

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

Financial Report  
June 30, 2015

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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 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2015, 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 valuation, 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  
November 10, 2015

## **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, 2015**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 44,440,655
Other assets	103,173
Capital assets not being depreciated	786,686
Capital assets being depreciated, net	<u>23,411,478</u>
<b>Total assets</b>	<u><u>\$ 68,741,992</u></u>
<b>Liabilities and Net Position</b>	
Liabilities:	
Payroll liabilities	\$ 32,816
Long-term obligations, due in one year:	
General obligation bonds	625,000
Long-term obligations, due in more than one year:	
General obligation bonds	<u>4,170,000</u>
<b>Total liabilities</b>	<u>4,827,816</u>
Net Position:	
Net investment in capital assets	24,198,164
Restricted for:	
Tort immunity	868,373
Debt service	797,609
Retirement benefits	427,128
Capital improvements and maintenance	4,147,886
Unrestricted	<u>33,475,016</u>
<b>Total net position</b>	<u><u>63,914,176</u></u>
<b>Total liabilities and net position</b>	<u><u>\$ 68,741,992</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, 2015**

				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	\$ 7,053,308	\$ 37,610	\$ -	\$ (7,015,698)
Special programs	2,617,188	-	1,065,622	(1,551,566)
Other instructional programs	965,324	-	401,807	(563,517)
Support services:				
Pupils	901,915	-	-	(901,915)
Instructional staff	663,844	-	29,256	(634,588)
General administration	687,383	-	-	(687,383)
School administration	1,014,981	-	-	(1,014,981)
Business	988,807	53,446	595,065	(340,296)
Central Office	876,206	-	-	(876,206)
Transportation	815,395	-	325,834	(489,561)
Operations and maintenance	1,682,481	-	-	(1,682,481)
Community services	8,723	-	82,536	73,813
Payments to other governments	650,210	-	-	(650,210)
Interest and fees	206,268	-	-	(206,268)
<b>Total governmental activities</b>	<b>\$ 19,132,033</b>	<b>\$ 91,056</b>	<b>\$ 2,500,120</b>	<b>(16,540,857)</b>
General revenues:				
Taxes:				
Real estate taxes, general purposes				20,420,577
Real estate taxes, debt service				820,863
Corporate property replacement taxes				1,098,931
State aid-formula grants				1,793,992
Investment earnings				412,031
Other				221,157
Total general revenues				24,767,551
		Change in net position		8,226,694
Net Position:				
July 1, 2014				55,687,482
June 30, 2015				\$ 63,914,176

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, 2015**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 42,914,172	\$ 1,526,483	\$ 44,440,655
Interfund receivable	432,315	-	432,315
Other assets	103,146	27	103,173
<b>Total assets</b>	<b>\$ 43,449,633</b>	<b>\$ 1,526,510</b>	<b>\$ 44,976,143</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Other liabilities	\$ 32,816	\$ -	\$ 32,816
Interfund loan	-	432,315	432,315
<b>Total liabilities</b>	<b>32,816</b>	<b>432,315</b>	<b>465,131</b>
Fund balances:			
Restricted for:			
Tort immunity	868,373	-	868,373
Debt service	-	797,609	797,609
Retirement benefits	-	427,128	427,128
Capital improvements and maintenance	3,846,113	301,773	4,147,886
Unassigned	38,702,331	(432,315)	38,270,016
<b>Total fund balances</b>	<b>43,416,817</b>	<b>1,094,195</b>	<b>44,511,012</b>
<b>Total liabilities and fund balances</b>	<b>\$ 43,449,633</b>	<b>\$ 1,526,510</b>	<b>\$ 44,976,143</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, 2015**

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Total fund balances - governmental funds	\$ 44,511,012
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	24,198,164
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>(4,795,000)</u>
Net position of governmental activities	<u>\$ 63,914,176</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, 2015**

