

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

Financial Report  
June 30, 2014

## Contents

### Financial Section

Independent Auditor's Report	1 – 2
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#### Basic Financial Statements

Government-Wide Financial Statements (GWFS)	
Statement of Net Position – Modified Cash Basis	3
Statement of Activities – Modified Cash Basis	4
Fund Financial Statements (FFS)	
Governmental Funds:	
Balance Sheet – Modified Cash Basis – Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position – Modified Cash Basis	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis – Governmental Funds	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Modified Cash Basis	8
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities – Modified Cash Basis – Agency Fund	9
Notes to Basic Financial Statements	10 – 27

#### Other Information

Schedule of Funding Progress – Illinois Municipal Retirement Fund	28
---	----

#### Supplementary Information

Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Modified Cash Basis:	
General Fund – Budgetary Basis	29
Combining Major Governmental Funds:	
Combining Balance Sheet – Modified Cash Basis – General Fund, by Accounts	30
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis - General Fund, by Accounts	31
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Budget and Actual – Budgetary Basis - General Fund, By Accounts	32
Combining Nonmajor Governmental Funds:	
Combining Balance Sheet – By Fund Type - Modified Cash Basis	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type - Modified Cash Basis	34

## Contents

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### Financial Section (Continued)

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Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Modified Cash Basis:	
Transportation Fund	35
Municipal Retirement Fund	36
Debt Service Fund	37
Fire Prevention and Safety Fund	38
 Schedule of Assessed Valuations, Tax Rates, Tax Extensions and Collections	 39
Schedule of Debt Service Requirements	40

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## **Independent Auditor's Report**

Members of the Worth Township Trustees of Schools  
and the Board of Education  
Alsip, Hazelgreen and Oak Lawn Elementary 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 Elementary School District 126 ("the District"), as of and for the year ended June 30, 2014, 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 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 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 elementary School District 126, as of June 30, 2014, 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 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, tax extensions, and collections, and schedule of debt service requirements, and the other information such as the schedule of funding progress 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.

*McGladrey LLP*

Chicago, Illinois  
September 30, 2014

## **Basic Financial Statements**

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

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

**Statement of Net Position - Modified Cash Basis  
June 30, 2014**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 42,119,925
Other assets	56,853
Capital assets not being depreciated	2,039,473
Capital assets being depreciated, net	<u>16,945,768</u>
<b>Total assets</b>	<u><u>\$ 61,162,019</u></u>
<b>Liabilities and Net Position</b>	
Liabilities:	
Payroll Liabilities	\$ 74,537
Long-term obligations, due in one year:	
General obligation bonds	605,000
Long-term obligations, due in more than one year:	
General obligation bonds	<u>4,795,000</u>
<b>Total liabilities</b>	<u>5,474,537</u>
Net Position:	
Net investment in capital assets	13,585,241
Restricted for:	
Tort immunity	1,122,656
Debt service	778,575
Transportation	812,717
Retirement benefits	389,970
Capital improvements and maintenance	248,189
Unrestricted	<u>38,750,134</u>
<b>Total net position</b>	<u><u>55,687,482</u></u>
<b>Total liabilities and net position</b>	<u><u>\$ 61,162,019</u></u>

See Notes to Basic Financial Statements.



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

**Statement of Activities - Modified Cash Basis**  
**Year Ended June 30, 2014**

				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	\$ 7,212,056	\$ 39,581	\$ -	\$ (7,172,475)
Special programs	2,675,624	-	1,428,592	(1,247,032)
Other instructional programs	910,120	-	277,590	(632,530)
Support services:				
Pupils	909,507	-	-	(909,507)
Instructional staff	674,918	-	38,335	(636,583)
General administration	582,669	-	-	(582,669)
School administration	1,015,097	-	-	(1,015,097)
Business	968,105	87,883	476,092	(404,130)
Central Office	791,665	-	-	(791,665)
Transportation	860,083	-	572,634	(287,449)
Operations and maintenance	1,650,428	-	154,584	(1,495,844)
Community services	9,279	-	37,333	28,054
Payments to other governments	737,471	-	-	(737,471)
Interest and fees	225,903	-	-	(225,903)
<b>Total governmental activities</b>	<b>\$ 19,222,925</b>	<b>\$ 127,464</b>	<b>\$ 2,985,160</b>	<b>(16,110,301)</b>
General revenues:				
Taxes:				
Real estate taxes, general purposes				20,781,322
Real estate taxes, debt service				850,596
Corporate property replacement taxes				1,050,280
State aid-formula grants				1,666,899
Investment earnings				403,735
Other				239,438
Total general revenues				24,992,270
Change in net position				8,881,969
Net Position:				
July 1, 2013				46,805,513
June 30, 2014				\$ 55,687,482

See Notes to Basic Financial Statements.

