

ALTON COMMUNITY UNIT SCHOOL
DISTRICT NO. 11
ALTON, ILLINOIS

ANNUAL REPORT AND
FINANCIAL STATEMENTS INCLUDING
FEDERAL COMPLIANCE SECTION

JUNE 30, 2015

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON BETHALTO

October 6, 2015

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Alton Community Unit School District No. 11
Alton, Illinois

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alton Community Unit School District No. 11 (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

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.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 as of June 30, 2015, and the respective changes in financial position – modified cash basis, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alton Community Unit School District No. 11's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The management's discussion and analysis and the schedules included as Other Information as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 6, 2015, on our consideration of Alton Community Unit School District No. 11'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 the 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 Alton Community Unit School District No. 11's internal control over financial reporting and compliance.


Alton, Illinois



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSON BETHALTON

October 6, 2015

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF MODIFIED CASH BASIS FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Alton Community Unit School District No. 11
Alton, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alton Community Unit School District No. 11 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Alton Community Unit School District No. 11's basic financial statements, and have issued our report thereon dated October 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Alton Community Unit School District No. 11's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alton Community Unit School District No. 11's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alton Community Unit School District No. 11's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control as Finding Number 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alton Community Unit School District No. 11's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding Number 2015-002, 2015-003.

Alton Community Unit School District No. 11's Response to Findings

Alton Community Unit School District No. 11's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alton Community Unit School District No. 11's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Alton, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

June 30, 2015

USING THIS ANNUAL REPORT

The School District's annual report consists of a series of financial statements that show information for the School District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Our fund financial statements start on page 12. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School District's overall financial health. Fund financial statements also report the School District's operations in more detail than the government-wide financial statements providing information about the School District's most significant funds – such as the School District's General Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, and Transportation Fund. The remaining statement – the Statement of Fiduciary Net Position presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Our auditor's have provided assurance in their Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the required supplemental information and the supplemental information identified above. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

Reporting the School District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School District as a whole begins on page 6. One of the most important questions asked about the School District is "Is the School District as a whole better off or worse off financially as a result of the year's activities". The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include *all* assets and liabilities, using the *modified cash basis of accounting*.

These two statements report the School District's *net position* – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the School District's financial health, or *financial position*. Over time, *increases or decreases* in the School District's net position – as reported in the Statement of Activities – are one indicator of whether its *financial health* is improving or deteriorating. The relationship between revenues and expenses is the School District's *operating results*. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the *overall health* of the School District.

The Statement of Net Position and Statement of Activities report the following activity for the School District:

Governmental Activities – All of the School District's services are reported here, including instruction, supporting services, transportation, and food services. Property taxes, corporate personal property replacement taxes, and state and federal grants finance most of these activities.

Fund Financial Statements

The School District's fund financial statements, which begin on page 12, provide detailed information about the most significant funds – not the School District as a whole. These funds are required to be established by State law. However, the School District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like the Title I Grant). The School District's governmental funds use the following accounting approach:

Governmental Funds – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified cash accounting, which measures detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Exhibits "D and F".

THE SCHOOL DISTRICT AS TRUSTEE

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or *fiduciary*, for the student activity funds. All of the School District's fiduciary activities are reported in a separate Statement of Assets Liabilities and Fund Balance on page 16. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL DISTRICT AS A WHOLE

The School District's net position was \$36.3 million at June 30, 2015 and \$31.0 million at June 30, 2014. However \$13.1 million of the increase was due to a prior period adjustment of removing the compensated absences liability from the Statement of Net Position. Of the \$36.3 million total net position at June 30, 2015, \$32.9 million was unrestricted or invested in capital assets. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use its net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the School District's governmental activities.

Table 1
Net Position
June 30,
(in millions)

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 8.0	\$ 4.7
Capital Assets	<u>93.0</u>	<u>91.9</u>
Total Assets	<u>\$ 101.0</u>	<u>\$ 96.6</u>
Current and Other Liabilities	\$ 6.2	\$ 3.6
Long-term Liabilities	<u>56.0</u>	<u>59.0</u>
Total Liabilities	<u>\$ 62.2</u>	<u>\$ 62.6</u>
Deferred Inflows of Resources	\$ 2.5	\$ 3.0
Invested in Capital Assets, Net of Related Debt	\$ 42.3	\$ 42.9
Restricted	3.4	0.2
Unrestricted	<u>(9.4)</u>	<u>(12.1)</u>
Total Net Position	<u>\$ 36.3</u>	<u>\$ 31.0</u>

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 11. Table 2, below, takes the information from that Statement and rounds off the numbers so you can see our total revenues for the year compared to the prior year.

Table 2
Changes in Net Position
Year Ended June 30,
(in millions)

	<u>2015</u>	<u>2014</u>
Revenues:		
Program Revenues:		
Charges for Service	\$ 1.3	\$ 1.3
Federal Grants	8.3	8.6
State Grants	6.4	9.1
Capital Grants & Contributions	0.2	
General Revenues:		
Property Taxes	30.0	30.2
Payments in Lieu of Property Taxes	5.3	5.1
General State Aid	14.0	13.5
Other General Revenues	0	0
Total Revenues	<u>\$ 65.5</u>	<u>67.8</u>
Functions/Programs Expenses:		
Instruction	\$ 38.6	\$ 39.2
Supporting Services	24.3	25.8
Community Services	1.3	0.2
Non-Programmed Charges	0.7	0.6
Unallocated Depreciation	5.2	5.0
Interest, Net of Amortization	2.9	1.1
Other Debt Charges & Amortization	0.1	0.1
Total Expenses	<u>\$ 73.1</u>	<u>\$ 72.0</u>
Decrease in Net Position	<u>\$ (7.6)</u>	<u>\$ (4.2)</u>

Governmental Activities

As reported in the Statement of Activities on page 11, the cost of all of our *governmental* activities this year was \$73.1 million. The amount that our taxpayers ultimately financed for these activities was only \$56.9 million because some of the cost was paid by those who benefited from the programs (\$1.3 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$14.9 million). We paid for the remaining "public benefit" portion of our governmental activities with \$30.0 million in real estate taxes, \$5.3 million in payments in lieu of property taxes (primarily Corporate Personal Property Replacement Tax), \$14.0 million in general state aid, and with other revenues, such as interest earnings.

THE SCHOOL DISTRICT'S FUNDS

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of \$5.4 million, which is an increase of \$3.8 million from last year. The primary reasons for the increase are:

Our General fund (which consists of the Education, Operations & Maintenance, Working Cash, and Tort Funds) is our principal operating fund. The fund balance in the General fund increased \$1.7 million to \$4.7 million. The increase is mainly due to the issuance of approximately \$10.9 million in working cash bonds. Before other financing sources/uses, the fund balance actually decreased by \$8.7 million mainly due to:

Pro-rated General State Aid resulted in the district receiving \$1,322,000 less than it would have received if General State Aid had not been pro-rated.

Reduced property values resulted in a reduction in property tax receipts. This translated into lost General Fund revenues of approximately \$180,000 versus the previous year.

The combined losses to General State Aid over the last four years, due to pro-rated payments, has totaled over \$5.7M. The combined losses in property tax receipts to the General Fund due to reduced property values has totaled over \$4.3M.

Our transportation fund was lower from the prior year with an ending fund balance of \$(2.0) million compared to an ending fund balance of \$(1.3) million last year. A new transportation contract for fiscal year 2015 is projected to further increase costs. It is projected that this fund would have a positive balance if state transportation payments had not been pro-rated for the last several years.

The debt service fund was slightly lower than the prior year with an ending fund balance of \$(0.05) million.

The capital projects fund did not show an ending fund balance as there were no capital projects undertaken.

The fire prevention and safety fund had an increase in ending fund balance from \$(0.1) million to \$3.0 million. This was due to a June 2015 bond sale to address roofs and parking lots.

General Fund Budgetary Highlights

The School District adopts its budget annually prior to the end of September. Budgetary Comparison for all major fund expenditures required to be budgeted are shown, beginning on page 48, compared to actual expenditures.

The General Fund showed expenditures exceeding revenues. This was primarily due to reduced tax receipts due to lower property values and pro-rated General State Aid as well as expenditures for new athletic facilities at Alton High School. Donations are being sought to help offset the facility costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015 and 2014, the School District had \$93.0 million and \$91.9 million, respectively invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a \$1.1 million net increase (including additions, deductions and depreciation) from the prior year.

Capital Assets, net of depreciation as of Year-End (in millions)

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Land	\$ 2.2	\$ 2.2
Buildings and Improvements	82.5	82.2
Furniture and Equipment	3.1	3.9
Construction in Progress	<u>5.2</u>	<u>3.6</u>
Totals	<u>\$ 93.0</u>	<u>\$ 91.9</u>

Debt

At the end of this year, the School District had \$61.7 million in debt outstanding which is an increase of \$12.6 million from last year. The bulk of this total is debt service on general obligation bonds issued by the District to finance its fire life safety improvements to existing buildings and equipment purchases, but some of the debt is due to a Working Cash Bond sale that occurred in October 2014. A detailed discussion on debt is presented in Note 7 of the financial statements.

The state limits the amount of debt that School Districts can issue to 13.8 percent of the assessed valuation of all taxable property within the School District's limits. The current debt limitation for the District is \$94.1 million, which is \$32.4 million greater than the District's outstanding debt as of June 30, 2015.

CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

Health Life Safety parking lot, sidewalk and stair projects were completed at Alton Middle School, West Elementary, and North Elementary during the year. In addition, Alton High School Athletic Facilities projects which began in the winter of 2014 are targeted for completion in the fall of 2015.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Christopher C. Norman, Director of Financial Services, at Alton Community Unit School District No. 11, 1854 East Broadway, Alton, Illinois 62002.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2015

GOVERNMENTAL
ACTIVITIES

ASSETS

Current Assets:

Cash and Invested Cash	\$ 7,907,867
Total Current Assets	<u>\$ 7,907,867</u>

Non-Current Assets:

Discount on Bonds Payable, Net	\$ 79,206
Capital Assets, Net of Accumulated Depreciation	93,038,209
Total Non-Current Assets	<u>\$ 93,117,415</u>

TOTAL ASSETS	<u>\$ 101,025,282</u>
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LIABILITIES

Current Liabilities:

Current Portion of Long-Term Debt	\$ 6,212,309
Total Current Liabilities	<u>\$ 6,212,309</u>

Long-Term Liabilities:

General Obligation Bonds Payable	\$ 54,088,258
Premium on Bonds Payable, Net	440,401
Lease Purchase Agreements	1,429,881
Total Long-Term Liabilities	<u>\$ 55,958,540</u>
Total Liabilities	<u>\$ 62,170,849</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	<u>\$ 2,478,119</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 42,307,761
Restricted for:	
Federal and State Grants	791,238
Tort	20,631
Fire Prevention and Safety	3,021,794
Debt Service	(361,195)
Unrestricted	(9,403,915)
Total Net Position	<u>\$ 36,376,314</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 101,025,282</u>
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The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
Primary Government:					
Governmental Activities:					
Instruction	\$ 38,647,960	\$ 302,253	\$ 12,883,850		\$ (25,764,110)
Supporting Services	24,259,254	975,493	2,102,612	\$ 159,650	(22,156,642)
Community Services	1,254,460				(1,254,460)
Nonprogrammed Charges	657,622				(657,622)
Debt Services	177,283				(177,283)
Unallocated Depreciation	5,246,160				(5,246,160)
Interest, Net of Amortization	2,907,505				(2,907,505)
Total Primary Government	<u>\$ 73,150,244</u>	<u>\$ 1,277,747</u>	<u>\$ 14,986,462</u>	<u>\$ 159,650</u>	<u>\$ (56,726,385)</u>
General Revenues:					
Property Taxes					\$ 29,836,038
Intergovernmental					5,291,491
Unrestricted Grants-In-Aid-State					13,933,161
Unrestricted Grants-In-Aid-Federal					5,171
Earnings on Invested Cash					19,564
Total General Revenues					<u>\$ 49,085,425</u>
CHANGE IN NET POSITION					\$ (7,640,960)
NET POSITION, BEGINNING OF YEAR					30,942,668
PRIOR PERIOD ADJUSTMENT					13,074,606
NET POSITION, AS RESTATED					<u>\$ 44,017,274</u>
NET POSITION, END OF YEAR					<u>\$ 36,376,314</u>

The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND	TRANSPORTATION FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND SAFETY FUND	DEBT SERVICE FUND	TOTALS
<u>ASSETS</u>							
Cash and Invested Cash	\$ 4,226,388	\$ 25,572	\$ 36,306		\$ 3,047,660	\$ 571,941	\$ 7,907,867
Loans to Other Funds	2,100,000						2,100,000
TOTAL ASSETS	\$ 6,326,388	\$ 25,572	\$ 36,306	\$ 0	\$ 3,047,660	\$ 571,941	\$ 10,007,867
<u>LIABILITIES</u>							
Loans from Other Funds		\$ 150,000	\$ 1,950,000				\$ 2,100,000
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Property Taxes	\$ 1,603,157	\$ 123,664	\$ 103,399		\$ 25,849	\$ 622,050	\$ 2,478,119
<u>FUND BALANCES</u>							
Restricted	\$ 811,869				\$ 3,021,794		\$ 3,833,663
Committed	5,172,679						5,172,679
Assigned	562				17		579
Unassigned - Working Cash	10,820,180						10,820,180
Unassigned	(12,082,059)	\$ (248,092)	\$ (2,017,093)			\$ (50,109)	(14,397,353)
Total Fund Balances (Deficit)	\$ 4,723,231	\$ (248,092)	\$ (2,017,093)	\$ 0	\$ 3,021,811	\$ (50,109)	\$ 5,429,748
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,326,388	\$ 25,572	\$ 36,306	\$ 0	\$ 3,047,660	\$ 571,941	\$ 10,007,867

The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Governmental Fund Balances	\$ 5,429,748
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Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:

Governmental Funds expense discounts when paid or issued, but are amortized over the life of the bonds issued in the Statement of Net Position.	79,206
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Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.