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 18,732,853	\$ 2,508,587	\$ 21,241,440
Corporate property replacement taxes	997,610	101,321	1,098,931
Charges for services	91,056	-	91,056
Unrestricted state aid	1,793,992	-	1,793,992
Restricted state aid	893,584	325,834	1,219,418
Restricted federal aid	1,280,702	-	1,280,702
Interest	390,297	21,734	412,031
Other	221,157	-	221,157
<b>Total revenues</b>	<b>24,401,251</b>	<b>2,957,476</b>	<b>27,358,727</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	6,889,773	47,903	6,937,676
Special programs	2,520,307	53,975	2,574,282
Other instructional programs	944,828	4,671	949,499
Support services:			
Pupils	876,228	10,901	887,129
Instructional staff	652,961	-	652,961
General administration	543,330	6,784	550,114
School administration	977,920	20,421	998,341
Business	875,588	97,009	972,597
Transportation	-	815,395	815,395
Operations and maintenance	1,185,303	-	1,185,303
Central Office	838,315	23,526	861,841
Community services	8,580	-	8,580
Payments to other governments	650,210	-	650,210
Debt service:			
Principal	-	605,000	605,000
Interest and charges	-	206,267	206,267
Capital outlay	6,093,881	880	6,094,761
<b>Total expenditures</b>	<b>23,057,224</b>	<b>1,892,732</b>	<b>24,949,956</b>
Excess of revenues over expenditures	<b>1,344,027</b>	<b>1,064,744</b>	<b>2,408,771</b>
Other financing sources (uses):			
Transfers in	2,200,000	-	2,200,000
Transfers (out)	-	(2,200,000)	(2,200,000)
<b>Total other financing sources (uses)</b>	<b>2,200,000</b>	<b>(2,200,000)</b>	<b>-</b>
<b>Change in fund balances</b>	<b>3,544,027</b>	<b>(1,135,256)</b>	<b>2,408,771</b>
Fund balances:			
July 1, 2014	39,872,790	2,229,451	42,102,241
June 30, 2015	<b>\$ 43,416,817</b>	<b>\$ 1,094,195</b>	<b>\$ 44,511,012</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, 2015**

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Net change in fund balances—total governmental funds	\$ 2,408,771
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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	6,012,011
Depreciation Expense	(799,088)

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>605,000</u>
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Change in net position of governmental activities	<u><u>\$ 8,226,694</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, 2015**

	<u>Agency Student Activity Fund</u>
<b>Assets</b> , cash	<u>\$ 69,872</u>
<b>Liabilities</b> , due to activity fund organizations	<u>\$ 69,872</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 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. Nature of Operations, Financial Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and 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. 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, 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. 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, 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 approximated 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. 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***

The Statement of Net Position 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*** 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*** consist of net position that do 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, 2015, 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. At June 30, 2015, 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 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, 2015, 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, 2015, the District had working cash stabilization fund balances of \$5,030,652 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 2014 tax levy was passed by the Board of Education on October 9, 2014, 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 2015 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.

## 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 (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.

##### ***New Pronouncement***

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (“GASB 68”), which was adopted by the District for the year ended June 30, 2015. GASB 68 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. Since the District uses a modified cash basis of accounting, the net pension liability, deferred outflows of resources, and deferred inflows of resources are not recorded on the government-wide financial statements as they are not the result of cash transactions. This standard impacted the financial statements by expanding the note disclosures.

#### **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.

##### **Budget Overexpenditures**

The following funds overexpended their budgets for the year ended June 30, 2015:

	Final Budget	Actual
Debt Service	\$ 811,000	\$ 811,267
Municipal Retirement Fund	260,986	265,190
Fire Prevention and Safety	-	880

## 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, 2015, the District had deposits with federally insured financial institutions of \$70,029 with bank balances totaling \$73,359.

*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, 2015, none of the District's bank balances were exposed to custodial credit risk because they were uninsured or uncollateralized.

#### Investments

As of June 30, 2015, the District had the following investments:

Investment Type	Cost
Pooled cash and investments held by the Worth Township Trustees	<u>\$ 44,440,498</u>

Of the total pooled cash and investments held by Worth Township Trustees, maturities are approximately as follows: less than 1 year (16.27%), 1 to 5 years (30.64%), 6-10 years (44.57%), and greater than 10 years (8.52%). 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.

## 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. This report can also be obtained online at [www.worthtst.org/Public\\_Documents.html](http://www.worthtst.org/Public_Documents.html).

The above deposits and investments with a total carrying value of \$44,510,527 are presented in the basic financial statements as cash and investments as follows:

Statement of Net Position (GWFS)	\$ 44,440,655
Statement of Fiduciary Net Position (FFS)	69,872
	<u>\$ 44,510,527</u>

#### Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Additions	Decreases/ Retirements	Transfers In/(Out)	Balance June 30, 2015
Governmental activities:					
Capital Assets, not being depreciated:					
Land	\$ 184,000	\$ -	\$ -	\$ -	\$ 184,000
Construction in progress	1,855,473	602,686	-	(1,855,473)	602,686
<b>Total capital assets not being depreciated</b>	<u>2,039,473</u>	<u>602,686</u>	<u>-</u>	<u>(1,855,473)</u>	<u>786,686</u>
Capital Assets, being depreciated:					
Buildings and improvements	24,703,558	4,879,072	-	1,855,473	31,438,103
Equipment	550,936	530,253	-	-	1,081,189
<b>Total capital assets being depreciated</b>	<u>25,254,494</u>	<u>5,409,325</u>	<u>-</u>	<u>1,855,473</u>	<u>32,519,292</u>
Less accumulated depreciation:					
Buildings and improvements	7,856,119	661,151	-	-	8,517,270
Equipment	452,607	137,937	-	-	590,544
<b>Total accumulated depreciation</b>	<u>8,308,726</u>	<u>799,088</u>	<u>-</u>	<u>-</u>	<u>9,107,814</u>
<b>Total capital assets being depreciated, net</b>	<u>16,945,768</u>	<u>4,610,237</u>	<u>-</u>	<u>1,855,473</u>	<u>23,411,478</u>
Governmental activities					
Capital assets, net	<u>\$ 18,985,241</u>	<u>\$ 5,212,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,198,164</u>



**Alsip, Hazelgreen and Oak Lawn Elementary School District 126****Notes to Basic Financial Statements****Note 4. Capital Assets (continued)**

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 486,762
Support services	311,926
Community services	400
	<u>\$ 799,088</u>

**Note 5. Long-Term Debt**

The following is a summary of changes in the long-term debt for the year ended June 30, 2015:

	General Obligation Bonds
Balance, July 1, 2014	\$ 5,400,000
Debt retired	<u>(605,000)</u>
Balance, June 30, 2015	<u>\$ 4,795,000</u>
Amounts due within one year	<u>\$ 625,000</u>

Interest rates range from 3.7 percent to 4.5 percent on the outstanding bonds. As of June 30, 2015, the future annual debt service requirements on the outstanding debt is as follows:

Year Ending June 30,	General Obligation Bonds		Total
	Principal	Interest	
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	740,000	65,555	805,555
2021 - 2022	1,375,000	48,923	1,423,923
	<u>\$ 4,795,000</u>	<u>\$ 658,608</u>	<u>\$ 5,453,608</u>

The District's estimated legal debt limitation of \$30,900,814 is based on 6.9 percent of the 2014 equalized assessed valuation of \$447,837,890 less outstanding debt of \$4,795,000 results in a legal debt margin of \$26,105,814 as of June 30, 2015.

**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://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

**Benefits Provided**

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

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

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

**Contributions**

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

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

*On behalf contributions to TRS.* The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, state of Illinois contributions in the amount of \$4,487,157 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, 2015, were \$53,664.

*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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$84,468 were paid from federal and special trust funds that required employer contributions of \$27,874.

*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, 2015, 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, 2015, 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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period.

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 Part 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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$94,374 during the year.

State contributions intended to match active member contributions during the years ended June 30, 2014 and 2013 were 0.97 percent and 0.92 percent of pay, respectively. State contributions on behalf of District employees were \$87,633 and \$81,637, respectively.

Employer contributions to THIS

The District (employer) also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent for the year ended June 30, 2015, and 0.72 percent and 0.69 percent for the years ended June 30, 2014 and 2013, respectively. For the year ended June 30, 2015, the District paid \$70,318 to the THIS Fund. For the years ended June 30, 2014 and 2013, the District paid \$65,047 and \$61,227 to the THIS Fund, respectively, 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 2015 report is listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

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

### 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, 2014, the following employees were covered by the benefit terms:

	<b>IMRF</b>
Retirees and Beneficiaries currently receiving benefits	225
Inactive Plan Members entitled to but not yet received benefits	175
Active Plan Members	86
<b>Total</b>	<b>486</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 contribution rates for the calendar years ending December 31, 2015 and 2014 were 14.23 percent and 14.46 percent, respectively. The District's actual contribution rates for the calendar years ending December 31, 2015 and 2014 were 13.08 percent and 11.89 percent, respectively. For fiscal year 2015, the District contributed \$262,284 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.

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, 2014. 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 2015, the District did not contribute to the plan. At June 30, 2015, 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, 2015.

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

### Notes to Basic Financial Statements

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

As of June 30, 2015, the District has certain construction commitments totaling approximately \$1,175,000.

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

##### Interfund loans and transfers

At June 30, 2015, the District had interfund loans of \$432,315 between the Working Cash Account of the General Fund (due from) and the Transportation Fund (due to). Interfund loans represent operating loans that are expected to be repaid in fiscal year 2016. During 2015, the District also transferred \$2,200,000 from the Transportation Fund to the General Fund.

