

MOKENA SCHOOL DISTRICT NO. 159

ANNUAL FINANCIAL REPORT



"Where Children Are The First Priority"

FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

MOKENA SCHOOL DISTRICT NO. 159

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 31, 2016

The Board of Education
Mokena School District No. 159
Mokena, Illinois

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 Mokena School District No. 159, Illinois, as of and for the year ended June 30, 2016, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mokena School District No. 159, Illinois, as of June 30, 2016, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on 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 opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mokena School District No. 159, Illinois', basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

The discussion and analysis of Mokena School District No. 159's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

FINANCIAL HIGHLIGHTS

- In total, net position decreased by \$2,374,525. This represents a 9.9% decrease from 2015.
- General revenues accounted for \$16,881,588 in revenues or 71.7% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$6,678,749 or 28.3% of total revenues of \$23,560,337.
- The District had \$25,934,862 in expenses related to government activities. However, only \$6,678,749 of these expenses were offset by program specific charges and grants.
- Revenues for fiscal year 2016 (FY16), as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, were \$19,642,845, exclusive of on-behalf payments to the Teacher's Retirement System. Expenditures for FY16 were \$20,968,331, also exclusive on State of Illinois payments to the Teachers Retirement System.
- The Illinois Teacher's Retirement System receives on-behalf pension and post-retirement health insurance programs from the State of Illinois for District 159 certified staff. In FY16, \$3,917,492 was included in the total revenues and expenditures of District 159 representing the State of Illinois contributions.
- Actual revenues received in FY16 for the General Fund, exclusive of the State of Illinois on-behalf payment to the Teachers Retirement System, was \$16,063,444. Actual expenditures exclusive of on-behalf contributions were \$16,512,150 in FY16.
- The District made payments of \$968,843 on its long-term bond principal. The District issued \$7,447,324 in long-term principal. As of June 30, 2016 total outstanding long-term debt was \$9,542,772.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

**Management's Discussion and Analysis
June 30, 2016**

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 6 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Fund, Debt Service Fund and Capital Projects Fund, all of which are considered a major funds.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 7 - 10 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 - 46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's Teacher's Retirement pension obligation and combining schedule and individual fund information. Other supplementary information can be found on pages 47 - 78 of this report.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$21,507,326.

	Net Position	
	Governmental	
	Activities	
	2016	2015
Current/Other Assets	\$ 16,496,555	13,487,632
Capital Assets	14,553,574	14,472,186
Total Assets	31,050,129	27,959,818
Long-Term Debt	804,658	3,219,124
Other Liabilities	8,738,145	858,843
Total Liabilities	9,542,803	4,077,967
Net Position		
Net Investment in Capital Assets	8,385,064	10,394,219
Restricted	5,056,178	1,885,279
Unrestricted	8,066,084	11,602,353
Total Net Position	21,507,326	23,881,851

A large portion of the District's net position, \$8,385,064 or 39.0 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$5,056,178 or 23.5 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 37.5 percent, or \$8,066,084, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	Change in Net Position	
	Governmental	
	Activities	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 473,473	643,231
Operating Grants/Contrib.	6,205,276	5,165,074
General Revenues		
Property Taxes	15,873,359	15,720,614
Personal Property Replacement Taxes	115,272	125,211
General State Aid	697,389	661,607
Other General Revenues	195,568	238,204
Total Revenues	23,560,337	22,553,941
Expenses		
Instructional	12,702,814	14,986,175
Pupil Support	674,537	597,965
Administration	1,444,216	1,443,921
Transportation	844,705	993,869
Other Support	6,386,590	3,214,905
Interest on Long-Term Debt	3,882,000	1,521,287
Total Expenses	25,934,862	22,758,122
Change in Net Position	(2,374,525)	(204,181)
Net Position - Beginning	23,881,851	24,086,032
Net Position - Ending	21,507,326	23,881,851

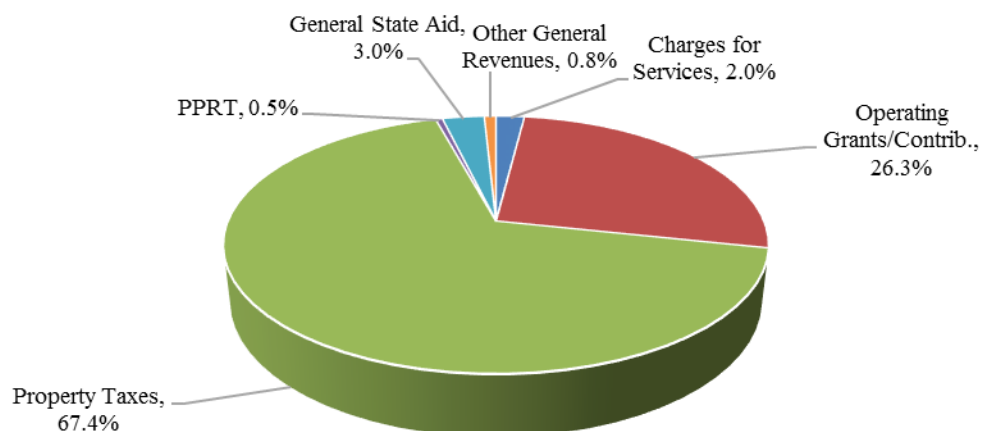
Net position of the District's governmental activities decreased by 9.9 percent (\$21,507,326 in 2016 compared to \$23,881,851 in 2015). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$8,066,084 at June 30, 2016.

MOKENA SCHOOL DISTRICT NO. 159

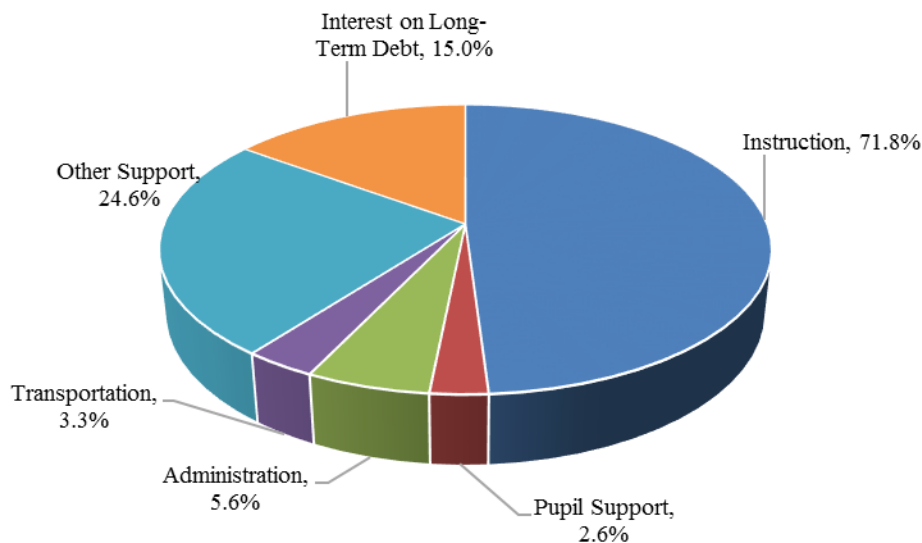
Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

District-Wide Revenues by Source



District-Wide Expenses by Function



Revenues for governmental activities totaled \$23,560,337, while the cost of all governmental functions totaled \$25,934,862. This results in a deficit of \$2,374,525. In 2015, expenses of \$22,758,122 exceeded revenues of \$22,553,941, resulting in a deficit of \$204,181. The deficit in 2016 was due in large part to the expenses increasing \$3,176,740 and operating grants revenues increasing \$1,040,202 from the prior year.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combining ending fund balances of \$16,496,524, which is \$3,0085,892, or 22.3 percent, higher than last year's total of \$13,487,632. Of the \$16,496,524 total, \$7,714,468, or approximately 46.8 percent, of the fund balance constitutes unassigned fund balance.

Actual revenues, excluding on-behalf payments, for FY16 were \$19,642,845 representing approximately 83.4% of the total FY16 revenues. Actual expenditures, excluding on-behalf payments, totaled \$20,968,331 representing approximately 84.3% of the total FY16 expenditures. Expenditures were monitored closely during the year, which resulted in the expenditures being below budget. Property taxes accounted for the largest portion of the District's revenues, contributing 67.4% of total revenues. The remainder of revenues came from other local, state, and federal grant sources.

The total cost of all the District's programs was \$24,885,823 with the majority, 64.7% of expenditures dedicated to instructing and caring for the students and student transportation. The remaining amount of District expenditures was split among community services, building operation and non-operational support such as debt service, pension and other payroll taxes, and tort liability and life safety capital improvements.

District 159 uses capital improvement and replacement schedule for curriculum, facility improvement and technology. Each schedule allows for replacement of instructional materials and equipment as necessary so the District does not experience deferred maintenance or replacement issues.

