liabilities - Modified Cash Basis**

**Agency Fund**

**June 30, 2017**

	<u>Agency Student Activity Fund</u>
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<b>Assets</b> , cash	<u>\$ 102,206</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 102,206</u>

See notes to basic financial statements.

## Alsip, Hazelgreen and Oak Lawn School District 126

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### Nature of Operations

Alsip, Hazelgreen and Oak Lawn School District 126 (the District) operates as a public school system governed by an elected seven-member board. The District is organized under The School Code of the State of Illinois, as amended. The District serves the communities of Alsip and Oak Lawn, Illinois.

The accounting policies of the District conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies:

##### Financial Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of, and/or provide support to, the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been included within the reporting entity.

##### Basis of Presentation

**Government-Wide Financial Statements (GWFS):** The government-wide Statement of Net Position – modified cash basis and Statement of Activities - modified cash basis report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Net Position – modified cash basis presents the District's non-fiduciary assets and liabilities arising out of cash transactions with the difference reported as net position.



Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

The Statement of Activities - modified cash basis demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The remaining governmental funds are aggregated and reported as nonmajor governmental funds. Additionally, the District administers an agency fund that is used to account for assets held by the District in an agency capacity. These funds are held on behalf of the students of the District.

The District administers the following major governmental fund:

**General Fund** – This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

In the government-wide Statement of Net Position – modified cash basis and the Statement of Activities - modified cash basis, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) are reported within the limitations of the modified cash basis of accounting. Equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus, as applied to the modified cash basis of accounting, is used. Under a "current financial resources" measurement focus, only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The funds use fund balance as their measure of available spendable financial resources at the end of the period.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

***Basis of Accounting***

In the government-wide and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, deferred outflows and inflows of resources, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for capital assets and depreciation and debt related activity, including any bond premiums and discounts in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of a modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and all government-wide financials would be presented on the accrual basis of accounting.

**Significant Accounting Policies**

***Cash and Investments***

Cash and investments consist of pooled cash and investments held by the Worth Township Trustees which are reported at cost.

***Interfund Receivables, Payables, and Activity***

The District, at times, has the following types of transactions between funds:

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are eliminated in the government-wide statement of net position.

**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Significant Accounting Policies (Continued)**

***Capital Assets***

Capital assets which include land, land improvements, buildings and improvements, and equipment, are reported in the Statement of Net Position – modified cash basis. Capital assets are defined as assets with an initial individual cost of more than \$5,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities – modified cash basis with accumulated depreciation reflected in the Statement of Net Position – modified cash basis and is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	40 years
Equipment	3-5 years

***Compensated Absences***

Certified employees working less than 12 months a year do not earn vacation days, however, noncertified, full-time employees earn 5 to 30 vacation days depending on years of service which are accumulated.

All full-time employees receive 12 sick days per year with unlimited accumulation. These accumulated sick days do not vest; however, full-time employees may receive \$30 or \$50 per day of unused sick days upon resignation or retirement, respectively.

***Long-Term Obligations***

In the government-wide financial statements, long-term debt is reported as a liability. Bond premiums and discounts are capitalized and amortized over the life of the respective bonds using a method that approximates the effective interest method. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures when incurred.

In the fund financial statements, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds, payments to refunded bond escrow agents, and bond premiums or discounts are reported as another financing source or use. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Significant Accounting Policies (Continued)**

***Net Position***

The Statement of Net Position – modified cash basis presents the District's non-fiduciary assets and liabilities with the difference reported in three categories:

***Net investment in capital assets*** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted net position*** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

***Unrestricted net position*** consists of net position that does not meet the criteria of the two preceding categories.

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

***Fund Balances***

Within the governmental fund types, the District's fund balances are reported in one of the following classifications:

***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact. At June 30, 2017, the District has no nonspendable fund balances.

***Restricted*** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances. As of June 30, 2017, \$22,099,300 has been committed for building and building improvements throughout the District.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Significant Accounting Policies (Continued)**

**Assigned** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not authorized any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned. At June 30, 2017, the District has no assigned fund balances.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned to specific purposes.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all time sufficient money to meet demands thereon. These funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the General Fund educational account or abate the fund to any fund of the District in need. At June 30, 2017, the District had working cash stabilization fund balances of \$5,581,044 that have been classified as unassigned fund balances in the General Fund.

**Property Taxes**

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2016 tax levy was passed by the Board of Education on November 12, 2016, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2017 and are collected by the county treasurer, who in turn remits to the District its respective share. The District receives the remittances from the county treasurer approximately one month after collection. Property taxes are recorded upon receipt.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5 percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

Notes to Basic Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Significant Accounting Policies (Continued)**

***Eliminations and Reclassifications***

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

***Use of Estimates***

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 2. Budgets and Budgetary Information**

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on a basis consistent with the modified cash basis of accounting at the fund level. All budgets lapse at fiscal year-end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and by function. The General Fund is further detailed by account (Education, Operations and Maintenance, and Working Cash). The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10 percent of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. A supplemental budget was required as there were transfers between functions during the year.

**Note 3. Cash and Investments**

Substantially all cash and investments are deposits and investments maintained in pooled accounts held in the name of the Worth Township Trustees.