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

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

**Balance Sheet - Modified Cash Basis**

**Governmental Funds**

**June 30, 2014**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 39,890,501	\$ 2,229,424	\$ 42,119,925
Other assets	56,826	27	56,853
<b>Total assets</b>	<b>\$ 39,947,327</b>	<b>\$ 2,229,451</b>	<b>\$ 42,176,778</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Payroll liabilities	\$ 74,537	\$ -	\$ 74,537
Fund balances:			
Restricted for:			
Tort immunity	1,122,656	-	1,122,656
Debt service	-	778,575	778,575
Transportation	-	812,717	812,717
Retirement benefits	-	389,970	389,970
Capital improvements and maintenance	-	248,189	248,189
Unassigned	38,750,134	-	38,750,134
<b>Total fund balances</b>	<b>39,872,790</b>	<b>2,229,451</b>	<b>42,102,241</b>
<b>Total liabilities and fund balances</b>	<b>\$ 39,947,327</b>	<b>\$ 2,229,451</b>	<b>\$ 42,176,778</b>

See Notes to Basic Financial Statements.

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

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position - Modified Cash Basis  
June 30, 2014**

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Total fund balances - governmental funds	\$ 42,102,241
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	18,985,241
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>(5,400,000)</u>
Net position of governmental activities	<u><u>\$ 55,687,482</u></u>

See Notes to Basic Financial Statements.

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

**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis**

**Governmental Funds**

**Year Ended June 30, 2014**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 19,188,518	\$ 2,443,400	\$ 21,631,918
Corporate property replacement taxes	953,444	96,836	1,050,280
Charges for services	127,464	-	127,464
Unrestricted state aid	1,666,899	-	1,666,899
Restricted state aid	1,399,104	572,634	1,971,738
Restricted federal aid	1,013,422	-	1,013,422
Interest	367,413	36,322	403,735
Other	239,438	-	239,438
<b>Total revenues</b>	<b>24,955,702</b>	<b>3,149,192</b>	<b>28,104,894</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	6,851,734	45,697	6,897,431
Special programs	2,515,776	43,125	2,558,901
Other instructional programs	864,433	5,984	870,417
Support services:			
Pupils	859,282	10,548	869,830
Instructional staff	645,475	-	645,475
General administration	550,684	6,567	557,251
School administration	951,385	19,428	970,813
Business	827,791	98,080	925,871
Transportation	-	860,083	860,083
Operations and maintenance	1,578,429	-	1,578,429
Central Office	735,272	21,857	757,129
Community services	8,603	271	8,874
Payments to other governments	737,471	-	737,471
Debt service:			
Principal	-	585,000	585,000
Interest and charges	-	225,903	225,903
Capital outlay	4,455,900	-	4,455,900
<b>Total expenditures</b>	<b>21,582,235</b>	<b>1,922,543</b>	<b>23,504,778</b>
Excess of revenues over expenditures	<b>3,373,467</b>	<b>1,226,649</b>	<b>4,600,116</b>
Other financing sources (uses):			
Transfers in	2,000,000	-	2,000,000
Transfers out	-	(2,000,000)	(2,000,000)
<b>Total other financing sources (uses)</b>	<b>2,000,000</b>	<b>(2,000,000)</b>	<b>-</b>
<b>Change in fund balances</b>	<b>5,373,467</b>	<b>(773,351)</b>	<b>4,600,116</b>
Fund balances:			
July 1, 2013	<b>34,499,323</b>	<b>3,002,802</b>	<b>37,502,125</b>
June 30, 2014	<b>\$ 39,872,790</b>	<b>\$ 2,229,451</b>	<b>\$ 42,102,241</b>

See Notes to Basic Financial Statements.

**Alsip, Hazelgreen and Oak Lawn Elementary 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, 2014**

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Net change in fund balances—total governmental funds	\$ 4,600,116
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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	4,219,980
Depreciation Expense	(523,127)

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>585,000</u>
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Change in net position of governmental activities	<u><u>\$ 8,881,969</u></u>
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See Notes to Basic Financial Statements.

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

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

**Agency Fund**

**June 30, 2014**

	<u>Agency Student Activity Fund</u>
<b>Assets</b> , cash	<u>\$ 90,018</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 90,018</u>

See Notes to Basic Financial Statements.

## Alsip, Hazelgreen and Oak Lawn Elementary School District 126

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting, and Significant Accounting Policies**

##### **Nature of Operations**

Alsip, Hazelgreen and Oak Lawn Elementary 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, 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 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.



Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (continued)**

**Basis of Presentation (Continued)**

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 assets (or cost recovery), and financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 resource at the end of the period.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and 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 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 – modified cash basis.

**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. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (continued)**

**Significant Account Policies (Continued)**

***Capital Assets***

Capital assets which include land, 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 with accumulated depreciation reflected in the Statement of Net Position 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 terms of the respective bonds using a method that approximates the effective interest method.

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 as well as bond premiums or discounts are reported as another financing source. 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. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (continued)**

**Significant Account Policies (Continued)**

***Net Position***

Effective July 1, 2013, the District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. There were no significant effects on the financial statements as a result of the adoption of this statement.

The District's government-wide net position is 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*** result 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, 2014, the District has no nonspendable fund balance amounts.

***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. At June 30, 2014 the District has no committed fund balance amounts.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus, and Basis of Accounting and Significant Accounting Policies (continued)**

**Significant Account 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 delegated authority to 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. At June 30, 2014, the District has no assigned fund balances.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and unassigned deficit fund balances of other governmental funds.

**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 2013 tax levy was passed by the Board of Education on October 10, 2013, 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 2014 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% 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.

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 times sufficient money to meet demands thereon. These working cash 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 educational account, of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2014, the District had working cash stabilization fund balances of \$4,770,044 that have been classified as unassigned fund balances in the General fund.