Those assets consist of:

Land	\$ 2,204,599	
Buildings and Improvements, Net of		
\$62,840,148 Accumulated Depreciation	82,471,973	
Equipment and Improvements, Net of		
\$6,839,182 Accumulated Depreciation	3,123,630	
Construction in Progress	5,238,007	

Total Capital Assets	93,038,209
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Long-Term Liabilities applicable to the District's Governmental Activities are not due and payable in the current period and accordingly, are not reported as fund liabilities.	(62,170,849)
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Total Net Position of Governmental Activities	\$ 36,376,314
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The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	GENERAL FUND	MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND	TRANSPORTATION FUND	CAPITAL PROJECTS FUND	FIRE PREVENTION AND SAFETY FUND	DEBT SERVICE FUND	TOTALS
REVENUES RECEIVED:							
Local Sources	\$ 27,787,912	\$ 1,438,844	\$ 1,371,554		\$ 341,666	\$ 5,583,657	\$ 36,523,633
State Sources	18,402,115	62,219	2,102,612				20,566,946
Federal Sources	7,627,228	292,875				437,743	8,357,846
Charges for Services			41,293				41,293
Earnings on Invested Cash	17,005	453	70		17	2,022	19,567
Total Revenues Received	<u>\$ 53,834,260</u>	<u>\$ 1,794,391</u>	<u>\$ 3,515,529</u>	<u>\$ 0</u>	<u>\$ 341,683</u>	<u>\$ 6,023,422</u>	<u>\$ 65,509,285</u>
EXPENDITURES DISBURSED:							
Current							
Instruction	\$ 37,647,077	\$ 1,000,883					\$ 38,647,960
Supporting Services	17,942,758	971,668	\$ 5,202,817		\$ 53,287		24,170,530
Community Services	1,297,114	32,885					1,329,999
Nonprogrammed Charges	657,622						657,622
Debt Services	101,441					\$ 6,852,969	6,954,410
Capital Outlay							
Instruction	34,024						34,024
Supporting Services	4,767,237				1,455,034		6,222,271
Community Services	110,738						110,738
Total Expenditures Disbursed	<u>\$ 62,558,011</u>	<u>\$ 2,005,436</u>	<u>\$ 5,202,817</u>	<u>\$ 0</u>	<u>\$ 1,508,321</u>	<u>\$ 6,852,969</u>	<u>\$ 78,127,554</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ (8,723,751)</u>	<u>\$ (211,045)</u>	<u>\$ (1,687,288)</u>	<u>\$ 0</u>	<u>\$ (1,166,638)</u>	<u>\$ (829,547)</u>	<u>\$ (12,618,269)</u>
OTHER FINANCING SOURCES (USES):							
Permanent Transfers, Net	\$ (1,594,067)		\$ 985,235			\$ 608,832	\$ 0
Lease Purchase Agreement Proceeds	1,120,668						1,120,668
Bond Proceeds	10,896,085				\$ 4,287,500	191,415	15,375,000
Receipts for State "On-Behalf" Payments	15,951,521						15,951,521
Disbursements for State							
"On-Behalf" Payments	(15,951,521)						(15,951,521)
Total Other Financing Sources (Uses)	<u>\$ 10,422,686</u>	<u>\$ 0</u>	<u>\$ 985,235</u>	<u>\$ 0</u>	<u>\$ 4,287,500</u>	<u>\$ 800,247</u>	<u>\$ 16,495,668</u>
NET CHANGE IN FUND BALANCES	\$ 1,698,935	\$ (211,045)	\$ (702,053)	\$ 0	\$ 3,120,862	\$ (29,300)	\$ 3,877,399
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	3,024,296	(37,047)	(1,315,040)	0	(99,051)	(20,809)	1,552,349
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 4,723,231</u>	<u>\$ (248,092)</u>	<u>\$ (2,017,093)</u>	<u>\$ 0</u>	<u>\$ 3,021,811</u>	<u>\$ (50,109)</u>	<u>\$ 5,429,748</u>

The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 3,877,399

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

Proceeds from debt issuance is reported as Other Financing
Sources in the governmental funds, but a debt issue increases
long-term liabilities in the Statement of Net Position. (16,495,668)

Premium on Bonds sold is amortized over the life of the debt in the
Statement of Net Position, but is reported as Other Financing Sources
in the year the debt is issued in the governmental funds. 58,137

Discounts are expenditures in the governmental funds, but are
amortized over the life of the debt in the Statement of Net Position. (7,350)

Governmental funds report capital outlay (\$6,367,033) as expenditures
while governmental activities report depreciation expense (\$5,246,160) to
allocate those expenditures over the life of the assets. This is the amount
by which capital outlay exceeds depreciation expense in the current period. 1,120,873

Disposal of capital assets reported in the Statement of Activities does not
require the use of current financial resources and therefore is not reported
as expenditures in governmental funds. (13,229)

Repayment of principal is an expenditure in the governmental
funds but reduces the liability in the Statement of Net Position. 3,818,878

Change in Net Position of Governmental Activities \$ (7,640,960)

The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
MODIFIED CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2015

DISTRICT NO. 11
ACTIVITY
FUNDS

ASSETS

Cash and Invested Cash	\$ 578,619
TOTAL ASSETS	\$ 578,619

LIABILITIES AND NET POSITION

Liabilities:	
Due to Students and Organizations	\$ 578,619
TOTAL LIABILITIES AND NET POSITION	\$ 578,619

The accompanying notes are an integral part of the financial statements.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Alton Community Unit School District No. 11 (the District), conform to the modified cash basis of accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's funds are grouped into one broad fund category and several generic fund types for financial statement presentation purposes. Governmental funds include the General, Municipal Retirement/Social Security, Transportation, Capital Projects, Fire Prevention and Safety, and Debt Service. The District has one fiduciary agency fund.

B. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District, the primary government, as a whole.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. The government-wide statements are prepared using the economic resources measurement focus and the modified cash basis of accounting. The modified cash basis differs from generally accepted accounting principles because the District has not recognized balances, and the related effects on changes in net position, of accounts receivable from certain federal, state, and local funding sources and of accounts payable to vendors.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the District and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients for the goods or services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net position is the difference between assets and liabilities and deferred inflows. Net position invested in capital assets, net of related debt represents capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors or grantors.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (Continued)

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. All funds are reported as major funds and are presented in separate columns. The General Fund consists of the Education, Operation and Maintenance, Working Cash, and Tort Funds.

Transportation Fund and the Municipal Retirement/Social Security Fund – These funds are used to account for cash received from specific sources (other than those accounted for in the Debt Service Fund or Fiduciary Funds) that is legally restricted to expenditures for specified purposes.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund and the Fire Prevention and Safety Fund – These funds are used to account for the proceeds of debt and related construction costs of a specific capital project or the financial resources to be used for the repairs of facilities that are found to be required in a life safety survey.

GOVERNMENTAL FUNDS

Governmental fund financial statements are prepared using the modified cash basis method of accounting as described in the "Illinois Program Accounting Manual for Local Education Agencies". Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The modified cash basis differs from generally accepted accounting principles because the District has not recognized balances, and the related effects on changes in net position, of accounts receivable from certain federal, state, and local funding sources, accounts payable to vendors and other accrued and deferred items. Additionally, allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds as capital outlay expenditures and debt issuance costs are fully expensed as incurred. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a particular fund.

FIDUCIARY FUNDS

The District currently has one agency fiduciary fund. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Activity Funds are custodial in nature, do not involve measurement of results of operations, and are treated as Agency Funds. The amounts due to the activity fund organizations are equal to assets.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Principles Used to Determine the Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from the District, should be included within its financial reporting entity. The criteria include, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationships. There are no component units within the District.

In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

D. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as disbursements in the governmental funds and are capitalized in the government-wide statements. The District's capitalization threshold for capital assets other than computers is \$5,000. All computers are capitalized unless they are used by students similar to textbooks in such case they are expensed. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

E. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to May 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. This budget is prepared on the cash basis of accounting. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education. The Board may amend the budget by the same procedure used in the initial adoption.
5. Budgeted amounts are as originally adopted on September 16, 2014, and as amended by the Board of Education on June 16, 2015.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Invested Cash

Invested Cash is stated at cost or amortized cost, which approximates market.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

H. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources then toward unrestricted resources.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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 only has one type of item that qualifies for reporting in this category, property taxes levied during the current fiscal year but not to be received until the next fiscal year. These amounts are recognized as an inflow of resources in the period that the amounts become available.

J. Restatement of Beginning Net Position

Beginning net position has been increased by \$13,074,606, from \$30,942,668 to \$44,017,274. The difference represents the compensated absences liability that should not be recorded on the government wide statements under the modified cash basis of accounting.

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION

Cash and Invested Cash as of June 30, 2015 consist of the following:

Deposits with Financial Institutions	\$ 7,899,634
Investments	<u>8,233</u>
Total	<u>\$ 7,907,867</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

The District is allowed to invest in securities as authorized in the School Code of Illinois, Chapter 30, Section 235/6, Chapter 105 Section 5/34A-202 and Section 5/8-7. The District shall ensure that the loss of capital, whether from credit or market risk, is avoided, the District's anticipated cash flows are met, and the highest rate of return on investments is sought. The District should avoid any investment transaction which in appearance or fact might impair public confidence. The District should consider investments with local financial institutions.

a) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

<u>Remaining Maturity</u>	<u>Total</u>	<u>12 months or less</u>
State Investment Pool	<u>\$ 8,233</u>	<u>\$ 8,233</u>

b) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm).

c) Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2015, almost 100 percent of the District's deposits and investments were held at Liberty Bank and less than 1 percent was held at Illinois School District Liquid Asset Fund Plus (ISDLAF+).

d) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. CASH AND INVESTED CASH – SEGMENTED TIME DISTRIBUTION (CONTINUED)

d) Custodial Credit Risk (Continued)

At June 30, 2015, all deposit accounts held with a financial institution were covered either through federal depository insurance or by collateral held by the depository institutions in the District's name.

Also at year end, none of the district's deposits held in ISDLAF+ were subject to custodial credit risk due to them being part of an insured pool. The Illinois School District Liquid Asset Fund is an external investment pool that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, and it is controlled by the Illinois State Treasurer.

NOTE 3. PROPERTY TAXES

The District's property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2013 levy was passed by the Board on December 17, 2013. Property taxes attach as an enforceable lien on property as of January 1 and are payable in four installments on July 5, September 5, October 5, and December 5. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2013 and prior tax levies.