##### Deficit fund balance

As of June 30, 2015, the Transportation Fund had a deficit balance of \$(432,315). This deficit will be paid through a transfer of cash from the Education Fund in 2016 and incremental property taxes expected to be received starting in 2016.

#### **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. 72, *Fair Value Measurement and Application*, will be effective for the District beginning with its year ending June 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the District beginning with its year ending June 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the District beginning with its year ending June 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the District beginning with its year ending June 30, 2017. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

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 ending June 30, 2018. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.



Notes to Basic Financial Statements

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**Note 12. Pronouncements Issued But Not Yet Adopted (continued)**

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the District beginning with its year ending June 30, 2016. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the District beginning with its year ending June 30, 2017. This statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues.

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 Elementary 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
2014	\$ 276,704	\$ 253,324	\$ 23,380	\$ 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.

**Alsip, Hazelgreen and Oak Lawn Elementary School District 126****Schedule of Changes in Net Pension Liability and Related Ratios  
Illinois Municipal Retirement Fund**

Calendar Year Ended December 31,

2014

**A. Total pension liability**

1. Service cost	\$	245,612
2. Interest on the Total Pension Liability		1,048,075
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the Total Pension Liability		(9,337)
5. Changes of assumptions		619,422
6. Benefit payments, including refunds of employee contributions		(944,746)
7. Net change in total pension liability		959,026
8. Total pension liability - beginning		14,323,894
9. Total pension liability - ending	\$	15,282,920

**B. Plan fiduciary net position**

1. Contributions - employer	\$	253,324
2. Contributions - employee		91,631
3. Net investment income		853,732
4. Benefit payments, including refunds of employee contributions		(944,746)
5. Other (net transfer)		121,005
6. Net change in plan fiduciary net position		374,946
7. Plan fiduciary net position - beginning		14,295,494
8. Plan fiduciary net position - ending	\$	14,670,440

**C. Net pension liability****\$ 612,480****D. Plan fiduciary net position as a percentage  
of total pension liability**

95.99%

**E. Covered valuation payroll****\$ 2,033,097****F. Net pension liability as a percentage  
of covered valuation payroll**

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>

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

**Schedule of Employer Contributions  
Teachers' Retirement System of the State of Illinois  
Fiscal Year 2015**

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Contractually-required contribution	\$ 81,539
Contributions in relation to the contractually-required contribution	81,539
Contribution deficiency (excess)	<u>\$ -</u>
Employer's covered payroll	\$ 9,252,371
Contributions as a percentage of covered-employee payroll	0.88%

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System of the State of Illinois  
Fiscal Year 2015**

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Employer's proportion of the net pension liability	0.0026%
Employer's proportionate share of the net pension liability	\$ 1,564,071
State's proportionate share of the net pension liability associated the employer	55,733,734
Total	<u>\$ 57,297,805</u>
Employer's covered-employee payroll	\$ 9,252,371
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.90%
Plan fiduciary net position as a percentage of the total pension liability	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/bulletins/2014Rept.pdf>.

## **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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 17,933,287	\$ 18,732,853	\$ 799,566
Corporate property replacement taxes	858,099	997,610	139,511
Charges for services	95,000	91,056	(3,944)
Unrestricted state aid	1,300,000	1,793,992	493,992
Restricted state aid	997,779	893,584	(104,195)
Restricted federal aid	1,046,647	1,280,702	234,055
Interest	230,000	390,297	160,297
Other	-	221,157	221,157
<b>Total revenues</b>	<b>22,460,812</b>	<b>24,401,251</b>	<b>1,940,439</b>
Expenditures:			
Current:			
Instruction:			
Regular programs	7,189,630	6,889,773	299,857
Special programs	2,573,716	2,520,307	53,409
Other instructional programs	957,265	944,828	12,437
Support services:			
Pupils	898,822	876,228	22,594
Instructional staff	891,950	652,961	238,989
General administration	714,578	543,330	171,248
School administration	1,001,194	977,920	23,274
Central Office	916,895	838,315	78,580
Business	881,081	875,588	5,493
Operations and maintenance	1,602,000	1,185,303	416,697
Community services	16,942	8,580	8,362
Payments to other governments	820,480	650,210	170,270
Capital outlay	9,997,000	6,093,881	3,903,119
<b>Total expenditures</b>	<b>28,461,553</b>	<b>23,057,224</b>	<b>5,404,329</b>
Excess (deficiency) of revenues over (under) expenditures	(6,000,741)	1,344,027	7,344,768
Other financing sources:			
Transfers in	10,200,000	10,200,000	10,200,000
Transfers out	(8,000,000)	(8,000,000)	(8,000,000)
<b>Change in fund balance</b>	<b>\$ (3,800,741)</b>	<b>3,544,027</b>	<b>\$ 9,544,768</b>
Fund balance:			
June 30, 2014		39,872,790	
June 30, 2015		<b>\$ 43,416,817</b>	