**Notes to Basic Financial Statements**

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**Note 1. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Significant Accounting Policies (continued)**

**Significant Accounting Policies (Continued)**

***Eliminations and Reclassifications***

In the process of aggregating data for the government-wide Statement of Activities - Modified Cash Basis, some amounts reported as interfund activity and interfund balances in the funds are 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 October 1.

The appropriate budget is prepared by fund and by function. 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.

For budgetary purposes, the District does not recognize as revenue or expenditures the retirement contributions made by the State to the Teachers' Retirement System ("TRS") of the State of Illinois and to the Teachers' Health Insurance Security Fund ("THIS") on behalf of the District.

**Budget Over Expenditures**

During the year ended June 30, 2014, actual expenses exceeded budget by \$13,857 in the Municipal Retirement Fund.

## Alsip, Hazelgreen and Oak Lawn Elementary School District 126

### Notes to Basic Financial Statements

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#### 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, 2014, the District had deposits with federally insured financial institutions of \$90,175 with bank balances totaling \$89,995.

*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, 2014, none of the District's bank balances were exposed to custodial credit risk because they were uninsured or uncollateralized.

##### Investments

As of June 30, 2014, the District had the following investments:

Investment Type	Cost
Pooled cash and investments held by the Worth Township Trustees	<u>\$ 42,119,768</u>

Of the total pooled cash and investments held by Worth Township Trustees, maturities are approximately as follows: less than 1 year (10 percent), 1 to 5 years (29 percent), 6-10 years (58 percent), and greater than 10 years (3 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 has no investment policy related to the concentration of credit risk.

*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.

## Alsip, Hazelgreen and Oak Lawn Elementary School District 126

### Notes to Basic Financial Statements

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

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.

The above deposits and investments with a total carrying value of \$42,209,943 are presented in the basic financial statements as cash and investments as follows:

Statement of Net Position (GWFS)	\$ 42,119,925
Statement of Fiduciary Net Position (FFS)	<u>90,018</u>
	<u><u>\$ 42,209,943</u></u>

#### Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2014, are as follows:

	Balance July 1, 2013	Additions	Decreases/ Retirements	Balance June 30, 2014
Governmental activities:				
Capital Assets, not being depreciated:				
Land	\$ 184,000	\$ -	\$ -	\$ 184,000
Construction in progress	50,760	1,804,713	-	1,855,473
<b>Total capital assets not being depreciated</b>	<u>234,760</u>	<u>1,804,713</u>	<u>-</u>	<u>2,039,473</u>
Capital Assets, being depreciated:				
Buildings and improvements	22,377,528	2,326,030	-	24,703,558
Equipment	461,699	89,237	-	550,936
<b>Total capital assets being depreciated</b>	<u>22,839,227</u>	<u>2,415,267</u>	<u>-</u>	<u>25,254,494</u>
Less accumulated depreciation:				
Buildings and improvements	7,364,878	491,241	-	7,856,119
Equipment	420,721	31,886	-	452,607
<b>Total accumulated depreciation</b>	<u>7,785,599</u>	<u>523,127</u>	<u>-</u>	<u>8,308,726</u>
<b>Total capital assets being depreciated, net</b>	<u>15,053,628</u>	<u>1,892,140</u>	<u>-</u>	<u>16,945,768</u>
Governmental activities				
Capital assets, net	<u>\$15,288,388</u>	<u>\$ 3,696,853</u>	<u>\$ -</u>	<u>\$ 18,985,241</u>



## Alsip, Hazelgreen and Oak Lawn Elementary 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	\$ 324,642
Support services	198,205
Community services	<u>280</u>
	<u>\$ 523,127</u>

#### Note 5. Long-Term Debt

The following is a summary of changes in the long-term debt for the year ended June 30, 2014:

	General Obligation Bonds
Balance, July 1, 2013	\$ 5,985,000
Debt retired	<u>(585,000)</u>
Balance, June 30, 2014	<u>\$ 5,400,000</u>
Amounts due within one year	<u>\$ 605,000</u>

**Alsip, Hazelgreen and Oak Lawn Elementary School District 126****Notes to Basic Financial Statements**

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**Note 5. Long-Term Obligations (continued)**

Interest rates range from 3.125% to 4.5% on the outstanding bonds. As of June 30, 2014, the future annual debt service requirements on the outstanding debt is as follows:

Year Ending June 30,	General Obligation Bonds		Total
	Principal	Interest	
2015	605,000	204,663	809,663
2016	625,000	179,281	804,281
2017	655,000	151,263	806,263
2018	685,000	121,113	806,113
2019	715,000	92,473	807,473
2020 - 2022	2,115,000	114,478	2,229,478
	<u>\$ 5,400,000</u>	<u>\$ 863,269</u>	<u>\$ 6,263,269</u>

The District's estimated legal debt limitation of \$31,983,491 is based on 6.9% of the 2013 equalized assessed valuation of \$463,528,856 less outstanding debt of \$5,400,000 results in a legal debt margin of \$26,583,491 as of June 30, 2014.

**Note 6. Retirement Fund Commitments**Teachers' Retirement System

The District (employer) participates in the Teachers' Retirement System of the State of Illinois ("TRS"). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

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 State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

Notes to Basic Financial Statements

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

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

- **On behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, State of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds totaling \$3,159,696 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2013 and 2012, the State of Illinois contribution rates were 28.05 percent (\$2,442,855) and 24.91 percent (\$2,184,341), respectively.