The following are the tax rate limits permitted by the school code and by local referendum and the actual rates levied per \$100 of assessed valuation:

<u>LEVY</u>	<u>MAXIMUM 2013 LEVY</u>		<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>WITHOUT</u>	<u>WITH</u>	<u>2013</u>	<u>2012</u>
	<u>REFERENDUM</u>	<u>REFERENDUM</u>	<u>LEVY</u>	<u>LEVY</u>
Educational	2.1500	4.000	2.1500	2.1500
Operations and Maintenance	.5250	.750	.5250	.5250
Bond and Interest	N/A	AS NEEDED	.7671	.7101
Transportation	.200	AS NEEDED	.2000	.2000
Municipal Retirement	AS NEEDED	N/A	.1309	.1402
Social Security	AS NEEDED	N/A	.0727	.0351
Liability Insurance	AS NEEDED	N/A	.3328	.3210
Fire Prevention & Safety	.050	.100	.0500	.0500
Special Education	.040	.800	.0400	.0400
Working Cash	.050	N/A	.0500	.0500
Leased Facilities	.050	.100	.0500	.0500
Total			<u>4.3685</u>	<u>4.2714</u>

Various property owners have appealed their property tax assessments. Any assessment reduction could result in lost revenue, with the possibility of refund liabilities and/or interest payments associated with any such reduction. The financial statements do not include accrual or provisions for loss contingencies that may result from these assessments.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. FUND BALANCE REPORTING

According to Government Accounting Standards Statement No. 54, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Following are definitions and details of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. Additionally, the District has several revenue sources received within different funds that fall into these restricted categories:

1. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Over the years, expenditures disbursed have exceeded revenues received for this purpose, resulting in no restricted fund balance.

2. Leasing Levy

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Debt Service Fund. At June 30, 2015, expenditures disbursed for those specific purposes have exceed revenues received from this restricted tax levy in the Debt Service Fund, resulting in no restricted fund balance.

3. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2015, revenue received from federal grants exceeded the expenditures disbursed for those specific purposes in the Educational Fund, resulting in a restricted balance of \$15,521. Also, the Child Nutrition Cluster Program requires the District to restrict any food service profit to be used only to operate and improve its food service resulting in a cumulative restricted fund balance of \$684,016.

4. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2015, revenue received exceeded expenditures disbursed from state, resulting in a restricted fund balance of \$91,700.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

B. Restricted Fund Balance (Continued)

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2015, expenditures disbursed exceeded revenue received, resulting in no restricted fund balance.

6. Tort

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the General Fund. At June 30, 2015, revenues received for this purpose exceeded expenditures disbursed, resulting in a restricted fund balance of \$20,632.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

As of June 30, 2015, the District had unspent approved contracts for work at the high school athletic fields in the Operations and Maintenance Fund that amounted to \$238,814. Current fund balance has been committed to pay the remaining amounts of these contracts.

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2015, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2015 amounted to \$4,924,738 in the Educational Fund and \$9,127 in the Operations and Maintenance Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the District's Board itself or by the Superintendent or the Director of Finance when the School Board has delegated the authority to assign amounts to be used for specific purposes.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. FUND BALANCE REPORTING (CONTINUED)

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund showed unassigned fund balances of \$(12,082,059) as of June 30, 2015. Negative fund balances in funds other than the General Fund are also shown as unassigned. The Transportation Fund, Municipal Retirement/Social Security Fund, and Debt Service Fund have negative unassigned fund balances of \$(2,017,093), \$(248,092), and \$(50,109), respectively.

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
General	\$ 0	\$ 811,869	\$ 5,172,679	\$ 562	\$ (1,261,879)
Municipal Retirement/ Social Security	0	0	0	0	(248,092)
Transportation	0	0	0	0	(2,017,093)
Capital Projects	0	0	0	0	0
Fire Prevention & Safety	0	3,021,794	0	17	0
Debit Service	0	0	0	0	(50,109)
Totals	\$ 0	\$ 3,833,663	\$ 5,172,679	\$ 579	\$ (3,577,173)

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Not Being Depreciated:				
Land	\$ 2,204,599			\$ 2,204,599
Construction in Progress	3,635,604	\$ 4,497,719	\$ 2,895,316	5,238,007
Subtotal	<u>\$ 5,840,203</u>	<u>\$ 4,497,719</u>	<u>\$ 2,895,316</u>	<u>\$ 7,442,606</u>
Other Capital Assets:				
Buildings and Improvements	\$ 137,802,050	\$ 4,364,704		\$ 142,166,754
Equipment Other Than				
Transportation/Food Services	9,276,093	329,723	\$ 204,853	9,400,963
Improvements	3,111,635	33,731		3,145,366
Transportation Equipment	504,224	14,310		518,534
Food Services Equipment	21,153	22,162		43,315
Subtotal	<u>\$ 150,715,155</u>	<u>\$ 4,764,630</u>	<u>\$ 204,853</u>	<u>\$ 155,274,932</u>
Accumulated Depreciation:				
Buildings and Improvements	\$ 56,662,697	\$ 4,008,179		\$ 60,670,876
Equipment Other Than				
Transportation/Food Services	5,468,385	1,072,825	\$ 191,624	6,349,586
Improvements	2,014,513	154,759		2,169,272
Transportation Equipment	476,907	6,842		483,749
Food Services Equipment	2,291	3,555		5,846
Subtotal	<u>\$ 64,624,793</u>	<u>\$ 5,246,160</u>	<u>\$ 191,624</u>	<u>\$ 69,679,329</u>
Net Other Capital Assets	<u>\$ 86,090,362</u>			<u>\$ 85,595,603</u>
Net Capital Assets	<u>\$ 91,930,565</u>			<u>\$ 93,038,209</u>

Fully depreciated equipment and improvements over 10 years old were removed, in addition to any equipment no longer in use that is not yet fully depreciated.

During the year, the District purchased laptop computers for students totaling \$1,007,763. These computers were considered to be instructional materials as they were replacements for classroom textbooks, and thus, were not capitalized by the District as of June 30, 2015.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS

(a) Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

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 non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

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

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

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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 District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$15,634,646 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 \$180,184, 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 employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$1,672,529 were paid from federal and special trust funds that required employer contributions of \$551,935. 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.

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 \$3,394 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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

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

At June 30, 2015, the District realized 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 employer. The state's support and total are for disclosure purposes only. The amount realized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 14,242,796
State's proportionate share of the net pension liability associated with the employer	194,193,595
Total	<u>\$ 208,436,391</u>

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 0.0234 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 District's proportion of the net pension liability as of June 30, 2013, was based on the District'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 District's proportion was .0309 percent.

For the year ended June 30, 2015, the District realized pension expense of \$15,634,646 and revenue of \$15,634,646 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,524	
Net difference between projected and actual earnings on pension plan investments		\$ 715,809
Changes of assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions		3,799,992
Employer contributions subsequent to the measurement date	732,119	
Total	<u>\$ 739,643</u>	<u>\$ 4,515,801</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

\$732,119 reported as deferred outflows of resources related to pensions resulting from employer 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 ending June 30,	
2016	\$ (1,099,454)
2017	(1,099,454)
2018	(1,099,454)
2019	(1,099,454)
2020	(110,460)

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, average, 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 8.0 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 30, 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.

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 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:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(a) Teachers' Retirement System of the State of Illinois (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	8.23%
Global equity excluding U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. 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 District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 17,589,154	\$ 14,242,796	\$ 11,471,630

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.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(b) Teacher Health Insurance Security Fund

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 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state make a contribution to the THIS Fund.

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

On behalf contributions to 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 \$316,875, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$236,103 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."

(c) Illinois Municipal Retirement Fund

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

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(c) Illinois Municipal Retirement Fund (Continued)

Benefits Provided. 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.

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% 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 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

At December 31, 2014, the following employees were covered by the Plan:

Active Employees	351
Inactive employees or beneficiaries currently receiving benefits	276
Inactive employees entitled to but not yet receiving benefits	<u>301</u>
Total	<u>928</u>

Contributions. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 was 17.76 percent. For the fiscal year ended June 30, 2015, the District contributed \$1,075,793 to the plan. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(c) Illinois Municipal Retirement Fund (Continued)

Asset Class	Target Allocation	Return 12/31/2014	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	63.20%	9.81%	9.15%	7.60%
International Equities	2.60%	(2.79%)	9.80%	7.80%
Fixed Income	23.50%	5.93%	3.05%	3.00%
Real Estate	4.30%	12.66%	7.35%	6.15%
Alternatives	4.50%			
Private Equity		N/A	13.55%	8.50%
Hedge Funds		N/A	5.55%	5.25%
Commodities		N/A	4.40%	2.75%
Cash Equivalents	1.90%	N/A	2.25%	2.25%
Total	100.00%			

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%.

Changes in District's Net Pension Liability. Changes in the District's net pension liability for the year ended December 31, 2014, were as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(c) Illinois Municipal Retirement Fund (Continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2013	\$ 48,940,857	\$ 49,662,132	\$ (721,275)
Changes for the year:			
Service Cost	762,288		762,288
Interest	3,580,855		3,580,855
Difference between expected and actual experience	(401,957)		(401,957)
Changes in assumptions	2,287,641		2,287,641
Contributions-employees		293,768	(293,768)
Contributions- employer		1,119,045	(1,119,045)
Net investment income		2,976,268	(2,976,268)
Benefit payments including refunds of employee contributions	(3,154,523)	(3,154,523)	0
Other (Net Transfer)		42,503	(42,503)
Net Changes	3,074,304	1,277,061	1,797,243
Balance, December 31, 2014	\$ 52,015,161	\$ 50,939,193	\$ 1,075,968

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.50 percent, as well as, what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.50%	\$ 6,596,651
Current discount rate	7.50%	1,075,968
1% increase	8.50%	(3,567,360)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2015, the District realized pension expense of \$1,112,603. At June 30, 2015, the District realized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. PENSION PLANS (CONTINUED)

(c) Illinois Municipal Retirement Fund (Continued)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 267,721
Changes of assumptions	\$ 1,523,668	
Net difference between projected and actual earnings on Plan investments	547,738	
Contributions after Measurement Date	703,920	
Total	<u>\$ 2,775,326</u>	<u>\$ 267,721</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be realized in pension expense as follows:

Year ending December 31,

2015	\$ 766,671
2016	763,144
2017	136,934
2018	136,936
2019	0
Thereafter	0
Total	<u>\$ 1,803,685</u>

NOTE 7. DEBT SERVICE REQUIREMENTS

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2015.

	<u>Bonds</u>	<u>Lease Purchase Agreements</u>	<u>Total</u>
Balance, July 1, 2014	\$ 47,117,110	\$ 1,936,548	\$ 49,053,658
Retired	3,003,453	815,425	3,818,878
Issued	<u>15,375,000</u>	<u>1,120,668</u>	<u>16,495,668</u>
Balance, June 30, 2015	<u>\$ 59,488,657</u>	<u>\$ 2,241,791</u>	<u>\$ 61,730,448</u>

Bonds Payable

Bonds payable at June 30, 2015 are comprised of the following individual issues:

- a) \$31,740,676 2002 General Obligation Bonds due in annual installments varying from \$90,000 to \$3,700,000 through December 2022. Interest payments at rates varying from 1.75% to 5% began in June 2003. The first principal payment began in December 2004.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The bonds were sold at a premium of \$1,108,033 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$696,240.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,151,400	\$ 1,898,600	\$ 4,050,000
2017	2,090,508	2,109,492	4,200,000
2018	2,006,595	2,293,405	4,300,000
2019	1,921,304	2,478,696	4,400,000
2020	1,855,490	2,694,510	4,550,000
2021	1,792,815	2,907,185	4,700,000
2022	1,721,411	3,128,589	4,850,000
2023	1,657,700	3,342,300	5,000,000
	<u>\$ 15,197,223</u>	<u>\$ 20,852,777</u>	<u>\$ 36,050,000</u>

- b) \$8,295,434 2005 G.O. Health/Life Safety Bonds due in annual installments varying from \$65,000 to \$2,226,917 through November 2024. Interest payments at rates varying from 2.625% to 5.020% began in November 2006. The first principal payment began in November 2006. The bonds were sold at a discount of \$34,459 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$18,405.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 225,000	\$ 104,181	\$ 329,181
2017	250,000	94,962	344,962
2018	280,000	84,363	364,363
2019	310,000	72,563	382,563
2020	345,000	59,247	404,247
2021	380,000	44,294	424,294
2022	415,000	27,897	442,897
2023	455,000	9,668	464,668
2024	2,248,518	3,331,483	5,580,001
2025	2,226,916	3,633,083	5,859,999
	<u>\$ 7,135,434</u>	<u>\$ 7,461,741</u>	<u>\$ 14,597,175</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- c) \$1,715,000 2006 G.O. Health/Life Safety Bonds due in annual installments varying from \$35,000 to \$400,000 through December 2018. Interest payments at rates varying from 3.82% to 4.37% began in December 2006. The first principal payment began in December 2007.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 190,000	\$ 43,843	\$ 233,843
2017	220,000	35,137	255,137
2018	300,000	23,960	323,960
2019	400,000	8,740	408,740
	<u>\$ 1,110,000</u>	<u>\$ 111,680</u>	<u>\$ 1,221,680</u>

- d) \$9,225,000 2007 General Obligation Bonds due in annual installments varying from \$330,000 to \$680,000 through December 2026. Interest payments at a rate of 4.00% began in June 2008. The first principal payment began in December 2008.

