SCHILLER PARK SCHOOL DISTRICT 81
ANNUAL FINANCIAL REPORT

June 30, 2015

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Crowe Horwath.

Crowe Horwath LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Schiller Park School District 81
Schiller Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schiller Park School District 81 (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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in June 2012 the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." Statements 68 and 71 are effective for the District's fiscal year ending June 30, 2015. These Statements replace the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50, "Pension Disclosures." Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. As a result, net position was restated as of July 1, 2014, for the cumulative effect of the application of this pronouncement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and relate 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 individual fund financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information as listed on 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.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
January 20, 2016

The discussion and analysis of Schiller Park School District 81's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- In total, net position for the end of fiscal year 2015 was $22.7 million. In fiscal year 2014, net position at year end was $20.0 million, increasing by $2.7 million. The fiscal year 2014 net position was restated from $20.7 million to $20.0 million due to the requirements of GASB 68 and 71 that were implemented during this fiscal year. Even with the restatement, the District continues to increase revenue sources and control expenses.
- General revenues in the form of property taxes, general state aid, and investment earnings accounted for $17.5 million or 76.4% of all revenues. Program specific revenues in the form of charges for services, fees, entitlements and competitive grants accounted for $6.6 million or 23.6% of total revenues of $24.1 million.
- The District had $21.6 million in expenses related to governmental activities.
- Due to the current market conditions, interest income again was a nominal portion of the revenue stream. Over the past year, the District worked with PMA Financial and Investors Trust to obtain the best investment rates possible.
- The District has received 48.13% of the 2014 Tax Levy in fiscal year 2015. Also, the District received 95.75% of the 2013 Tax Levy. In Cook County, taxes are typically collected in March (estimated 55% of the prior years amount) and August (based on the actual levy amount adopted the prior December).

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and

(Continued)

charges. The District's governmental activities include instructional services (regular education, special education, and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

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

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

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

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

The District adopts an annual budget for each of the funds listed above except the Life Safety Fund. A budgetary comparison schedule has been provided for each fund that has adopted a budget to demonstrate compliance with this budget.

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

Notes to basic financial statements

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

Other information

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

District-Wide Financial Analysis

The District's combined net position was higher on June 30, 2015, than it was the year before, increasing 12.5% to $22.5 million (Note: these figures are based on the restated June 30, 2014 position of $20.0 million).

(Continued)

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	2014	2015
Assets:		
Current and Other Assets	$ 22.5	$ 24.6
Capital Assets	30.0	29.2
Total Assets	52.5	53.8
Deferred Outflows:		
Pensions	-	0.4
Liabilities:		
Current Liabilities	2.6	2.8
Long-Term Debt Outstanding	21.8	20.9
Total Liabilities	24.4	23.7
Deferred Inflows:		
Pensions and Taxes	7.4	7.8
Net Position:		
Net Investment in Capital Assets	6.6	8.1
Restricted	2.2	2.5
Unrestricted	11.9	12.1
Total Net Position:	$ 20.7	$ 22.7

During fiscal year 2015, careful control over expenditures, and prudent decisions to pursue allowable revenue sources, have allowed the District to experience an increase its overall Net Position of $2.6 million. Revenues of $23.1 million exceeded expenditures of $21.6 million. While there are still many unknowns on how the State will fund public education, the District continues manage finances wisely while providing a quality education.

(Continued)

Table 2
Changes in Net Position
(in millions of dollars)

	2014	2015
Revenues:		
Program Revenues:		
Charges for Services	$ 0.2	$ 0.1
Operating Grants & Contributions	5.3	6.5
General Revenues:		
Taxes	14.2	15.0
General State Aid	2.1	2.3
Other	1.0	0.3
Total Revenues	22.8	24.2
Expenses:		
Instruction (includes State on behalf contributions to TRS)	11.4	12.8
Pupil & Instructional Staff Services	1.8	1.8
Administration & Business	2.4	2.4
Transportation	1.0	0.9
Operations & Maintenance	1.5	2.0
Other	1.7	1.7
Total Expenses	19.8	21.6
Increase (decrease) in Net Position	3.0	2.6
Net Position, Beginning of Year (2014 restated in 2015 due to GASB 68 & 72)	17.7	20.0
Net Position, End of Year	$ 20.7	$ 22.6

Property taxes continue to account for the largest portion of the District's revenues, contributing 65.5% of the $24.1 in total revenues. The remainder of revenues came from state, federal grants, personal property replacement tax, and other sources. The total cost of all the District's programs was $21.6, mainly related to instructing and caring for the students and student transportation.

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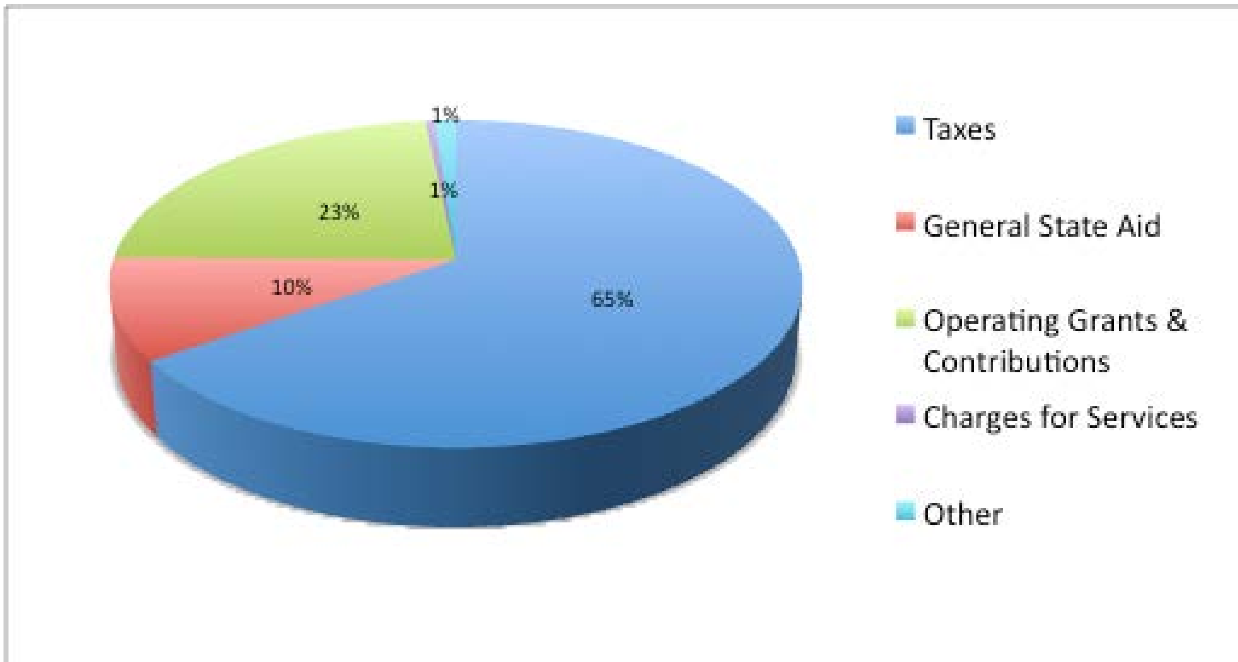

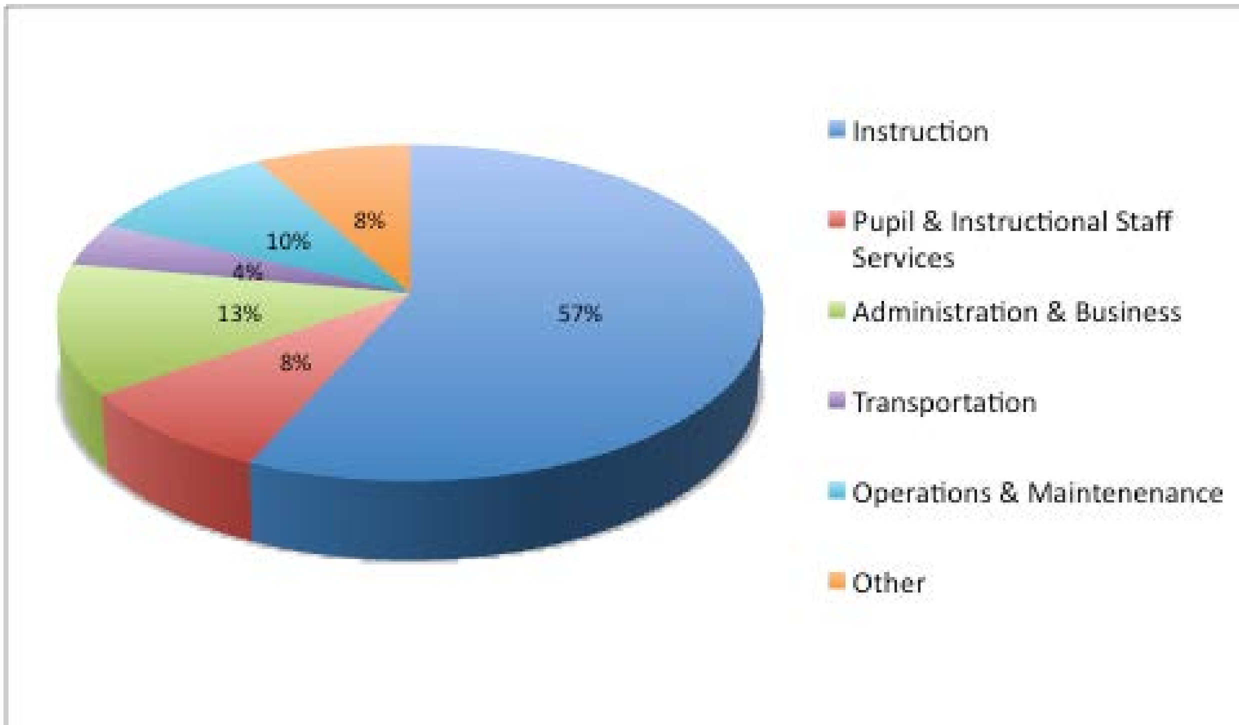

Financial Analysis of the District's Funds

The District's Governmental Funds increased from $13.3 million to $15.1 million. Changes in individual major funds are explained below with the whole dollar effect of each fund's change.