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

**Combining Balance Sheet - Modified Cash Basis**

**General Fund, By Accounts**

**June 30, 2015**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Assets</b>					
Cash and investments	\$ 33,704,495	\$ 3,743,036	\$ 868,304	\$ 4,598,337	\$ 42,914,172
Interfund receivable	-	-	-	432,315	432,315
Other assets	-	103,077	69	-	103,146
<b>Total assets</b>	<b>\$ 33,704,495</b>	<b>\$ 3,846,113</b>	<b>\$ 868,373</b>	<b>\$ 5,030,652</b>	<b>\$ 43,449,633</b>
<b>Liabilities and Fund Balance</b>					
Other liabilities	\$ 32,816	\$ -	\$ -	\$ -	\$ 32,816
Fund Balance:					
Restricted	-	3,846,113	868,373	-	4,714,486
Unassigned	33,671,679	-	-	5,030,652	38,702,331
<b>Total fund balance</b>	<b>33,671,679</b>	<b>3,846,113</b>	<b>868,373</b>	<b>5,030,652</b>	<b>43,416,817</b>
<b>Total liabilities and fund balance</b>	<b>\$ 33,704,495</b>	<b>\$ 3,846,113</b>	<b>\$ 868,373</b>	<b>\$ 5,030,652</b>	<b>\$ 43,449,633</b>



**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, 2015**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 16,097,195	\$ 2,390,927	\$ 27,375	\$ 217,356	\$ 18,732,853
Corporate property replacement taxes	997,610	-	-	-	997,610
Charges for services	78,686	12,370	-	-	91,056
Unrestricted state aid	1,793,992	-	-	-	1,793,992
Restricted state aid	893,584	-	-	-	893,584
Restricted federal aid	1,280,702	-	-	-	1,280,702
Interest	336,700	-	10,345	43,252	390,297
Other	234,443	(13,286)	-	-	221,157
<b>Total revenues</b>	<b>21,712,912</b>	<b>2,390,011</b>	<b>37,720</b>	<b>260,608</b>	<b>24,401,251</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	6,889,773	-	-	-	6,889,773
Special programs	2,520,307	-	-	-	2,520,307
Other instructional programs	944,828	-	-	-	944,828
<b>Support services:</b>					
Pupils	876,228	-	-	-	876,228
Instructional staff	652,961	-	-	-	652,961
General administration	377,327	-	166,003	-	543,330
School administration	977,920	-	-	-	977,920
Central Office	838,315	-	-	-	838,315
Business	875,588	-	-	-	875,588
Operations and maintenance	-	1,185,303	-	-	1,185,303
Community services	8,580	-	-	-	8,580
Payments to other governments	650,210	-	-	-	650,210
Capital outlay	149,359	5,818,522	126,000	-	6,093,881
<b>Total expenditures</b>	<b>15,761,396</b>	<b>7,003,825</b>	<b>292,003</b>	<b>-</b>	<b>23,057,224</b>
Excess (deficiency) of revenues over (under) expenditures	5,951,516	(4,613,814)	(254,283)	260,608	1,344,027
<b>Other financing sources (uses):</b>					
Transfers in (out)	(8,000,000)	10,200,000	-	-	2,200,000
<b>Change in fund balance</b>	<b>(2,048,484)</b>	<b>5,586,186</b>	<b>(254,283)</b>	<b>260,608</b>	<b>3,544,027</b>
<b>Fund balance (deficit):</b>					
July 1, 2014	35,720,163	(1,740,073)	1,122,656	4,770,044	39,872,790
June 30, 2015	<u>\$ 33,671,679</u>	<u>\$ 3,846,113</u>	<u>\$ 868,373</u>	<u>\$ 5,030,652</u>	<u>\$ 43,416,817</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, 2015