**Deposits**

State statutes authorize the District to make deposits directly or through its Township Trustees in interest-bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations and credit unions. As of June 30, 2017, the District had deposits with federally insured financial institutions of \$102,364 with bank balances totaling \$120,316.

*Custodial Credit Risk – Deposits* - Custodial credit risk is the risk that in the event of a bank failure, the Trustees' deposits may not be returned to it. As of June 30, 2017, none of the District's bank balances were exposed to custodial credit risk because they were uninsured or uncollateralized.

## Alsip, Hazelgreen and Oak Lawn School District 126

### Notes to Basic Financial Statements

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#### Note 3. Cash and Investments (Continued)

##### Investments

As of June 30, 2017, the District had the following investments:

Investment Type	Cost
Pooled cash and investments held by the Worth Township Trustees	<u>\$ 52,795,710</u>

Of the total pooled cash and investments held by Worth Township Trustees, maturities are approximately as follows: less than 1 year (30.03 percent), 1 to 5 years (50.15 percent), 6-10 years (16.09 percent), and greater than 10 years (3.73 percent). The pooled accounts hold the following types of investments: U.S. Treasury Securities, Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FHLMC (Freddie Mac), GNMA (Ginnie Mae), Illinois School District Liquid Asset Fund Plus (ISDLAF+), Municipal Bonds, Commercial paper and Illinois Funds.

*Interest Rate Risk* - The District's investment policy states the investment portfolio shall provide sufficient liquidity to pay District obligations as they become due. In this regard, maturity and marketability of investments shall be considered.

*Credit Risk* - State statutes authorize the District to invest directly or through its Township Trustees in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.

The District is also authorized to invest directly or through its Township Trustees in the Illinois School District Liquid Asset Fund Plus and the Illinois Funds, which invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high-rated, short-term obligations of major United States corporations and banks.

*Concentration of Credit Risk* - The District investment policy requires that the investment portfolio is diversified as to materials and investments, as appropriate to the nature, purpose, and amounts of the funds. The policy does not limit the investments in any single issuer.

*Custodial Credit Risk – Investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Information related to the interest rate risk, credit risk, concentration of credit risk and custodial credit risk of the other cash and investments held by the Worth Township Trustees can be obtained from the Worth Township Trustees at 10720 South Kenton, Oak Lawn, Illinois 60453, which issues a financial report that includes financial statements and supplementary information. This report can also be obtained online at [www.worthtst.org/Public\\_Documents.html](http://www.worthtst.org/Public_Documents.html).

## Alsip, Hazelgreen and Oak Lawn School District 126

### Notes to Basic Financial Statements

#### Note 3. Cash and Investments (Continued)

The above deposits and investments with a total carrying value of \$52,898,074 are presented in the basic financial statements as cash and investments as follows:

Statement of Net Position (GWFS)	\$ 52,795,868
Statement of Fiduciary Assets and Liabilities (FFS)	<u>102,206</u>
	<u><u>\$ 52,898,074</u></u>

#### Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Additions	Decreases/ Retirements	Balance June 30, 2017
Governmental activities:				
Capital Assets, not being depreciated:				
Land	\$ 243,000	\$ -	\$ -	\$ 243,000
Construction in progress	-	1,061,771	-	1,061,771
<b>Total capital assets not being depreciated</b>	<u>243,000</u>	<u>1,061,771</u>	<u>-</u>	<u>1,304,771</u>
Capital Assets, being depreciated:				
Buildings and improvements	35,585,153	9,055	-	\$ 35,594,208
Equipment	1,546,318	366,300	-	1,912,618
<b>Total capital assets being depreciated</b>	<u>37,131,471</u>	<u>375,355</u>	<u>-</u>	<u>37,506,826</u>
Less accumulated depreciation:				
Buildings and improvements	9,282,098	765,054	-	10,047,152
Equipment	817,447	295,164	-	1,112,611
<b>Total accumulated depreciation</b>	<u>10,099,545</u>	<u>1,060,218</u>	<u>-</u>	<u>11,159,763</u>
<b>Total capital assets being depreciated, net</b>	<u>27,031,926</u>	<u>(684,863)</u>	<u>-</u>	<u>26,347,063</u>
Governmental activities				
Capital assets, net	<u>\$ 27,274,926</u>	<u>\$ 376,908</u>	<u>\$ -</u>	<u>\$ 27,651,834</u>



## Alsip, Hazelgreen and Oak Lawn School District 126

### Notes to Basic Financial Statements

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#### Note 4. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 688,236
Support services	371,126
Community services	<u>858</u>
	<u>\$ 1,060,220</u>

#### Note 5. Long-Term Debt

The following is a summary of changes in the long-term debt for the year ended June 30, 2017:

	<u>General Obligation Bonds</u>
Balance, July 1, 2016	\$ 4,170,000
Debt retired	<u>(655,000)</u>
Balance, June 30, 2017	<u>\$ 3,515,000</u>
Amounts due within one year	<u>\$ 685,000</u>

Interest rates range from 3.7 percent to 4.5 percent on the outstanding bonds. As of June 30, 2017, the future annual debt service requirements on the outstanding debt is as follows:

Year Ending June 30,	General Obligation Bonds		Total
	Principal	Interest	
2018	\$ 685,000	\$ 121,112	\$ 806,112
2019	715,000	92,473	807,473
2020	740,000	65,555	805,555
2021	770,000	37,427	807,427
2022	<u>605,000</u>	<u>11,495</u>	<u>616,495</u>
	<u>\$ 3,515,000</u>	<u>\$ 328,062</u>	<u>\$ 3,843,062</u>

The District's estimated legal debt limitation of \$30,585,751 is based on 6.9 percent of the 2016 equalized assessed valuation of \$443,271,756 less outstanding debt of \$3,515,000 results in a legal debt margin of \$27,070,751 as of June 30, 2017.