- The net change in the Educational Account balance of $1,083,366 was due to higher state revenues and a drop in the TRS required contributions. Although revenues in total dropped, tight District controls led to larger declines in expenditures contributing to the overall increase in the ending fund balance. Fund balance at the end of year was $8,786,350.

- The net change in the Operations and Maintenance Account balance was $114,057 due to increased revenues. Fund balance at year end was $1,536,206.
- The net change in the Transportation Fund balance was $436,793. This was a result of increased personal property replacement taxes as well as decreased expenditures in this fund. Fund balance at year end was $1,350,877.
- The net change in the Municipal Retirement/Social Security Fund balance was $99,948. While tax revenues were down in this fund for FY 2015, expenditures declined in support and business services resulting in a net increase. Fund balance at year end was $487,795.
- The net change in the Debt Service Fund balance was $23,401. The District made all scheduled debt service payments with collected tax revenues. High tax collection rates allowed for a slight increase in the ending fund balance. Fund balance at year end was $520,581.
- The net change in the Fire Prevention and Life Safety Fund balance was $34. There were no scheduled projects in 2015 that required expenditures from this fund. Fund balance at year end was $44,204.
- The net change in the Working Cash Fund balance was $45,824. Fund balance at year end was $2,391,430.
- The net change in the Capital Projects Fund balance was $2. Fund balance at year end was $22,694.

General Fund Budgetary Highlights

In total, the Educational Account revenues were under budget by $883,862. Local source revenues were under budget by $1,061,299 or 8.8%. The decrease was seen in local property taxes and replacement taxes due to higher objections. State source revenue was over budget by $203,667 and federal source revenue was under budget by $25,730.

In total, the Educational Account expenditures were under budget by $1,426,685. Payments for regular Programs was under budget by $16,160. Payments for special education programs was under budget by $482,620.

Capital Assets and Debt Administration

Capital assets

By the end of 2015, the District had compiled a total investment of $45.5 million ($29.2 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was $1.1 million. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

Table 3

Capital Assets (net of depreciation)
(in millions of dollars)

	2014	2015
Land and Construction in Progress	$ 0.3	$ 0.3
Land Improvements	0.6	0.5
Buildings	27.4	26.8
Equipment	1.6	1.6
Total	$ 29.9	$ 29.2

(Continued)

Long-term debt

The District did not issue any new bonds in fiscal year 2015. The District paid bond principal of $1,708,000 in fiscal year 2015. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

Table 4
Outstanding Long-term Debt
(in million of dollars)

	2014	2015
General Obligation Bonds	$ 23.4	$ 21.7
Total	$ 23.4	$ 21.7

Factors Bearing on the District's Future

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

- The administrative team will continue to evaluate educational as well as operational expenditures in order to make recommendations for decreasing expenditures that will not negatively impact the instructional programs that are currently in place. The team will continue to research other revenue sources to fund programmatic changes that would enhance the existing educational programs.
- The financial position of the State of Illinois will be monitored to determine the financial impact on District 81 funding. The District is monitoring the continued delay and proration of State funding, as well as, the potential shift in pension costs from the State to the local school districts.
- The District's Financial Profile Score for Fiscal Year 2014 was 3.70 or Recognition. This has remained stable as compared to FY 2013 and 2012.

Requests for Information

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

Kimberly Boryszewski
Schiller Park School District 81
9760 Soreng Avenue

SCHILLER PARK SCHOOL DISTRICT 81
Statement of Net Position
June 30, 2015

		Governmental Activities
ASSETS AND DEFERRED OUTLFOWS		
Assets		
Cash and investments	$	15,188,163
Cash and investments - restricted		22,691
Receivables:		
Interest receivable		1,171
Property tax receivable		7,786,917
Replacement taxes		102,724
Intergovernmental receivable		1,471,585
Capital assets not being depreciated		269,458
Capital assets being depreciated, net		28,909,893
Total assets		53,752,602
Deferred outflows		
Pensions		428,334
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
Liabilities		
Accounts payable		145,624
Salaries and payroll deductions payable		630,841
Insurance claims payable		89,942
Interest payable		77,502
Long-term obligations, due within one year:		
Bonds payable		1,815,604
Leases payable		27,506
Long-term obligations, due in more than one year:		
Bonds payable		19,895,757
Leases payable		118,382
Net pension liabilities		816,951
Other post-employement benefits obligation		79,964
Total liabilities		23,698,073
Deferred Inflows		
Pensions		305,440
Property tax revenue		7,502,839
Total deferred inflows		7,808,279
Net Position		
Net investment in capital assets		8,078,042
Restricted for:		
Transportation		765,480
IMRF		234,142
Social security		253,653
Debt service		520,581
Capital projects		22,694
Fire prevention		44,204
Insurance		645,263
Unrestricted		12,110,525
Total net position	$	22,674,584

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81
Statement of Activities
Year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating grants, contributions, and related interest income	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Instruction				
Regular programs	$ 7,000,771	$ -	$ 1,189,268	$ (5,811,503)
Special programs	1,809,569	9,338	911,321	(888,910)
Other programs	539,685	-	-	(539,685)
State on-behalf contributions to TRS	3,521,969	-	3,521,969	-
Support services				
Pupils	849,834	-	-	(849,834)
Instructional staff	899,592	-	-	(899,592)
General administration	532,160	-	-	(532,160)
School administration	847,166	-	-	(847,166)
Business	1,034,958	90,028	545,626	(399,304)
Central	10,216	-	-	(10,216)
Transportation	856,777	14,673	365,057	(477,047)
Operations and maintenance	2,033,136	-	-	(2,033,136)
Community services	199,654	-	-	(199,654)
Payments to other governmental units	397,023	-	-	(397,023)
Interest on debt	1,036,457	-	-	(1,036,457)
Total governmental activities	$ 21,568,967	$ 114,039	$ 6,533,241	(14,921,687)

General revenues:	
Taxes:	
Property taxes	14,333,910
Personal property replacement taxes	625,779
General state aid	2,314,157
Investment earnings	14,976
Other general revenues	265,771
Total general revenues	17,554,593
Change in net position	2,632,906
Net position, beginning of the year as restated	20,041,678
Net position, end of the year	$ 22,674,584

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81
Governmental Funds - Balance Sheet
June 30, 2015

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention Fund	Total
Assets								
Cash and investments	$ 10,529,813	$ 1,268,926	$ 488,068	$ 2,390,803	$ 466,354	$ -	$ 44,199	$ 15,188,163
Cash and investments - restricted	-	-	-	-	-	22,691	-	22,691
Receivables:								
Interest receivable	766	86	33	262	16	3	5	1,171
Property tax receivable	5,652,717	400,656	235,342	10,008	1,488,194	-	-	7,786,917
Replacement taxes receivable	102,724	-	-	-	-	-	-	102,724
Intergovernmental receivable	932,780	538,805	-	-	-	-	-	1,471,585
Total assets	$ 17,218,800	$ 2,208,473	$ 723,443	$ 2,401,073	$ 1,954,564	$ 22,694	$ 44,204	$ 24,573,251
Liabilities, deferred inflows and fund balance								
Liabilities								
Accounts payable	$ 135,742	$ 9,882	$ -	$ -	$ -	$ -	$ -	$ 145,624
Salaries and payroll deductions payable	610,539	11,423	8,879	-	-	-	-	630,841
Insurance claims payable	89,942	-	-	-	-	-	-	89,942
Total liabilities	836,223	21,305	8,879	-	-	-	-	866,407
Deferred Inflows								
Property taxes	5,446,383	386,061	226,769	9,643	1,433,983	-	-	7,502,839
Unavailable grant revenue	613,638	450,230	-	-	-	-	-	1,063,868
Total deferred inflows	6,060,021	836,291	226,769	9,643	1,433,983	-	-	8,566,707
Fund balance								
Restricted								
Transportation	-	765,480	-	-	-	-	-	765,480
IMRF	-	-	234,142	-	-	-	-	234,142
Social security	-	-	253,653	-	-	-	-	253,653
Debt service	-	-	-	-	520,581	-	-	520,581
Capital projects	-	-	-	-	-	22,694	-	22,694
Fire prevention	-	-	-	-	-	-	44,204	44,204
Insurance	645,263	-	-	-	-	-	-	645,263
Stabilization	-	-	-	2,391,430	-	-	-	2,391,430
Assigned								
Operations and maintenance	1,536,206	-	-	-	-	-	-	1,536,206
Transportation	-	585,397	-	-	-	-	-	585,397
Unassigned	8,141,087	-	-	-	-	-	-	8,141,087
Total fund balance	10,322,556	1,350,877	487,795	2,391,430	520,581	22,694	44,204	15,140,137
Total liabilities, deferred inflows and fund balance	$ 17,218,800	$ 2,208,473	$ 723,443	$ 2,401,073	$ 1,954,564	$ 22,694	$ 44,204	$ 24,573,251

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2015

Total fund balances - governmental funds		$ 15,140,137
Amounts reported for governmental activities in the statement of net position are different because:		
Certain grants receivable are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		1,063,868
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	$ 45,511,107	
Accumulated depreciation	(16,331,756)	
Net capital assets		29,179,351
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(77,502)
Certain items related to pension measurements are deferred and recognized in future periods.		
Deferred outflows of resources	428,334	
Deferred inflows of resource	(305,440)	
		122,894
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. These liabilities consist of :		
Bonds payable	(21,691,338)	
Bond premiums	(29,526)	
Bond discounts	9,503	
Leases payable	(145,888)	
Net pension liabilities	(816,951)	
Other post-employment benefits obligation	(79,964)	
Total Long-term liabilities		(22,754,164)
Net position of governmental activities		$ 22,674,584