Over the course of the fiscal year, District 159 did amend the original fiscal year 2015 budget. District 159 currently supports five long-term debt issues. District 159 has issued no short-term debt.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the District's largest budgeted fund and consists of the Educational, Operations and Maintenance, Working Cash and Tort Accounts. The General Fund's budgeted revenues were more than budgeted revenues of \$18,093,946 by \$1,796,990. Actual expenditures of \$20,429,642 were more than budgeted expenditures of \$19,933,173 by \$496,469.

Within these accounts the Educational Account is the most significant budgeted fund. In the Educational Account revenues from other revenue and local sources were under budget by \$35,220, under budget district/school activity income by \$74,106 and under budget from textbooks by \$62,313. Total budgeted revenues in the Educational Account exceeded actual revenues by \$1,585,197. Expenditures in the Educational Account were over budget by \$1,440,189.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016 was \$14,553,574 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and equipment.

	Capital Assets - Net of Depreciation	
	2016	2015
Land	\$ 1,092,698	1,092,698
Construction in Progress	300,524	-
Land Improvements	456,968	500,376
Buildings	12,469,470	12,577,073
Equipment	216,777	275,705
Vehicles	17,137	26,334
Total	<u>14,553,574</u>	<u>14,472,186</u>

This year's major additions included:

Construction in Progress	\$ 300,524
Buildings	<u>502,324</u>
	<u>802,848</u>

Additional information on the District's capital assets can be found in note 3 on page 24 of this report.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

The District retired \$1,982,519 in long-term debt and issued \$7,447,324 concluding the fiscal year with a long-term principal liability of \$9,542,772 in 2016. At the end of FY16, the District had a debt limit of \$36,722,019.

	Long-Term Debt	
	2016	2015
General Obligation Bonds	\$ 9,074,854	3,964,308
Capital Leases	467,918	113,659
Total	9,542,772	4,077,967

Additional information on the District's long-term debt can be found in Note 3 on pages 25 - 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

Local property taxes are the primary revenue source for District 159. The annual increase in property tax is generally limited to the lesser of 5% or the increase in the CPI from the preceding year. Based on the December 2015 CPI, the District 159 property tax increase will be limited to a 0.7% increase, or projected extension of \$229,653 for a levy of \$16,122,837.

Interest income is expected to be very low, yet slightly higher than FY16. The longer-term effects of a recovering economy, low CPI, and reduced interest income will continue to cause the District to approach budgeting in a very conservative fashion.

District 159 staff continue to work collaboratively to improve student achievement through identifying learning targets linked to Illinois state learning standards, integrate technology as an effective learning tool, and redesign teaching methods to provide a wider variety of instruction focused on meeting individual students learning needs, abilities and interests through differentiation.

Due to diligent planning, all of the District's facilities have been constructed or remodeled to create a contemporary learning environment. In the interest of ensuring the safety of all students and staff the District continuously reviews the physical structure of the District.

MOKENA SCHOOL DISTRICT NO. 159

Management's Discussion and Analysis June 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

As the economy continues to move towards a recovery, the District continues to be cautious about increasing budgets and spending. The District will continue to look for efficiencies in the areas of finance. The challenges of stagnating tax rate and uncertainty in state funding will continue to be the focus of the District's budget as we continue to provide the children of Mokena an excellent education. These economic challenges have created a strong bond within our District to be creative and focused in managing our resources.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

Office of the Superintendent
Mokena School District No. 159
11244 Willowcrest Lane
Mokena, Illinois 60448

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

MOKENA SCHOOL DISTRICT NO. 159

Statement of Net Position - Modified Cash Basis

June 30, 2016

See Following Page

MOKENA SCHOOL DISTRICT NO. 159

**Statement of Net Position - Modified Cash Basis
June 30, 2016**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	<u>\$ 16,496,555</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	1,393,222
Depreciable	29,886,944
Accumulated Depreciation	<u>(16,726,592)</u>
Total Noncurrent Assets	<u>14,553,574</u>
Total Assets	<u>31,050,129</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities
	<u> </u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 31
Current Portion of Long-Term Debt	<u>804,627</u>
Total Current Liabilities	<u>804,658</u>
Noncurrent Liabilities	
General Obligation Bonds Payable	8,409,139
Capital Leases Payable	<u>329,006</u>
Total Noncurrent Liabilities	<u>8,738,145</u>
Total Liabilities	<u>9,542,803</u>
NET POSITION	
Net Investment in Capital Assets	8,385,064
Restricted	
Tort Immunity	107,277
Debt Service	1,440,104
Capital Projects	3,157,971
Municipal Retirement/Social Security	350,024
Fire Prevention and Safety	802
Unrestricted	<u>8,066,084</u>
Total Net Position	<u><u>21,507,326</u></u>

The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2016**

		Program Revenues		(Expense)/
		Charges	Operating	Revenue
	Expenses	for	Grants/	Governmental
		Services	Contributions	Activities
Governmental Activities				
Instruction				
Regular Programs	\$ 5,990,505	214,081	122,536	(5,653,888)
Pre-K Programs	102,632	-	-	(102,632)
Special Education Programs	2,413,917	-	1,031,967	(1,381,950)
Other Instructional Programs	278,268	17,893	6,991	(253,384)
State Retirement Contributions	3,917,492	-	3,917,492	-
Support Services				
Pupils	674,537	-	373,830	(300,707)
Instructional Staff	931,235	-	68,856	(862,379)
General Administration	503,315	-	-	(503,315)
School Administration	940,901	-	-	(940,901)
Business	716,735	195,790	88,909	(432,036)
Transportation	844,705	45,709	307,096	(491,900)
Operations and Maintenance	3,688,526	-	287,599	(3,400,927)
Central	1,027,277	-	-	(1,027,277)
Community Services	22,817	-	-	(22,817)
Interest and Fees	3,882,000	-	-	(3,882,000)
Total Governmental Activities	25,934,862	473,473	6,205,276	(19,256,113)
General Revenues				
Taxes				
Property Taxes				15,873,359
Personal Property Replacement Taxes				115,272
State Aid-Formula Grants				697,389
Investment Income				24,958
Miscellaneous				170,610
				16,881,588
Change in Net Position				(2,374,525)
Net Position - Beginning				23,881,851
Net Position - Ending				21,507,326

The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159**Balance Sheet - Modified Cash Basis - Governmental Funds****June 30, 2016**

	General	Special Revenue Transportation	Debt Service	Capital Projects	Nonmajor	Totals
ASSETS						
Cash and Investments	\$ 9,993,573	1,554,081	1,440,104	3,157,971	350,826	16,496,555
LIABILITIES						
Accounts Payable	31	-	-	-	-	31
FUND BALANCES						
Restricted	107,277	-	1,440,104	3,157,971	350,826	5,056,178
Committed	2,171,797	-	-	-	-	2,171,797
Assigned	-	1,554,081	-	-	-	1,554,081
Unassigned	7,714,468	-	-	-	-	7,714,468
Total Fund Balances	9,993,542	1,554,081	1,440,104	3,157,971	350,826	16,496,524
Total Liabilities and Fund Balances	9,993,573	1,554,081	1,440,104	3,157,971	350,826	16,496,555

The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Modified Cash Basis - Governmental Activities**

June 30, 2016

Total Governmental Fund Balances	\$ 16,496,524
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Amounts reported for Governmental Activities in the Statement of Net Position
are different because:

Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	14,553,574
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Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

General Obligation Bonds Payable	(9,074,854)
Capital Leases Payable	<u>(467,918)</u>

Net Position of Governmental Activities	<u><u>21,507,326</u></u>
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MOKENA SCHOOL DISTRICT NO. 159
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Special Revenue Transportation	Debt Service	Capital Projects	Nonmajor	Totals
Revenues						
Local Sources						
Property Taxes	\$ 12,615,557	298,915	2,345,137	-	613,750	15,873,359
Replacement Taxes	63,400	-	-	-	51,872	115,272
Earnings on Investments	18,736	3,045	1,196	1,500	481	24,958
Other Revenue from Local Sources	885,273	46,409	-	-	-	931,682
State Sources	1,357,930	307,096	-	-	-	1,665,026
Federal Sources	1,032,548	-	-	-	-	1,032,548
On-Behalf Payments	3,917,492	-	-	-	-	3,917,492
Total Revenues	19,890,936	655,465	2,346,333	1,500	666,103	23,560,337
Expenditures						
Current						
Instruction						
Regular Programs	5,887,484	-	-	-	103,021	5,990,505
Pre-K Programs	95,654	-	-	-	6,978	102,632
Special Education Programs	2,245,244	-	-	-	101,298	2,346,542
Other Instructional Programs	272,662	-	-	-	5,606	278,268
Support Services						
Pupils	564,444	844,705	-	-	26,307	1,435,456
Instructional Staff	409,520	-	-	-	9,955	419,475
General Administration	473,395	-	-	-	15,652	489,047
School Administration	893,293	-	-	-	47,608	940,901
Business	2,469,348	-	-	330,275	264,990	3,064,613
Central	993,334	-	-	-	30,374	1,023,708
Community Services	22,817	-	-	-	-	22,817
Provisions for Contingencies	2,035,519	-	-	-	-	2,035,519
Payments to Other Districts and Govt. Units	-	67,375	-	-	-	67,375
On Behalf Payments	3,917,492	-	-	-	-	3,917,492
Debt Service						
Principal Retirement	148,065	-	820,778	-	-	968,843
Interest and Fiscal Charges	1,371	-	1,781,259	-	-	1,782,630
Total Expenditures	20,429,642	912,080	2,602,037	330,275	611,789	24,885,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	(538,706)	(256,615)	(255,704)	(328,775)	54,314	(1,325,486)
Other Financing Sources (Uses)						
Disposal of Capital Assets	100	-	-	-	-	100
Debt Issuance	3,990,683	-	3,456,641	-	-	7,447,324
Premium on Debt Issuance	216,179	-	214,214	-	-	430,393
Payment to Escrow Agent	-	-	(3,543,439)	-	-	(3,543,439)
Transfers In	3,481,223	-	-	3,481,223	-	6,962,446
Transfers Out	(6,962,446)	-	-	-	-	(6,962,446)
	725,739	-	127,416	3,481,223	-	4,334,378
Net Change in Fund Balances	187,033	(256,615)	(128,288)	3,152,448	54,314	3,008,892
Fund Balances - Beginning	9,806,509	1,810,696	1,568,392	5,523	296,512	13,487,632
Fund Balances - Ending	9,993,542	1,554,081	1,440,104	3,157,971	350,826	16,496,524