Notes to Basic Financial Statements

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**Note 6. Retirement Fund Commitments**

**Teachers' Retirement System**

Plan Description

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

TRS issues a publicly available financial report that can be obtained at <http://trsil.org>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

Benefits Provided

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

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

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

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

*On behalf contributions to TRS.* The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2017, State of Illinois contributions in the amount of \$7,171,829 were paid directly to TRS based on the state's proportionate share of the collective net pension liability associated with the employer.

Notes to Basic Financial Statements

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**Note 6. Retirement Fund Commitments (Continued)**

**Teachers' Retirement System (Continued)**

Contributions (Continued)

*2.2 formula contributions.* Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017, were \$54,579.

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

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$328,855 were paid from federal and special trust funds that required employer contributions of \$126,741.

*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 employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, 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 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period.

Since the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension are not the result of cash transactions, the modified cash basis of accounting does not allow for these to be recorded on the government-wide financial statements.

The schedule of the employer's proportionate share of the net pension liability and the schedule of employer contributions are presented as other information following the notes to the financial statements.

Notes to Basic Financial Statements

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**Note 6. Retirement Fund Commitments (Continued)**

**Teachers' Health Insurance Security Fund**

Plan Description

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

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

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

On behalf contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$105,394 during the year.

Employer contributions to THIS

The District (employer) also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent for the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$79,045 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 2017 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Notes to Basic Financial Statements

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**Note 6. Retirement Fund Commitments (Continued)**

**Illinois Municipal Retirement**

Plan Description

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

Benefits Provided

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

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

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	243
Inactive Plan Members entitled to but not yet received benefits	149
Active Plan Members	87
<b>Total</b>	<b>479</b>

**Notes to Basic Financial Statements**

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**Note 6. Retirement Fund Commitments (Continued)**

**Illinois Municipal Retirement (Continued)**

**Contributions**

As set by statute, the District's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's required and actual contribution rates for the calendar years ended December 31, 2016 and 2015, were 11.69 percent and 10.88 percent, respectively. For fiscal year 2017, the District contributed \$263,930 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

During fiscal year 2017, the District made an additional payment of \$1,500,000 to pay off the unfunded IMRF liability.

**Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

The District's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Since the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension are not the result of cash transactions, the modified cash basis of accounting does not allow for these to be recorded on the government-wide financial statements.

The schedule of changes in net pension liability and related ratios and the schedule of employer contributions are presented as other information following the notes to the financial statements.

**Note 7. Post Employment Healthcare Plan**

***(a) Plan Description***

The District provides postemployment health care benefits (OPEB) in the form of medical coverage (including prescription drug coverage) to eligible retired employees and their dependents during the life of the retiree. Retirees pay 100 percent of the premium, which is an amount provided by the insurance provider. The Certified staff upon retirement have a choice either to remain in the District plan or cease coverage with the District and enroll in the Illinois Teachers Retirement Insurance Program plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The current eligibility criteria for retirees is as follows: employees must be enrolled in the active medical plan immediately prior to retiring. Illinois Municipal Retirement Fund employees must be eligible for benefits upon meeting the qualifications necessary to receive an IMRF annuity upon the completion of 8 years of service credit, and be at least age 55. Teachers' Retirement System employees need 10 years of service credit and be at least age 60, 20 years of service credit and be at least age 55, or 5 years of service credit and be at least age 62. This plan is a single employer defined benefit plan. The plan does not issue a separate report.

***(b) Funding Status, Policy and Contributions***

The contribution requirements of plan members and the District are established and may be amended by the District and are detailed in the personnel manual. The District funds the plan on a pay-as-you-go basis. For fiscal year 2017, the District did not contribute to the plan. At June 30, 2017, the plan was unfunded. The estimated amount of the unfunded accrued liability has not been determined.

Notes to Basic Financial Statements

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**Note 7. Post Employment Healthcare Plan (Continued)**

**(c) Annual OPEB costs and Net OPEB Obligation**

Since the District's financial statements have been prepared using a modified cash basis of accounting as discussed in Note 1, only contributions made to the OPEB plan are recorded as expense in the accompanying financial statements.

The District has not engaged an actuary to determine the *annual required contribution* (ARC) to the OPEB plan. The ARC is an amount actuarially determined in accordance with the parameters of GASB Statement 45 that 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 30 years.

Additionally, since the net OPEB obligation does not arise out of a cash transaction, it is not recorded in the accompanying financial statements. The amount of the net OPEB obligation has not been determined.