The District makes other types of employer contributions directly to TRS.

- **2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$52,399. Contributions for the years ending June 30, 2013 and 2012 were \$51,466 and \$51,682, respectively.
- **Federal and special trust fund contributions.** When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that 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, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$111,145 were paid from federal and special trust funds that required employer contributions of \$39,356. For the years ended June 30, 2013 and 2012, required District contributions were \$46,172 and \$35,304, respectively.

- **Early Retirement Option ("ERO")**

The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member.

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, 2014, the District made no employer ERO contributions. For the years ended June 30, 2013 and 2012, the District also made no ERO contributions.

Notes to Basic Financial Statements

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

• ***Salary increases over 6 percent and excess sick leave***

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2014, 2013 and 2012, the District had no contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the years ended June 30, 2014, 2013 and 2012, the District had no contributions to TRS for sick leave days granted in the excess of the normal annual allotment.

***Further Information on TRS***

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2013. The report for the year ended June 30, 2014, is expected to be available in late 2014.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

**Teachers' Health Insurance Security Fund**

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 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 to enroll in Medicare Advantage plans.

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

Notes to Basic Financial Statements

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

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- ♦ **On behalf contributions to the THIS Fund.** The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions totaled \$87,633 during the year.

State contributions intended to match active member contributions during the year ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of employees were \$81,637 and \$78,414, respectively.

- ♦ **Employer contributions to the THIS Fund.** The District also makes contributions to the THIS Fund. The District's THIS Fund contributions were 0.72 percent during the years ended June 30, 2014, and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$65,047 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$61,227 and \$58,810 to the THIS Fund, respectively, which was 100 percent of the required contribution.

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

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 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 on-line at [www.imrf.org](http://www.imrf.org).

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rates for calendar years ended December 31, 2014 and 2013 used by the District were 13.08 percent and 11.89 percent, respectively, of annual covered payroll. The District's annual required contribution rates for calendar years ended December 31, 2014 and 2013 were 14.23 percent and 14.46 percent, respectively. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## Alsip, Hazelgreen and Oak Lawn Elementary School District 126

### Notes to Basic Financial Statements

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#### Note 6. Retirement Fund Commitments (continued)

The required contributions for 2014 and 2013 were determined as part of the December 31, 2012 and 2011, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 and 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2012 and 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Annual Pension Cost.* The following table shows the components of the District's annual pension cost for the fiscal year ended June 30, 2014, the amount actually contributed to the plan, and changes in the District's net pension obligation to the plan:

Annual required contribution	\$ 284,590
Interest on net pension obligation	17,387
Adjustment to annual required contribution	<u>(12,428)</u>
Annual pension cost	289,549
Contributions made	<u>248,727</u>
Increase in net pension obligation	40,822
Net pension obligation, July 1, 2013	<u>231,830</u>
Net pension obligation, June 30, 2014	<u><u>\$ 272,652</u></u>

Since the net pension obligation is not the result of a cash transaction, the modified cash basis of accounting does not allow for the net pension obligation to be recorded as a liability on the government-wide financial statements.

#### Three-Year Trend Information for the Regular Plan

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net pension Obligation
June 30, 2014	\$ 289,549	86%	\$ 272,652
June 30, 2013	271,037	81	231,830
June 30, 2012	267,012	78	179,641

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 69.97 percent funded. The actuarial accrued liability for benefits was \$4,665,853 and the actuarial value of assets was \$3,264,695, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,401,158. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,976,067 and the ratio of UAAL to covered payroll was 70.91 percent.

Notes to Basic Financial Statements

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

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

**Note 7. Post Employment Healthcare Plan**

**(a) Plan Description**

The District provides postemployment health care benefits ("OPEB") in the form of medical (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. IMRF 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. TRS 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 Board and are detailed in the various "Plan documents." The District funds the plan on a pay-as-you-go basis. For fiscal year 2014, the District did not contribute to the plan. At June 30, 2014, the plan was unfunded. The estimated amount of the unfunded accrued liability has not been determined.

**(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.

## Alsip, Hazelgreen and Oak Lawn Elementary School District 126

### Notes to Basic Financial Statements

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#### **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, 2014.

#### **Note 10. Commitments**

As of June 30, 2014, the District has certain construction commitments totaling approximately \$4,592,000.

#### **Note 11. Other Financial Disclosures (FFS Level Only)**

##### Interfund loans and transfers

At June 30, 2014, the District had interfund loans of \$1,796,899 between the Working Cash Fund (due from) and the Operations and Maintenance Fund (due to). Interfund loans represent operating loans that are expected to be repaid in fiscal year 2014. During 2014 the District also transferred \$2,000,000 from the Transportation Fund to the General Fund.

##### Deficit fund balance

As of June 30, 2014, the Operations and Maintenance Fund had a deficit balance of \$1,740,073. These deficits will be paid through a transfer of cash from the Education Fund in 2014 and incremental property taxes expected to be received starting in 2015.



**Notes to Basic Financial Statements**

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**Note 12. 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. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the District beginning with its year ended June 30, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* will be effective for the District beginning with its year ended June 30, 2015, and should be applied on a prospective basis. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, will be effective for the District beginning with its year ending June 30, 2016. This statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual basis of financial statements of employers and nonemployer contributing entities.