	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	\$ 15,394,180	\$ 16,097,195	\$ 2,306,838	\$ 2,390,927	\$ 22,556	\$ 27,375	\$ 209,713	\$ 217,356	\$ 17,933,287	\$ 18,732,853
Corporate property replacement taxes	858,099	997,610	-	-	-	-	-	-	858,099	997,610
Charges for services	80,000	78,686	15,000	12,370	-	-	-	-	95,000	91,056
Unrestricted state aid	1,300,000	1,793,992	-	-	-	-	-	-	1,300,000	1,793,992
Restricted state aid	997,779	893,584	-	-	-	-	-	-	997,779	893,584
Restricted federal aid	1,046,647	1,280,702	-	-	-	-	-	-	1,046,647	1,280,702
Interest	200,000	336,700	-	-	-	10,345	30,000	43,252	230,000	390,297
Other	120,000	234,443	50,000	(13,286)	-	-	-	-	170,000	221,157
<b>Total revenues</b>	<b>19,996,705</b>	<b>21,712,912</b>	<b>2,371,838</b>	<b>2,390,011</b>	<b>22,556</b>	<b>37,720</b>	<b>239,713</b>	<b>260,608</b>	<b>22,460,812</b>	<b>24,401,251</b>
Expenditures:										
Current:										
Instruction:										
Regular programs	7,189,630	6,889,773	-	-	-	-	-	-	7,189,630	6,889,773
Special programs	2,573,716	2,520,307	-	-	-	-	-	-	2,573,716	2,520,307
Other instructional programs	957,265	944,828	-	-	-	-	-	-	957,265	944,828
Support services:										
Pupils	898,822	876,228	-	-	-	-	-	-	898,822	876,228
Instructional staff	891,950	652,961	-	-	-	-	-	-	891,950	652,961
General administration	464,578	377,327	-	-	250,000	166,003	-	-	714,578	543,330
School administration	1,001,194	977,920	-	-	-	-	-	-	1,001,194	977,920
Central Office	916,895	838,315	-	-	-	-	-	-	916,895	838,315
Business	881,081	875,588	-	-	-	-	-	-	881,081	875,588
Operations and maintenance	-	-	1,602,000	1,185,303	-	-	-	-	1,602,000	1,185,303
Community services	16,942	8,580	-	-	-	-	-	-	16,942	8,580
Payments to other governments	820,480	650,210	-	-	-	-	-	-	820,480	650,210
Capital outlay	752,000	149,359	9,115,000	5,818,522	130,000	126,000	-	-	9,997,000	6,093,881
<b>Total expenditures</b>	<b>17,364,553</b>	<b>15,761,396</b>	<b>10,717,000</b>	<b>7,003,825</b>	<b>380,000</b>	<b>292,003</b>	<b>-</b>	<b>-</b>	<b>28,461,553</b>	<b>23,057,224</b>
Excess (deficiency) of revenues over (under) expenditures	2,632,152	5,951,516	(8,345,162)	(4,613,814)	(357,444)	(254,283)	239,713	260,608	(6,000,741)	1,344,027
Other financing sources (uses):										
Transfers in	-	-	10,200,000	10,200,000	-	-	-	-	10,200,000	10,200,000
Transfers (out)	(8,000,000)	(8,000,000)	-	-	-	-	-	-	(8,000,000)	(8,000,000)
<b>Total other financing sources (uses)</b>	<b>(8,000,000)</b>	<b>(8,000,000)</b>	<b>10,200,000</b>	<b>10,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>2,200,000</b>
<b>Change in fund balance</b>	<b>\$ (5,367,848)</b>	<b>(2,048,484)</b>	<b>\$ 1,854,838</b>	<b>5,586,186</b>	<b>\$ (357,444)</b>	<b>(254,283)</b>	<b>\$ 239,713</b>	<b>260,608</b>	<b>\$ (3,800,741)</b>	<b>3,544,027</b>
Fund balance (deficit):										
July 1, 2014		35,720,163		(1,740,073)		1,122,656		4,770,044		39,872,790
June 30, 2015		<u>\$ 33,671,679</u>		<u>\$ 3,846,113</u>		<u>\$ 868,373</u>		<u>\$ 5,030,652</u>		<u>\$ 43,416,817</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, 2015

	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	\$ -	\$ 427,101	\$ 797,609	\$ 301,773	\$ 1,526,483
Other assets	-	27	-	-	27
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 427,128</b>	<b>\$ 797,609</b>	<b>\$ 301,773</b>	<b>\$ 1,526,510</b>
<b>Liabilities and Fund Balances</b>					
Interfund payable	\$ 432,315	\$ -	\$ -	\$ -	\$ 432,315
Fund Balances (deficit):					
Restricted	-	427,128	797,609	301,773	1,526,510
Unassigned	(432,315)	-	-	-	(432,315)
<b>Total Fund Balances (deficit)</b>	<b>(432,315)</b>	<b>427,128</b>	<b>797,609</b>	<b>301,773</b>	<b>1,094,195</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 427,128</b>	<b>\$ 797,609</b>	<b>\$ 301,773</b>	<b>\$ 1,526,510</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, 2015**