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

The District participates in the School Employees Loss Fund (SELF) for its workers' compensation coverages, the Suburban School Cooperative Insurance Pool (SSCIP) for its general liability and property insurance, and the Educational Benefits Cooperative (EBC) for its health insurance. SELF, SSCIP and EBC are organizations of school districts in Illinois which have formed associations under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs.

The participation agreement provides that SSCIP and EBC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 per occurrence and \$3,000,000 in aggregate for general liability and property insurance and \$100,000 per occurrence and approximately \$7,200,000 in aggregate for health insurance. The SELF pool purchases commercial insurance for its workers' compensation coverage through member premiums. The District, along with other members of SELF, has a contractual obligation to fund any premium deficiency of SELF attributable to a membership year during which it was a member. SELF, SSCIP, or EBC can assess supplemental premiums to fund these premium deficiencies. In the past three years, the District has not made any supplemental payments to the SELF, SSCIP, or EBC.

Each District appoints one delegate to represent the District on the Board of Directors of SSCIP and EBC. The District also has a member on the executive board of SELF. The District does not exercise any control over the activities of the pool beyond its representation on the Board of Directors.

**Note 9. Contingencies**

The District received financial awards from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2017.

Notes to Basic Financial Statements

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**Note 10. Commitments**

As of June 30, 2017, the District has certain construction commitments totaling approximately \$1,900,000.

***Cook County Economic Incentives***

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County and within the District's boundaries, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7 and 8) for the development of new industrial facilities, the rehabilitation of existing industrial structures, and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The District estimates its portion of annual abatement of property taxes to various local companies under this development incentive approximates \$1.4 million.

**Note 11. Pronouncements Issued But Not Yet Adopted**

The following is a description of the GASB authoritative pronouncements which have been issued but not yet adopted by the District.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the District beginning with its year ended June 30, 2018. This statement outlines accounting and financial reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the District beginning with its year ending June 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 84, *Fiduciary Activities*, will be effective for the District beginning with its year ended June 30, 2020. This statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 85, *Omnibus 2017*, will be effective for the District beginning with its year ended June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addressed a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

Management has not determined the impact, if any, these statements will have on the basic financial statements and related disclosures.



## Other Information

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Employer Contributions  
Illinois Municipal Retirement Fund**

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 262,660	\$ 1,762,661	\$ (1,500,001)	\$ 2,246,879	78.45%
2015	272,183	272,183	-	2,240,192	12.15%
2014	276,704	258,324	23,388	2,033,097	12.46%

**Note to schedule:** Detailed information and the summary of actuarial methods and assumptions used in the calculation of the contribution rate are available at the District's administrative offices. During fiscal year 2017, the District made an additional payment of \$1,500,000 to pay down the IMRF unfunded liability.

**Alsip, Hazelgreen and Oak Lawn School District 126**

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

Calendar Year Ended December 31,	2016	2015	2014
<b>A. Total pension liability</b>			
1. Service cost	\$ 265,102	\$ 243,747	\$ 245,612
2. Interest on the Total Pension Liability	1,150,341	1,117,228	1,048,075
3. Changes of benefit terms	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(100,251)	75,801	(9,337)
5. Changes of assumptions	(49,397)	32,898	619,422
6. Benefit payments, including refunds of employee contributions	(1,017,226)	(977,052)	(944,746)
7. Net change in total pension liability	248,569	492,622	959,026
8. Total pension liability - beginning	15,775,542	15,282,920	14,323,894
9. Total pension liability - ending	<u>\$ 16,024,111</u>	<u>\$ 15,775,542</u>	<u>\$ 15,282,920</u>
<b>B. Plan fiduciary net position</b>			
1. Contributions - employer	\$ 1,762,661	\$ 272,182	\$ 253,324
2. Contributions - employee	101,156	101,091	91,631
3. Net investment income	989,570	71,843	853,732
4. Benefit payments, including refunds of employee contributions	(1,017,226)	(977,052)	(944,746)
5. Other (net transfer)	125,546	154,278	121,005
6. Net change in plan fiduciary net position	1,961,707	(377,658)	374,946
7. Plan fiduciary net position - beginning	14,292,782	14,670,440	14,295,494
8. Plan fiduciary net position - ending	<u>\$ 16,254,489</u>	<u>\$ 14,292,782</u>	<u>\$ 14,670,440</u>
<b>C. Net pension liability</b>	<u>\$ (230,378)</u>	<u>\$ 1,482,760</u>	<u>\$ 612,480</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability</b>	101.44%	90.60%	95.99%
<b>E. Covered valuation payroll</b>	\$ 2,246,879	\$ 2,240,192	\$ 2,033,097
<b>F. Net pension liability as a percentage of covered valuation payroll</b>	-10.25%	66.19%	30.13%

**Note to schedule:** Detailed information and actuarial assumptions used in the preparation of this schedule are available at the District's administrative offices and at <https://www.imrf.org/en/employers/employer-resources/reports-for-employers>  
During 2017, the District made an additional payment of \$1,500,000 to pay down the unfunded liability.