The bonds were sold at a premium of \$27,721 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$11,987.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 435,000	\$ 255,300	\$ 690,300
2017	455,000	237,500	692,500
2018	475,000	218,900	693,900
2019	495,000	199,500	694,500
2020	515,000	179,300	694,300
2021	535,000	158,300	693,300
2022	555,000	136,500	691,500
2023	580,000	113,800	693,800
2024	600,000	90,200	690,200
2025	625,000	65,700	690,700
2026	650,000	40,200	690,200
2027	680,000	13,600	693,600
	<u>\$ 6,600,000</u>	<u>\$ 1,708,800</u>	<u>\$ 8,308,800</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- e) \$7,685,000 2011 General Obligation Qualified Zone Academy Bonds (QZAB) due in annual installments varying from \$1,450,000 to \$6,235,000 through December 2026. Interest payments at a rate of 5.50% began in July 2011 and will increase to 5.625% in December 2025. The first principal payment will be due December 1, 2025.

The bonds were sold at a discount of \$65,322 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$16,857.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 7.30%. This reduction rate will be applied until September 30, 2015 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2016	\$ 0	\$ 430,469	\$ 430,469	\$ 388,093
2017	0	430,469	430,469	388,093
2018	0	430,469	430,469	388,093
2019	0	430,469	430,469	388,093
2020	0	430,469	430,469	388,093
2021	0	430,469	430,469	388,093
2022	0	430,469	430,469	388,093
2023	0	430,469	430,469	388,093
2024	0	430,469	430,469	388,093
2025	0	430,469	430,469	388,093
2026	1,450,000	390,594	1,840,594	351,480
2027	6,235,000	175,359	6,410,359	157,434
	<u>\$ 7,685,000</u>	<u>\$ 4,870,643</u>	<u>\$ 12,555,643</u>	<u>\$ 4,389,844</u>

- f) \$2,130,000 General Obligation Bonds, Series 2012A due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.00% began in June 2013. The bonds were sold at a premium of \$16,273 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$3,399.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 0	\$ 63,900	\$ 63,900
2017	0	63,900	63,900
2018	0	63,900	63,900
2019	0	63,900	63,900
2020	0	63,900	63,900
2021	0	63,900	63,900
2022	0	63,900	63,900
2023	0	63,900	63,900
2024	0	63,900	63,900
2025	0	63,900	63,900
2026	2,130,000	31,950	2,161,950
	<u>\$ 2,130,000</u>	<u>\$ 670,950</u>	<u>\$ 2,800,950</u>

- g) \$2,185,000 General Obligation Qualified Zone Academy Bonds, Series 2012B due in one installment upon maturity at December 1, 2025. Interest payments at a rate of 3.85% began in June 2013. The bonds were sold at a discount of \$18,573 and are being amortized over the life of the bonds. Accumulated amortization as of June 30, 2015 was \$3,885.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 7.30%. This reduction rate will be applied until September 30, 2015 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2016	\$ 0	\$ 84,123	\$ 84,123	\$ 84,123
2017	0	84,123	84,123	84,123
2018	0	84,123	84,123	84,123
2019	0	84,123	84,123	84,123
2020	0	84,123	84,123	84,123
2021	0	84,123	84,123	84,123
2022	0	84,123	84,123	84,123
2023	0	84,123	84,123	84,123
2024	0	84,123	84,123	84,123
2025	0	84,123	84,123	84,123
2026	2,185,000	42,061	2,227,061	42,061
	<u>\$ 2,185,000</u>	<u>\$ 883,291</u>	<u>\$ 3,068,291</u>	<u>\$ 883,291</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- h) \$2,071,000 Debt Certificates, Series 2014 due in annual installments varying from \$119,000 to \$181,000 through December 2028. Interest payments at a rate of 3.24% began in December 2014. The first principal payment will be due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 119,000	\$ 65,173	\$ 184,173
2017	123,000	61,252	184,252
2018	127,000	57,202	184,202
2019	131,000	53,023	184,023
2020	135,000	48,713	183,713
2021	140,000	44,258	184,258
2022	144,000	39,658	183,658
2023	149,000	34,911	183,911
2024	154,000	30,002	184,002
2025	159,000	24,932	183,932
2026	164,000	19,699	183,699
2027	170,000	14,288	184,288
2028	175,000	8,699	183,699
2029	181,000	2,932	183,932
	<u>\$ 2,071,000</u>	<u>\$ 504,742</u>	<u>\$ 2,575,742</u>

- i) \$11,000,000 General Obligation Bonds, Series 2014 due in annual installments varying from \$2,025,000 to \$2,395,000 through December 2019. Interest payments at rates varying from 0.80% to 2.50% began in June 2015. The first principal payment will be due December 1, 2015.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,280,000	\$ 171,603	\$ 2,451,603
2017	2,190,000	149,342	2,339,342
2018	2,110,000	118,795	2,228,795
2019	2,025,000	80,631	2,105,631
2020	2,395,000	29,938	2,424,938
	<u>\$ 11,000,000</u>	<u>\$ 550,309</u>	<u>\$ 11,550,309</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

- j) \$4,375,000 General Obligation Qualified Zone Academy Bonds, Series 2015 due in annual installments varying from \$5,000 to \$3,120,000 starting in December 2017 through December 2027. Interest payments at a rate of 2.40% begin in June 2016.

The District expects to receive QZAB credits semi-annually from the IRS based on an applicable tax credit rate of 5.05% of outstanding principal. However, due to the Balanced Budget and Emergency Deficit Control Act of 1985 (amended), the refundable credit payment has been reduced by 7.30%. This reduction rate will be applied until September 30, 2015 at which time the rate is subject to change.

The annual requirements to amortize debt outstanding on this bond issue as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>IRS Credit</u> <u>Payment</u>
2016	\$ 0	\$ 100,917	\$ 100,917	\$ 100,917
2017	0	105,000	105,000	105,000
2018	85,000	103,980	188,980	103,980
2019	85,000	101,940	186,940	101,940
2020	90,000	99,840	189,840	99,840
2021	355,000	94,500	449,500	94,500
2022	260,000	87,120	347,120	87,120
2023	155,000	82,140	237,140	82,140
2024	115,000	78,900	193,900	78,900
2025	5,000	77,460	82,460	77,460
2026	100,000	76,200	176,200	76,200
2027	5,000	74,940	79,940	74,940
2028	3,120,000	37,440	3,157,440	37,440
	<u>\$ 4,375,000</u>	<u>\$ 1,120,377</u>	<u>\$ 5,495,377</u>	<u>\$ 1,120,377</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. DEBT SERVICE REQUIREMENTS (CONTINUED)

Bonds Payable (Continued)

The annual requirements to amortize all bonded debt outstanding as of June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,400,400	\$ 3,218,108	\$ 8,618,508
2017	5,328,508	3,371,178	8,699,686
2018	5,383,595	3,479,097	8,862,692
2019	5,367,304	3,573,585	8,940,889
2020	5,335,490	3,690,040	9,025,530
2021	3,202,815	3,827,029	7,029,844
2022	3,095,411	3,998,256	7,093,667
2023	2,996,700	4,161,311	7,158,011
2024	3,117,518	4,109,077	7,226,595
2025	3,015,916	4,379,667	7,395,583
2026	6,679,000	600,704	7,279,704
2027	7,090,000	278,187	7,368,187
2028	3,295,000	46,139	3,341,139
2029	181,000	2,932	183,932
	<u>\$ 59,488,657</u>	<u>\$ 38,735,309</u>	<u>\$ 98,223,966</u>

Other Debt Payable

Lease purchase agreements were entered into for equipment acquisitions, textbooks, and instructional materials. These agreements range from 144 months to 60 months and have interest rates from 4.48% to 1.85%.

The annual requirements to retire these agreements at June 30, 2015 are as follows:

<u>Year Ending,</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 811,909	\$ 42,828	\$ 854,737
2017	721,434	23,878	745,312
2018	451,004	9,397	460,401
2019	232,481	2,954	235,435
2020	24,963	251	25,214
	<u>\$ 2,241,791</u>	<u>\$ 79,308</u>	<u>\$ 2,321,099</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

During the year ended June 30, 2015, the District had the following interfund receivable and payable transactions:

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Due from Transportation to General Fund	\$ 1,200,000	\$ 1,950,000	\$ 1,200,000	\$ 1,950,000
Due from Municipal Retirement/Social Security to General Fund		150,000		150,000
	<u>\$ 1,200,000</u>	<u>\$ 2,100,000</u>	<u>\$ 1,200,000</u>	<u>\$ 2,100,000</u>

Interfund loans are for operating purposes and will be repaid when property taxes or state funding are received in the next fiscal year.

NOTE 9. COMMON BANK ACCOUNT

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

Occasionally certain of the funds participating in the common bank account will incur overdrafts in the account. The overdrafts result from expenditures which have been approved by the School Board.

NOTE 10. COMPENSATED ABSENCES

The District's employee sick and personal leave policies provide for granting sick and personal leave with pay. At June 30, 2015, the District's employees had accumulated an unrecorded liability of approximately \$12,359,807 that is attributable to services already rendered. This amount is in excess of a normal year's accumulations because they include accumulated benefits carried over from prior years.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The District has entered into construction contracts with various contractors mainly to finish work on the high school athletic fields, to repair parking lots and stairs at various schools, and for a partial roof replacement on a District building. As of June 30, 2015, the District has \$1,019,274 remaining to be paid on these various contracts.

The District has received funding from state and federal grants in the current and prior years which is subject to audits by the granting agencies. Based upon the most recent review by the State, the District could be liable to pay back \$223,921 in grant funds.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12. DEFINITION OF ACTIVITY FUNDS

The term "Activity Funds" as it is used in this report includes Student Activity Funds, Convenience Accounts, and Trust and Agency Funds.

- a) Student Activity Funds are those 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. Although the Board of Education has the ultimate responsibility for Student Activity Funds, they are not local education agency funds.
- b) Convenience accounts are those normally maintained by a local education agency as a convenience for its faculty, staff, parent-teacher associations, etc. Although the Board of Education has the ultimate responsibility for convenience account monies, they are not local education agency funds.
- c) Trust and Agency Funds are local education agency funds. It is permissible for a school district to choose to handle certain regular district funds through its Activity Fund accounting system as Trust and Agency Funds on a temporary basis.

NOTE 13. ACTIVITY FUND TREASURERS

Activity Fund accounting records are maintained in the business offices of the various schools. In each school, the principal has been designated as Activity Fund Treasurer and has been charged with depositing all activity fund monies into a designated depository and with maintaining accounts to show each fund's share of the total cash.

NOTE 14. COMPLIANCE, STEWARDSHIP AND ACCOUNTABILITY

Legal Debt Margin – The District's legal debt limit as set by state statute is limited to 13.8 percent of total assessed value. As of June 30, 2015 the legal debt limit approximates \$94,085,279 and the District's debt is under the debt limit by \$32,354,831.

NOTE 15. RISK MANAGEMENT

The District is party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the District and the State statute relating to judgment, the District feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the District.

The District is exposed to risks of loss from items typically applicable to all school districts. These include liability, worker's injury, student injury, property damage and others too numerous to mention. The District has purchased insurance through a public entity risk pool, Mississippi Valley Intergovernmental Cooperative, to protect against such loss. The District believes that they are reasonably covered for all possible risks of loss. Any liabilities for unpaid claims would revert back to the members of the pool. As of June 30, 2015, the liability pool and the health pool had a positive fund balance. During the year ended June 30, 2015, there were no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 16. TAX ANTICIPATION WARRANTS

Tax Anticipation Warrants are short-term debt issued by a local government that can be paid back only with the taxes that were anticipated. They are not a general obligation of the District. Tax anticipation warrants for school districts cannot exceed 85% of the taxes levied for educational and building purposes. During the fiscal year ending June 30, 2015, the District did not issue or have outstanding any tax anticipation warrants.

NOTE 17. THE SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education is utilizing a system to evaluate a school district's financial status. The financial assessment system is made up of five components which are individually scored and weighted in order to arrive at a composite score. The components consist of the following: Fund Balance to Revenue Ratio, Expenditures to Revenue Ratio, Days Cash on Hand, Percent of Short-Term Borrowing Ability Remaining, and Percent of Long-Term Debt Margin Remaining. Based on the composite score, the school district is assigned to a category of financial strength. The category assignments are based on the following composite score ranges.