The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Modified Cash Basis - Governmental Activities**

For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 3,008,892
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Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental Funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	802,848
Depreciation Expense	(721,460)

The issuance of long-term debt provides current financial resources to
Governmental Funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Retirement of Long-Term Debt	1,982,519
Issuance of Long-Term Debt	<u>(7,447,324)</u>

Changes in Net Position of Governmental Activities	<u><u>(2,374,525)</u></u>
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The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159

Statement of Fiduciary Assets and Liabilities - Modified Cash Basis - Agency Funds
June 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	<u>\$ 17,113</u>
LIABILITIES	
Due to Activity Fund Organizations	<u>17,113</u>

The notes to the financial statements are an integral part of this statement.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mokena School District No. 159 (the “District”) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District’s operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District’s functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, interest income, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid. The General Fund is a major fund, and is comprised of the Educational, Operations and Maintenance, Working Cash and Tort Funds.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds. The District maintains one major special revenue fund. The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants. The District also maintains one nonmajor special revenue fund.

Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital projects funds are used to account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities. The Capital Projects Fund, a major fund, is used to account for the financial resources to be used for the acquisition or construction of, and/or addition to, major capital facilities. The District also maintains one nonmajor capital projects fund.

Fiduciary Funds

Fiduciary 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 or other funds.

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

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

The District's agency funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

The government-wide financial statements are reported using the economic measurement focus within the limitations of the modified cash basis of accounting.

Governmental fund and financial statements are reported using a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds used fund balance as their measure of available spendable financial resources at the end of the period.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

The financial statements are presented using the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis recognizes assets, liabilities, net position, receipts, and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statements.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not result from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the net pension liability as calculated under GASB 68 has not been recorded, and pension expense in the financial statements represents cash paid during the year rather than the amount calculated under GASB 68.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is 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 expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Buildings	20 - 50 Years
Equipment	5 - 10 Years
Vehicles	5 Years

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Deferred Inflows/Outflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. A deferred outflow of resources represents a reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense) until that future time.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position – Continued

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

4. The Superintendent is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

During the fiscal year ended June 30, 2016, supplemental budget appropriations were made.

ON-BEHALF PAYMENTS

The Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (GAAP Basis) includes “on-behalf” payments received and made for the amounts contributed by the State of Illinois for the employer’s share of the Teachers Retirement System pension. The District budgets for these amounts in the Educational Account of the General Fund. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund Budgetary Basis	\$ 2,608,121	2,608,121
To Adjust for On-Behalf Payments Received	1,309,371	-
To Adjust for On-Behalf Payments Made	-	<u>1,309,371</u>
General Fund GAAP Basis	<u>3,917,492</u>	<u>3,917,492</u>

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAP+), the Illinois Funds, and the Illinois Trust.

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

Illinois Trust is an investment pool managed by a board of trustees, which allows Illinois public investors to pool their funds for investment purposes. The Illinois Portfolio Fund IIIT Class (IIIT) is an investment option of the Trust designed for public entities other than park district, conservation districts, join recreational programs, and forest preserve districts within the State. The Fund administrator and advisor is PFM Asset Management, LLC. Investments in the fund are valued at the Trust's share price, which is the price for which the investment could be sold.

The ISDLAP+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$8,579,417 and the bank balances totaled \$8,806,595.

Investments. The District has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Illinois Funds	\$ 113,659	113,659	-
IIIT	2,865,897	2,865,897	-
ISDLAP+	4,937,582	4,937,582	-
	7,917,138	7,917,138	-

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the policy requires the District investment portfolio to be sufficiently liquid to enable the District to meet all operating requirements as they come due. A portion of the portfolio is required to be invested in readily available funds to ensure appropriate liquidity.

Custodial Credit Risk – Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2016, the bank balance of the District's deposits with financial institutions totaled \$8,806,595; this entire amount was insured through FDIC insurance.

Custodial Credit Risk – Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not address custodial credit risk for investments. At year end, the District investments in Illinois Funds, ISDLAP+, and IIIT were not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy states that investments in corporate paper are further restricted and cannot comprise more than ten percent of the total investment portfolio. At year-end, the Village's investment in the Illinois Funds was rated AAAm by Standard & Poor's. The IIIT was rated AAAf to AAAm by Standard and Poor's and the District's investment in ISDLAP+ was not rated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires diversification of the investment portfolio to minimize risk of loss from over-concentration in a particular type of security, risk factor, issuer, or maturity. The investment policy requires that the Board of Education receive a report detailing the current investments on a quarterly basis to review compliance with the objectives of the policy. At year-end, the District has over 5 percent of the total cash and investment portfolio invested in IIIT and in ISDLAP+.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2015 levy resolution was approved during the August 26, 2015 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner to real property on January 1 in any year is liable for taxes of that year.

Property taxes are collected by the County Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments the following year: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 30 days of the respective installment dates. The portion of the 2014 levy received after June 30, 2015, and the portion of the 2015 levy received on or before June 30, 2016, are reported as income during fiscal year 2016.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

INTERFUND TRANSFERS

During the year, the Board of Education authorized the abatement of a portion of the General Fund (Working Cash Accounts), thereby transferring fund balance of \$3,481,223 to the General Fund (Educational Accounts). State law allows for the above transfer.

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Projects	General	<u><u>\$ 3,481,223</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

JOINT AGREEMENTS

The District, in conjunction with five other area school districts, has created the Lincoln-Way Area Special Education Cooperative. The Cooperative's Board of Directors is composed of one member from each of the six participating school districts. The Cooperative charged the District \$2,055,814 for special education, transportation, and related expenditures during the year ended June 30, 2016.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,092,698	-	-	1,092,698
Construction in Progress	-	300,524	-	300,524
	<u>1,092,698</u>	<u>300,524</u>	<u>-</u>	<u>1,393,222</u>
Depreciable Capital Assets				
Land Improvements	1,116,298	-	-	1,116,298
Buildings	25,867,428	502,324	-	26,369,752
Equipment	2,110,346	-	-	2,110,346
Vehicles	290,548	-	-	290,548
	<u>29,384,620</u>	<u>502,324</u>	<u>-</u>	<u>29,886,944</u>
Less Accumulated Depreciation				
Land Improvements	615,922	43,408	-	659,330
Buildings	13,290,355	609,927	-	13,900,282
Equipment	1,834,641	58,928	-	1,893,569
Vehicles	264,214	9,197	-	273,411
	<u>16,005,132</u>	<u>721,460</u>	<u>-</u>	<u>16,726,592</u>
Total Net Depreciable Capital Assets	<u>13,379,488</u>	<u>(219,136)</u>	<u>-</u>	<u>13,160,352</u>
Total Net Capital Assets	<u>14,472,186</u>	<u>81,388</u>	<u>-</u>	<u>14,553,574</u>

Depreciation expense was charged to governmental activities as follows:

Instructional	\$ 511,760
Pupil Support	71,924
Operations and Maintenance	101,378
Transportation	11,862
Administration	14,268
Business	6,699
Central Support	<u>3,569</u>
	<u>721,460</u>

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 1996 - Due in annual installment of \$54,518 to \$185,000 plus semi-annual interest at 6.275% through December 1, 2015.	\$ 54,717	-	54,717	-
Capital Appreciation School Bonds of 2000 - Due in annual installment of \$480,570 to \$2,275,000 plus semi-annual interest at 7.147% through December 1, 2019.	3,909,591	-	1,013,676 * 766,061	2,129,854
General Obligation Limited Working Cash School Bonds of 2016A - Due in annual installment of \$85,000 to \$200,000 plus semi-annual interest at 2.00% to 4.00% through December 1, 2035.	-	2,865,000	-	2,865,000
General Obligation Refunding School Bonds of 2016B - Due in annual installment of \$195,000 to \$335,000 plus semi-annual interest at 3.00% to 4.00% through December 1, 2035.	-	4,080,000	-	4,080,000
	3,964,308	6,945,000	1,834,454	9,074,854