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Employer Contributions  
Teachers' Retirement System of the State of Illinois  
Fiscal Year 2017**

	2016	2015	2014
Contractually-required contribution	\$ 181,320	\$ 122,656	\$ 91,697
Contributions in relation to the contractually-required contribution	181,320	122,656	91,697
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$ 9,410,162	\$ 9,200,441	\$ 9,252,371
Contributions as a percentage of covered-employee payroll	1.93%	1.33%	0.99%

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System of the State of Illinois  
Fiscal Year 2017**

	2016	2015	2014
Employer's proportion of the net pension liability	0.0033%	0.0023%	0.0026%
Employer's proportionate share of the net pension liability	\$ 2,572,573	\$ 1,525,365	\$ 1,564,071
State's proportionate share of the net pension liability associated the employer	73,028,344	59,966,400	55,733,734
Total	<u>\$ 75,600,917</u>	<u>\$ 61,491,765</u>	<u>\$ 57,297,805</u>
Employer's covered-employee payroll	\$ 9,410,162	\$ 9,200,441	\$ 9,252,371
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.45%	14.96%	16.15%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.47%	43.00%

**Note to schedule:** Detailed information and actuarial methods and assumptions used in the preparation of this schedule can be obtained at <http://trs.illinois.gov/employers/gasb/2015.pdf>

## **Supplementary Information**

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual - Modified Cash Basis  
General Fund - Budgetary Basis  
Year Ended June 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 17,976,967	\$ 18,790,963	\$ 813,996
Corporate property replacement taxes	800,000	1,020,122	220,122
Charges for services	193,729	372,957	179,228
Unrestricted state aid	1,482,627	1,877,120	394,493
Restricted state aid	750,842	869,794	118,952
Restricted federal aid	1,117,679	1,226,778	109,099
Interest	421,000	568,547	147,547
<b>Total revenues</b>	<u>22,742,844</u>	<u>24,726,281</u>	<u>1,983,437</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	8,823,551	9,138,188	(314,637)
Special programs	2,670,267	2,431,842	238,425
Other instructional programs	1,049,605	1,148,988	(99,383)
Support services:			
Pupils	971,264	1,006,749	(35,485)
Instructional staff	548,798	463,495	85,303
General administration	716,013	569,387	146,626
School administration	1,006,043	976,200	29,843
Central office	1,714,558	1,245,397	469,161
Business	958,232	824,111	134,121
Operations and maintenance	1,689,010	1,613,503	75,507
Community services	18,454	15,913	2,541
Payments to other governments	935,000	640,229	294,771
Capital outlay	2,217,000	2,582,250	(365,250)
<b>Total expenditures</b>	<u>23,317,795</u>	<u>22,656,252</u>	<u>661,543</u>
<b>Change in fund balance</b>	<u>\$ (574,951)</u>	2,070,029	<u>\$ 2,644,980</u>
Fund balance:			
June 30, 2016		<u>47,089,711</u>	
June 30, 2017		<u>\$ 49,159,740</u>	

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Combining Balance Sheet - Modified Cash Basis**

**General Fund, By Accounts**

**June 30, 2017**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Assets</b>					
Cash and investments	\$ 41,987,590	\$ 1,212,298	\$ 380,484	\$ 5,581,044	\$ 49,161,416
Other assets	-	-	68	-	68
<b>Total assets</b>	<u>\$ 41,987,590</u>	<u>\$ 1,212,298</u>	<u>\$ 380,552</u>	<u>\$ 5,581,044</u>	<u>\$ 49,161,484</u>
<b>Liabilities and Fund Balance</b>					
Other liabilities	\$ 1,094	\$ 650	\$ -	\$ -	\$ 1,744
Fund Balance:					
Restricted	-	1,211,648	380,552	-	1,592,200
Committed	22,099,300	-	-	-	22,099,300
Unassigned	19,887,196	-	-	5,581,044	25,468,240
<b>Total fund balance</b>	<u>41,986,496</u>	<u>1,211,648</u>	<u>380,552</u>	<u>5,581,044</u>	<u>49,159,740</u>
<b>Total liabilities and fund balance</b>	<u>\$ 41,987,590</u>	<u>\$ 1,212,298</u>	<u>\$ 380,552</u>	<u>\$ 5,581,044</u>	<u>\$ 49,161,484</u>