<u>Composite Score</u>	<u>Category</u>
3.54-4.00	Financial Recognition
3.08-3.53	Financial Review
2.62-3.07	Financial Early Warning
1.00-2.61	Financial Watch

The District's preliminary composite score is 1.75 as of June 30, 2015 and would be assigned to the category of Financial Watch.

NOTE 18. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds. The following funds had deficit fund balances for the year ended June 30, 2015:

Transportation Fund	\$ 2,017,093
Debt Service Fund	50,109
IMRF/Social Security Fund	248,092

The following funds had expenditures over budget for the year ended June 30, 2015:

Fire Prevention & Safety Fund	\$ 358,321
Transportation Fund	1,063,567
General Fund	134,816
Debt Service Fund	1,369,862
IMRF/Social Security Fund	52,621

NOTE 19. INTERFUND TRANSFERS

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. Transfers are also used to transfer interest income to the general fund for operational expenses as allowed by Illinois statute.

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES RECEIVED:				
Local Sources	\$ 28,400,320	\$ 28,714,427	\$ 27,787,912	\$ (926,515)
State Sources	19,197,055	19,321,038	18,402,115	(918,923)
Federal Sources	8,101,400	8,326,400	7,627,228	(699,172)
Earnings on Invested Cash	66,800	66,800	17,005	(49,795)
Total Revenues Received	<u>\$ 55,765,575</u>	<u>\$ 56,428,665</u>	<u>\$ 53,834,260</u>	<u>\$ (2,594,405)</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 37,689,925	\$ 37,749,925	\$ 37,681,101	\$ 68,824
Supporting Services	21,335,270	23,635,270	22,709,995	925,275
Community Services	610,250	610,250	1,407,852	(797,602)
Nonprogrammed Charges	214,000	214,000	657,622	(443,622)
Debt Services	210,000	210,000	101,441	108,559
Provision for Contingencies	3,750	3,750		3,750
Total Expenditures Disbursed	<u>\$ 60,063,195</u>	<u>\$ 62,423,195</u>	<u>\$ 62,558,011</u>	<u>\$ (134,816)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED (UNDER) EXPENDITURES DISBURSED	<u>\$ (4,297,620)</u>	<u>\$ (5,994,530)</u>	<u>\$ (8,723,751)</u>	<u>\$ (2,729,221)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ (800,000)	\$ (500,000)	\$ (1,594,067)	\$ (1,094,067)
Lease Purchase Agreement Proceeds			1,120,668	1,120,668
Bond Proceeds	11,000,000	10,735,235	10,896,085	160,850
Receipts for State "On-Behalf" Payments			15,951,521	15,951,521
Disbursements for State "On-Behalf"			(15,951,521)	(15,951,521)
Total Other Financing Sources	<u>\$ 10,200,000</u>	<u>\$ 10,235,235</u>	<u>\$ 10,422,686</u>	<u>\$ 187,451</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,902,380</u>	<u>\$ 4,240,705</u>	<u>\$ 1,698,935</u>	<u>\$ (2,541,770)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>3,024,296</u>	
FUND BALANCE, END OF YEAR			<u>\$ 4,723,231</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,494,600	\$ 1,498,246	\$ 1,438,844	\$ (59,402)
State Sources			62,219	62,219
Federal Sources	165,000	308,000	292,875	(15,125)
Earnings on Invested Cash	6,500	6,500	453	(6,047)
Total Revenues Received	<u>\$ 1,666,100</u>	<u>\$ 1,812,746</u>	<u>\$ 1,794,391</u>	<u>\$ (18,355)</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 991,863	\$ 952,562	\$ 1,000,883	\$ (48,321)
Supporting Services	1,056,703	999,753	971,668	28,085
Community Services	500	500	32,885	(32,385)
Total Expenditures Disbursed	<u>\$ 2,049,066</u>	<u>\$ 1,952,815</u>	<u>\$ 2,005,436</u>	<u>\$ (52,621)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (382,966)</u>	<u>\$ (140,069)</u>	\$ (211,045)	<u>\$ (70,976)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(37,047)</u>	
FUND BALANCE, END OF YEAR			<u>\$ (248,092)</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	TRANSPORTATION FUND			
	<u>ORIGINAL BUDGET AMOUNTS</u>	<u>FINAL BUDGET AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES RECEIVED:				
Local Sources	\$ 1,365,940	\$ 1,367,772	\$ 1,371,554	\$ 3,782
State Sources	2,830,000	2,830,000	2,102,612	(727,388)
Charges for Services	70,000	70,000	41,293	(28,707)
Earnings on Invested Cash	1,500	1,500	70	(1,430)
Total Revenues Received	<u>\$ 4,267,440</u>	<u>\$ 4,269,272</u>	<u>\$ 3,515,529</u>	<u>\$ (753,743)</u>
EXPENDITURES DISBURSED:				
Supporting Services	<u>\$ 4,139,250</u>	<u>\$ 4,139,250</u>	<u>\$ 5,202,817</u>	<u>\$ (1,063,567)</u>
Total Expenditures Disbursed	<u>\$ 4,139,250</u>	<u>\$ 4,139,250</u>	<u>\$ 5,202,817</u>	<u>\$ (1,063,567)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED (UNDER) EXPENDITURES DISBURSED	<u>\$ 128,190</u>	<u>\$ 130,022</u>	<u>\$ (1,687,288)</u>	<u>\$ (1,817,310)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	<u>\$ 800,000</u>	<u>\$ 500,000</u>	<u>\$ 985,235</u>	<u>\$ 485,235</u>
Total Other Financing Sources (Uses)	<u>\$ 800,000</u>	<u>\$ 500,000</u>	<u>\$ 985,235</u>	<u>\$ 485,235</u>
NET CHANGE IN FUND BALANCES	<u>\$ 928,190</u>	<u>\$ 630,022</u>	<u>\$ (702,053)</u>	<u>\$ (1,332,075)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(1,315,040)</u>	
FUND BALANCE (DEFICIT), END OF YEAR			<u>\$ (2,017,093)</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CAPITAL PROJECTS FUND</u>			
	<u>ORIGINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>FINAL</u> <u>BUDGET</u> <u>AMOUNTS</u>	<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES RECEIVED:				
Earnings on Invested Cash	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues Received	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures Disbursed	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET CHANGE IN FUND BALANCES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
FUND BALANCE, BEGINNING OF YEAR			<u>0</u>	
FUND BALANCE, END OF YEAR			<u>\$ 0</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>FIRE PREVENTION AND SAFETY FUND</u>			
	<u>ORIGINAL BUDGET AMOUNTS</u>	<u>FINAL BUDGET AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES RECEIVED:				
Local Sources	\$ 341,500	\$ 341,500	\$ 341,666	\$ 166
Earnings on Invested Cash	6,500	6,500	17	(6,483)
Total Revenues Received	<u>\$ 348,000</u>	<u>\$ 348,000</u>	<u>\$ 341,683</u>	<u>\$ (6,317)</u>
EXPENDITURES DISBURSED:				
Supporting Services	\$ 1,150,000	\$ 1,150,000	\$ 1,508,321	\$ (358,321)
Total Expenditures Disbursed	<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,508,321</u>	<u>\$ (358,321)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ (802,000)</u>	<u>\$ (802,000)</u>	<u>\$ (1,166,638)</u>	<u>\$ 352,004</u>
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	\$ 3,875,000	\$ 3,875,000	\$ 4,287,500	\$ (412,500)
Total Other Financing Sources	<u>\$ 3,875,000</u>	<u>\$ 3,875,000</u>	<u>\$ 4,287,500</u>	<u>\$ (412,500)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (802,000)</u>	<u>\$ (802,000)</u>	<u>\$ 3,120,862</u>	<u>\$ 352,004</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(99,051)</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,021,811</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	DEBT SERVICE FUND			
	<u>ORIGINAL BUDGET AMOUNTS</u>	<u>FINAL BUDGET AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES RECEIVED:				
Local Sources	\$ 5,235,940	\$ 5,246,077	\$ 5,583,657	\$ 337,580
Federal Sources	325,000	325,000	437,743	112,743
Earnings on Invested Cash	5,000	5,000	2,022	(2,978)
Total Revenues Received	<u>\$ 5,565,940</u>	<u>\$ 5,576,077</u>	<u>\$ 6,023,422</u>	<u>\$ 447,345</u>
EXPENDITURES DISBURSED:				
Debt Services	<u>\$ 5,483,107</u>	<u>\$ 5,483,107</u>	<u>\$ 6,852,969</u>	<u>\$ (1,369,862)</u>
Total Expenditures Disbursed	<u>\$ 5,483,107</u>	<u>\$ 5,483,107</u>	<u>\$ 6,852,969</u>	<u>\$ (1,369,862)</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ 82,833</u>	<u>\$ 92,970</u>	<u>\$ (829,547)</u>	<u>\$ (922,517)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net			\$ 608,832	\$ 608,832
Bond Proceeds			191,415	191,415
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 800,247</u>	<u>\$ 800,247</u>
NET CHANGE IN FUND BALANCES	<u>\$ 82,833</u>	<u>\$ 92,970</u>	<u>\$ (29,300)</u>	<u>\$ (122,270)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(20,809)</u>	
FUND BALANCE, END OF YEAR			<u>\$ (50,109)</u>	

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

<u>ASSETS</u>	<u>EDUCATIONAL FUND</u>	<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>WORKING CASH FUND</u>	<u>TORT FUND</u>	<u>TOTALS</u>
Cash and Invested Cash	\$ 323,996	\$ 3,461,510	\$ 246,029	\$ 194,853	\$ 4,226,388
Loans to Other Funds		2,000,000	10,600,000		12,600,000
TOTAL ASSETS	\$ 323,996	\$ 5,461,510	\$ 10,846,029	\$ 194,853	\$ 16,826,388
<u>LIABILITIES</u>					
Loans from Other Funds	\$ 10,500,000				\$ 10,500,000
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Property Taxes	\$ 1,111,545	\$ 292,103	\$ 25,849	\$ 173,660	\$ 1,603,157
<u>FUND BALANCES</u>					
Restricted	\$ 791,238			\$ 20,631	\$ 811,869
Committed	4,924,738	\$ 247,941		562	5,172,679
Assigned	(17,003,525)	4,921,466	\$ 10,820,180		562
Unassigned	\$ (11,287,549)	\$ 5,169,407	\$ 10,820,180	\$ 21,193	(1,261,879)
Total Fund Balances (Deficit)					\$ 4,723,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 323,996	\$ 5,461,510	\$ 10,846,029	\$ 194,853	\$ 16,826,388

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
 COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
 AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

GENERAL FUND				
FOR THE YEAR ENDED JUNE 30, 2015				
	EDUCATIONAL FUND	OPERATIONS AND MAINTENANCE FUND	WORKING CASH FUND	TORT FUND
REVENUES RECEIVED:				<u>TOTALS</u>
Local Sources	\$ 21,143,784	\$ 4,028,412	\$ 341,666	\$ 27,787,912
State Sources	18,402,115			18,402,115
Federal Sources	7,627,228			7,627,228
Earnings on Invested Cash	3,318	6,388	6,737	17,005
Total Revenues Received	<u>\$ 47,176,445</u>	<u>\$ 4,034,800</u>	<u>\$ 348,403</u>	<u>\$ 53,834,260</u>
EXPENDITURES DISBURSED:				
Instruction	\$ 37,681,101			\$ 37,681,101
Supporting Services	13,369,402	\$ 7,159,745		22,709,995
Community Services	1,385,276	22,576		1,407,852
Nonprogrammed Charges	657,622			657,622
Debt Service	2,225	99,216		101,441
Total Expenditures Disbursed	<u>\$ 53,095,626</u>	<u>\$ 7,281,537</u>	<u>\$ 0</u>	<u>\$ 62,558,011</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>\$ (5,919,181)</u>	<u>\$ (3,246,737)</u>	<u>\$ 348,403</u>	<u>\$ (8,723,751)</u>
OTHER FINANCING SOURCES (USES):				
Permanent Transfers, Net	\$ 9,994,897	\$ (686,159)	\$ (10,902,805)	\$ (1,594,067)
Lease Purchase Agreement Proceeds	1,120,668		10,896,085	1,120,668
Bond Proceeds				10,896,085
Receipts for State "On-Behalf" Payments	15,951,521			15,951,521
Disbursements for State "On-Behalf"	(15,951,521)			(15,951,521)
Total Other Financing Sources (Uses)	<u>\$ 11,115,565</u>	<u>\$ (686,159)</u>	<u>\$ (6,720)</u>	<u>\$ 10,422,686</u>
NET CHANGE IN FUND BALANCES	\$ 5,196,384	\$ (3,932,896)	\$ 341,683	\$ 1,698,935
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(16,483,933)	9,102,303	10,478,497	3,024,296
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (11,287,549)</u>	<u>\$ 5,169,407</u>	<u>\$ 10,820,180</u>	<u>\$ 4,723,231</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2015