	Special Revenue			Capital Projects	
	Transportation	Municipal	Debt Service	Fire	Total
	Fund	Retirement Fund	Fund	Prevention and Safety Fund	Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ 1,438,522	\$ 197,972	\$ 820,863	\$ 51,230	\$ 2,508,587
Corporate property replacement taxes	-	101,321	-	-	101,321
Restricted state aid	325,834	-	-	-	325,834
Interest	6,007	3,055	9,438	3,234	21,734
<b>Total revenues</b>	<b>1,770,363</b>	<b>302,348</b>	<b>830,301</b>	<b>54,464</b>	<b>2,957,476</b>
Expenditures:					
Current:					
Instruction:					
Regular programs	-	47,903	-	-	47,903
Special programs	-	53,975	-	-	53,975
Other instructional programs	-	4,671	-	-	4,671
Support services:					-
Pupils	-	10,901	-	-	10,901
General administration	-	6,784	-	-	6,784
School administration	-	20,421	-	-	20,421
Transportation	815,395	-	-	-	815,395
Central Office	-	23,526	-	-	23,526
Business	-	97,009	-	-	97,009
Debt service:					
Principal	-	-	605,000	-	605,000
Interest and charges	-	-	206,267	-	206,267
Capital Outlay	-	-	-	880	880
<b>Total expenditures</b>	<b>815,395</b>	<b>265,190</b>	<b>811,267</b>	<b>880</b>	<b>1,892,732</b>
Excess of revenues over expenditures	954,968	37,158	19,034	53,584	1,064,744
Other financing uses:					
Transfers out	(2,200,000)	-	-	-	(2,200,000)
<b>Change in fund balance</b>	<b>(1,245,032)</b>	<b>37,158</b>	<b>19,034</b>	<b>53,584</b>	<b>(1,135,256)</b>
Fund balances (deficit):					
July 1, 2014	812,717	389,970	778,575	248,189	2,229,451
June 30, 2015	\$ (432,315)	\$ 427,128	\$ 797,609	\$ 301,773	\$ 1,094,195

**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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2,255,161	\$ 1,438,522	\$ (816,639)
Restricted state aid	510,000	325,834	(184,166)
Interest	10,000	6,007	(3,993)
<b>Total revenues</b>	<u>2,775,161</u>	<u>1,770,363</u>	<u>(1,004,798)</u>
Expenditures:			
Current:			
Support services:			
Transportation	<u>946,500</u>	<u>815,395</u>	<u>131,105</u>
Excess of revenues over expenditures	<u>1,828,661</u>	<u>954,968</u>	<u>(873,693)</u>
Other financing uses:			
Transfers out	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>-</u>
<b>Change in fund balance</b>	<u><u>\$ (371,339)</u></u>	<u>(1,245,032)</u>	<u><u>\$ (873,693)</u></u>
Fund balance:			
July 1, 2014		<u>812,717</u>	
June 30, 2015		<u><u>\$ (432,315)</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 205,486	\$ 197,972	\$ (7,514)
Corporate property replacement taxes	87,152	101,321	14,169
Interest	-	3,055	3,055
<b>Total revenues</b>	<u>292,638</u>	<u>302,348</u>	<u>9,710</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	45,745	47,903	(2,158)
Special programs	44,668	53,975	(9,307)
Other instructional programs	6,271	4,671	1,600
Support services:			
Pupils	11,074	10,901	173
General administration	6,896	6,784	112
School administration	20,399	20,421	(22)
Central Office	22,950	23,526	(576)
Business	102,983	97,009	5,974
<b>Total expenditures</b>	<u>260,986</u>	<u>265,190</u>	<u>(4,204)</u>
<b>Change in fund balance</b>	<u>\$ 31,652</u>	37,158	<u>\$ 5,506</u>
Fund balance:			
July 1, 2014		<u>389,970</u>	
June 30, 2015		<u>\$ 427,128</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 817,951	\$ 820,863	\$ 2,912
Interest	5,000	9,438	4,438
<b>Total revenues</b>	<u>822,951</u>	<u>830,301</u>	<u>7,350</u>
Expenditures:			
Debt service:			
Principal	605,000	605,000	-
Interest and charges	206,000	206,267	(267)
<b>Total expenditures</b>	<u>811,000</u>	<u>811,267</u>	<u>(267)</u>
<b>Change in fund balance</b>	<u>\$ 11,951</u>	19,034	<u>\$ 7,083</u>
Fund balance:			
July 1, 2014		<u>778,575</u>	
June 30, 2015		<u>\$ 797,609</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, 2015**