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Modified Cash Basis  
General Fund, By Accounts  
Year Ended June 30, 2017**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 16,228,721	\$ 2,334,145	\$ 14,295	\$ 213,802	\$ 18,790,963
Corporate property replacement taxes	1,020,122	-	-	-	1,020,122
Charges for services	356,713	16,244	-	-	372,957
Unrestricted state aid	1,877,120	-	-	-	1,877,120
Restricted state aid	869,794	-	-	-	869,794
Restricted federal aid	1,226,778	-	-	-	1,226,778
Interest	478,551	21,313	6,140	62,543	568,547
<b>Total revenues</b>	<b>22,057,799</b>	<b>2,371,702</b>	<b>20,435</b>	<b>276,345</b>	<b>24,726,281</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular programs	9,138,188	-	-	-	9,138,188
Special programs	2,431,842	-	-	-	2,431,842
Other instructional programs	1,148,988	-	-	-	1,148,988
Support services:					
Pupils	1,006,749	-	-	-	1,006,749
Instructional staff	463,495	-	-	-	463,495
General administration	392,172	-	177,215	-	569,387
School administration	976,200	-	-	-	976,200
Central Office	1,245,397	-	-	-	1,245,397
Business	824,111	-	-	-	824,111
Operations and maintenance	-	1,613,503	-	-	1,613,503
Community services	15,913	-	-	-	15,913
Payments to other governments	640,229	-	-	-	640,229
Capital outlay	918,167	1,618,890	45,193	-	2,582,250
<b>Total expenditures</b>	<b>19,201,451</b>	<b>3,232,393</b>	<b>222,408</b>	<b>-</b>	<b>22,656,252</b>
<b>Change in fund balance</b>	<b>2,856,348</b>	<b>(860,691)</b>	<b>(201,973)</b>	<b>276,345</b>	<b>2,070,029</b>
<b>Fund balance:</b>					
July 1, 2016	39,130,148	2,072,339	582,525	5,304,699	47,089,711
June 30, 2017	<u>\$ 41,986,496</u>	<u>\$ 1,211,648</u>	<u>\$ 380,552</u>	<u>\$ 5,581,044</u>	<u>\$ 49,159,740</u>



Alsip, Hazelgreen and Oak Lawn School District 126

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis  
Budget and Actual  
General Fund, By Accounts  
Year Ended June 30, 2017

	Educational Account		Operations and Maintenance Account		Tort Account		Working Cash Account		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original Budget	Actual
Revenues:										
Property taxes	\$ 15,549,124	\$ 16,228,721	\$ 2,212,787	\$ 2,334,145	\$ 13,894	\$ 14,295	\$ 201,162	\$ 213,802	\$ 17,976,967	\$ 18,790,963
Corporate property replacement taxes	800,000	1,020,122	-	-	-	-	-	-	800,000	1,020,122
Charges for services	193,729	356,713	-	16,244	-	-	-	-	193,729	372,957
Unrestricted state aid	1,482,627	1,877,120	-	-	-	-	-	-	1,482,627	1,877,120
Restricted state aid	750,842	869,794	-	-	-	-	-	-	750,842	869,794
Restricted federal aid	1,117,679	1,226,778	-	-	-	-	-	-	1,117,679	1,226,778
Interest	350,000	478,551	20,000	21,313	6,000	6,140	45,000	62,543	421,000	568,547
<b>Total revenues</b>	<b>20,244,001</b>	<b>22,057,799</b>	<b>2,232,787</b>	<b>2,371,702</b>	<b>19,894</b>	<b>20,435</b>	<b>246,162</b>	<b>276,345</b>	<b>22,742,844</b>	<b>24,726,281</b>
Expenditures:										
Current:										
Instruction:										
Regular programs	8,823,551	9,138,188	-	-	-	-	-	-	8,823,551	9,138,188
Special programs	2,670,267	2,431,842	-	-	-	-	-	-	2,670,267	2,431,842
Other instructional programs	1,049,605	1,148,988	-	-	-	-	-	-	1,049,605	1,148,988
Support services:										
Pupils	971,264	1,006,749	-	-	-	-	-	-	971,264	1,006,749
Instructional staff	548,798	463,495	-	-	-	-	-	-	548,798	463,495
General administration	451,013	392,172	-	-	265,000	177,215	-	-	716,013	569,387
School administration	1,006,043	976,200	-	-	-	-	-	-	1,006,043	976,200
Central Office	1,714,558	1,245,397	-	-	-	-	-	-	1,714,558	1,245,397
Business	958,232	824,111	-	-	-	-	-	-	958,232	824,111
Operations and maintenance	-	-	1,689,010	1,613,503	-	-	-	-	1,689,010	1,613,503
Community services	18,454	15,913	-	-	-	-	-	-	18,454	15,913
Payments to other governments	935,000	640,229	-	-	-	-	-	-	935,000	640,229
Capital outlay	672,000	918,167	1,470,000	1,618,890	75,000	45,193	-	-	2,217,000	2,582,250
<b>Total expenditures</b>	<b>19,818,785</b>	<b>19,201,451</b>	<b>3,159,010</b>	<b>3,232,393</b>	<b>340,000</b>	<b>222,408</b>	<b>-</b>	<b>-</b>	<b>23,317,795</b>	<b>22,656,252</b>
<b>Change in fund balance</b>	<b>\$ 425,216</b>	<b>2,856,348</b>	<b>\$ (926,223)</b>	<b>(860,691)</b>	<b>\$ (320,106)</b>	<b>(201,973)</b>	<b>\$ 246,162</b>	<b>276,345</b>	<b>\$ (574,951)</b>	<b>2,070,029</b>
Fund balance:										
July 1, 2016		39,130,148		2,072,339		582,525		5,304,699		47,089,711
June 30, 2017		<u>\$ 41,986,496</u>		<u>\$ 1,211,648</u>		<u>\$ 380,552</u>		<u>\$ 5,581,044</u>		<u>\$ 49,159,740</u>

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Combining Balance Sheet - By Fund Type - Modified Cash Basis**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2017**