SCHILLER PARK SCHOOL DISTRICT 81

STATEMENT 5

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2015

	General Fund	Transportation Fund	IMRF/ Social Security Fund	Working Cash Fund	Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total
Revenues								
Local sources								
Property taxes	$ 10,365,254	$ 732,934	$ 433,798	$ 43,861	$ 2,758,063	$ -	$ -	$ 14,333,910
Replacement taxes	265,095	210,684	150,000	-	-	-	-	625,779
Interest	11,116	1,128	373	1,963	360	2	34	14,976
Other local sources	388,695	7,368	-	-	-	-	-	396,063
State sources	3,622,344	285,294	-	-	-	-	-	3,907,638
Federal sources	1,272,740	-	-	-	-	-	-	1,272,740
On-behalf payments received from state	2,394,325	-	-	-	-	-	-	2,394,325
Total revenues	18,319,569	1,237,408	584,171	45,824	2,758,423	2	34	22,945,431
Expenditures								
Current:								
Instruction								
Regular programs	6,165,892	-	104,008	-	-	-	-	6,269,900
Special ed programs	1,591,855	-	79,799	-	-	-	-	1,671,654
Other instructional programs	523,876	-	15,809	-	-	-	-	539,685
State retirement contributions	2,394,325	-	-	-	-	-	-	2,394,325
Support services								
Pupils	816,240	-	33,069	-	-	-	-	849,309
Instructional staff	771,262	-	26,881	-	-	-	-	798,143
General administration	491,708	-	14,652	-	-	-	-	506,360
School administration	800,053	-	36,686	-	-	-	-	836,739
Business	871,389	-	153,937	-	-	-	-	1,025,326
Central	10,216	-	-	-	-	-	-	10,216
Transportation	-	800,615	-	-	-	-	-	800,615
Operations and maintenance	1,836,578	-	-	-	-	-	-	1,836,578
Community services	179,546	-	19,382	-	-	-	-	198,928
Nonprogrammed charges	397,023	-	-	-	-	-	-	397,023
Debt service:								
Principal	-	-	-	-	1,780,000	-	-	1,780,000
Interest and fees	-	-	-	-	955,022	-	-	955,022
Capital outlay	426,833	-	-	-	-	-	-	426,833
Total expenditures	17,276,796	800,615	484,223	-	2,735,022	-	-	21,296,656
Excess of revenues over expenditures	1,042,773	436,793	99,948	45,824	23,401	2	34	1,648,775
Other financing sources								
Capital lease proceeds	154,650	-	-	-	-	-	-	154,650
Total other financing sources	154,650	-	-	-	-	-	-	154,650
Net change in fund balances	1,197,423	436,793	99,948	45,824	23,401	2	34	1,648,775
Fund balances at beginning of year	9,125,133	914,084	387,847	2,345,606	497,180	22,692	44,170	13,336,712
Fund balances at end of year	$ 10,322,556	$ 1,350,877	$ 487,795	$ 2,391,430	$ 520,581	$ 22,694	$ 44,204	$ 15,140,137

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities
Year Ended June 30, 2015

Net change in total fund balances		$ 1,648,775
Amounts reported for governmental activities in the statement of activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2014 to 2015 consists of:		
Transportation Grants	$ 106,733	
Special Education Grants	17,960	
Other grants	7,605	
		132,298
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay resulting in assets	198,161	
Gain on disposal of assets	(5,996)	
Depreciation expense	(1,115,130)	
Capital outlay in excess of depreciation		(922,965)
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 retirements	1,780,000	
Lease payments	20,753	
Capital appreciation bond accretion	(89,070)	
Total retirement of debt		1,711,683
The issuance of long-term debt resulted in bond discounts and bond premiums that were reported as changes in current financial resources in the governmental funds. However, these amounts are amortized in the district-wide statements.		
Amortization of bond premium	5,740	
Amortization of bond discount	(2,272)	
Total amortized costs		3,468
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Increase in other post-employement benefits obligation expense	(13,255)	
Increase in pension deferred outflows	272,447	
Increase in pension deferred inflows	(305,440)	
Increase in net pension liabilities	(43,426)	
Decrease in interest payable on bonds	4,167	
Total		(85,507)
Change in net position of governmental activities		$ 2,487,752

See accompanying notes to financial statements.

SCHILLER PARK SCHOOL DISTRICT 81

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

	Agency Funds
	Student Activity Funds
ASSETS	
Cash	$ 59,141
Total assets	$ 59,141
LIABILITIES	
Due to activity fund organizations	$ 59,141
Total liabilities	$ 59,141

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schiller Park School District 81 (the "District") operates as a public school system governed by a seven member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the significant accounting policies of the District.

Reporting Entity: Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements Nos. 14, 39 and 61 have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body, or (2) if the organization is fiscally dependent on the primary government and there is a potential for the organization either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for the organization. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

Basis of Presentation

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fiduciary funds are excluded from the government-wide financial statements.

Measurement Focus and Basis of Accounting: The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

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

Major Governmental Funds

General Fund – the General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District’s general fund consists of two accounts: the Educational Account, which records direct costs of instruction and administration and the Operating and Maintenance Account, which reports all costs of maintaining, improving, or operating school buildings and property.

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

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

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

Working Cash Fund - accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General (Educational) Fund and the Special Revenue Fund’s Operation and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the General (Educational) Fund or it may be partially abated to the General (Educational) Fund, Special Revenue Funds, Debt Service Fund or the Fire Prevention and Life Safety Fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Project Fund - accounts for construction projects and renovations financed through serial bond issues and other restricted resources.

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

Other Fund Types

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

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

In accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Assets, Deferred Inflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance:

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

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

Unearned Revenue/Deferred Inflows: Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

liabilities of the current period. Governmental funds may also defer revenue recognition in connection with resources that have been received, but not yet earned.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are recognized as an inflow of resources in the period that the amounts become available.

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The District reports deferred outflows of resources for pension-related reporting due to the related outflows of pension related resources not being considered incurred, which is also reported in the statement of net position.

<u>Property Tax Revenues</u>: The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2014 levy resolution was approved during the December 17, 2014 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District's annual property tax levy is subject to two statutory limitations: Individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance District property becoming eligible for taxation. The CPI rate applicable to the 2014 tax levy was 1.50%.

The property tax revenue recorded in the financial statements represents approximately half of the 2013 and half of the 2014 levies. The 2014 property tax levy is recognized as a receivable in fiscal 2015, net of estimated uncollectible amounts approximating 1%. The District considers that the first installment of the 2014 levy is to be used to finance operations in fiscal 2015. The District has determined that the second installment of the 2014 levy is to be used to finance operations in fiscal 2015 and has deferred the corresponding receivable.

<u>Personal Property Replacement Taxes</u>: Personal property replacement taxes are first allocated to the Municipal Retirement Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets, which include land, land improvements, buildings, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $1,000 and an estimated useful life of 5 years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. In 2002, the District engaged an appraisal company to estimate historical cost of its capital assets acquired prior to that date.

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

Assets	Years
Land improvements	20
Buildings	20 - 75
Equipment	5 - 40

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

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications: Equity is classified as net position and displayed in three components:

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

- *Restricted net position* - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- *Unrestricted net position* - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and deferred outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

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

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

NOTE 2 - FUND BALANCES

The components of fund balance include the following line items:

a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must remain intact.
b. Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the District, the Board of Education is the highest level of decision making. As of June 30, 2015, the District does not have any commitments of fund balance.
d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Education designated for that purpose. The intended use is established by an official designated for that purpose.

(Continued)

NOTE 2 - FUND BALANCES (Continued)

e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the District will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the District will consider committed fund balance to be spent before assigned fund balance and consider assigned fund balance to be spent before unassigned fund balance.

During fiscal year 2013, the Board passed a resolution authorizing the Working Cash fund to be presented as a stabilization arrangement. Per the policy passed by the Board, the stabilization arrangement can include additions from property tax levy receipts, proceeds from working cash bonds and interest income on investments held in the Working Cash fund. Additions from property tax levy receipts and from proceeds from bonds are approved by the Board. Any interest earned and retained would be classified as assigned as it is not required to stay in the fund but can be transferred out provided it is properly allocated for other purposes. The Working Cash fund may be used under the following circumstances:

- Cash resources to fund regularly scheduled bi-weekly payroll not available due to:
    - Shortfalls of receipt of property taxes in which a tax anticipation warrant was not obtained
    - Shortfall of receipts from general state aid that is normally funded bi-monthly but is overdue by 30 days
- Cash resources to fund vendor payments that would force the District to pay a penalty of alter the cost of goods or services by more than 20% or the vendor payment is 120 days overdue.
- The Board of Education passes a resolution indicating the need of the District to make a loan from the Working Cash fund, the amount to be borrowed from the Working Cash Fund and the timeframe to repay the Working Cash Fund
- Capital projects as committed by the Board
- Abolishment, abatement or partial abatement of the Fund pursuant to Section 20-8 of the School Code of Illinois.

As of June 30, 2015, the Working Cash fund had a balance of $2,391,430.

The District has no minimum fund balance policy.

NOTE 3 - DEPOSITS AND INVESTMENTS

<u>Cash</u>: The carrying amount of cash was a deficit $210,708 at June 30, 2015, while the bank balances were $252,867. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S. Government or purchased through a commercial insurance company except for $2,867, which was uncollateralized.

<u>Certificates of Deposits</u>: Certificates of deposits amounted to $10,730,936 at June 30, 2015. Certificates of deposits were collateralized with securities of the U.S. government in an amount equal to 100% of the funds on deposit or purchased through a commercial insurance company. All investment collateral is held in safekeeping in the District's name by financial institutions acting as the District's agent.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments: The investments that the District may purchase are limited by Illinois Law and the District's investment policy to the following: (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, (2) interest bearing savings accounts, interest bearing certificates of deposits or interest bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, (3) certificates of deposit with federally insured institutions that are collateralized or insured at levels acceptable, (4) collateralized repurchased agreements, (5) commercial paper meeting certain requirements, (6) Illinois Public Treasurer's Investment Pool, and (7) Illinois School District Liquid Asset fund.