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 44,572	\$ 51,230	\$ 6,658
Interest	-	3,234	3,234
<b>Total revenues</b>	<u>44,572</u>	<u>54,464</u>	<u>9,892</u>
Expenditures:			
Current:			
Capital Outlay	-	880	(880)
<b>Total expenditures</b>	<u>-</u>	<u>880</u>	<u>(880)</u>
 <b>Change in fund balance</b>	 <u>\$ 44,572</u>	 <u>\$ 53,584</u>	 <u>\$ 9,012</u>
Fund balance:			
July 1, 2014		<u>248,189</u>	
June 30, 2015		<u>\$ 301,773</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				
	2014	2013	2012	2011	2010
Assessed Valuations	\$ 447,837,890	\$ 463,528,856	\$ 496,124,916	\$ 551,752,527	\$ 660,308,624
Tax Rates:					
General Fund:					
Educational Accounts:					
Standard	3.5000	3.5000	3.1317	2.7839	2.2256
Special Education	0.3220	0.0889	0.0830	0.0653	0.0211
Operations and Main- tenance Accounts:					
Standard	0.5500	0.5500	0.5500	0.5227	0.4801
Tort Immunity Fund	0.0002	0.0111	0.0934	0.0840	0.1018
Working Cash Fund	0.0500	0.0500	0.0500	0.0470	0.0466
Transportation Fund	0.3260	0.3383	0.1868	0.1493	0.1237
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	0.0690	0.0222	0.0021	0.0000	0.0000
Debt Service Fund	0.1917	0.1861	0.1736	0.1559	0.1300
Fire Prevention and Safety Fund	0.0002	0.0222	0.0986	0.0019	0.0000
<b>Total</b>	<b>5.0091</b>	<b>4.7689</b>	<b>4.3692</b>	<b>3.8101</b>	<b>3.1289</b>
<b>Extended Tax Rate</b>	<b>5.009</b>	<b>4.769</b>	<b>4.369</b>	<b>3.810</b>	<b>3.129</b>
Tax Extensions:					
General Fund:					
Educational Accounts:					
Standard	\$ 15,674,326	\$ 16,223,510	\$ 15,536,988	\$ 15,360,194	\$ 14,695,828
Special Education	1,442,000	412,000	412,000	360,500	139,325
Operations and Main- tenance Accounts:					
Standard	2,463,108	2,549,409	2,728,687	2,884,000	3,170,141
Tort Immunity Fund	1,030	51,500	463,500	463,500	672,194
Working Cash Fund	223,919	231,764	248,062	259,560	307,703
Transportation Fund	1,459,810	1,568,061	927,000	824,000	816,801
Municipal Retirement Fund:					
Illinois Municipal Retirement Fund	309,000	103,000	10,300	-	-
Debt Service Fund	858,441	862,851	861,046	860,069	858,381
Fire Prevention and Safety Fund	1,030	103,000	489,250	10,300	-
<b>Totals</b>	<b>\$ 22,432,664</b>	<b>\$ 22,105,095</b>	<b>\$ 21,676,833</b>	<b>\$ 21,022,123</b>	<b>\$ 20,660,373</b>
<b>Tax collections</b>	<b>\$ 10,929,403</b>	<b>\$ 21,208,101</b>	<b>\$ 21,013,317</b>	<b>\$ 20,254,448</b>	<b>\$ 20,077,042</b>
<b>Percentage Collected</b>	<b>48.72%</b>	<b>95.94%</b>	<b>96.94%</b>	<b>96.35%</b>	<b>97.18%</b>

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

**Schedule of Debt Service Requirements  
June 30, 2015**

	Year Ending June 30,	Interest Rate	Total Principal	Total Interest	Total Principal and Interest
Bond issue of June 11, 2008	2016	4.250	\$ 625,000	\$ 179,281	\$ 804,281
Original amount: \$8,000,000	2017	4.500	655,000	151,263	806,263
Principal payable December 1 of each year	2018	4.500	685,000	121,113	806,113
Interest payable June 1 and	2019	3.700	715,000	92,473	807,473
December 1 of each year at 3.125% to 4.5%	2020	3.700	740,000	65,555	805,555
Paying agent: Bank of New York Trust	2021	3.750	770,000	37,428	807,428
	2022	3.800	605,000	11,495	616,495
			<u>\$ 4,795,000</u>	<u>\$ 658,608</u>	<u>\$ 5,453,608</u>