	Special Revenue			Capital Projects	
	Municipal Retirement /			Fire	Nonmajor
	Transportation	Social Security	Debt Service	Prevention and Safety	Governmental
	Fund	Fund	Fund	Fund	Funds
<b>Assets</b>					
Cash and investments	\$ 1,418,930	\$ 1,484,035	\$ 452,376	\$ 279,111	\$ 3,634,452
Other assets	-	27	-	-	27
<b>Total assets</b>	<b>\$ 1,418,930</b>	<b>\$ 1,484,062</b>	<b>\$ 452,376</b>	<b>\$ 279,111</b>	<b>\$ 3,634,479</b>
<b>Liabilities and Fund Balances</b>					
Fund Balances:					
Restricted	\$ 1,418,930	\$ 1,484,062	\$ 452,376	\$ 279,111	\$ 3,634,479
<b>Total liabilities and fund balances</b>	<b>\$ 1,418,930</b>	<b>\$ 1,484,062</b>	<b>\$ 452,376</b>	<b>\$ 279,111</b>	<b>\$ 3,634,479</b>

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
By Fund Type - Modified Cash Basis  
Nonmajor Governmental Funds  
Year Ended June 30, 2017**

	<u>Special Revenue</u>			<u>Capital Projects</u>	
	Transportation	Municipal Retirement / Social Security	Debt Service	Fire Prevention and Safety	Total Nonmajor Governmental
	Fund	Fund	Fund	Fund	Funds
Revenues:					
Property taxes	\$ 2,310,655	\$ 896,896	\$ 398,249	\$ -	\$ 3,605,800
Corporate property replacement taxes	-	103,608	-	-	103,608
Restricted state aid	257,997	-	-	-	257,997
Interest	2,667	14,118	10,903	3,307	30,995
<b>Total revenues</b>	<b>2,571,319</b>	<b>1,014,622</b>	<b>409,152</b>	<b>3,307</b>	<b>3,998,400</b>
Expenditures:					
Current:					
Instruction:					
Regular programs	-	160,500	-	-	160,500
Special programs	-	84,469	-	-	84,469
Other instructional programs	-	19,166	-	-	19,166
Support services:					
Pupils	-	40,271	-	-	40,271
General administration	-	14,138	-	-	14,138
School administration	-	40,631	-	-	40,631
Transportation	855,068	-	-	-	855,068
Central office	-	41,547	-	-	41,547
Business	-	165,627	-	-	165,627
Community service	-	251	-	-	251
Debt service:					
Principal	-	-	655,000	-	655,000
Interest and charges	-	-	152,066	-	152,066
Capital Outlay	-	-	-	12,228	12,228
<b>Total expenditures</b>	<b>855,068</b>	<b>566,600</b>	<b>807,066</b>	<b>12,228</b>	<b>2,240,962</b>
<b>Change in fund balance</b>	<b>1,716,251</b>	<b>448,022</b>	<b>(397,914)</b>	<b>(8,921)</b>	<b>1,757,438</b>
Fund balances (deficit):					
July 1, 2016	(297,321)	1,036,040	850,290	288,032	1,877,041
June 30, 2017	\$ 1,418,930	\$ 1,484,062	\$ 452,376	\$ 279,111	\$ 3,634,479

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Modified Cash Basis  
Transportation Fund  
Year Ended June 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2,135,567	\$ 2,310,655	\$ 175,088
Restricted state aid	300,558	257,997	(42,561)
Interest	-	2,667	2,667
<b>Total revenues</b>	<u>2,436,125</u>	<u>2,571,319</u>	<u>135,194</u>
Expenditures:			
Current:			
Support services:			
Transportation	<u>971,500</u>	<u>855,068</u>	<u>116,432</u>
<b>Change in fund balance</b>	<u>\$ 1,464,625</u>	<u>1,716,251</u>	<u>\$ 251,626</u>
Fund balance (deficit):			
July 1, 2016		<u>(297,321)</u>	
June 30, 2017		<u>\$ 1,418,930</u>	

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Modified Cash Basis  
Municipal Retirement / Social Security Fund  
Year Ended June 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 824,385	\$ 896,896	\$ 72,511
Corporate property replacement taxes	50,000	103,608	53,608
Interest	6,000	14,118	8,118
<b>Total revenues</b>	<b>880,385</b>	<b>1,014,622</b>	<b>134,237</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	156,620	160,500	(3,880)
Special programs	94,367	84,469	9,898
Other instructional programs	20,804	19,166	1,638
Support services:			
Pupils	40,211	40,271	(60)
General administration	14,290	14,138	152
School administration	42,196	40,631	1,565
Central office	41,382	41,547	(165)
Business	169,681	165,627	4,054
Community service	45	251	(206)
<b>Total expenditures</b>	<b>579,596</b>	<b>566,600</b>	<b>12,996</b>
<b>Change in fund balance</b>	<b>\$ 300,789</b>	<b>448,022</b>	<b>\$ 147,233</b>
Fund balance:			
July 1, 2016		<u>1,036,040</u>	
June 30, 2017		<u>\$ 1,484,062</u>	