The following schedule reports the fair values and maturities, using the segmented time distribution method, for the District investments at June 30, 2015:

Investment Type	Fair Value	Maturities Less Than One Year
Illinois School District Liquid Asset Fund Plus	$ 2,659,479	$ 2,659,479
Illinois Institutional Investors Fund	1,706,349	1,706,349
Illinois Public Treasurer's Investment Pool	383,939	383,939
Total	$ 4,749,767	$ 4,749,767

Interest Rate Risk - The District's investment policy seeks to ensure preservation of capital in the District's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Credit Risk - State statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorizes investments in any type of security permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act. As of June 30, 2015, all of the District's other investments had "A-I +" ratings with their applicable rating agency.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) and the Illinois Institutional Investors Fund (IIIT) are not-for-profit investment trusts formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

(Continued)

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk - The District's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return. At June 30, 2015, more than 5% of the District's other investments consisted of Illinois School District Liquid Asset Fund Plus, the Illinois Institutional Investors Fund and the Illinois Funds.

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

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

<u>Restricted Cash and Investments</u>:

As of June 30, 2015, the District reported restricted cash and investments of $22,691. The use of the funds is restricted by bond covenants and is primarily for the use of the construction of the new middle school.

<u>Reconciliation – Financial statements to footnote disclosure</u>:

Financial Statements:	
Statement of Net Position:	
Cash and Investments	$ 15,188,163
Cash and Investments – Restricted	22,691
Statement of Fiduciary Assets and Liabilities – Cash	59,141
Total	$ 15,269,995
Footnote disclosure above:	
Cash – book value of District deposits	$ (210,708)
Certificates of deposits	10,730,936
Investments	4,749,767
Total	$ 15,269,995

NOTE 4 - CAPITAL ASSETS

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

	Beginning July 1, 2014	Additions	Deletions	Ending June 30, 2015
Capital Assets not being depreciated:				
Land	$ 269,458	$ -	$ -	$ 269,458
Total capital assets not being depreciated	269,458	-	-	269,458
Capital assets being depreciated:				
Land improvements	1,467,282	12,739	-	1,480,021
Buildings	38,382,486	-	-	38,382,486
Equipment	5,310,452	340,072	271,382	5,379,142
Total capital assets being depreciated	45,160,220	352,811	271,382	45,241,649
Less accumulated depreciation for:				
Land improvements	910,484	97,530	-	1,008,014
Buildings	10,933,470	654,032	-	11,587,502
Equipment	3,638,058	363,568	265,386	3,736,240
Total accumulated depreciation	15,482,012	1,115,130	265,386	16,331,756
Net capital assets being depreciated	29,678,208	(762,319)	5,996	28,909,893
Net governmental activities capital assets	$ 29,947,666	$ (762,319)	$ 5,996	$ 29,179,351

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

Governmental Activities	Depreciation
Regular programs	$ 654,452
Special programs	117,892
Other instructional programs	20,023
Pupils	525
Instruction staff	88,194
General administration	25,800
School administration	19,189
Site & Construction	3,532
Business	118,178
Transportation	12,902
Operations and maintenance	53,717
Community Service	726
Total depreciation expense – governmental activities	$ 1,115,130

(Continued)

NOTE 5 - LONG-TERM LIABILITIES

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

	Restated Beginning Balance July 1, 2014	Additions	Deletions	Ending Balance June 30, 2015	Due Within One Year
Long-term liabilities -					
governmental activities:					
General obligation bonds					
Refunding bonds	$ 3,320,000	$ -	$ 280,000	$ 3,040,000	$ 110,000
Capital appreciation bonds	1,142,145	-	246,747	895,398	327,863
Accretion on capital appreciation bond	850,123	89,070	183,253	755,940	267,741
School bonds	18,070,000	-	1,070,000	17,000,000	1,110,000
Total general obligation bonds*	23,382,268	89,070	1,780,000	21,691,338	1,815,604
Unamoritized premium	35,266	-	5,740	29,526	-
Unamoritized discount	(11,775)	-	(2,272)	(9,503)	-
Capital leases payable	11,991	154,650	20,753	145,888	27,506
Net pension liability - IMRF	(132,397)	247,862	-	115,465	-
Net pension liability - TRS	905,922	-	204,436	701,486	-
OPEB obligation	66,709	13,255	-	79,964	-
Total long-term liabilities - governmental activities	$ 24,257,984	$ 504,837	$ 2,008,657	$ 22,754,164	$ 1,843,110

Capital leases: The District entered into a lease agreement for equipment in January of 2011. This lease subsequently amended in March of 2015. As of June 30, 2015, the outstanding balance relating to this lease was $145,888. The equipment was included in the capital assets recorded in the governmental activities at a cost of $154,650, with accumulated depreciation as of June 30, 2015 of $10,310. The lease agreement requires monthly payments of $3,047 and matures February of 2020. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

Fiscal Year Ending June 30	Capital Leases with scheduled interest payments: Principal	Interest	Total Debt Service
2016	$ 27,506	$ 9,058	$ 36,564
2017	29,431	7,133	36,564
2018	31,491	5,073	36,564
2019	33,696	2,868	36,564
2020	23,764	612	24,376
Total	$ 145,888	$ 24,744	$ 170,632

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(Continued)

NOTE 5 - LONG-TERM LIABILITIES (Continued)

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

Purpose	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Capital Appreciation Boonds, Series 2002B	12/01/17	3.7 - 5.1 %	$ 4,785,000	$ 1,651,338
Limited School Bonds, Series 2003C	12/01/21	3.4 - 4.9 %	3,920,000	3,040,000
School Building Bonds, Series 2008	12/01/27	3.0 - 5.0 %	20,000,000	16,425,000
School Building Bonds, Series 2009	12/01/16	2.5 - 4.0 %	2,300,000	575,000
Total				$ 21,691,338

The District's Debt Service Fund is used to pay the principal and interest on the bonds listed above.

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

Fiscal Year	Principal	Interest	Total
2016	$ 1,547,863	$ 1,188,613	$ 2,736,476
2017	1,086,202	1,172,218	2,258,420
2018	1,071,333	1,131,559	2,202,892
2019	1,400,000	793,867	2,193,867
2020	1,455,000	736,382	2,191,382
2021-2025	8,325,000	2,581,286	10,906,286
2026-2028	6,050,000	463,500	6,513,500
	20,935,398	8,067,425	29,002,823
Accumulated Accreted Interest	755,940	(755,940)	-
Total	$ 21,691,338	$ 7,311,485	$ 29,002,823

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2015, the statutory debt limit for the District was $20,893,892, providing a debt margin of $0. There are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2015, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

NOTE 6 - INTERFUNDS

During the year, there were no interfund transfers or any outstanding interfund loans as of June 30, 2015.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omission, injuries to employees, and natural disasters. During the fiscal year ended June 30, 2015, the District continued its risk management policies by purchasing commercial insurance to cover itself against these risks. The amount of coverage has neither decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years.

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NOTE 7 - RISK MANAGEMENT (Continued)

The District is self-insured for medical coverage that is provided to District personnel, a third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed $60,000 per employee or $1,000,000 in the aggregate, as provided by stop-loss provisions incorporated in the plan.

At June 30, 2015, total unpaid claims totaled $89,942. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2015 and 2014, changes in the liability reported in the General (Educational) Fund for unpaid claims are summarized as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Payments	End of Year
Fiscal Year 2014	$ 86,474	$ 1,925,521	$ 1,913,381	$ 98,614
Fiscal Year 2015	$ 98,614	$ 1,743,831	$ 1,752,503	$ 89,942

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description: Noncertified and classified staff members who retire from the District shall be eligible to remain in the District comprehensive hospitalization, surgical, major medical and dental plans at no expense to the employee until Medicare eligible, if he or she is at least 62 years of age at the time of retirement and has been employed by the District for a minimum of twenty years. Membership in the plan as of June 30, 2014, the most recent information available, consisted of the following:

	June 30, 2014
Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	21
Active nonvested plan members	180
Total	201
Number of participating employers	1

Funding Policy: Funding is provided by the District on a pay-as-you-go basis with no contribution from the retiree. The District's contribution on behalf of the employees to the insurance provider was $5,937 for 2015.

(Continued)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligations: The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	June 30, 2015
Annual required contribution	$ 20,233
Interest on net OPEB obligation	2,668
Adjustment to annual required contribution	(3,709)
Annual OPEB cost	19,192
Contributions Made	(5,937)
Increase (decrease) in net OPEB obligation	13,255
Net OPEB obligation beginning of year	66,709
Net OPEB obligation end of year	$ 79,964

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$ 17,658	30.11%	$ 50,165
6/30/2014	19,450	14.94%	66,709
6/30/2015	19,192	30.93%	79,964

The annual required contribution (ARC) is made up of the following components:

	June 30, 2015
Normal cost	$ 11,491
Interest on normal cost	460
Amortization	8,282
Annual required contribution	$ 20,233

Funding Status and the Funding Progress: As of June 30, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was $143,196 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $143,196.

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

(Continued)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

In the June 30, 2014 actuarial valuation, the most recent available, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return, projected salary increases of 4% and an annual healthcare cost trend rate of 6% initially, reduced by decrements to an ultimate rate of 5% in 2024. The UAAL is being amortized using the level dollar method. The remaining amortization period at June 30, 2014 was thirty years. It is assumed that 10% of active IMRF employees and 0% of active TRS employees will elect retiree coverage continuation at retirement.

NOTE 9 - RETIREMENT SYSTEMS

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

Illinois Municipal Retirement System:

IMRF Plan Description: The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section. 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.

Benefits Provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. 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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% 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% of the original amount on January 1 every year after retirement.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Employees Covered by Benefit Terms: As of December 31, 2014, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	48
Inactive Plan Members entitled to but not yet receiving benefits	218
Active Plan Members	83
Total	349

Contributions**:** As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 9.01%. For the fiscal year ended June 30, 2015, the District contributed $210,390 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: 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.