*Refunded Amount

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Capital Leases

The District has entered into capital lease agreements as lessee for financing the acquisition of equipment. Capital assets of \$655,419 have been added to equipment as a result of the capital leases. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases have been recorded as liabilities of the governmental activities. The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Fiscal Year	Governmental Activities
2017	\$ 149,435
2018	149,436
2019	110,000
2020	82,556
	<u>491,427</u>
Interest Portion	<u>(23,509)</u>
Principal Balance	<u><u>467,918</u></u>

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
General Obligation Bonds	\$ 3,964,308	6,945,000	1,834,454	9,074,854	665,715
Capital Leases	113,659	502,324	148,065	467,918	138,912
	<u>4,077,967</u>	<u>7,447,324</u>	<u>1,982,519</u>	<u>9,542,772</u>	<u>804,627</u>

The general obligation bonds and capital leases are being liquidated by the Debt Service Fund.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2017	\$ 665,715	1,580,468
2018	663,033	1,587,167
2019	625,535	1,622,465
2020	595,571	1,655,180
2021	310,000	239,950
2022	320,000	230,500
2023	330,000	220,750
2024	335,000	210,775
2025	345,000	200,575
2026	360,000	188,200
2027	375,000	173,500
2028	390,000	158,200
2026	410,000	142,200
2030	425,000	125,500
2031	440,000	108,200
2032	455,000	90,300
2033	480,000	71,600
2034	495,000	52,100
2035	520,000	31,800
2036	535,000	10,700
Totals	9,074,854	8,700,130

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Defeased Debt

On March 7, 2016, the District issued \$4,080,000 par value General Obligation Refunding School Bonds of 2016B to refund \$1,013,676 of the Capital Appreciation School Bonds of 2000. The District defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the District increased its total debt service by \$1,579,843 and obtained an economic loss of \$1,546,429.

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2015	<u>\$ 532,203,181</u>
Legal Debt Limit - 6.9% of Assessed Value	36,722,019
Amount of Debt Applicable to Limit	<u>9,542,772</u>
Legal Debt Margin	<u>27,179,247</u>

FUND BALANCE/NET POSITION

Fund Balance Classifications

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Committed Fund Balance. Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Education). Formal Board approval (ordinance and/or resolution) is required to establish, modify or rescind a fund balance commitment.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications – Continued

Minimum Fund Balance Policy. The District's fund balance policy states that the Superintendent or designee shall maintain fund balances sufficient to ensure the District's ability to maintain levels of service, maintain its credit rating, and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The Superintendent shall inform the Board whenever the District must draw upon reserves or borrow money. The District shall seek to maintain the year-end average fund balance to no less than 33% and no greater than 65% of the annual expenditures. In the event that the year-end average fund balance falls outside of this range, the Superintendent or designee shall provide the Board with an explanatory report detailing plans for operating outside the established range and a timeline for returning within this range.

Assigned Fund Balance. Amounts the District intends to use for a specific purpose. Intent can be expressed by the Board itself or by an individual or body to which the Board delegates the authority, as authorized in the District's fund balance policy.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Transportation	Debt Service	Capital Projects	Nonmajor	Totals
Fund Balances						
Restricted						
Tort Immunity	\$ 107,277	-	-	-	-	107,277
Debt Service	-	-	1,440,104	-	-	1,440,104
Capital Projects	-	-	-	3,157,971	-	3,157,971
Municipal Retirement/Soc. Sec.	-	-	-	-	350,024	350,024
Fire Prevention and Safety	-	-	-	-	802	802
	107,277	-	1,440,104	3,157,971	350,826	5,056,178
Committed						
Working Cash	2,171,797	-	-	-	-	2,171,797
Assigned						
Transportation	-	1,554,081	-	-	-	1,554,081
Unassigned	7,714,468	-	-	-	-	7,714,468
Total Fund Balances	9,993,542	1,554,081	1,440,104	3,157,971	350,826	16,496,524

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Net Position Classifications

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 14,553,574
Plus: Unspent Bond Proceeds	3,374,262
Less Capital Related Debt:	
General Obligation Bonds	(9,074,854)
Capital Leases	<u>(467,918)</u>
Net Investment in Capital Assets	<u>8,385,064</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: the Collective Liability Insurance Cooperative (CLIC) for property, general liability, automobile, employee dishonesty, student accidents, excess liability claims up to specified limits, and workers' compensation claims. The District pays annual premiums to the pools for insurance coverage. The arrangement with the pool provides that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

State and Federal Aid Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowance, if any, would be immaterial.

OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides 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. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

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

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

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$80,604, and the District recognized revenues and expenditures of this amount during the year.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Teachers' Health Insurance Security – Continued

State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02 and 0.97 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$73,774 and \$65,017, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.80 percent during the year ended June 30, 2016 and 0.76 and 0.72 percent during the years ended June 30, 2015 and 2014, respectively. For the years ended June 30, 2016, 2015 and 2014 the District paid \$60,264, \$54,969 and \$48,260 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

The publically 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 2016 and 2015 reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, only two employees have chosen to stay in the District's health insurance plan. As the explicit cost of the two retirees paying 100% of the premium is immaterial, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded any post-employment benefit liability as of June 30, 2016.

RETIREMENT SYSTEMS

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

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System

Plan Descriptions, Provisions and Funding Policies

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 only be made 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 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 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 at the percentage of average salary to which the member is entitled. Most members require 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 2 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 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement beginning January 1 following the attainment of age 61 or on January 1 following the members' first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of 3 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 members' first anniversary in retirement, whichever is later.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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 contributions rates are specified by the pension code. The active member contribution rate for the year ended June 30, 2016, 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. The active member contribution rate was also 9.4 percent for the years ended June 30, 2015 and June 30, 2014.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$3,836,888 in pension contributions from the State.

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 years ended June 30, 2016, 2015 and 2014 were \$43,692, \$41,950, and \$38,876, respectively. The June 30, 2016 contributions are deferred because they were paid after the June 30, 2015 measurement date.

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

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Contributions – Continued

For the fiscal year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal a special trust funds. For the fiscal years ended June 30, 2015 and 2014, the employer pension contribution was 33.00 and 35.41 percent of salaries paid from those funds, respectively. For the fiscal year ended June 30, 2016, salaries totaling \$51,489 were paid from federal and special trust funds that required employer contributions of \$18,567, which was equal to the District's actual contributions. For the fiscal years ended June 30, 2015 and 2014, required District contributions were \$22,391 and \$21,106, respectively.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring early under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contributions under the current program is 146.5 percent and applies when them member is age 55 at retirement. For the year ended June 30, 2016, the employer did not make any payments to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increased over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required to members granted sick leave days in excess of the normal annual allotment of those days are used as TRS service credit. For the year ended June 30, 2016, the employer paid \$5,643 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.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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

At June 30, 2016, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosures purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's Proportionate Share of the Net Pension Liability	\$ 1,202,921
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>46,832,184</u>
Total	<u><u>48,035,105</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was 0.0018 percent.

The net pension liability as of the beginning of the measurement period under GASB Statement No. 68 was measured as of June 30, 2014, and the total pension liability was based on the June 30, 2014, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2014 was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was 0.0017 percent.

For the year ended June 30, 2016, the employer recognized pension expense on a cash basis of accounting of \$3,836,888 and revenue of \$3,836,888 for support provided by the state. At June 30, 2016, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 447	(1,319)	(872)
Net Difference Between Projected and Actual Earnings on Pension Investments	23,823	(42,122)	(18,299)
Changes of Assumptions	16,635	-	16,635
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	78,956	(139,106)	(60,150)
Employer Contributions Subsequent to the Measurement Date	62,259	-	62,259
Totals	182,120	(182,547)	(427)

\$62,259 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, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2017	\$ 33,720
2018	(28,539)
2019	(28,539)
2020	22,931
2021	-
	(427)

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

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

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.00 Percent
Salary Increases:	Varies by Amount of Service Credit
Investment Rate of Return:	7.50 Percent, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumption used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updated 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 from their 2013 levels.

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

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Actuarial Assumptions – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	18.00%	7.53%
Global Equity Excluding U.S.	18.00%	7.88%
Aggregate Bonds	16.00%	1.57%
U.S. TIPS	2.00%	2.82%
NCREIF	11.00%	5.11%
Opportunistic Real Estate	4.00%	9.09%
ARS	8.00%	2.57%
Risk Parity	8.00%	4.87%
Diversified Inflation Strategy	1.00%	3.26%
Private Equity	14.00%	12.33%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 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 1's liability is partially-funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 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.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Teachers' Retirement System – Continued

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's Proportionate Share of the Net Pension Liability	\$ 1,486,515	1,202,921	970,366

Illinois Municipal Retirement Fund (IMRF)

Plan Description

Plan Administration. 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 Library's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

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

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.