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Modified Cash Basis**

**Debt Service Fund**

**Year Ended June 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 818,947	\$ 398,249	\$ (420,698)
Interest	8,000	10,903	2,903
<b>Total revenues</b>	<u>826,947</u>	<u>409,152</u>	<u>(417,795)</u>
Expenditures:			
Debt service:			
Principal	655,000	655,000	-
Interest and charges	161,500	152,066	9,434
<b>Total expenditures</b>	<u>816,500</u>	<u>807,066</u>	<u>9,434</u>
<b>Change in fund balance</b>	<u>\$ 10,447</u>	(397,914)	<u>\$ (408,361)</u>
Fund balance:			
July 1, 2016		<u>850,290</u>	
June 30, 2017		<u>\$ 452,376</u>	

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Modified Cash Basis  
Fire Prevention and Safety Fund  
Year Ended June 30, 2017**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 978	\$ -	\$ (978)
Interest	3,000	3,307	307
<b>Total revenues</b>	<u>3,978</u>	<u>3,307</u>	<u>(671)</u>
Expenditures:			
Current:			
Capital outlay	25,000	12,228	12,772
<b>Total expenditures</b>	<u>25,000</u>	<u>12,228</u>	<u>12,772</u>
 <b>Change in fund balance</b>	 <u><u>\$ (21,022)</u></u>	 (8,921)	 <u><u>\$ 12,101</u></u>
Fund balance:			
July 1, 2016		<u>288,032</u>	
June 30, 2017		<u><u>\$ 279,111</u></u>	

**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Collections  
Last Five Years**

	Tax Year				
	2016	2015	2014	2013	2012
Assessed Valuations	<u>\$ 443,271,756</u>	<u>\$ 426,398,577</u>	<u>\$ 447,837,890</u>	<u>\$ 463,528,856</u>	<u>\$ 496,124,916</u>
Tax Rates:					
General Fund:					
Educational Accounts:					
Standard	3.2531	3.5000	3.5000	3.5000	3.1317
Special Education	0.3485	0.3623	0.3220	0.0889	0.0830
Operations and Main- tenance Accounts:					
Standard	0.5228	0.5500	0.5500	0.5500	0.5500
Tort Immunity Fund	0.0058	0.0002	0.0002	0.0111	0.0934
Working Cash Fund	0.0481	0.0500	0.0500	0.0500	0.0500
Transportation Fund	0.6595	0.3690	0.3260	0.3383	0.1868
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	0.0581	0.0966	0.0690	0.0222	0.0021
Debt Service Fund	0.0000	0.2022	0.1917	0.1861	0.1736
Fire Prevention and Safety Fund	0.0002	0.0002	0.0002	0.0222	0.0986
Social Security	0.0697	0.1932	0.0000	0.0000	0.0000
<b>Total</b>	<u>4.9659</u>	<u>5.3238</u>	<u>5.0091</u>	<u>4.7689</u>	<u>4.3692</u>
<b>Extended Tax Rate</b>	<u>4.966</u>	<u>5.324</u>	<u>5.009</u>	<u>4.769</u>	<u>4.369</u>
Tax Extensions:					
General Fund:					
Educational Accounts:					
Standard	\$ 14,420,000	\$ 14,923,950	\$ 15,674,326	\$ 16,223,510	\$ 15,536,988
Special Education	1,545,000	1,545,000	1,442,000	412,000	412,000
Operations and Main- tenance Accounts:					
Standard	2,317,500	2,345,192	2,463,108	2,549,409	2,728,687
Tort Immunity Fund	25,750	1,030	1,030	51,500	463,500
Working Cash Fund	213,399	213,199	223,919	231,764	248,062
Transportation Fund	2,923,273	1,573,353	1,459,810	1,568,061	927,000
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	257,500	412,000	309,000	103,000	10,300
Debt Service Fund	-	862,050	858,441	862,851	861,046
Fire Prevention and Safety Fund	1,030	1,030	1,030	103,000	489,250
Social Security	309,000	824,000	-	-	-
<b>Totals</b>	<u>\$ 22,012,452</u>	<u>\$ 22,700,804</u>	<u>\$ 22,432,664</u>	<u>\$ 22,105,095</u>	<u>\$ 21,676,833</u>
<b>Tax collections</b>	<u>\$ 11,583,471</u>	<u>\$ 21,553,334</u>	<u>\$ 22,224,680</u>	<u>\$ 21,394,408</u>	<u>\$ 21,013,317</u>
<b>Percentage Collected</b>	<u>52.62%</u>	<u>94.95%</u>	<u>99.07%</u>	<u>96.78%</u>	<u>96.94%</u>



**Alsip, Hazelgreen and Oak Lawn School District 126**

**Schedule of Debt Service Requirements  
June 30, 2017**

	Year Ending June 30,	Interest Rate	Total Principal	Total Interest	Total Principal and Interest
Bond issue of June 11, 2008	2018	4.500	\$ 685,000	\$ 121,112	\$ 806,112
Original amount: \$8,000,000	2019	3.700	715,000	92,473	807,473
Principal payable December 1 of each year	2020	3.700	740,000	65,555	805,555
Interest payable June 1 and	2021	3.750	770,000	37,427	807,427
December 1 of each year at 3.700% to 4.5%	2022	3.800	605,000	11,495	616,495
Paying agent: Bank of New York Trust					
			<u>\$ 3,515,000</u>	<u>\$ 328,062</u>	<u>\$ 3,843,062</u>