Actuarial Assumptions**:** The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Benefits are projected for a 100 year period, with the expected rate of return of 7.50%, the municipal bond rate was 3.56% and the resulting single discount rate was 7.50%. The fund is not projected to run out of assets.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	$ 7,425,070	$ 7,557,467	$ (132,397)
Changes for the year:			
Service Cost	271,693	-	271,693
Interest on the Total Pension Liability	555,965	-	555,965
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(208,524)	-	(208,524)
Changes of Assumptions	330,464	-	330,464
Contributions - Employer	-	203,020	(203,020)
Contributions - Employees	-	101,397	(101,397)
Net Investment Income	-	461,259	(461,259)
Benefit Payments, including Refunds of Employee Contributions	(296,099)	(296,099)	-
Other (Net Transfer)	-	(63,940)	63,940
Net Changes	653,499	405,637	247,862
Balances at December 31, 2014	$ 8,078,569	$ 7,963,104	$ 115,465

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability	$ 1,295,336	$ 115,465	$ (775,036)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2015, the District recognized pension expense of $310,568. At June 30, 2015, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ -	$ 122,289
Changes of assumptions	193,801	-
Net difference between projected and actual earnings on pension plan investments	82,772	-
Total Deferred Amounts to be recognized in pension expense in future periods	276,573	122,289
Pension Contributions made subsequent to the Measurement Date	108,161	-
Total Deferred Amounts Related to Pensions	$ 384,734	$ 122,289

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2015	$ 265,517	$ 86,235
2016	77,831	36,054
2017	20,693	-
2018	20,693	-
Total	$ 384,734	$ 122,289

Teacher Health Insurance Security Fund

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

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 12-011 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.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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 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 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were $71,861, and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund: The District also makes contributions to the THIS Fund. The District's THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid $125,404 to the THIS Fund, which was 100 percent of the required contribution.

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

Teachers' Retirement System of the State of Illinois

General Information - 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:ljtrs.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.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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 District. For the year ended June 30, 2015, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $2,324,905 in pension contributions from the state of Illinois.

2.2 formula contributions: Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were $40,887, and are deferred because they were paid after the June 30, 2014 measurement date.

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

For the year ended June 30, 2015, the District pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling $7,400 were paid from federal and special trust funds that required employer contributions of $2,442. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer retirement cost contributions**:** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the District paid $0 to TRS for employer ERO contributions.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. 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 District paid $98 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follow:

District's proportionate share of the net pension liability	$ 701,486
State's proportionate share of the net pension liability associated with the District	43,745,393
Total	$ 44,446,879

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.01153 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was 0.01446 percent.

For the year ended June 30, 2015, the District recognized pension expense of $19,569 and revenue of $3,521,969 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 271	$ -
Net difference between projected and actual earnings and pension plan investments	-	35,255
Changes of assumptions	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	147,896
District contributions subsequent to the measurement date	43,329	-
	$ 43,600	$ 183,151

$43,329 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ 44,621
2017	44,621
2018	44,621
2019	44,621
2020	4,396

Actuarial assumptions: The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.o percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 301 2012 valuation. The investment return assumption was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

(Continued)

NOTE 9 - RETIREMENT SYSTEMS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US large cap	18 %	8.23 %
Global equity excluding US	18	8.58
Aggregate bonds	16	2.27
US TIPS	2	3.52
NCREIF	11	5.81
Opportunistic real estate	4	9.79
ARS	8	3.27
Risk parity	8	5.57
Diversified inflation strategy	1	3.96
Private equity	14	13.03
Total	100 %	

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

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

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

1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
$ 866,301	$ 701,486	$ 565,001

NOTE 9 - RETIREMENT SYSTEMS (Continued)

TRS Fiduciary Net Position: Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

Below is a summary of the various pension items:

	IMRF	TRS	Total
Deferred Outflows of Resources:			
Employer Contributions	$ 108,161	$ 43,329	$ 151,490
Experience	-	271	271
Assumptions	193,801	-	193,801
Investments	82,772	-	82,772
	$ 384,734	$ 43,600	$ 428,334
Net Pension Liability	$ (115,465)	$ (701,486)	$ (816,951)
Deferred Inflows of Resources:			
Investments	$ -	$ (35,255)	$ (35,255)
Experience	(122,289)	-	(122,289)
Proportionate Share	-	(147,896)	(147,896)
	$ (122,289)	$ (183,151)	$ (305,440)

NOTE 10 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. As of June 30, 2015, the District has recorded a payable in the amount of $0 relating to audit reimbursement requests. Management believes such disallowances, if any, would be immaterial.

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide 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. This Statement is effective for the District's fiscal year ended June 30, 2016. This statement will require a change to the deposits and investments footnote.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* This Statement establishes requirements for those pensions and pension plans that are not administered through a trust not covered by Statements 67 and 68. This Statement is effective for the District's fiscal year ended June 30, 2016. This statement will have no effect on the District.

(Continued)

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the District's fiscal year ended June 30, 2017. This statement will have an effect on the financial statements of the District as the OPEB plan does not currently issue separate statements.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the District's fiscal year ended June 30, 2018. This statement will have an effect on the District and the OPEB liability will be added to the Statement of Net Position.

In August 2015, the GASB issued Statement 77, *Tax Abatement Disclosures*. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the District's fiscal year ended June 30, 2017. Management has not determined what impact, if any, this statement will have on its financial statements.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

During the fiscal year ended June 30, 2015, the District implemented the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Statement 68 is effective for the District's fiscal year ending June 30, 2015 and 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. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

The objective of Statement 71 is to address an issue regarding application of the transition provisions of Statement 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

(Continued)

NOTE 12 – PRIOR PERIOD ADJUSTMENT (Continued)

A specific change to the District's financial statements relates to the recognition of the District's Net Pension Liabilities and related Deferred Inflows of Resources and Deferred Outflows of Resources with a net value of $617,638 that was not previously reported on the financial statements. Due to the requirements of GASB 68 and 71, these amounts are now required to be included on the District's government-wide financial statements and thus were added to the financial statements as an adjustment to net position. A reconciliation for net position from the 2014 financial statements to beginning net position as reported on the 2015 financial statements is as follows:

Beginning Net Position as Previously Reported	$ 20,659,316
Change in Accounting Principle for Net Pension Liability, Deferred Inflows and Deferred Outflows	(617,638)
Beginning Net Position as Restated	$ 20,041,678

SCHILLER PARK SCHOOL DISTRICT 81

Illinois Municipal Retirement Fund
Schedule of Changes in the Net Pension Liability and Related Ratios
June 30, 2015

Calendar Year Ended December 31,	2014
Total Pension Liability	
Service Cost	$ 271,693
Interest on the Total Pension Liability	555,965
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(208,524)
Changes of Assumptions	330,464
Benefit Payments, Including Refunds of Employee Contributions	(296,099)
Net Change in Total Pension Liability	653,499
Total Pension Liability - Beginning	7,425,070
Total Pension Liability - Ending	$ 8,078,569
Plan Fiduciary Net Position	
Contributions - Employer	$ 203,020
Contributions - Employees	101,397
Net Investment Income	461,259
Benefit Payments, Including Refunds of Employee Contributions	(296,099)
Other (Net Transfer)	(63,940)
Net Change in Plan Fiduciary Net Position	405,637
Plan Fiduciary Net Position - Beginning	7,557,467
Plan Fiduciary Net Position - Ending	$ 7,963,104
Net Pension Liability - Ending	$ 115,465
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.57%
Covered Valuation Payroll	$ 2,253,269
Net Pension Liability as a Percentage of Covered Valuation Payroll	5.12%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Most Recent Fiscal Year

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2015	$ 203,020	$ 203,020	$ -	$ 2,253,269	9.01%

Notes to Schedule:
Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	29-year closed period until remaining period reaches 15 years (then 15 year rolling period)
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes:	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SCHILLER PARK SCHOOL DISTRICT 81

Teacher's Retirement System
Schedule of the District's Proportionate Share of the Net Pension Liability

		2015
District's Proportion of the Net Pension Liability		0.0011526558%
District's Proportionate Share of the Net Pension Liability	$	701,486
State's Proportionate Share of the Net Pension Liability associated with the District		43,745,393
Total	$	44,446,879
District's covered-employee payroll	$	7,045,166
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		9.96%
Plan fiduciary net position as a percentage of the total pension liability		43.00%

Notes to Schedule:
1. This schedule is presented to illustrate the requirement to show information for 10
2. The amounts presented were determined as of the prior fiscal year end.
3. Changes of assumptions: Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

SCHILLER PARK SCHOOL DISTRICT 81

Teacher's Retirement System
Schedule of Employer Contributions

		2015
Contractually required contribution	$	43,329
Contributions in relation to the contractually required contribution		43,329
Contribution Deficiency (Excess)	$	-
District covered-employee payroll	$	7,049,483
Contributions as a Percentage of Covered-employee Payroll		0.61%

Notes to Schedule:

1. This schedule is presented to illustrate the requirement to show information for 10
2. Changes of assumptions: Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

SCHILLER PARK SCHOOL DISTRICT 81

Other Post Employment Benefits (OPEB)
Schedule of Funding Progress
June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/15	NA	NA	NA	NA	NA	NA
06/30/14	$ -	$ 143,196	143,196	0%	$ -	0%
06/30/13	NA	NA	NA	NA	NA	NA
06/30/12	-	147,493	147,493	0%	-	0%
06/30/11	NA	NA	NA	NA	NA	NA

NA - Information not available.