TAX RATES

LEVY YEAR	ASSESSED VALUATIONS	EDUCA- TIONAL	OPERATIONS AND MAIN- TENANCE	BOND AND INTEREST	TRANSPOR- TATION	MUNICIPAL RETIRE- MENT	WORKING CASH	LIABILITY INSURANCE	SOCIAL SECURITY	SPECIAL EDUCA- TION	FIRE PRE- VENTION AND SAFETY	FACILITIES LEASING	TOTAL
2005	632,840,838	2.1500	.5250	.4951	.2000	.1521	.0500	.3022	.1049	.0400	.0500		4.0693
2006	665,702,126	2.1500	.5250	.5067	.2000	.1145	.0500	.3658	.0667	.0400	.0500	.0500	4.1187
2007	715,729,430	2.1500	.5250	.5873	.2000	.0646	.0500	.2705	.0760	.0400	.0500	.0500	4.0634
2008	740,022,053	2.1500	.5250	.5866	.2000	.0625	.0500	.2616	.0735	.0400	.0500	.0500	4.0492
2009	755,657,858	2.1500	.5250	.5943	.2000	.0926	.0500	.2595	.0550	.0400	.0500	.0500	4.0664
2010	742,239,079	2.1500	.5250	.6250	.2000	.1010	.0500	.2883	.0494	.0400	.0500	.0500	4.1287
2011	732,483,600	2.1500	.5250	.6606	.2000	.0568	.0500	.2921	.0956	.0400	.0500	.0500	4.1701
2012	713,376,343	2.1500	.5250	.7101	.2000	.1402	.0500	.3210	.0351	.0400	.0500	.0500	4.2714
2013	687,923,831	2.1500	.5250	.7671	.2000	.1309	.0500	.3328	.0727	.0400	.0500	.0500	4.3685
2014	681,777,386	2.1500	.5250	1.1532	.2000	.1196	.0500	.3359	.1196	.0400	.0500	.0500	4.7933

TAX EXTENSIONS

LEVY YEAR	ASSESSED VALUATIONS	EDUCA- TIONAL	OPERATIONS AND MAIN- TENANCE	BOND AND INTEREST	TRANSPOR- TATION	MUNICIPAL RETIRE- MENT	WORKING CASH	LIABILITY INSURANCE	SOCIAL SECURITY	SPECIAL EDUCA- TION	FIRE PRE- VENTION AND SAFETY	FACILITIES LEASING	TOTAL
2005	13,606,078	3,322,415	3,134,027	1,265,682	962,551	316,420	1,912,445	663,850	253,136	316,420	332,851	332,851	\$ 25,753,024
2006	14,312,596	3,494,936	3,374,175	1,331,404	762,229	332,851	2,435,138	444,023	266,281	332,851	332,851	332,851	27,419,335
2007	15,380,395	3,755,678	4,204,460	1,430,734	462,127	357,684	1,935,068	543,679	286,147	357,684	357,684	357,684	29,071,340
2008	15,903,670	3,883,454	4,339,113	1,479,411	462,316	369,853	1,935,070	543,683	295,882	369,853	369,853	369,853	29,952,158
2009	16,239,839	3,965,543	4,488,994	1,510,682	699,446	377,671	1,960,110	415,438	302,137	377,671	377,671	377,671	30,715,201
2010	15,957,004	3,896,477	4,638,664	1,484,372	749,608	371,093	2,139,723	366,640	296,874	371,093	371,093	371,093	30,642,641
2011	15,748,397	3,845,539	4,839,051	1,464,967	416,050	366,242	2,139,585	700,254	292,993	366,242	366,242	366,242	30,545,562
2012	15,337,591	3,745,226	5,065,685	1,426,753	1,000,153	356,688	2,289,938	250,395	285,351	356,688	356,688	356,688	30,471,156
2013	14,790,362	3,611,600	5,278,547	1,375,848	900,011	343,962	2,289,411	500,052	275,170	343,962	343,962	343,962	30,052,887
2014	14,658,214	3,579,331	7,862,256	1,363,555	815,405	340,889	2,290,090	815,405	272,711	340,889	340,889	340,889	32,679,634

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>TAX COLLECTIONS</u>		
	<u>TOTAL</u> <u>EXTENSIONS</u>	<u>TOTAL</u> <u>COLLECTIONS*</u>	<u>PERCENT</u> <u>COLLECTED</u>
2005	\$ 25,753,024	\$ 25,592,409	99.38
2006	27,419,335	27,257,595	99.41
2007	29,071,340	29,068,231	99.99
2008	29,952,158	29,679,707	99.09
2009	30,715,201	30,400,418	98.98
2010	30,642,641	30,343,353	99.02
2011	30,545,562	30,291,120	99.17
2012	30,471,156	30,168,229	99.01
2013	30,052,887	29,836,038	99.28
2014	32,679,634	2,478,119	7.58

*Does not include Mobile Home Privilege Tax.

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
STUDENT ACTIVITY FUNDS - ALL FUNDS
SUMMARY SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
Alton High School Activity Funds	\$ 244,624	\$ 697,820	\$ 659,043	\$ 283,401
Alton Middle School Activity Funds	77,084	206,275	198,974	84,385
Elementary and Special Schools				
Activity Funds	71,246	111,455	107,842	74,859
Superintendent's Pacesetter Award	65,867	598		66,465
Chapter I Activity Fund	593		343	250
Administrative Convenience Funds	513	260	304	469
J.B. Johnson Scholarship Fund	3,234	52	36	3,250
Overath Scholarship Fund	39,867	3,516	4,000	39,383
Linda Bruns Memorial Scholarship	25,000		1,005	23,995
Francie McLaughlin Scholarship	2,161	1		2,162
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 530,189</u>	<u>\$ 1,019,977</u>	<u>\$ 971,547</u>	<u>\$ 578,619</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ALTON HIGH SCHOOL ACTIVITY FUNDS
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
A-Steppers	\$ 935	\$ 763	\$ 820	\$ 878
AHS Candy	1,565	12,875	8,350	6,090
AHS Business	96			96
AHS Administrative Fund	209	541	345	405
Academy Promo	984	2		986
Advance Placement Test Fees	786	11,594	10,908	1,472
Agenda Book Fee	1,528	2,005	1,000	2,533
Alton High Pepsi Fund	877	17,501	16,686	1,692
Animation Club	95			95
Architectural Drafting	91			91
Art Club	995	1,016	1,741	270
Athletic Program Fund	3,940	11,940	12,063	3,817
Band Fund	920	1,117	907	1,130
Bank Handling Charge	8			8
Baseball Fund	35,641	70,754	60,551	45,844
Biology Club	4,491	3,736	4,648	3,579
Bounds Scholarship	6,007	7,009	13,001	15
Boys Tennis	295	7,712	7,610	397
Boys Tip-Off Classic	2,300	25,227	20,927	6,600
Boys Soccer	2,041	5,794	5,718	2,117
Boys Track	1,432	741	97	2,076
BT 816	46			46
Business Ownership	77			77
Cheerleaders Club	3,613	24,474	24,069	4,018
Chemistry Club	1,384	841	640	1,585
Chess Club	13	15		28
Chorus Fund	1,656	18,513	15,280	4,889
Coaches Fundraiser	198		36	162
Commercial Art	6,830	6,321	6,602	6,549
Conservatory of Music	3,551	14,163	14,139	3,575
Cross Country	4,088	945	3,732	1,301
Counseling Office Candy (COC)	4,695	2,479	1,582	5,592
Curvey Math	149			149
Diversity Awareness	94	702	465	331
Ecology/Science	1,072	783	841	1,014
English Department	4,623	3,585	1,547	6,661
YELL		1,730	1,393	337
Interest Fund		637	585	52
RB Spirit Scholarship		13,005	1,000	12,005

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ALTON HIGH SCHOOL ACTIVITY FUNDS
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
Faculty Flower Fund	\$ 29	\$ 60		\$ 89
Fellowship - Christian Athletes	454	1		455
FFA	976	3,266	\$ 2,867	1,375
FHA/FCCLA	770	10,841	10,494	1,117
Football Soda	2,978	3,416	4,438	1,956
French Club	374	7,670	6,996	1,048
German Club	3,271	1,378	2,386	2,263
German Club (Special)	1,812	26,476	23,604	4,684
Girls Soccer	2,656	8,022	8,231	2,447
Girls Softball Club	3,757	2,009	1,417	4,349
Girls Tennis	314	2,121	2,291	144
Girls Tip-Off Classic	3,726	7,903	10,404	1,225
Girls Track Fund	98	4,108	4,131	75
Golf (Boy's)	517	5,533	4,751	1,299
Golf (Girl's)	47	7,326	6,725	648
Gospel Choir	26			26
Gym Pepsi Fund	229	538	349	418
HOSA	298	2,231	2,523	6
IEA Score	500	1	134	367
IL 981 ROTC	916	16,264	16,438	742
Industrial Arts	3,220	7,202	8,548	1,874
FBLA (Interact)	87	906	824	169
JB Johnson Activity Fund	7	3,505	3,142	370
L&L Grant	1,203	501	1,690	14
Library	833	3,358	3,117	1,074
Lifesavers	873	2		875
Linda Bruns Scholarship	51	1,252	1,000	303
Jan Polk Memorial Scholarship	79			79
Math Scholarship	468	2,312	1,818	962
Math Team	393	2,912	1,411	1,894
Minority Excellence	1,963	4	165	1,802
Musical Equipment	503	1		504
National Honor Society	490	5,356	5,829	17
NEA Foundation	1,677	5,643	3,267	4,053
Ned Nilsson Scholarship Fund	12,229	235	500	11,964
Orchestra Fund	2,104	5,427	7,138	393
PBIS	1,489	257	1,217	529
Bowling/Billiards	4,379	5,490	4,450	5,419
Pepsi Rebate	2,920	30,197	32,331	786
P.E. Candy/Soda	147			147
P.E. Uniforms	509	5,385	4,957	937

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ALTON HIGH SCHOOL ACTIVITY FUNDS
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
Photography Club	\$ 1,573	\$ 1,782	\$ 2,438	\$ 917
Pom-Pom Girls	2,700	7,890	10,466	124
Pottery Club/Art	726	969	1,422	273
Pre-Work Program	32			32
PRISM	506	151	61	596
Principal's Activity Fund	689	6,315	5,787	1,217
Culinary Arts	1,311	246	1,100	457
Redbird Bowling	5,550	5,847	7,162	4,235
Redbird Broadcasting	893	982	834	1,041
Redbird Mission	173	278	83	368
Redbird Nest	10,103	11,055	11,277	9,881
Redbird Store	8,428	76,715	70,427	14,716
Redbird Word	683	2,582	2,886	379
Robotics	2,766	2,255	2,255	2,766
River Watchers Science Club	465	921	876	510
Scholar Bowl	698	488	438	748
Science Department	697	3,102	621	3,178
Scott's Welding	638	1		639
Social Studies Club	81			81
Spanish Club	664	4,345	4,644	365
Spanish Video Fund	662	1	500	163
Special Ed Scholarship	342	1	200	143
Stage Productions	1,347	3,746	3,399	1,694
Miscellaneous - 618 Boys	1,222	602	600	1,224
Student Council	16,328	42,472	42,196	16,604
Student Fund	295	15,564	13,437	2,422
Success Scholarship	377	1,598	1,967	8
Summer Scholarship	479			479
Tattler	15,892	21,532	23,877	13,547
Thespians	1,123	5,527	5,009	1,641
VCR/English	509	1		510
Vocational Welding	743	1,902	401.00	2,244
Volleyball	1,144	17,032	13,393	4,783
Wellness	411	1		412
Wrestling	143		110	33
W.Y.S.E. (Physics)	6,040	4,188	4,211	6,017
Young Adult Class	119	100	100	119
Petty Cash	1,375			1,375
Total	<u>\$ 244,624</u>	<u>\$ 697,820</u>	<u>\$ 659,043</u>	<u>\$ 283,401</u>

Cash Balance Consists of:

Checking Account	\$ 270,933
Certificates of Deposit	11,093
Petty Cash	1,375
Total	<u>\$ 283,401</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ALTON MIDDLE SCHOOL ACTIVITY FUNDS
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
Athletic Fund	\$ 6,524	\$ 27,351	\$ 27,326	\$ 6,549
Alton Education Foundation Grant	5,000	59	5,057	2
Band Festival	232	63	63	232
Baseball	1,778	13,359	12,976	2,161
Black History Month	36	317	116	237
Boxtops	1,439	912	1,193	1,158
Cheerleader Fund	7,351	27,406	29,797	4,960
Chorus Fund	6,567	14,430	15,368	5,629
Chorus Tech for Play	718	8,436	8,536	618
Eagles Nest House Account	2,363	8,638	7,375	3,626
Employee Fund	27	370	195	202
Employee Soda Fund	1,030	13,922	12,503	2,449
Fields Summit Account	1,626	7,531	5,249	3,908
GEMS Grant	22	708	547	183
Honors	2,721		222	2,499
Illinois House Account	4,217	7,041	10,153	1,105
Knights of Columbus Grant	85	292	85	292
Library Club	3,068	9,703	8,070	4,701
Lighthouse Account	3,208	7,711	7,413	3,506
Mississippi House Account	2,302	4,273	4,057	2,518
National Junior Honor Society	408	4,509	1,212	3,705
Orchestra	622	2,070	1,943	749
PBIS Universal	125			125
Piasa House Account	4,787	4,835	4,756	4,866
Peer Leadership	474			474
Principals Activity	755	554	442	867
School Store	52			52
Student Council	455	732	897	290
Student of the Month	75	450	350	175
Stem Grant	518	245	763	0
Theatre	3,325	7,287	3,295	7,317
Unified Arts	3,163	4,599	4,559	3,203
Walmart Grant	2,052	2,620	3,164	1,508
Yearbook	9,959	2,195	3,565	8,589
Home Grown		4,579	2,450	2,129
Recycle Green Team		78		78
Engineering Our Future		3,889	3,889	0
Ceramic Tile Murals		727	654	73
Artist Are Inventors		1,078		1,078
The Best Books		800		800
Track		12,506	10,734	1,772
Total	<u>\$ 77,084</u>	<u>\$ 206,275</u>	<u>\$ 198,974</u>	<u>\$ 84,385</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
ELEMENTARY AND SPECIAL SCHOOLS ACTIVITY FUNDS
SCHEDULE OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEAR ENDED JUNE 30, 2015

	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>CASH</u> <u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>
East Elementary	\$ 10,184	\$ 13,344	\$ 19,297	\$ 4,231
Eunice Smith	2,616	9,691	8,847	3,460
Gilson Brown	10,723	9,149	9,834	10,038
Godfrey - Early Childhood Parent Group	16,811	19,562	16,074	20,299
J.B. Johnson - Early Activity	784	1,411	1,483	712
James Center	120	55	92	83
Lewis and Clark	6,334	8,117	7,078	7,373
Lovejoy	2,916	5,431	5,769	2,578
Motivational Achievement - MAC	933	3,999	3,595	1,337
North Elementary	4,856	24,946	21,482	8,320
West Elementary	14,969	15,750	14,291	16,428
Total	<u>\$ 71,246</u>	<u>\$ 111,455</u>	<u>\$ 107,842</u>	<u>\$ 74,859</u>

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11

BONDED DEBT DATA

JUNE 30, 2015

DESCRIPTION	INTEREST RATES	INTEREST DATES	AMOUNT		AMOUNT PAID OR RETIRED THIS FISCAL YEAR	AMOUNT OUTSTANDING AT JUNE 30, 2015		TOTAL	
			AMOUNT ORIGINALLY ISSUED	AMOUNT OUTSTANDING 2014		AMOUNT ISSUED THIS FISCAL YEAR	PAYABLE IN NEXT FISCAL YEAR		PAYABLE IN SUBSEQUENT FISCAL YEARS
2002 G.O. Bonds	1.75%-5.00%	6/1 & 12/1	\$ 31,740,676	\$ 17,405,676	\$ 2,208,453	\$ 2,151,400	\$ 13,045,823	\$ 15,197,223	
2005 G.O. Bonds	2.625%-5.02%	5/1 & 11/1	8,295,434	7,340,434	205,000	225,000	6,910,434	7,135,434	
2006 G.O. Bonds	3.82%-4.37%	6/1 & 12/1	1,715,000	1,280,000	170,000	190,000	920,000	1,110,000	
2007 G.O. Bonds	4.00%	6/1 & 12/1	9,225,000	7,020,000	420,000	435,000	6,165,000	6,600,000	
2011 G.O. QZAB Bonds	5.50%-5.625%	6/1 & 12/1	7,685,000	7,685,000			7,685,000	7,685,000	
2012A G.O. Bonds	3.00%	6/1 & 12/1	2,130,000	2,130,000			2,130,000	2,130,000	
2012B G.O. QZAB Bonds	3.85%	6/1 & 12/1	2,185,000	2,185,000			2,185,000	2,185,000	
2014 G.O. Bonds	3.24%	6/1 & 12/1	2,071,000	2,071,000		119,000	1,952,000	2,071,000	
2014 G.O. Working Cash Bonds	0.80%-2.50%	6/1 & 12/1	11,000,000			2,280,000	8,720,000	11,000,000	
2015 G.O. QZAB Bonds	2.40%	6/1 & 12/1	4,375,000				4,375,000	4,375,000	
Totals			\$ 80,422,110	\$ 47,117,110	\$ 3,003,453	\$ 5,400,400	\$ 54,088,257	\$ 59,488,657	

LEGAL DEBT MARGIN

Assessed Valuation	\$ 681,777.386
Debt Limit, 13.8% of Assessed Value	\$ 94,085,279
Less, Bonded Indebtedness	59,488,657
Less, Lease Purchase Agreements	2,241,791
Legal Debt Margin	\$ 32,354,831

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 762,288									
Interest on the Total Pension Liability	3,580,855									
Benefit Changes	0									
Difference between Expected and Actual Experience	(401,957)									
Assumption Changes	2,287,641									
Benefit Payments and Refunds	(3,154,523)									
Net Change in Total Pension Liability	3,074,304									
Total Pension Liability - Beginning	48,940,857									
Total Pension Liability - Ending (a)	\$ 52,015,161									
Plan Fiduciary Net Position										
Employer Contributions	\$ 1,119,045									
Employee Contributions	293,768									
Pension Plan Net Investment Income	2,976,268									
Benefit Payments and Refunds	(3,154,523)									
Other	42,503									
Net Change in Plan Fiduciary Net Position	1,277,061									
Plan Fiduciary Net Position - Beginning	49,662,132									
Plan Fiduciary Net Position - Ending (b)	\$ 50,939,193									
Net Pension Liability/(Asset) -Ending (a)-(b)	1,075,968									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.93%									
Covered Valuation Payroll	\$ 6,396,941									
Net Pension Liability as a Percentage of Covered Valuation Payroll	16.82%									

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

LAST 10 CALENDAR YEARS
(schedule to be built prospectively from 2014)

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of Covered</u> <u>Valuation Payroll</u>
2014	\$ 1,096,436	\$ 1,119,045	\$ (22,609)	\$ 6,396,941	17.49%

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE*
ILLINOIS MUNICIPAL RETIREMENT FUND

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 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.00% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% 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 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projected scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2015*

District's proportion of the net pension liability	0.02340322%
District's proportionate share of the net pension liability	\$ 14,242,796
State's proportionate share of the net pension liability associated with the District	194,193,595
Total	<u><u>\$ 208,436,391</u></u>
District's covered-employee payroll	\$ 31,490,520
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.23%
Plan fiduciary net position as a percentage of the total pension liability	43.0%

* *The amounts presented were determined as of the prior fiscal-year end.*

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2015

Contractually-required contribution	\$ 732,119
Contributions in relation to the contractually-required contribution	<u>732,262</u>
Contribution deficiency (excess)	<u>\$ (143)</u>
 District's covered-employee payroll	 \$ 31,066,145
Contributions as a percentage of covered-employee payroll	2.36%

ALTON COMMUNITY UNIT SCHOOL DISTRICT NO. 11
NOTES TO THE SCHEDULE OF THE DISTRICT'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. 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.

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2015

DISTRICT/JOINT AGREEMENT NAME ALTON COMMUNITY UNIT SCHOOL	RCDT NUMBER 41-057-0110-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 065-025855	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)		NAME AND ADDRESS OF AUDIT FIRM SCHEFFEL BOYLE 322 STATE STREET ALTON IL 62002	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 1854 E. BROADWAY ALTON, IL 62002		E-MAIL ADDRESS <u>STEVE.PEMBROOK@SCHEFFELBOYLE.COM</u> NAME OF AUDIT SUPERVISOR STEVEN C. PEMBROOK	
		CPA FIRM TELEPHONE NUMBER 618-465-4288	FAX NUMBER 618-462-3818

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:

- ☒ A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- ☒ Financial Statements including footnotes § .310 (a)
- ☒ Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- ☒ Independent Auditor's Report § .505
- ☒ Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- ☒ Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- ☒ Schedule of Findings and Questioned Costs § .505 (d)
- ☒ Summary Schedule of Prior Year Audit Findings § .315 (b)
- ☒ Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- ☐ Copy of Federal Data Collection Form § .320 (b)
- ☐ Copy(ies) of Management Letter(s)



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON BARTELSO BETHALTO

October 6, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education
Alton Community Unit School District No. 11
Alton, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Alton Community Unit School District No. 11's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Alton Community Unit School District No. 11's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Alton Community Unit School District No. 11's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alton Community Unit School District No. 11's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Alton Community Unit School District No. 11's compliance.

Opinion on Each Major Federal Program

In our opinion, Alton Community Unit School District No. 11 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-004, 2015-005, and 2015-006. Our opinion on each major federal program is not modified with respect to these matters. In addition, during our audit process we became aware of a single audit finding from the regulatory agency, "Federal and State Monitoring," on a federal program that we did not audit as major in the current year. Federal and State Monitoring had a finding on the 2013-2014 Special Education – Pre-School Flow Through federal program in the amount of \$7,031.

Alton Community Unit School District No. 11's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alton Community Unit School District No. 11's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of Alton Community Unit School District No. 11 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alton Community Unit School District No. 11's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alton Community Unit School District No. 11's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Shuffel Bayle
Alton, Illinois

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ⁴ (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁵		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION									
IMPACT AID	84.041	15-4001-00		5,171		5,171		5,171	N/A
TITLE 1 - LOW INCOME (M)	84.010	14-4300-00	1,653,955	561,991	1,851,554	364,392		2,215,946	2,304,213
TITLE 1 - LOW INCOME (M)	84.010	15-4300-00		1,704,081		1,871,184	297,025		2,201,498
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	14-4305-00	4,707	4,821	9,528			9,528	9,549
TITLE 1 - LOW INCOME - NEGLECTED PRIV	84.013	15-4305-00		3,994		8,016			8,173
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	14-4421-12	180,787	73,993	240,227	14,553		254,780	254,780
TITLE IV - 21ST CENTURY COMMUNITY LEARNING	84.287	15-4421-12		115,415		188,780			258,005
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH	84.173	14-4600-00	59,697	29,028	83,690	5,035		88,725	90,242
FEDERAL SP. ED. - PRESCHOOL FLOW THROUGH	84.173	15-4600-00		44,614		63,357	3,155		83,878
FEDERAL SP. ED. - IDEA FLOW THROUGH	84.027	14-4620-00	1,438,641	529,243	1,892,641	75,243		1,967,884	2,104,411
FEDERAL SP. ED. - IDEA FLOW THROUGH	84.027	15-4620-00		1,433,353		1,856,072	81,400		2,038,936
TITLE II - TEACHER QUALITY (M)	84.367	14-4932-00	326,209	101,787	374,083	53,913		427,996	462,439
TITLE II - TEACHER QUALITY (M)	84.367	15-4932-00		330,583		381,126	55,741		487,294
SAFE SCHOOLS/HEALTHY STUDENTS	84.184	Q184L090301	526,255	55,281	491,253	17,103		508,356	N/A