Management has not currently determined what impact, if any, these GASB Statements may have on its financial statements and related disclosures.

## Other Information

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

**Schedule of Funding Progress  
Illinois Municipal Retirement Fund**

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)	
12/31/13	\$ 3,264,695	\$ 4,665,853	\$ 1,401,158	69.97	%	\$ 1,976,067	70.91	%
12/31/12	2,376,624	4,421,550	2,044,926	53.75		1,973,313	103.63	
12/31/11	1,848,375	4,054,992	2,206,617	45.58		2,043,213	108.00	

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$4,637,229. On a market basis, the funded ratio would be 99.39 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

## **Supplementary Information**

**Alsip, Hazelgreen and Oak Lawn Elementary 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, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 18,827,057	\$ 19,188,518	\$ 361,461
Corporate property replacement taxes	700,000	953,444	253,444
Charges for services	218,000	127,464	(90,536)
Unrestricted state aid	805,000	1,666,899	861,899
Restricted state aid	963,000	1,399,104	436,104
Restricted federal aid	1,079,500	1,013,422	(66,078)
Interest	170,000	367,413	197,413
Other	-	239,438	239,438
<b>Total revenues</b>	<b>22,762,557</b>	<b>24,955,702</b>	<b>2,193,145</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	7,221,250	6,851,734	369,516
Special programs	2,825,600	2,515,776	309,824
Other instructional programs	939,400	864,433	74,967
Support services:			
Pupils	924,450	859,282	65,168
Instructional staff	767,500	645,475	122,025
General administration	724,050	550,684	173,366
School administration	1,026,000	951,385	74,615
Central Office	1,620,250	735,272	884,978
Business	971,600	827,791	143,809
Operations and maintenance	1,983,000	1,578,429	404,571
Community services	10,200	8,603	1,597
Payments to other governments	1,002,800	737,471	265,329
Capital outlay	3,687,000	4,455,900	(768,900)
<b>Total expenditures</b>	<b>23,703,100</b>	<b>21,582,235</b>	<b>2,120,865</b>
Excess (deficiency) of revenues over (under) expenditures	(940,543)	3,373,467	4,314,010
Other financing sources:			
Transfers in	-	2,000,000	2,000,000
<b>Change in fund balance</b>	<b>\$ (940,543)</b>	<b>5,373,467</b>	<b>\$ 6,314,010</b>
Fund balance:			
June 30, 2013		34,499,323	
June 30, 2014		\$ 39,872,790	

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

**Combining Balance Sheet - Modified Cash Basis**

**General Fund, By Accounts**

**June 30, 2014**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Assets</b>					
Cash and investments	\$ 35,794,700	\$ -	\$ 1,122,656	\$ 2,973,145	\$ 39,890,501
Other assets	-	56,826	-	-	56,826
Interfund receivable	-	-	-	1,796,899	1,796,899
<b>Total assets</b>	<u>\$ 35,794,700</u>	<u>\$ 56,826</u>	<u>\$ 1,122,656</u>	<u>\$ 4,770,044</u>	<u>\$ 41,744,226</u>
<b>Liabilities and Fund Balance</b>					
Interfund payable	\$ -	\$ 1,796,899	\$ -	\$ -	\$ 1,796,899
Payroll liabilities	74,537	-	-	-	74,537
<b>Total liabilities</b>	<u>74,537</u>	<u>1,796,899</u>	<u>-</u>	<u>-</u>	<u>1,871,436</u>
Fund Balance (deficit)					
Restricted	-	-	1,122,656	-	1,122,656
Unassigned	35,720,163	(1,740,073)	-	4,770,044	38,750,134
<b>Total fund balance (deficit)</b>	<u>35,720,163</u>	<u>(1,740,073)</u>	<u>1,122,656</u>	<u>4,770,044</u>	<u>39,872,790</u>
<b>Total liabilities and fund balance</b>	<u>\$ 35,794,700</u>	<u>\$ 56,826</u>	<u>\$ 1,122,656</u>	<u>\$ 4,770,044</u>	<u>\$ 41,744,226</u>