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	70
Inactive Plan Members Entitled to but not yet Receiving Benefits	105
Active Plan Members	<u>108</u>
Total	<u><u>283</u></u>

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Description – Continued

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2015 was 12.42% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

A Single Discount Rate of 7.46% 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 3.57%, and the resulting single discount rate is 7.46%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.46%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.46%)	Current Discount Rate (7.46%)	1% Increase (8.46%)
Net Pension Liability	\$ 3,901,288	2,196,088	801,092

MOKENA SCHOOL DISTRICT NO. 159**Notes to the Financial Statements
June 30, 2016****NOTE 4 – OTHER INFORMATION – Continued****RETIREMENT SYSTEMS – Continued****Illinois Municipal Retirement Fund (IMRF) – Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 11,631,102	10,306,760	1,324,342
Changes for the year:			
Service Cost	271,271	-	271,271
Interest on the Total Pension Liability	865,883	-	865,883
Differences Between Expected and Actual Experience of the Total Pension Liability	(8,969)	-	(8,969)
Changes of Assumptions	31,298	-	31,298
Contributions - Employer	-	302,481	(302,481)
Contributions - Employees	-	113,094	(113,094)
Net Investment Income	-	51,619	(51,619)
Benefit Payments, including Refunds of Employee Contributions	(381,523)	(381,523)	-
Other (Net Transfer)	-	(179,457)	179,457
Net Changes	777,960	(93,786)	871,746
Balances at December 31, 2015	12,409,062	10,212,974	2,196,088

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended June 30, 2016, the District recognized pension expense of \$663,704 on a cash basis. At June 30, 2016 under GAAP, the District would have reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts to be Recognized in Pension Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 117,040	(6,378)	110,662
Changes of Assumptions	222,880	-	222,880
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	655,375	-	655,375
Pension Contributions made Subsequent to the Measurement	157,782	-	157,782
Total Deferred Amounts Related to Pensions	1,153,077	(6,378)	1,146,699

MOKENA SCHOOL DISTRICT NO. 159

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

RETIREMENT SYSTEMS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 543,305
2018	286,497
2019	173,710
2020	143,187
2021	-
Thereafter	<u>-</u>
Total	<u><u>1,146,699</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund
- Combining Statements – General Fund Subfunds
- Budgetary Comparison Schedules – General Fund Accounts
- Budgetary Comparison Schedules – Major Governmental Accounts
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Schedule of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational, Operations and Maintenance, Working Cash and Tort Funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Transportation Fund

The Transportation Fund is used to account for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

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

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of, and/or addition to, major capital facilities.

Fire Prevention and Safety Fund

The Fire Prevention and Safety Fund is used to account for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

FIDUCIARY FUNDS

Fiduciary 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 or other funds.

AGENCY FUNDS

Student Activity, Convenience Accounts, and Other Agency Funds

The Student Activity Fund is used to account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. The Convenience Accounts Fund is used to account for assets that are normally maintained by a local educational agency as a convenience for its faculty, staff, etc.

MOKENA SCHOOL DISTRICT NO. 159

Teachers' Retirement System

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions June 30, 2016

	6/30/15	6/30/16*
Employer's Proportion of the Net Pension Liability	0.0017%	0.0018%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,023,149	1,202,921
State's Proportionate Share of the Net Pension Liability Associated with the Employer	41,354,639	46,832,184
Total	42,377,788	48,035,105
Employer's Covered-Employee Payroll	\$ 7,232,726	7,533,046
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	14.15%	13.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43.00%	41.50%
* The amounts presented were determined as of the prior fiscal year end.		
Contractually-Required Contribution	\$ 64,341	62,259
Contributions in Relation to the Contractually-Required Contribution	\$ 64,341	62,259
Contribution Deficiency (Excess)	\$ -	-
Employer's Covered-Employee Payroll	\$ 7,232,726	7,533,046
Contributions as a % of Covered-Employee Payroll	0.89%	0.83%

Notes:

Amounts reported in 2015 reflect an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and a salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5%, an inflation rate of 3.0% and real return of 4.5%, and salary increases of 5.75%. 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.

MOKENA SCHOOL DISTRICT NO. 159**Illinois Municipal Retirement Fund****Schedule of Employer Contributions****June 30, 2016**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 299,696	\$ 287,334	\$ (12,362)	\$ 2,296,519	12.51%
2015	302,481	302,481	-	2,435,433	12.42%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

MOKENA SCHOOL DISTRICT NO. 159**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability****June 30, 2016**

	12/30/14	12/30/15
Total Pension Liability		
Service Cost	\$ 249,878	271,271
Interest	763,638	865,883
Differences Between Expected and Actual Experience	270,566	(8,969)
Change of Assumptions	463,784	31,298
Benefit Payments, Including Refunds of Member Contributions	(347,323)	(381,523)
Net Change in Total Pension Liability	1,400,543	777,960
Total Pension Liability - Beginning	10,230,559	11,631,102
Total Pension Liability - Ending	11,631,102	12,409,062
Plan Fiduciary Net Position		
Contributions - Employer	\$ 287,334	302,481
Contributions - Members	100,717	113,094
Net Investment Income	586,704	51,619
Benefit Payments, Including Refunds of Member Contributions	(347,323)	(381,523)
Other (Net Transfer)	81,593	(179,457)
Net Change in Plan Fiduciary Net Position	709,025	(93,786)
Plan Net Position - Beginning	9,597,735	10,306,760
Plan Net Position - Ending	10,306,760	10,212,974
Employer's Net Pension Liability	\$ 1,324,342	2,196,088
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.61%	82.30%
Covered-Employee Payroll	\$ 2,296,519	2,435,433
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	57.67%	90.17%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

MOKENA SCHOOL DISTRICT NO. 159

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Modified Cash Basis

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources				
Property Taxes	\$ 12,647,947	12,647,947	12,615,557	(32,390)
Personal Property Replacement Taxes	68,000	68,000	63,400	(4,600)
Earnings on Investments	8,520	8,520	18,736	10,216
Other	817,630	817,630	885,273	67,643
State Sources	1,153,788	1,153,788	1,357,930	204,142
Federal Sources	789,940	789,940	1,032,548	242,608
On-Behalf Payments - State of Illinois	-	2,608,121	3,917,492	1,309,371
Total Revenues	15,485,825	18,093,946	19,890,936	1,796,990
Expenditures				
Current				
Instruction	8,668,051	8,767,305	8,501,044	266,261
Support Services	5,888,479	5,907,979	5,803,334	104,645
Community Services	15,074	22,422	22,817	(395)
Provision for Contingencies	560,000	560,000	-	560,000
Payments to Other Districts and Government Units	2,193,448	2,067,346	2,035,519	31,827
On Behalf Payments	-	2,608,121	3,917,492	(1,309,371)
Debt Service				
Principal Retirement	-	-	148,065	(148,065)
Interest and Other	-	-	1,371	(1,371)
Total Expenditures	17,325,052	19,933,173	20,429,642	(496,469)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,839,227)	(1,839,227)	(538,706)	1,300,521
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	100	100
Debt Issuance	-	3,488,359	3,990,683	502,324
Premium on Debt Issuance	-	216,179	216,179	-
Transfers In	-	3,481,223	3,481,223	-
Transfers Out	-	(6,962,446)	(6,962,446)	-
	-	223,315	725,739	502,424
Net Change in Fund Balances	(1,839,227)	(1,615,912)	187,033	1,802,945
Fund Balances - Beginning			9,806,509	
Fund Balances - Ending			9,993,542	

MOKENA SCHOOL DISTRICT NO. 159**General Fund - by Accounts****Combining Balance Sheet - Modified Cash Basis****June 30, 2016**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Account	Totals
ASSETS					
Cash and Investments	\$ 5,524,032	2,190,467	2,171,797	107,277	9,993,573
LIABILITIES					
Accounts Payable	31	-	-	-	31
FUND BALANCES					
Restricted	-	-	-	107,277	107,277
Committed	-	-	2,171,797	-	2,171,797
Unassigned	5,524,001	2,190,467	-	-	7,714,468
Total Fund Balances	5,524,001	2,190,467	2,171,797	107,277	9,993,542
Total Liabilities and Fund Balances	5,524,032	2,190,467	2,171,797	107,277	9,993,573

MOKENA SCHOOL DISTRICT NO. 159
General Fund - by Accounts
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2016**