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 11,200,977	$ 11,200,977	$ 10,365,254	$ (835,723)
Replacement taxes	465,650	465,650	265,095	(200,555)
Interest	5,673	5,673	11,116	5,443
Other local sources	264,126	264,126	388,695	124,569
State sources	3,444,957	3,444,957	3,622,344	177,387
Federal sources	1,298,470	1,298,470	1,272,740	(25,730)
Total revenues	16,679,853	16,679,853	15,925,244	(754,609)
Expenditures				
Current:				
Instruction				
Regular programs	6,294,901	6,294,901	6,165,892	129,009
Special ed programs	2,194,812	2,194,812	1,591,855	602,957
Other instructional programs	826,442	826,442	523,876	302,566
Support services				
Pupils	1,053,590	1,053,590	816,240	237,350
Instructional staff	897,155	897,155	771,262	125,893
General administration	596,556	596,556	491,708	104,848
School administration	925,931	925,931	800,053	125,878
Business	926,251	926,251	871,389	54,862
Central	66,496	66,496	10,216	56,280
Operations and maintenance	1,585,082	1,585,082	1,836,578	(251,496)
Community services	222,620	222,620	179,546	43,074
Payments to other governmental units	377,936	377,936	397,023	(19,087)
Capital outlay	299,178	928,978	426,833	502,145
Total expenditures	16,266,950	16,896,750	14,882,471	2,014,279
Excess of revenues over expenditures	412,903	(216,897)	1,042,773	1,259,670
Other financing sources				
Capital lease proceeds	-	-	154,650	154,650
Total other financing sources	-	-	154,650	154,650
Net change in fund balance	$ 412,903	$ (216,897)	1,197,423	$ 1,414,320
Fund balance at beginning of year			9,125,133	
Fund balance at end of year			$ 10,322,556	

See accompanying note to budgetary comparison schedule

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2015

	Transportation Fund			
	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local sources				
Property taxes	$ 766,000	$ 766,000	$ 732,934	$ (33,066)
Replacement taxes	-	-	210,684	210,684
Interest	314	314	1,128	814
Other local sources	15,500	15,500	7,368	(8,132)
State sources	415,000	415,000	285,294	(129,706)
Total revenues	1,196,814	1,196,814	1,237,408	40,594
Expenditures				
Current				
Support services				
Transportation	930,072	930,072	800,615	129,457
Total expenditures	930,072	930,072	800,615	129,457
Net change in fund balance	$ 266,742	$ 266,742	436,793	$ 170,051
Fund balance at beginning of year			914,084	
Fund balance at end of year			$ 1,350,877	

See accompanying note to budgetary comparison schedule

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2015

	IMRF/Social Security Fund			
	Original and final budget	Original and final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes	$ 445,170	$ 445,170	$ 433,798	$ (11,372)
Replacement taxes	150,000	150,000	150,000	-
Interest	304	304	373	69
Total revenues	595,474	595,474	584,171	(11,303)
Expenditures				
Current:				
Instruction				
Regular programs	40,872	90,000	104,008	(14,008)
Special ed programs	61,672	100,000	79,799	20,201
Other instructional programs	17,992	21,500	15,809	5,691
Support services				
Pupils	29,640	48,000	33,069	14,931
Instructional staff	23,712	27,900	26,881	1,019
General administration	13,600	15,700	14,652	1,048
School administration	16,120	39,000	36,686	2,314
Business	175,032	169,700	153,937	15,763
Community Services	11,769	20,000	19,382	618
Total expenditures	390,409	531,800	484,223	47,577
Net change in fund balance	$ 205,065	$ 63,674	99,948	$ 36,274
Fund balance at beginning of year			387,847	
Fund balance at end of year			$ 487,795	

See accompanying note to budgetary comparison schedule

SCHILLER PARK SCHOOL DISTRICT 81

Required Supplementary Information
General Fund and Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2015

	Working Cash Fund		
	Original and final budget	Actual	Variance from final budget over (under)
Revenues			
Local sources			
Property taxes	$ 76,000	$ 43,861	$ (32,139)
Interest	-	1,963	1,963
Total revenues	76,000	45,824	(30,176)
Net change in fund balance	$ 76,000	45,824	$ (30,176)
Fund balance at beginning of year		2,345,606	
Fund balance at end of year		$ 2,391,430	

See accompanying note to budgetary comparison schedule

NOTE 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data: Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.

4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.

5. Formal budgetary integration is employed as a management control device during the year for all governmental funds. All governmental funds, except for the capital projects fund, had Board approved budgets.

6. All budget appropriations lapse at the end of the fiscal year.

Budget Reconciliations: The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf' payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	Revenues	Expenditures
General Fund – Budgetary Basis	$ 15,925,244	$ 14,882,471
To adjust for on-behalf payments received	2,394,325	-
To adjust for on-behalf payments made	-	2,394,325
General Fund GAAP Basis	$ 18,319,569	$ 17,276,796

SCHILLER PARK SCHOOL DISTRICT 81
General Fund
Balance Sheet - by Account
June 30, 2015

	Educational Account	Operations and Maintenance Account	Total
Assets			
Cash and investments	$ 8,896,781	$ 1,633,032	$ 10,529,813
Receivables:			
Interest receivable	636	130	766
Property tax receivable	4,887,849	764,868	5,652,717
Replacement taxes receivable	102,724	-	102,724
Intergovernmental receivable	932,780	-	932,780
Total assets	$ 14,820,770	$ 2,398,030	$ 17,218,800
Liabilities, deferred inflows and fund balance			
Liabilities			
Accounts payable	$ 36,517	$ 99,225	$ 135,742
Salaries and deductions payable	584,946	25,593	610,539
Insurance claims payable	89,942	-	89,942
Total liabilities	711,405	124,818	836,223
Deferred inflows			
Property taxes	4,709,377	737,006	5,446,383
Unavailable grant revenue	613,638	-	613,638
Total deferred inflows	5,323,015	737,006	6,060,021
Fund balance			
Restricted			
Insurance	645,263	-	645,263
Assigned			
Operations and maintenance	-	1,536,206	1,536,206
Unassigned	8,141,087	-	8,141,087
Total fund balance	8,786,350	1,536,206	10,322,556
Total liabilities and fund balance	$ 14,820,770	$ 2,398,030	$ 17,218,800

SCHILLER PARK SCHOOL DISTRICT 81

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - by Account
Year Ended June 30, 2015

	Educational Account	Operations and Maintenance Account	Total
Revenues			
Local sources			
Property taxes	$ 8,960,823	$ 1,404,431	$ 10,365,254
Replacement taxes	97,190	167,905	265,095
Interest	9,685	1,431	11,116
Other local sources	303,162	85,533	388,695
State sources	3,613,624	8,720	3,622,344
Federal sources	1,272,740	-	1,272,740
On-behalf payments received from state	2,394,325	-	2,394,325
Total revenues	16,651,549	1,668,020	18,319,569
Expenditures			
Current:			
Instruction			
Regular programs	6,165,892	-	6,165,892
Special ed programs	1,591,855	-	1,591,855
Other instructional programs	523,876	-	523,876
State retirement contributions	2,394,325	-	2,394,325
Support services			
Pupils	816,240	-	816,240
Instructional staff	771,262	-	771,262
General administration	491,708	-	491,708
School administration	800,053	-	800,053
Business	871,389	-	871,389
Central	10,216	-	10,216
Operations and maintenance	418,309	1,418,269	1,836,578
Community services	179,546	-	179,546
Nonprogrammed charges	397,023	-	397,023
Capital outlay	291,139	135,694	426,833
Total expenditures	15,722,833	1,553,963	17,276,796
Excess of revenues over expenditures	928,716	114,057	1,042,773
Other financing sources			
Capital lease proceeds	154,650	-	154,650
Total other financing sources	154,650	-	154,650
Net change in fund balances	1,083,366	114,057	1,197,423
Fund balances at beginning of year	7,702,984	1,422,149	9,125,133
Fund balances at end of year	$ 8,786,350	$ 1,536,206	$ 10,322,556

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 9,513,050	$ 9,513,050	$ 8,683,044	$ (830,006)
Special education levy	302,267	302,267	277,779	(24,488)
Replacement taxes	312,650	312,650	97,190	(215,460)
Interest	5,066	5,066	9,685	4,619
Sales to pupils - lunch	69,500	69,500	83,293	13,793
Sales to pupils - breakfast	53,000	53,000	6,735	(46,265)
Student instruments	556	556	240	(316)
Student fees	136,207	136,207	118,725	(17,482)
Miscellaneous	39,863	39,863	94,169	54,306
Total local sources	10,432,159	10,432,159	9,370,860	(1,061,299)
State sources				
General state aid	1,975,557	1,975,557	2,305,437	329,880
Special education - private facility tuition	213,000	213,000	145,407	(67,593)
Special education - extraordinary	220,000	220,000	178,844	(41,156)
Special education - personnel	336,000	336,000	226,569	(109,431)
Special education - summer school	6,600	6,600	7,866	1,266
Special education - transportation	-	-	79,763	79,763
Elementary career education	-	-	1,193	1,193
Bilingual education - downstate - TPI	157,000	157,000	115,834	(41,166)
State free lunch & breakfast	6,800	6,800	4,179	(2,621)
Early childhood - block grant	495,000	495,000	486,187	(8,813)
Other state grants	-	-	62,345	62,345
Total state sources	3,409,957	3,409,957	3,613,624	203,667
Federal sources				
National school lunch program	350,000	350,000	329,696	(20,304)
School breakfast program	73,000	73,000	78,137	5,137
Child care commodity	-	-	40,556	40,556
Title I - low income	301,000	301,000	326,696	25,696
Special education - IDEA - Flow through/low incidence	311,777	311,777	331,659	19,882
Special education - IDEA - Preschool flow through/low incidence	4,693	4,693	3,016	(1,677)
Program improvement	-	-	9,842	9,842
Medicaid matching funds - Administrative outreach	160,000	160,000	58,726	(101,274)
Title III - english language acquisition	44,000	44,000	50,222	6,222
Title II - teacher quality	54,000	54,000	44,190	(9,810)
Total federal sources	1,298,470	1,298,470	1,272,740	(25,730)
Total revenues	15,140,586	15,140,586	14,257,224	(883,362)
Expenditures				
Current:				
Instruction				
Regular programs				
Salaries	4,992,000	4,992,000	4,782,383	209,617
Employee benefits	1,019,876	1,019,876	996,258	23,618
Purchased services	51,151	51,151	185,621	(134,470)
Supplies and materials	231,874	231,874	201,630	30,244
Capital outlay	23,640	23,640	136,489	(112,849)