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

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Modified Cash Basis  
General Fund, By Accounts  
Year Ended June 30, 2014**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 16,103,103	\$ 2,600,334	\$ 249,082	\$ 235,999	\$ 19,188,518
Corporate property replacement taxes	953,444	-	-	-	953,444
Charges for services	105,864	21,600	-	-	127,464
Unrestricted state aid	1,666,899	-	-	-	1,666,899
Restricted state aid	1,244,520	154,584	-	-	1,399,104
Restricted federal aid	1,013,422	-	-	-	1,013,422
Interest	317,783	-	10,504	39,126	367,413
Other	239,438	-	-	-	239,438
<b>Total revenues</b>	<b>21,644,473</b>	<b>2,776,518</b>	<b>259,586</b>	<b>275,125</b>	<b>24,955,702</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	6,851,734	-	-	-	6,851,734
Special programs	2,515,776	-	-	-	2,515,776
Other instructional programs	864,433	-	-	-	864,433
<b>Support services:</b>					
Pupils	859,282	-	-	-	859,282
Instructional staff	645,475	-	-	-	645,475
General administration	407,324	-	143,360	-	550,684
School administration	951,385	-	-	-	951,385
Central Office	735,272	-	-	-	735,272
Business	827,791	-	-	-	827,791
Operations and maintenance	-	1,578,429	-	-	1,578,429
Community services	8,603	-	-	-	8,603
Payments to other governments	737,471	-	-	-	737,471
Capital outlay	529,121	3,926,779	-	-	4,455,900
<b>Total expenditures</b>	<b>15,933,667</b>	<b>5,505,208</b>	<b>143,360</b>	<b>-</b>	<b>21,582,235</b>
Excess (deficiency) of revenues over (under) expenditures	5,710,806	(2,728,690)	116,226	275,125	3,373,467
<b>Other financing sources:</b>					
Transfers in	-	2,000,000	-	-	2,000,000
<b>Change in fund balance</b>	<b>5,710,806</b>	<b>(728,690)</b>	<b>116,226</b>	<b>275,125</b>	<b>5,373,467</b>
<b>Fund balance (deficit):</b>					
July 1, 2013	30,009,357	(1,011,383)	1,006,430	4,494,919	34,499,323
June 30, 2014	<u>\$ 35,720,163</u>	<u>\$ (1,740,073)</u>	<u>\$ 1,122,656</u>	<u>\$ 4,770,044</u>	<u>\$ 39,872,790</u>

Alsip, Hazelgreen and Oak Lawn Elementary School District 126

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis

Budget and Actual - Budgetary Basis

General Fund, By Accounts

Year Ended June 30, 2014

	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
<b>Revenues:</b>										
Property taxes	\$ 15,763,402	\$ 16,103,103	\$ 2,602,060	\$ 2,600,334	\$ 225,055	\$ 249,082	\$ 236,550	\$ 235,999	\$ 18,827,057	\$ 19,188,518
Corporate property replacement taxes	700,000	953,444	-	-	-	-	-	-	700,000	953,444
Charges for services	203,000	105,864	15,000	21,600	-	-	-	-	218,000	127,464
Unrestricted state aid	805,000	1,666,899	-	-	-	-	-	-	805,000	1,666,899
Restricted state aid	963,000	1,244,520	-	154,584	-	-	-	-	963,000	1,399,104
Restricted federal aid	1,079,500	1,013,422	-	-	-	-	-	-	1,079,500	1,013,422
Interest	150,000	317,783	-	-	-	10,504	20,000	39,126	170,000	367,413
Other	-	239,438	50,000	-	-	-	-	-	50,000	239,438
<b>Total revenues</b>	<b>19,663,902</b>	<b>21,644,473</b>	<b>2,667,060</b>	<b>2,776,518</b>	<b>225,055</b>	<b>259,586</b>	<b>256,550</b>	<b>275,125</b>	<b>22,762,557</b>	<b>24,955,702</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular programs	7,221,250	6,851,734	-	-	-	-	-	-	7,221,250	6,851,734
Special programs	2,825,600	2,515,776	-	-	-	-	-	-	2,825,600	2,515,776
Other instructional programs	939,400	864,433	-	-	-	-	-	-	939,400	864,433
<b>Support services:</b>										
Pupils	924,450	859,282	-	-	-	-	-	-	924,450	859,282
Instructional staff	767,500	645,475	-	-	-	-	-	-	767,500	645,475
General administration	429,050	407,324	-	-	295,000	143,360	-	-	724,050	550,684
School administration	1,026,000	951,385	-	-	-	-	-	-	1,026,000	951,385
Central Office	1,620,250	735,272	-	-	-	-	-	-	1,620,250	735,272
Business	971,600	827,791	-	-	-	-	-	-	971,600	827,791
Operations and maintenance	-	-	1,983,000	1,578,429	-	-	-	-	1,983,000	1,578,429
Community services	10,200	8,603	-	-	-	-	-	-	10,200	8,603
Payments to other governments	1,002,800	737,471	-	-	-	-	-	-	1,002,800	737,471
Capital outlay	57,000	529,121	3,630,000	3,926,779	-	-	-	-	3,687,000	4,455,900
<b>Total expenditures</b>	<b>17,795,100</b>	<b>15,933,667</b>	<b>5,613,000</b>	<b>5,505,208</b>	<b>295,000</b>	<b>143,360</b>	<b>-</b>	<b>-</b>	<b>23,703,100</b>	<b>21,582,235</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,868,802</b>	<b>5,710,806</b>	<b>(2,945,950)</b>	<b>(2,728,690)</b>	<b>(69,945)</b>	<b>116,226</b>	<b>256,550</b>	<b>275,125</b>	<b>(940,543)</b>	<b>3,373,467</b>
<b>Other financing sources:</b>										
Transfers in	-	-	-	2,000,000	-	-	-	-	-	2,000,000
<b>Change in fund balance</b>	<b>\$ 1,868,802</b>	<b>5,710,806</b>	<b>\$ (2,945,950)</b>	<b>(728,690)</b>	<b>\$ (69,945)</b>	<b>116,226</b>	<b>\$ 256,550</b>	<b>275,125</b>	<b>\$ (940,543)</b>	<b>5,373,467</b>
<b>Fund balance (deficit):</b>										
July 1, 2013		30,009,357		(1,011,383)		1,006,430		4,494,919		34,499,323
June 30, 2014		<u>\$ 35,720,163</u>		<u>\$ (1,740,073)</u>		<u>\$ 1,122,666</u>		<u>\$ 4,770,044</u>		<u>\$ 39,872,790</u>