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Account	Totals
Revenues					
Local Sources					
Property Taxes	\$ 11,250,320	1,167,951	64,854	132,432	12,615,557
Replacement Taxes	63,400	-	-	-	63,400
Earnings on Investments	8,439	4,138	6,127	32	18,736
Other Revenue from Local Sources	597,674	287,599	-	-	885,273
State Sources	1,078,369	279,561	-	-	1,357,930
Federal Sources	1,032,548	-	-	-	1,032,548
On-Behalf Payments - State of Illinois	3,917,492	-	-	-	3,917,492
Total Revenues	17,948,242	1,739,249	70,981	132,464	19,890,936
Expenditures					
Current					
Instruction					
Regular Programs	5,887,484	-	-	-	5,887,484
Pre-K Programs	95,654	-	-	-	95,654
Special Education Programs	2,245,244	-	-	-	2,245,244
Other Instructional Programs	272,662	-	-	-	272,662
Support Services					
Pupils	564,444	-	-	-	564,444
Instructional Staff	409,520	-	-	-	409,520
General Administration	433,256	-	-	40,139	473,395
School Administration	893,293	-	-	-	893,293
Business	816,341	1,653,007	-	-	2,469,348
Central	993,334	-	-	-	993,334
Community Services	22,817	-	-	-	22,817
Payments to Other Districts and					
Government Units	1,982,275	53,244	-	-	2,035,519
On-Behalf Payments - State of Illinois	3,917,492	-	-	-	3,917,492
Debt Service					
Principal Retirement	148,065	-	-	-	148,065
Interest and Fiscal Charges	1,371	-	-	-	1,371
Total Expenditures	18,683,252	1,706,251	-	40,139	20,429,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	(735,010)	32,998	70,981	92,325	(538,706)
Other Financing Sources (Uses)					
Disposal of Capital Assets	-	-	-	100	100
Debt Issuance	502,324	-	3,488,359	-	3,990,683
Premium on Debt Issuance	-	-	216,179	-	216,179
Transfers In	-	3,481,223	-	-	3,481,223
Transfers Out	-	(3,481,223)	(3,481,223)	-	(6,962,446)
	502,324	-	223,315	100	725,739
Net Change in Fund Balances	(232,686)	32,998	294,296	92,425	187,033
Fund Balances - Beginning	5,756,687	2,157,469	1,877,501	14,852	9,806,509
Fund Balances - Ending	5,524,001	2,190,467	2,171,797	107,277	9,993,542

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 10,821,753	10,821,753	10,805,930	(15,823)
Special Education Levy	441,813	441,813	444,390	2,577
Payments in Lieu of Taxes				
Corporate Purpose Property				
Replacement Taxes	68,000	68,000	63,400	(4,600)
Tuition	-	-	17,893	17,893
Earnings on Investments	5,000	5,000	8,439	3,439
Food Service	182,000	182,000	195,790	13,790
District/School Activity Income	125,500	125,500	51,394	(74,106)
Textbooks	225,000	225,000	162,687	(62,313)
Other Revenue from Local Sources	205,130	205,130	169,910	(35,220)
Total Local Sources	12,074,196	12,074,196	11,919,833	(154,363)
State Sources				
General State Aid	390,000	390,000	417,828	27,828
Special Education				
Private Facility Tuition	125,000	125,000	113,568	(11,432)
Children Req. Spec. Ed. Svcs.	150,000	150,000	203,671	53,671
Personnel	200,000	200,000	309,972	109,972
Orphanage - Individual	12,500	12,500	23,912	11,412
Summer School	1,000	1,000	1,841	841
Career and Technical Education (CTE)				
Special Program Improvement	1,264	1,264	1,264	-
Bilingual Ed - Downstate - TPI and TBE	8,813	8,813	4,763	(4,050)
State Fee Lunch and Breakfast	1,000	1,000	586	(414)
Learning Improvement - Change Grants	1,211	1,211	964	(247)
Total State Sources	890,788	890,788	1,078,369	187,581
Federal Sources				
Food Service - National Lunch Program	100,000	100,000	88,323	(11,677)
Title I - Low Income	116,438	116,438	122,536	6,098
Federal - Special Education				
Preschool Discretionary	20,878	20,878	21,321	443

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues - Continued				
Federal Sources - Continued				
Federal - Special Education				
IDEA Flow-Through	\$ 388,721	388,721	357,682	(31,039)
Title II - Teacher Quality	63,903	63,903	68,856	4,953
Medicaid Administrative Outreach	18,000	18,000	17,905	(95)
Medicaid Fee for Service	82,000	82,000	355,925	273,925
Total Federal Sources	789,940	789,940	1,032,548	242,608
On-Behalf Payments	-	2,608,121	3,917,492	1,309,371
Total Revenues	13,754,924	16,363,045	17,948,242	1,585,197
Expenditures				
Instruction				
Regular Programs				
Salaries	4,925,675	4,925,675	4,806,643	119,032
Employee Benefits	769,639	769,639	745,341	24,298
Purchased Services	369,204	194,802	15,799	179,003
Supplies and Materials	20,398	213,300	311,918	(98,618)
Other	3,500	3,500	2,496	1,004
Non-Capitalized Equipment	7,500	7,500	5,287	2,213
Total Regular Programs	6,095,916	6,114,416	5,887,484	226,932
Pre-K Programs				
Salaries	76,866	76,866	76,801	65
Employee Benefits	20,335	20,335	17,910	2,425
Supplies and Materials	1,000	1,000	943	57
Total Pre-K Programs	98,201	98,201	95,654	2,547
Special Education Programs				
Salaries	1,828,416	1,842,943	1,753,824	89,119
Employee Benefits	363,589	363,589	345,323	18,266
Purchased Services	(36,254)	34,500	133,811	(99,311)
Supplies and Materials	-	10,000	9,044	956
Other	4,000	4,000	3,242	758
Total Special Education Programs	2,159,751	2,255,032	2,245,244	9,788

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Instruction - Continued				
Remedial and Supplemental Programs K-12				
Salaries	\$ 134,828	134,828	132,905	1,923
Employee Benefits	45,945	45,945	46,018	(73)
Supplies and Materials	10,000	10,000	7,836	2,164
Total Remedial and Supplemental Programs K-12	190,773	190,773	186,759	4,014
CTE Programs				
Supplies and Materials	1,264	1,264	-	1,264
Interscholastic Programs				
Supplies and Materials	22,000	21,000	15,162	5,838
Other	1,300	2,300	3,261	(961)
Total Interscholastic Programs	23,300	23,300	18,423	4,877
Bilingual Programs				
Salaries	91,176	76,649	60,356	16,293
Employee Benefits	670	670	655	15
Purchased Services	500	500	-	500
Supplies and Materials	6,500	6,500	6,469	31
Total Bilingual Program	98,846	84,319	67,480	16,839
Total Instruction	8,668,051	8,767,305	8,501,044	266,261
Support Services				
Pupils				
Attendance and Social Work Services				
Salaries	222,667	222,667	212,080	10,587
Employee Benefits	39,252	39,252	39,460	(208)
Total Attendance and Social Work	261,919	261,919	251,540	10,379

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Pupils - Continued				
Health Services				
Salaries	\$ 103,784	103,784	104,016	(232)
Employee Benefits	15,678	15,678	15,679	(1)
Supplies and Materials	5,000	5,000	4,172	828
Total Health Services	124,462	124,462	123,867	595
Psychological Services				
Salaries	162,251	162,251	157,961	4,290
Employee Benefits	31,597	31,597	31,076	521
Total Psychological Services	193,848	193,848	189,037	4,811
Total Pupils	580,229	580,229	564,444	15,785
Instructional Staff				
Improvement of Instructional Services				
Salaries	250,422	250,422	263,913	(13,491)
Employee Benefits	36,841	36,841	36,449	392
Purchased Services	44,002	63,502	79,699	(16,197)
Supplies and Materials	10,400	10,400	15,664	(5,264)
Total Improvement				
Instructional Service	341,665	361,165	395,725	(34,560)
Educational Media Services				
Supplies and Materials	9,250	9,250	7,063	2,187
Assessment and Testing				
Supplies and Materials	6,500	6,500	6,732	(232)
Total Instructional Staff	357,415	376,915	409,520	(32,605)

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration				
Board of Education Services				
Salaries	\$ 1,500	1,500	1,446	54
Purchased Services	81,500	81,500	58,338	23,162
Supplies and Materials	10,500	10,500	5,413	5,087
Other	8,250	8,250	8,175	75
Total Board of Education Services	101,750	101,750	73,372	28,378
Executive Administration Services				
Salaries	232,079	232,079	240,504	(8,425)
Employee Benefits	59,065	59,065	61,565	(2,500)
Purchased Services	8,990	9,000	7,579	1,421
Supplies and Materials	7,510	7,500	4,354	3,146
Non-Capitalized Equipment	10,000	10,000	6,435	3,565
Total Executive Administration Services	317,644	317,644	320,437	(2,793)
Tort Immunity Services				
Purchased Services	30,000	30,000	39,447	(9,447)
Total General Administration	449,394	449,394	433,256	16,138
School Administration				
Office of the Principal Services				
Salaries	634,204	634,204	643,320	(9,116)
Employee Benefits	232,776	232,776	233,254	(478)
Purchased Services	20,000	20,000	9,886	10,114
Supplies and Materials	7,750	7,750	4,917	2,833
Other	2,200	2,200	278	1,922
Non-Capitalized Equipment	6,000	6,000	1,638	4,362
Total School Administration	902,930	902,930	893,293	9,637