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
Total regular programs	$ 6,318,541	$ 6,318,541	$ 6,302,381	$ 16,160
Special education programs				
Salaries	1,430,448	1,430,448	1,135,463	294,985
Employee benefits	346,196	346,196	248,890	97,306
Purchased services	143,028	143,028	63,034	79,994
Supplies and materials	36,782	36,782	29,398	7,384
Capital outlay	1,560	1,560	-	1,560
Other	2,080	2,080	689	1,391
Total special education programs	1,960,094	1,960,094	1,477,474	482,620
Educationally deprived/remedial programs				
Salaries	135,130	135,130	52,519	82,611
Employee benefits	25,272	25,272	24,510	762
Purchased services	57,127	57,127	36,960	20,167
Supplies and materials	18,749	18,749	392	18,357
Capital Outlay	108,878	108,878	-	108,878
Total educationally deprived/remedial programs	345,156	345,156	114,381	230,775
Interscholastic programs				
Salaries	133,560	133,560	113,965	19,595
Employee benefits	4,720	4,720	4,623	97
Purchased services	21,660	21,660	15,922	5,738
Supplies and materials	23,870	23,870	13,081	10,789
Capital outlay	4,680	4,680	-	4,680
Total interscholastic programs	188,490	188,490	147,591	40,899
Bilingual programs				
Salaries	536,000	536,000	307,828	228,172
Employee benefits	106,632	106,632	68,457	38,175
Total bilingual programs	642,632	642,632	376,285	266,347
Total Instruction	9,454,913	9,454,913	8,418,112	1,036,801
Support services				
Pupils				
Attendance and social work services				
Salaries	110,107	110,107	101,261	8,846
Employee benefits	110,000	110,000	16,566	93,434
Supplies and materials	500	500	145	355
Total attendance and social work services	220,607	220,607	117,972	102,635
Health services				
Salaries	161,000	161,000	140,651	20,349
Employee benefits	30,368	30,368	24,519	5,849
Purchased services	186,377	186,377	151,479	34,898
Supplies and materials	2,000	2,000	3,313	(1,313)
Capital outlay	2,080	2,080	-	2,080
Total health services	381,825	381,825	319,962	61,863
Psychological services				
Salaries	180,090	180,090	160,593	19,497
Employee benefits	27,800	27,800	21,898	5,902

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
Purchased services	$ 1,460	$ 1,460	$ 4,500	$ (3,040)
Total psychological services	209,350	209,350	186,991	22,359
Speech pathology and audiology services				
Salaries	55,000	55,000	68,657	(13,657)
Employee benefits	46,808	46,808	16,150	30,658
Purchased services	140,000	140,000	106,508	33,492
Total speech pathology and audiology services	241,808	241,808	191,315	50,493
Total pupils	1,053,590	1,053,590	816,240	237,350
Instructional staff				
Improvement of instruction services				
Salaries	256,000	256,000	177,981	78,019
Employee benefits	76,328	76,328	65,025	11,303
Purchased services	108,969	108,969	177,162	(68,193)
Supplies and materials	-	-	1,956	(1,956)
Capital outlay	21,300	21,300	-	21,300
Other	1,326	1,326	500	826
Total improvement of instruction services	463,923	463,923	422,624	41,299
Educational media services				
Salaries	148,470	148,470	142,477	5,993
Employee benefits	45,482	45,482	40,808	4,674
Purchased services	78,168	78,168	78,022	146
Supplies and materials	108,960	108,960	79,808	29,152
Capital outlay	13,320	13,320	-	13,320
Other	21,900	21,900	3,049	18,851
Total educational media services	416,300	416,300	344,164	72,136
Assessment and testing				
Purchased services	47,952	47,952	2,552	45,400
Supplies and materials	3,600	3,600	1,922	1,678
Total assessment and testing	51,552	51,552	4,474	47,078
Total instructional staff	931,775	931,775	771,262	160,513
General Administration				
Board of education services				
Salaries	20,000	20,000	16,676	3,324
Employee benefits	6,800	6,800	5,770	1,030
Purchased services	150,000	150,000	178,924	(28,924)
Supplies and materials	10,400	10,400	7,887	2,513
Total board of education services	187,200	187,200	209,257	(22,057)
Executive administration services				
Salaries	288,496	288,496	197,631	90,865
Employee benefits	57,732	57,732	34,711	23,021
Purchased services	46,488	46,488	38,737	7,751
Supplies and materials	14,560	14,560	11,372	3,188
Capital outlay	5,200	5,200	154,650	(149,450)
Other	2,080	2,080	-	2,080
Total executive administration services	414,556	414,556	437,101	(22,545)
Total general administration	601,756	601,756	646,358	(44,602)

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
School Administration				
Office of the principal services				
Salaries	$ 725,000	$ 725,000	$ 589,631	$ 135,369
Employee benefits	100,500	100,500	107,085	(6,585)
Purchased services	80,080	80,080	101,265	(21,185)
Supplies and materials	19,351	19,351	2,072	17,279
Capital outlay	1,000	1,000	-	1,000
Other	1,000	1,000	-	1,000
Total school administration	926,931	926,931	800,053	126,878
Business				
Direction of business support services				
Salaries	65,000	65,000	25,386	39,614
Employee benefits	9,048	9,048	7,653	1,395
Purchased services	2,600	2,600	2,459	141
Total direction of business support services	76,648	76,648	35,498	41,150
Fiscal services				
Salaries	115,960	115,960	98,420	17,540
Employee benefits	26,000	26,000	22,231	3,769
Purchased services	46,000	46,000	99,039	(53,039)
Total fiscal services	187,960	187,960	219,690	(31,730)
Operation and maintenance of plant services				
Purchased services	182,525	182,525	418,309	(235,784)
Total operation and maintenance of plant services	182,525	182,525	418,309	(235,784)
Food services				
Salaries	218,400	218,400	170,565	47,835
Employee benefits	206,000	206,000	93,695	112,305
Purchased services	1,560	1,560	42,456	(40,896)
Supplies and materials	235,683	235,683	309,485	(73,802)
Capital outlay	9,880	9,880	-	9,880
Total food services	671,523	671,523	616,201	55,322
Total business	1,118,656	1,118,656	1,289,698	(171,042)
Central				
Data processing services				
Purchased services	15,080	15,080	6,818	8,262
Supplies and materials	-	-	3,398	(3,398)
Total data processing services	15,080	15,080	10,216	4,864
Other support services				
Purchased services	50,960	50,960	-	50,960
Supplies and materials	456	456	-	456
Total other support services	51,416	51,416	-	51,416
Total central	66,496	66,496	10,216	56,280
Total support services	4,699,204	4,699,204	4,333,827	365,377

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Educational Account
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
Community services				
Salaries	$ 130,780	$ 130,780	$ 116,258	$ 14,522
Benefits	29,875	29,875	26,955	2,920
Purchased services	57,060	57,060	34,905	22,155
Supplies and materials	4,905	4,905	1,428	3,477
Capital outlay	520	520	-	520
Total community services	223,140	223,140	179,546	43,594
Payments to other districts and governmental units				
Payments for regular programs				
Tuition	-	-	24,300	(24,300)
Payments for special education programs				
Other	374,400	374,400	369,323	5,077
Total payments for special education programs	374,400	374,400	369,323	5,077
Other payments to in-state governmental units				
Purchased services	3,536	3,536	3,400	136
Total other payments to in-state governmental units	3,536	3,536	3,400	136
Total payments to other districts and Governmental units	377,936	377,936	397,023	(19,087)
Total expenditures	14,755,193	14,755,193	13,328,508	1,426,685
Excess of revenues over expenditures	385,393	385,393	928,716	543,323
Other financing sources				
Capital lease proceeds	-	-	154,650	154,650
Total other financing sources	-	-	154,650	154,650
Net change in fund balance	$ 385,393	$ 385,393	1,083,366	$ 697,973
Fund balance at beginning of year			7,702,984	
Fund balance at end of year			$ 8,786,350	

SCHILLER PARK SCHOOL DISTRICT 81

General Fund - Operations and Maintenance Account
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from budget over (under)
Revenues				
Local sources				
Property taxes				
General levy	$ 1,385,660	$ 1,385,660	$ 1,404,431	$ 18,771
Replacement taxes	153,000	153,000	167,905	14,905
Interest	607	607	1,431	824
Local fees	-	-	85,533	85,533
Total local sources	1,539,267	1,539,267	1,659,300	120,033
State sources				
Other state sources	-	-	8,720	8,720
Total state sources	-	-	8,720	8,720
Total revenues	1,539,267	1,539,267	1,668,020	128,753
Expenditures				
Current:				
Facilities construction and acquisition				
Purchased services	-	-	58,589	(58,589)
Capital outlay	-	-	73,332	(73,332)
Total facilities construction and acquisition	-	-	131,921	(131,921)
Operations and maintenance of plant services				
Salaries	462,328	462,328	415,900	46,428
Employee benefits	145,600	145,600	115,658	29,942
Purchased services	601,749	601,749	562,153	39,596
Supplies and materials	182,480	182,480	243,711	(61,231)
Capital outlay	109,200	739,000	62,362	676,638
Other	10,400	10,400	22,258	(11,858)
Total operations and maintenance of plant services	1,511,757	2,141,557	1,422,042	719,515
Total expenditures	1,511,757	2,141,557	1,553,963	587,594
Net change in fund balance	$ 27,510	$ (602,290)	114,057	$ (458,841)
Fund balance at beginning of year			1,422,149	
Fund balance at end of year			$ 1,536,206	

SCHILLER PARK SCHOOL DISTRICT 81

Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local Sources				
Property taxes				
General levy	$ 766,000	$ 766,000	$ 732,934	$ (33,066)
Replacement taxes	-	-	210,684	210,684
Interest	314	314	1,128	814
Local fees	15,500	15,500	7,368	(8,132)
Total local sources	781,814	781,814	952,114	170,300
State Sources				
Transportation - Regular/Vocational	125,000	125,000	51,782	(73,218)
Transportation - Special Education	290,000	290,000	233,512	(56,488)
Total state sources	415,000	415,000	285,294	(129,706)
Total revenues	1,196,814	1,196,814	1,237,408	40,594
Expenditures				
Current:				
Support Services				
Pupil transportation services				
Salaries	417,248	417,248	324,189	93,059
Employee benefits	119,184	119,184	96,020	23,164
Purchased services	312,000	312,000	348,283	(36,283)
Supplies and materials	62,920	62,920	32,123	30,797
Capital outlay	18,720	18,720	-	18,720
Total Pupil transportation services	930,072	930,072	800,615	129,457
Total expenditures	930,072	930,072	800,615	129,457
Net change in fund balance	$ 266,742	$ 266,742	436,793	$ (88,863)
Fund balance at beginning of year			914,084	
Fund balance at end of year			$ 1,350,877	