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

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

**Nonmajor Governmental Funds**

**Year Ended June 30, 2014**

	Special Revenue			Capital Projects	
	Transportation	Municipal	Debt Service	Fire	Nonmajor
	Fund	Retirement	Fund	Prevention	Governmental
	Fund	Fund	Fund	and Safety	Funds
	Fund	Fund	Fund	Fund	Funds
<b>Assets</b>					
Cash and investments	\$ 812,717	\$ 389,943	\$ 778,575	\$ 248,189	\$ 2,229,424
Other assets	-	27	-	-	27
<b>Total assets</b>	<b>\$ 812,717</b>	<b>\$ 389,970</b>	<b>\$ 778,575</b>	<b>\$ 248,189</b>	<b>\$ 2,229,451</b>
<b>Liabilities and Fund Balances</b>					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances					
Restricted	812,717	389,970	778,575	248,189	2,229,451
<b>Total liabilities and fund balances</b>	<b>\$ 812,717</b>	<b>\$ 389,970</b>	<b>\$ 778,575</b>	<b>\$ 248,189</b>	<b>\$ 2,229,451</b>

**Alsip, Hazelgreen and Oak Lawn Elementary 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, 2014**

	Special Revenue			Capital Projects	Total
	Transportation	Municipal	Debt Service	Fire	Nonmajor
	Fund	Retirement Fund	Fund	Prevention and Safety Fund	Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 1,239,037	\$ 57,623	\$ 850,596	\$ 296,144	\$ 2,443,400
Corporate property replacement taxes	-	96,836	-	-	96,836
Restricted state aid	572,634	-	-	-	572,634
Interest	18,633	4,106	13,272	311	36,322
<b>Total revenues</b>	<b>1,830,304</b>	<b>158,565</b>	<b>863,868</b>	<b>296,455</b>	<b>3,149,192</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	-	45,697	-	-	45,697
Special programs	-	43,125	-	-	43,125
Other instructional programs	-	5,984	-	-	5,984
<b>Support services:</b>					
Pupils	-	10,548	-	-	10,548
General administration	-	6,567	-	-	6,567
School administration	-	19,428	-	-	19,428
Transportation	860,083	-	-	-	860,083
Central Office	-	21,857	-	-	21,857
Business	-	98,080	-	-	98,080
Community services	-	271	-	-	271
<b>Debt service:</b>					
Principal	-	-	585,000	-	585,000
Interest and charges	-	-	225,903	-	225,903
<b>Total expenditures</b>	<b>860,083</b>	<b>251,557</b>	<b>810,903</b>	<b>-</b>	<b>1,922,543</b>
Excess (deficiency) of revenues over (under) expenditures	970,221	(92,992)	52,965	296,455	1,226,649
<b>Other financing uses:</b>					
Transfers out	(2,000,000)	-	-	-	(2,000,000)
<b>Change in fund balance</b>	<b>(1,029,779)</b>	<b>(92,992)</b>	<b>52,965</b>	<b>296,455</b>	<b>(773,351)</b>
<b>Fund balances (deficit):</b>					
July 1, 2013	1,842,496	482,962	725,610	(48,266)	3,002,802
June 30, 2014	\$ 812,717	\$ 389,970	\$ 778,575	\$ 248,189	\$ 2,229,451

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Modified Cash Basis  
Transportation Fund  
Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 873,026	\$ 1,239,037	\$ 366,011
Restricted state aid	405,000	572,634	167,634
Interest	5,000	18,633	13,633
<b>Total revenues</b>	<u>1,283,026</u>	<u>1,830,304</u>	<u>547,278</u>
Expenditures:			
Current:			
Support services:			
Transportation	<u>1,008,000</u>	<u>860,083</u>	<u>147,917</u>
Excess of revenues over expenditures	<u>275,026</u>	<u>970,221</u>	<u>695,195</u>
Other financing uses:			
Transfers out	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>
<b>Change in fund balance</b>	<u><u>\$ 275,026</u></u>	<u>(1,029,779)</u>	<u><u>\$ (1,304,805)</u></u>
Fund balance:			
July 1, 2013		<u>1,842,496</u>	
June 30, 2014		<u><u>\$ 812,717</u></u>	

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

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

**Municipal Retirement Fund**

**Year Ended June 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 58,221	\$ 57,623	\$ (598)
Corporate property replacement taxes	-	96,836	96,836
Interest	-	4,106	4,106
<b>Total revenues</b>	<b>58,221</b>	<b>158,565</b>	<b>100,344</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	40,000	45,697	(5,697)
Special programs	57,000	43,125	13,875
Other instructional programs	6,200	5,984	216
Support services:			
Pupils	11,000	10,548	452
General administration	6,000	6,567	(567)
School administration	20,000	19,428	572
Central Office	2,000	21,857	(19,857)
Business	94,500	98,080	(3,580)
Community services	1,000	271	729
<b>Total expenditures</b>	<b>237,700</b>	<b>251,557</b>	<b>(13,857)</b>
<b>Change in fund balance</b>	<b>\$ (179,479)</b>	<b>(92,992)</b>	<b>\$ 86,487</b>
Fund balance:			
July 1, 2013		<u>482,962</u>	
June 30, 2014		<u>\$ 389,970</u>	