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ⁴ (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION									
SCHOOL CLIMATE TRANSFORMATION GRANT	84.184G	S184G140133		34,498		42,984		42,984	N/A
TOTAL US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS STATE BOARD OF EDUCATION			4,190,251	5,027,853	4,942,976	4,946,929	437,321	5,521,370	10,303,418
US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS DEPARTMENT OF HUMAN RESOURCES									
STEP PROGRAM	84.126	40CM001021-14	46,455		44,682	1,773		46,455	46,455
STEP PROGRAM	84.126	40CM001021-15		46,455		30,934			46,455
TOTAL US DEPARTMENT OF EDUCATION - PASS THROUGH ILLINOIS DEPARTMENT OF HUMAN RESOURCES			46,455	46,455	44,682	32,707		46,455	92,910
US DEPARTMENT OF HEALTH AND HUMAN SERVICES-PASS THROUGH ILL. DEPT. OF HEALTHCARE & FAMILY SERVICES ADMINISTRATIVE OUTREACH									
TOTAL US DEPT OF HEALTH AND HUMAN SERVICES-PASS THROUGH ILL. DEPT. OF HEALTHCARE & FAMILY SERVICES	93.778	15-4991-00		169,117		169,117		169,117	N/A
US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED								169,117	
SCHOOL LUNCH COMMODITIES (NON-CASH)	10.555			186,662		186,662		186,662	N/A

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, addressees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ⁴ When the CFDA number is not available, the addressee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ⁵ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁶ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the addressee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ⁴ (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ³		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED									
NATIONAL SCHOOL LUNCH PROGRAM	10.555	14-4210-00	1,294,848	300,858	1,294,848	300,858		1,595,706	N/A
NATIONAL SCHOOL LUNCH PROGRAM	10.555	15-4210-00		1,439,946		1,439,946			N/A
SCHOOL BREAKFAST PROGRAM	10.553	14-4220-00	431,925	96,222	431,925	96,222		528,147	N/A
SCHOOL BREAKFAST PROGRAM	10.553	15-4220-00		456,499		456,499			N/A
SPECIAL MILK PROGRAM	10.556	14-4215-00	5,513	973	5,513	973		6,486	N/A
SPECIAL MILK PROGRAM	10.556	15-4215-00		5,939		5,939			N/A
SUMMER SCHOOL FOOD SERVICE	10.559	14-4225-00		52,577		52,577		52,577	N/A
TOTAL US DEPT OF AGRICULTURE - PASS THROUGH ILLINOIS STATE BOARD OF ED			1,732,286	2,539,676	1,732,286	2,539,676		2,369,578	
US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MADISON COUNTY CAREER & TECH									
CARL PERKINS GRANT III	84.048	15-4770-00		41,250		40,872		40,872	N/A
TOTAL US DEPT OF ED - PASS THROUGH ISBE PASS THROUGH MADISON COUNTY CAREER & TECH				41,250		40,872		40,872	
TOTALS			5,968,992	7,824,351	6,719,944	7,729,301	437,321	8,147,392	10,396,328

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Year Ending June 30, 2015

Of the federal expenditures presented in the schedule, Alton Community Unit School District #11 provided federal awards to subrecipients as follows:

(Yes/No)

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ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: UNMODIFIED
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES None Reported
- Noncompliance material to financial statements noted? YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? YES X None Reported

Type of auditor's report issued on compliance for major programs: UNMODIFIED
(Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? X YES NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
84.010	TITLE 1 - LOW INCOME
84.367	TITLE II - TEACHER QUALITY

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? X YES NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2015- 001 2. THIS FINDING IS: ☐ New ☒ Repeat from Prior Year?
Year originally reported? 2007

3. Criteria or specific requirement
Financial Statement Preparation

4. Condition

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

5. Context¹²

No questioned costs

6. Effect

Inaccurate or incomplete financial statements could be issued to the public or other third parties.

7. Cause

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

8. Recommendation

The District should consider the costs and benefits of hiring staff with expertise or train existing accounting staff to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting and all required disclosures.

9. Management's response¹³

The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.

For ISBE Review

Date:	Resolution Criteria Code Number
Initials:	Disposition of Questioned Costs Code/Letter

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2015- 002

2. THIS FINDING IS:



New



Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

Economic Interest Statement Filing

4. Condition

The District had a board member who failed to file an economic interest statement pursuant to the Illinois Government Ethics Act. [5 ILCS 420/4A-101].

5. Context¹²

No questioned costs. This board member was one out of 45 district employees that were required to file a statement of economic interest.

6. Effect

The District is in violation of the Illinois Government Ethics Act. [5 ILCS 420/4A-101].

7. Cause

The board member mistakenly forgot to file an economic interest statement.

8. Recommendation

The District should check with the county to see that all qualifying district employees file economic interest statements timely to ensure compliance with the Illinois Government Ethics Act. [5 ILCS 420/4A-101].

9. Management's response¹³

The board member subsequently filed his economic interest statement after the situation was discovered. The District will check with the County Clerk in the future to verify that everyone has filed in a timely manner.

For ISBE Review

Date: _____

Resolution Criteria Code Number _____

Initials: _____

Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ **2015- 003** 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior Year?
 Year originally reported? _____

3. Criteria or specific requirement

Compared budgeted expenditures with actual expenditures to determine if the District had overexpended its budget.

4. Condition

After completing the audit, it was noted that the District overexpended its budgets in the Fire Prevention & Safety Fund, Transportation Fund, General Fund, Debt Service Fund, and IMRF/Social Security Fund.

5. Context¹²

After comparing the budget and actual expenditures it was noted that the Fire Prevention & Safety Fund overexpended by \$358,321, Transportation Fund by \$1,063,567, General Fund by \$134,816, Debt Service Fund by \$1,369,862, and IMRF/Social Security Fund by 52,621.

6. Effect

The District was not in compliance by overexpending its budget for the year in the specified funds.

7. Cause

The District had FPS Expenditures in FY15 that were not originally anticipated to be paid until FY16. The Transportation Fund had an expenditure for June 2014 that did not get paid until July 2014 while the June 2015 invoice was paid in June 2015. The General Fund expenditures budget did not reflect all Athletic Facility expenditures. The debt service fund included expenditures paid by another entity (bank lease) and the district therefore did not include those in its own expenditures. The IMRF/Social Security fund expenditures were more than anticipated.

8. Recommendation

The District should adopt a reasonable budget and amend the budget as necessary in order to stay compliant.

9. Management's response¹³

The causes are listed above and the District will make sure that all expenses are more accurately addressed in future budgets. The timing of some items also impacted the budget.

For ISBE Review

Date	Resolution Criteria Code Number
Initials	Disposition of Questioned Costs Code Letter

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2015- 004 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: TITLE I - LOW INCOME 2014

4. Project No.: 14-4300-00 5. CFDA No.: 84.010A

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
Reporting

9. Condition¹⁵

The District did not submit accurate periodic expenditure reports.

10. Questioned Costs¹⁶

\$400.00

11. Context¹⁷

There were more expenditures reported in the expenditure reports than were supported by the general ledger. The District reported total expenditures of \$364,392 whereas the general ledger only supported total expenditures of \$363,992. External assurance has already reported this issue.

12. Effect

Inaccurate reports

13. Cause

The District inadvertently overstated a number on the expenditure report compared to the general ledger by \$400/

14. Recommendation

The grant recipient must submit accurate periodic expenditure reports.

15. Management's response¹⁸

A wrong number was entered on the final expenditure report in error, amounting to the \$400 overstatement of expenses. The final expense for function 1000 / object 300 (Instruction Purchased Services) was \$20,269.51 and was rounded to \$20,670 in error. The bookkeeper agreed to check rounded numbers more closely in the future.

For ISBE Review

Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2015- 005 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: TITLE I - LOW INCOME 2014 and 2015

4. Project No.: 14-4300-00 and 15-4300-00 5. CFDA No.: 84.010A

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
Reporting

9. Condition¹⁵

The District reported expenditures in the wrong Function number in the general ledger for the grant.

10. Questioned Costs¹⁶

\$0.00

11. Context¹⁷

The approved Salaries, Benefits, Purchased Services, Supplies under Function number 2300 for Administrative Services with the corresponding Object Codes were erroneously posted in the grant's general ledger accounts using Function number 2217 and the corresponding object codes. Function number 2217 series are normally used to identify budget cells consistent with the Improvement of Instructional Services function category. External assurance has already reported this issue for 2014.

12. Effect

Inconsistency between general ledger reporting and expenditure reporting for the grant.

13. Cause

The District erroneously has used the wrong Function number each year.

14. Recommendation

The District should post expenditures in the grant's general ledger accounts and payroll records in accordance with the approved budget cells and in harmony with the Illinois Program Accounting Manual.

15. Management's response¹⁸

The General Ledger function code for Function 2300 has been changed from 2217 to 2330 for FY'16.

For ISBE Review

Date	Resolution Criteria Code Number
Initials	Disposition of Questioned Costs Code Letter

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2015- 006 2. THIS FINDING IS: ☒ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: TITLE II - TEACHER QUALITY 2015

4. Project No.: 15-4932-00 5. CFDA No.: 84.367

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

Special Tests - Participation of Private School Children

9. Condition¹⁵

The District reported an incorrect enrollment number for private schools participation on the grant application.

10. Questioned Costs¹⁶

\$0.00

11. Context¹⁷

The District reported an incorrect enrollment number for private schools participation on the grant application. Two private schools did not check either the "yes" or "no" box on the private schools participation list, but private school funds were still allocated to these two schools using the prior year enrollment number. These two schools did not spend any of the monies allocated to them.

12. Effect

Incorrect allocation of private school funds to schools due to incorrect enrollment numbers

13. Cause

The two private schools were incorrectly included by default to be allocated private school funds since the "yes" and "no" boxes were left blank.

14. Recommendation

The District should only allocate private school funds to the private schools that check the "yes" box on the private schools participation list to ensure proper allocation of private school funds.

15. Management's response¹⁸

The District will check the participation boxes more closely in the future, and if left blank, contact the private school for clarification.

For ISBE Review

Date	Resolution Criteria Code Number
Initials	Disposition of Questioned Costs Code Letter

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with finding, questioned cost, or both.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2015

[If there are no prior year audit findings, please submit schedule and indicate NONE]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
2014-001	The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.	The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 001**

Condition:

The District relies on the external audit firm to assist in the preparation of the financial statements and all required disclosures in accordance with the modified cash basis of accounting principles.

Plan:

The District does not feel a corrective action plan is necessary because it would not be cost beneficial.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: The District believes their accounting staff maintains adequate books and records of the school's transactions and oversees all non audit functions. Additionally, the District does not believe it is cost beneficial to hire additional expertise to ensure the the District's annual financial statements are prepared in accordance with the modified cash basis of accounting principles and all required disclosures. The District will continue to reevaluate on an ongoing basis.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 002**

Condition:

The District had a board member who failed to file an economic interest statement pursuant to the Illinois Government Ethics Act. [5 ILCS 420/4A-101].

Plan:

The District should better monitor the statement of economic interest filings to ensure that all required district employees file timely.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: The board member subsequently filed his economic interest statement after the situation was discovered. The District will check with the County Clerk in the future to verify that everyone has filed in a timely manner.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 003**

Condition:

After completing the audit, it was noted that the District overexpended its budgets in the Fire Prevention & Safety Fund, Transportation Fund, General Fund, Debt Service Fund, and IMRF/Social Security Fund.

Plan:

The District should amend its budget as necessary in order to adopt an reasonable budget to stay compliant.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: The District will make sure that all expenses are more accurately addressed in future budgets.
The timing of some items also impacted the budget.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 004**

Condition:

The District did not submit accurate periodic expenditure reports.

Plan:

The District should review expenditures in order to submit accurate periodic expenditure reports.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: A wrong number was entered on the final expenditure report in error, amounting to the \$400 overstatement of expenses. The final expense for function 1000 / object 300 (Instruction Purchased Services) was \$20,269.51 and was rounded to \$20,670 in error. The bookkeeper agreed to check rounded numbers more closely in the future.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 005**

Condition:

The District reported expenditures in the wrong Function number in the general ledger for the grant.

Plan:

The District should post expenditures in the grant's general ledger accounts and payroll records in accordance with the approved budget cells and in harmony with the Illinois Program Accounting Manual.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: The General Ledger function code for Function 2300 has been changed from 2217 to 2330 for FY'16.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

ALTON COMMUNITY UNIT SCHOOL
41-057-0110-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 006**

Condition:

The District reported an incorrect enrollment number for private schools participation on the grant application. Two private schools did not check either the "yes" or "no" box on the private schools participation list, but private school funds were still allocated to these two schools using the prior year enrollment number. These two schools did not spend any of the monies allocated to them.

Plan:

The District should only allocate private school funds to the private schools that check the "yes" box on the private schools participation list to ensure proper allocation of private school funds.

Anticipated Date of Completion:

Name of Contact Person: Chris Norman, Director of Financial Services

Management Response: The District will check the participation boxes more closely in the future, and if left blank, contact the private school for clarification.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.