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Business				
Direction of Business Support Services				
Salaries	\$ 50,848	50,848	46,093	4,755
Employee Benefits	16,049	16,049	17,108	(1,059)
Purchased Services	4,000	4,000	1,194	2,806
Supplies and Materials	100	100	28	72
Total Direction of Business Support Services	70,997	70,997	64,423	6,574
Fiscal Services				
Salaries	92,221	92,221	93,288	(1,067)
Employee Benefits	25,130	25,130	24,972	158
Purchased Services	5,500	5,500	6,666	(1,166)
Supplies and Materials	3,000	3,000	1,334	1,666
Total Fiscal Services	125,851	125,851	126,260	(409)
Operation and Maintenance of Plant Services				
Salaries	225,567	225,567	226,704	(1,137)
Employee Benefits	45,178	45,178	47,002	(1,824)
Purchased Services	40,000	40,000	34,164	5,836
Supplies and Materials	500	500	-	500
Total Operation and Maintenance of Plant Services	311,245	311,245	307,870	3,375
Food Services				
Salaries	184,654	184,654	173,169	11,485
Employee Benefits	12,435	12,435	12,435	-
Purchased Services	3,100	3,100	3,433	(333)
Supplies and Materials	137,250	137,250	127,436	9,814
Other	1,000	1,000	1,315	(315)
Total Food Services	338,439	338,439	317,788	20,651
Total Business	846,532	846,532	816,341	30,191

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Central				
Information Services				
Purchased Services	\$ 53,000	53,000	44,351	8,649
Staff Services				
Purchased Services	2,500	2,500	1,812	688
Data Processing Services				
Salaries	146,976	146,976	150,410	(3,434)
Employee Benefits	53,180	53,180	48,279	4,901
Purchased Services	130,278	130,278	119,027	11,251
Supplies and Materials	(17,600)	50,000	58,795	(8,795)
Other	-	-	502,324	(502,324)
Non-Capitalized Equipment	321,400	253,800	68,336	185,464
Total Data Processing	634,234	634,234	947,171	(312,937)
Total Central	689,734	689,734	993,334	(303,600)
Total Support Services	3,826,234	3,845,734	4,110,188	(264,454)
Community Services				
Salaries	1,652	9,000	10,587	(1,587)
Purchased Services	13,422	13,422	4,750	8,672
Supplies and Materials	-	-	7,480	(7,480)
Total Community Services	15,074	22,422	22,817	(395)
Payments to Other Districts and Governmental Units				
Payments for Special Education Programs				
Purchased Services	1,910,319	1,784,217	1,648,589	135,628
Other	215,264	215,264	333,686	(118,422)
Total Payments to Other Districts and Governmental Units	2,125,583	1,999,481	1,982,275	17,206

MOKENA SCHOOL DISTRICT NO. 159**Educational Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued**
Modified Cash Basis
For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
On Behalf Payments	\$ -	2,608,121	3,917,492	(1,309,371)
Debt Service				
Principal Retirement	-	-	148,065	(148,065)
Interest and Fiscal Charges	-	-	1,371	(1,371)
Total Debt Service	-	-	149,436	(149,436)
Total Expenditures	14,634,942	17,243,063	18,683,252	(1,440,189)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(880,018)	(880,018)	(735,010)	145,008
Other Financing Sources				
Debt Issuance	-	-	502,324	(502,324)
Net Change in Fund Balance	<u>(880,018)</u>	<u>(880,018)</u>	(232,686)	<u>647,332</u>
Fund Balance - Beginning			<u>5,756,687</u>	
Fund Balance - Ending			<u>5,524,001</u>	

MOKENA SCHOOL DISTRICT NO. 159**Operations and Maintenance Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 1,187,371	1,187,371	1,167,951	(19,420)
Earnings on Investments	2,000	2,000	4,138	2,138
Other Revenue from Local Sources	80,000	80,000	287,599	207,599
Total Local Sources	1,269,371	1,269,371	1,459,688	190,317
State Sources				
General State Aid	263,000	263,000	279,561	16,561
Total Revenues	1,532,371	1,532,371	1,739,249	206,878
Expenditures				
Support Services				
Business				
Operation and Maintenance of Plant Services				
Salaries	708,735	708,735	646,083	62,652
Employee Benefits	169,514	169,514	160,494	9,020
Purchased Services	353,500	353,500	334,916	18,584
Supplies and Materials	620,000	620,500	486,829	133,671
Capital Outlay	81,000	81,000	12,654	68,346
Noncapitalized Equipment	23,500	23,000	12,031	10,969
Total Operation and Maintenance of Plant Services	1,956,249	1,956,249	1,653,007	303,242
Payments to Other Districts and Governmental Units				
Payments for Special Education Programs				
Purchased Services	67,865	67,865	53,244	14,621
Provisions for Contingencies				
Other	560,000	560,000	-	560,000
Total Expenditures	2,584,114	2,584,114	1,706,251	877,863

MOKENA SCHOOL DISTRICT NO. 159

Operations and Maintenance Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

Modified Cash Basis

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,051,743)	(1,051,743)	32,998	1,084,741
Other Financing Sources (Uses)				
Transfers In	-	3,481,223	3,481,223	-
Transfers Out	-	(3,481,223)	(3,481,223)	-
	-	-	-	-
Net Change in Fund Balance	<u>(1,051,743)</u>	<u>(1,051,743)</u>	32,998	<u>1,084,741</u>
Fund Balance - Beginning			<u>2,157,469</u>	
Fund Balance - Ending			<u>2,190,467</u>	

MOKENA SCHOOL DISTRICT NO. 159**Working Cash Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 64,254	64,254	64,854	600
Earnings on Investments	1,500	1,500	6,127	4,627
Total Revenues	65,754	65,754	70,981	5,227
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,754	65,754	70,981	5,227
Other Financing Sources (Uses)				
Debt Issuance	-	3,488,359	3,488,359	-
Premium on Debt Issuance	-	216,179	216,179	-
Transfers Out	-	(3,481,223)	(3,481,223)	-
	-	223,315	223,315	-
Net Change in Fund Balance	65,754	289,069	294,296	5,227
Fund Balance - Beginning			1,877,501	
Fund Balance - Ending			2,171,797	

MOKENA SCHOOL DISTRICT NO. 159**Tort Account - General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 132,756	132,756	132,432	(324)
Earnings on Investments	20	20	32	12
Total Revenues	132,776	132,776	132,464	(312)
Expenditures				
Support Services				
General Administration				
Workers' Compensation Payments				
Purchased Services	40,000	40,000	40,000	-
Insurance Payments				
Purchased Services	65,996	65,996	139	65,857
Total Expenditures	105,996	105,996	40,139	65,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,780	26,780	92,325	65,545
Other Financing Sources				
Disposal of Capital Assets	-	-	100	(100)
Net Change in Fund Balance	26,780	26,780	92,425	65,645
Fund Balance - Beginning			14,852	
Fund Balance - Ending			107,277	

MOKENA SCHOOL DISTRICT NO. 159**Transportation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 294,718	294,718	298,915	4,197
Transportation Fees	95,000	95,000	45,709	(49,291)
Earnings on Investments	2,000	2,000	3,045	1,045
Other Revenue from Local Sources	700	700	700	-
Total Local Sources	392,418	392,418	348,369	(44,049)
State Sources				
Transportation - Regular and Vocational	15,000	15,000	16,107	1,107
Transportation - Special Education	225,000	225,000	290,989	65,989
Total State Sources	240,000	240,000	307,096	67,096
Total Revenues	632,418	632,418	655,465	23,047
Expenditures				
Support Services				
Pupils				
Other Support Services				
Purchased Services	10,000	10,000	-	10,000
Pupil Transport Services				
Salaries	306,979	306,979	287,715	19,264
Employee Benefits	18,824	18,824	16,709	2,115
Purchased Services	480,296	473,296	481,588	(8,292)
Supplies and Materials	80,000	87,000	57,562	29,438
Other	5,000	5,000	1,131	3,869
Total Pupil Transport Services	891,099	891,099	844,705	46,394
Total Support Services	901,099	901,099	844,705	56,394

MOKENA SCHOOL DISTRICT NO. 159

Transportation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

Modified Cash Basis

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Payments to Other Districts and Governmental Units				
Payments for Special Education Programs				
Purchased Services	\$ 67,768	67,768	67,375	393
Total Expenditures	968,867	968,867	912,080	56,787
Net Change in Fund Balance	(336,449)	(336,449)	(256,615)	79,834
Fund Balance - Beginning			1,810,696	
Fund Balance - Ending			1,554,081	