**Alsip, Hazelgreen and Oak Lawn Elementary 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, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 817,552	\$ 850,596	\$ 33,044
Interest	5,000	13,272	8,272
<b>Total revenues</b>	<u>822,552</u>	<u>863,868</u>	<u>41,316</u>
Expenditures:			
Debt service:			
Principal	585,000	585,000	-
Interest and charges	241,000	225,903	15,097
<b>Total expenditures</b>	<u>826,000</u>	<u>810,903</u>	<u>15,097</u>
<b>Change in fund balance</b>	<u>\$ (3,448)</u>	52,965	<u>\$ 56,413</u>
Fund balance:			
July 1, 2013		<u>725,610</u>	
June 30, 2014		<u>\$ 778,575</u>	

**Alsip, Hazelgreen and Oak Lawn Elementary 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, 2014**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 262,972	\$ 296,144	\$ 33,172
Interest	-	311	311
<b>Total revenues</b>	<u>262,972</u>	<u>296,455</u>	<u>33,483</u>
 <b>Change in fund balance</b>	 <u><u>\$ 262,972</u></u>	 <u>296,455</u>	 <u><u>\$ 33,483</u></u>
 Fund balance:			
July 1, 2013		<u>(48,266)</u>	
 June 30, 2014		<u><u>\$ 248,189</u></u>	

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

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

	Tax Year				
	2013	2012	2011	2010	2009
Assessed Valuations	<u>\$ 463,528,856</u>	<u>\$ 496,124,916</u>	<u>\$ 551,752,527</u>	<u>\$ 660,308,624</u>	<u>\$ 679,831,386</u>
Tax Rates:					
General Fund:					
Educational Accounts:					
Standard	3.5000	3.1317	2.7839	2.2256	2.1143
Special Education	0.0889	0.0830	0.0653	0.0211	0.0206
Operations and Main- tenance Accounts:					
Standard	0.5500	0.5500	0.5227	0.4801	0.2868
Tort Immunity Fund	0.0111	0.0934	0.0840	0.1018	0.0517
Working Cash Fund	0.0500	0.0500	0.0470	0.0466	0.0476
Transportation Fund	0.3383	0.1868	0.1493	0.1237	0.1238
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	0.0222	0.0021	0.0000	0.0000	0.0908
Debt Service Fund	0.1861	0.1736	0.1559	0.1300	0.1267
Fire Prevention and Safety Fund	0.0222	0.0986	0.0019	0.0000	0.0948
<b>Total</b>	<u>4.7689</u>	<u>4.3692</u>	<u>3.8101</u>	<u>3.1289</u>	<u>2.9571</u>
<b>Extended Tax Rate</b>	<u>4.769</u>	<u>4.369</u>	<u>3.810</u>	<u>3.129</u>	<u>2.957</u>
Tax Extensions:					
General Fund:					
Educational Accounts:					
Standard	\$ 16,223,510	\$ 15,536,988	\$ 15,360,194	\$ 14,695,828	\$ 14,373,674
Special Education	412,000	412,000	360,500	139,325	140,045
Operations and Main- tenance Accounts:					
Standard	2,549,409	2,728,687	2,884,000	3,170,141	1,949,756
Tort Immunity Fund	51,500	463,500	463,500	672,194	351,472
Working Cash Fund	231,764	248,062	259,560	307,703	323,599
Transportation Fund	1,568,061	927,000	824,000	816,801	841,631
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	103,000	10,300	-	-	617,286
Debt Service Fund	862,851	861,046	860,069	858,381	861,414
Fire Prevention and Safety Fund	103,000	489,250	10,300	-	644,480
<b>Totals</b>	<u>\$ 22,105,095</u>	<u>\$ 21,676,833</u>	<u>\$ 21,022,123</u>	<u>\$ 20,660,373</u>	<u>\$ 20,103,357</u>
<b>Tax collections</b>	<u>\$ 11,045,581</u>	<u>\$ 20,863,800</u>	<u>\$ 20,254,448</u>	<u>\$ 20,077,042</u>	<u>\$ 19,428,716</u>
<b>Percentage Collected</b>	<u>49.97%</u>	<u>96.25%</u>	<u>96.35%</u>	<u>97.18%</u>	<u>96.64%</u>

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

**Schedule of Debt Service Requirements  
June 30, 2014**

	Year Ending June 30,	Interest Rate	Total Principal	Total Interest	Total Principal and Interest
Bond issue of June 11, 2008	2015	4.000%	\$ 605,000	\$ 204,663	\$ 809,663
Original amount: \$8,000,000	2016	4.250	625,000	179,281	804,281
Principal payable December 1 of each year	2017	4.500	655,000	151,263	806,263
Interest payable June 1 and	2018	4.500	685,000	121,113	806,113
December 1 of each year at 3.125% to 4.5%	2019	3.700	715,000	92,473	807,473
Paying agent: Bank of New York Trust	2020	3.700	740,000	65,555	805,555
	2021	3.750	770,000	37,428	807,428
	2022	3.800	605,000	11,495	616,495
			<u>\$ 5,400,000</u>	<u>\$ 863,269</u>	<u>\$ 6,263,269</u>