SCHILLER PARK SCHOOL DISTRICT 81

IMRF/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from final budget over (under)
Revenues				
Local Sources				
Property taxes				
General levy	$ 279,660	$ 279,660	$ 202,503	$ (77,157)
Social security/medicare levy	165,510	165,510	231,295	65,785
Replacement taxes	150,000	150,000	150,000	-
Interest	304	304	373	69
Total revenues	595,474	595,474	584,171	(11,303)
Expenditures				
Current:				
Instruction				
Regular programs	40,872	90,000	104,008	(14,008)
Special ed programs	53,352	85,000	68,842	16,158
Remedial and Supplemental Programs	8,320	15,000	8,987	6,013
Interscholastic programs	5,096	5,100	2,763	2,337
Summer school programs	-	3,600	1,970	1,630
Bilingual programs	12,896	12,800	13,046	(246)
Total Instruction	120,536	211,500	199,616	11,884
Support services				
Pupils				
Attendance and social work services	520	1,700	1,495	205
Health services	26,520	39,000	24,112	14,888
Psychologial services	1,040	2,800	2,322	478
Speech pathology and audiology services	1,560	4,500	5,140	(640)
Total Pupils	29,640	48,000	33,069	14,931
Instructional staff				
Improvement of instruction services	3,952	3,900	2,575	1,325
Educational media services	19,760	24,000	24,306	(306)
Total Instructional staff	23,712	27,900	26,881	1,019
General administration				
Board of education services	-	2,700	2,879	(179)
Executive administration services	13,000	13,000	11,773	1,227
Special area administrative services	600	-	-	-
Total General administration	13,600	15,700	14,652	1,048
School administration				
Office of the principal services	16,120	39,000	36,686	2,314
Business				
Direction of business support services	-	700	368	332
Fiscal services	18,200	19,000	17,018	1,982
Operations and maintenance of plant services	75,192	74,000	68,818	5,182
Pupil transportation services	47,840	44,000	39,728	4,272
Food services	33,800	32,000	28,005	3,995
Total business	175,032	169,700	153,937	15,763
Total support services	258,104	300,300	265,225	35,075

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

IMRF/Social Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2015

	Original budget	Final budget	Actual	Variance from final budget over (under)
Community services	$ 11,769	$ 20,000	$ 19,382	$ 618
Total expenditures	390,409	531,800	484,223	47,577
Net change in fund balance	$ 205,065	$ 63,674	99,948	$ 36,274
Fund balance at beginning of year			387,847	
Fund balance at end of year			$ 487,795	

SCHILLER PARK SCHOOL DISTRICT 81

Working Cash Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2015

	Original and final budget	Actual	Variance from budget over (under)
Revenues			
Local Sources			
Property taxes			
General levy	$ 76,000	$ 43,861	$ (32,139)
Interest	-	1,963	1,963
Total revenues	76,000	45,824	(30,176)
Net change in fund balance	$ 76,000	45,824	$ (30,176)
Fund balance at beginning of year		2,345,606	
Fund balance at end of year		$ 2,391,430	

SCHILLER PARK SCHOOL DISTRCT 81

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2015

	Original and final budget	Actual	Variance from budget over (under)
Revenues			
Local sources			
Property taxes			
General levy	$ 2,760,015	$ 2,758,063	$ (1,952)
Interest	1,477	360	(1,117)
Total local sources	2,761,492	2,758,423	(3,069)
Total revenues	2,761,492	2,758,423	(3,069)
Expenditures			
Debt service			
Interest and fees	2,760,000	955,022	1,804,978
Principal	-	1,780,000	(1,780,000)
Total expenditures	2,760,000	2,735,022	24,978
Net change in fund balance	$ 1,492	23,401	$ (28,047)
Fund balance at beginning of year		497,180	
Fund balance at end of year		$ 520,581	

SCHILLER PARK SCHOOL DISTRICT 81

Agency Funds - Student Activity Funds
Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2015

	July 1, 2014 Balance	Additions	Deletions	June 30, 2015 Balance
Assets				
Cash	$ 82,253	$ 251,276	$ 274,388	$ 59,141
Total Assets	$ 82,253	$ 251,276	$ 274,388	$ 59,141
Liabilities				
Due to activity fund organizations	$ 82,253	$ 251,276	$ 274,388	$ 59,141
Total Liabilities	$ 82,253	$ 251,276	$ 274,388	$ 59,141

SCHILLER PARK SCHOOL DISTRICT 81

Five Year Summary of Assessed Valuations (Unaudited)
Tax Rates and Extensions
June 30, 2015

Tax levy year	2014	2013	2012	2011	2010
Assessed valuation	$ 302,810,026	$ 305,353,403	$ 347,926,441	$ 383,571,359	$ 422,225,582
Tax rates:					
Educational	$ 3.0538	$ 2.9512	$ 2.6014	$ 2.2825	$ 1.9566
Special education	0.0896	0.1036	0.0845	0.0806	0.0615
Operations and maintenance	0.4919	0.4777	0.3749	0.3088	0.2398
Bond and interest	0.9570	0.9490	0.7931	0.6624	0.6538
Transportation	0.2577	0.2509	0.2098	0.2162	0.1656
Municipal retirement	0.0706	0.0688	0.0503	0.0349	0.0296
Social security	0.0807	0.0786	0.0575	0.0416	0.0355
Working cash	0.0064	0.0250	0.0170	0.0201	0.0158
Total	$ 5.0077	$ 4.9048	$ 4.1885	$ 3.6471	$ 3.1582
Tax extension:					
Educational	$ 9,247,117	$ 9,011,532	$ 9,051,088	$ 8,755,000	$ 8,261,265
Special education	271,220	316,383	294,022	309,000	259,668
Operations and maintenance	1,489,464	1,458,589	1,304,348	1,184,500	1,012,496
Bond and interest	2,898,030	2,898,016	2,759,482	2,540,688	2,760,517
Transportation	780,217	766,100	730,000	829,150	699,205
Municipal retirement	213,870	210,000	175,000	133,900	124,978
Social security	244,422	240,000	200,000	159,650	149,890
Working cash	19,489	76,383	59,022	77,250	66,711
Total	$ 15,163,829	$ 14,977,003	$ 14,572,962	$ 13,989,138	$ 13,334,730

SCHILLER PARK SCHOOL DISTRICT 81

Operating Cost and Tuition Charge (Unaudited)
June 30, 2015

Operating cost per pupil:		
Average daily attendance (ADA):		1,379
Operating costs:		
Educational	$	13,328,508
Operations and maintenance		1,553,963
Transportation		800,615
Bond and interest		2,735,022
Municipal retirement/social security		484,223
Total		18,902,331
Less revenues/expenditures of nonregular programs:		
Summer school		1,970
Capital outlay		426,833
Non-capitalized equipment		-
Debt principal retired		1,780,000
Regular transportation fees from other districts		4,072
Special education transportation fees from other districts		-
Community services		198,928
Payments to other governmental units		397,023
Total		2,808,826
Operating costs:	$	16,093,505
Operating cost per pupil - based on ADA	$	11,670
Tuition charge:		
Operating costs:	$	16,093,505
Less revenues from specific programs, such as special education or lunch programs		2,594,682
Net operating costs		13,498,823
Depreciation allowance		1,115,130
Allowable tuition costs	$	14,613,953
Tuition charge per pupil - based on ADA	$	10,602

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2015

Capital Appreciation Limited Bonds, Series 2002B

Paying agent:	Bank of New York
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.7 - 5.1%

Year Ended June 30,	Principal	Interest	Total
2016	$ 327,863	$ 282,137	$ 610,000
2017	306,202	303,798	610,000
2018	261,333	293,667	555,000
	895,398	879,602	1,775,000
Accumulated Accreated Interest	755,940	(755,940)	-
Total	$ 1,651,338	$ 123,662	$ 1,775,000

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2015

Limited School Bonds, Series 2003C

Paying agent:	Bank of New York
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.4 - 4.9%

Year Ended June 30,	Principal	Interest	Total
2016	$ 110,000	$ 122,065	$ 232,065
2017	115,000	117,790	232,790
2018	175,000	112,280	287,280
2019	740,000	94,155	834,155
2020	770,000	63,570	833,570
2021	805,000	30,880	835,880
2022	325,000	6,988	331,988
Total	$ 3,040,000	$ 547,728	$ 3,587,728

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2015

School Bonds, Series 2008

Paying agent:	Wells Fargo Bank
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	3.0 - 5.0%

Year Ended June 30,	Principal	Interest	Total
2016	$ 590,000	$ 772,250	$ 1,362,250
2017	610,000	749,750	1,359,750
2018	635,000	725,612	1,360,612
2019	660,000	699,712	1,359,712
2020	685,000	672,812	1,357,812
2021	710,000	641,362	1,351,362
2022	1,255,000	593,806	1,848,806
2023	1,660,000	522,500	2,182,500
2024	1,740,000	437,500	2,177,500
2025	1,830,000	348,250	2,178,250
2026	1,920,000	254,500	2,174,500
2027	2,015,000	156,125	2,171,125
2028	2,115,000	52,875	2,167,875
Total	$ 16,425,000	$ 6,627,054	$ 23,052,054

(Continued)

SCHILLER PARK SCHOOL DISTRICT 81

Schedule of Bonds Outstanding (Unaudited)
June 30, 2015

School Bonds, Series 2009

Paying agent:	Wells Fargo Bank
Principal payment date	December 1
Interest payment dates	June 1 and December 1
Interest rates:	2.5 - 4.0%

Year Ended June 30,	Principal	Interest	Total
2016	$ 520,000	$ 22,560	$ 542,560
2017	55,000	1,760	56,760
Total	$ 575,000	$ 24,320	$ 599,320