MOKENA SCHOOL DISTRICT NO. 159**Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 2,475,106	2,475,106	2,345,137	(129,969)
Earnings on Investments	750	750	1,196	446
Total Revenues	2,475,856	2,475,856	2,346,333	(129,523)
Expenditures				
Debt Service				
Principal Retirement	820,579	4,491,434	820,778	3,670,656
Interest and Fiscal Charges	1,652,921	1,652,921	1,781,259	(128,338)
Total Expenditures	2,473,500	6,144,355	2,602,037	3,542,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,356	(3,668,499)	(255,704)	3,412,795
Other Financing Sources (Uses)				
Debt Issuance	-	3,456,641	3,456,641	-
Premium on Debt Issuance	-	214,214	214,214	-
Payment to Escrow Agent	-	-	(3,543,439)	(3,543,439)
	-	3,670,855	127,416	(3,543,439)
Net Change in Fund Balance	2,356	2,356	(128,288)	(130,644)
Fund Balance - Beginning			1,568,392	
Fund Balance - Ending			1,440,104	

MOKENA SCHOOL DISTRICT NO. 159**Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Earnings on Investments	\$ -	-	1,500	1,500
Expenditures				
Support Services				
Business				
Capital Outlay	-	330,275	330,275	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(330,275)	(328,775)	1,500
Other Financing Sources				
Transfers In	-	3,481,223	3,481,223	-
Net Change in Fund Balance	-	3,150,948	3,152,448	1,500
Fund Balance - Beginning			5,523	
Fund Balance - Ending			3,157,971	

MOKENA SCHOOL DISTRICT NO. 159

Nonmajor Governmental Funds

Combining Balance Sheet - Modified Cash Basis

June 30, 2016

	Special Revenue Municipal Retirement/ Social Security	Capital Projects Fire Prevention and Safety	Totals
ASSETS			
Cash and Investments	\$ 350,024	802	350,826
FUND BALANCES			
Restricted	350,024	802	350,826

MOKENA SCHOOL DISTRICT NO. 159**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2016**

	Special Revenue Municipal Retirement/ Social Security	Capital Projects Fire Prevention and Safety	Totals
Revenues			
Local Sources			
Property Taxes	\$ 613,750	-	613,750
Replacement Taxes	51,872	-	51,872
Earnings on Investments	481	-	481
Total Revenues	666,103	-	666,103
Expenditures			
Current			
Instruction			
Regular Programs	103,021	-	103,021
Pre-K Programs	6,978	-	6,978
Special Education Programs	101,298	-	101,298
Other Instructional Programs	5,606	-	5,606
Support Services			
Pupils	26,307	-	26,307
Instructional Staff	9,955	-	9,955
General Administration	15,652	-	15,652
School Administration	47,608	-	47,608
Business	264,990	-	264,990
Central	30,374	-	30,374
Total Expenditures	611,789	-	611,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,314	-	54,314
Other Financing Sources			
Transfers In	-	-	-
Net Change in Fund Balances	54,314	-	54,314
Fund Balances - Beginning	295,710	802	296,512
Fund Balances - Ending	350,024	802	350,826

MOKENA SCHOOL DISTRICT NO. 159**Municipal Retirement/Social Security - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Taxes				
General Levy	\$ 589,436	589,436	613,750	24,314
Payments in Lieu of Taxes				
Corporate Purpose Property				
Replacement Taxes	56,052	56,052	51,872	(4,180)
Earnings on Investments	150	150	481	331
Total Revenues	645,638	645,638	666,103	20,465
Expenditures				
Instruction				
Regular Programs	116,274	116,274	103,021	13,253
Pre-K Programs	6,783	6,783	6,978	(195)
Special Education Programs	104,221	107,179	101,298	5,881
Other Instructional Programs	12,487	9,529	5,606	3,923
Total Instruction	239,765	239,765	216,903	22,862
Support Services				
Pupils	26,638	26,638	26,307	331
Instructional Staff	9,966	9,966	9,955	11
General Administration	14,584	14,584	15,652	(1,068)
School Administration	45,371	45,371	47,608	(2,237)
Business	279,869	279,869	264,990	14,879
Central	29,923	29,923	30,374	(451)
Total Support Services	406,351	406,351	394,886	11,465
Total Expenditures	646,116	646,116	611,789	34,327
Net Change in Fund Balance	(478)	(478)	54,314	54,792
Fund Balance - Beginning			295,710	
Fund Balance - Ending			350,024	

MOKENA SCHOOL DISTRICT NO. 159**Student Activity, Convenience Accounts, and Other Agency Funds - Agency Fund****Schedule of Assets and Liabilities - Modified Cash Basis****For the Fiscal Year Ended June 30, 2016**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 23,225	85,530	91,642	17,113
LIABILITIES				
Due to Activity Fund Organizations				
MES - Student Council	1,682	2,974	3,210	1,446
MES - Miscellaneous	360	8	199	169
MES - Girls on the Run	(205)	-	-	(205)
MES - School Store	1,070	653	1,017	706
MIS - Student Council	348	614	380	582
MIS - Funds for Conv Account	5,524	-	5,000	524
MJHS - Student Council	798	181	534	445
NJHS - Student Council	291	2,329	2,039	581
MJHS - Friends of Rachel	205	-	99	106
MES - Assemblies/Field Trips	1,901	8,539	9,213	1,227
MES - Jump rope for Heart	-	2,465	2,465	-
MES - Grant - PTA	-	2,000	1,370	630
MES - K Mothers Day Plates	-	945	958	(13)
MES - Recorders	2	1,137	924	215
MES - Principals Account IPA Breakfast	(315)	-	-	(315)
MES - Spirit Wear - Students	179	1,378	1,408	149
MES - Spirit Wear - Staff	(147)	-	143	(290)
MES - Yearbooks	1,783	6,870	5,882	2,771
MES - Miscellaneous (Damaged Books)	612	988	739	861
MES - Pop and Water	243	1,014	1,237	20
MIS - Class Year Fund-4th	8	1,372	1,345	35
MIS - Class Year Fund-5th	374	3,586	3,584	376
MIS - Pop and Water	423	916	597	742
MiS - Spirit Wear - Students	104	-	61	43
MIS - Yearbooks	81	4,037	3,526	592
MiS - Miscellaneous	16	125	310	(169)
MJHS - Assemblies/Field Trips	-	2,852	2,912	(60)
MJHS - Book Fair	8	5,361	5,030	339
MJHS - Charity/Fundraising	1,000	317	317	1,000

MOKENA SCHOOL DISTRICT NO. 159**Student Activity, Convenience Accounts, and Other Agency Funds - Agency Fund****Schedule of Changes in Assets and Liabilities - Continued****For the Fiscal Year Ended June 30, 2016**

	Beginning Balances	Additions	Deductions	Ending Balances
LIABILITIES - Continued				
Due to Activity Fund Organizations - Continued				
MJHS - Graduation Gowns	\$ 4,064	3,838	8,017	(115)
MJHS - Graduation Party	(600)	-	300	(900)
MJHS - Graduation-General	(859)	-	123	(982)
MJHS - Great America	(118)	6,232	6,036	78
MJHS - Pop and Water	(1,057)	2,240	1,579	(396)
MJHS - Referee and Gate	3,750	1,862	2,829	2,783
MJHS - Yearbooks	8,417	8,619	16,411	625
MJHS - Miscellaneous	(6,717)	12,078	1,848	3,513
Total Liabilities	23,225	85,530	91,642	17,113

SUPPLEMENTAL SCHEDULES

MOKENA SCHOOL DISTRICT NO. 159**Tax Rates and Extensions - Five Year Summary of Assessed Valuations
June 30, 2016**

	2011	2012	2013	2014	2015
Assessed Valuation	\$ 595,333,347	565,025,263	536,496,945	527,828,734	532,203,181
Tax Rates					
Educational	1.6830	1.8345	1.9550	2.0379	2.0460
Tort Immunity	0.0082	0.0091	0.0218	0.0256	0.0245
Special Education	0.0655	0.0626	0.0772	0.0832	0.0847
Operations and Maintenance	0.1884	0.2091	0.2178	0.2202	0.2212
Bond and Interest	0.3570	0.3947	0.4371	0.4661	0.4221
Transportation	0.0655	0.0724	0.0559	0.0555	0.0574
Municipal Retirement	0.0339	0.0381	0.0545	0.0569	0.0590
Social Security	0.0339	0.0381	0.0545	0.0569	0.0590
Working Cash	0.0098	0.0108	0.0119	0.0121	0.0124
Total Tax Rates	2.4452	2.6694	2.8857	3.0144	2.9863
Tax Extensions					
Educational	\$ 10,019,460	10,365,388	10,488,515	10,756,622	10,888,877
Tort Immunity	48,817	51,417	116,956	137,343	130,390
Special Education	389,943	353,706	414,176	446,365	450,776
Operations and Maintenance	1,121,608	1,181,468	1,168,490	1,181,366	1,177,233
Bond and Interest	2,125,340	2,230,155	2,345,028	2,500,612	2,246,430
Transportation	389,943	409,078	299,902	297,756	305,485
Municipal Retirement	201,818	215,275	292,391	305,267	314,000
Social Security	201,818	215,275	292,391	305,267	314,000
Working Cash	58,343	61,023	63,843	64,916	65,993
Total Tax Extensions	14,557,090	15,082,785	15,481,692	15,995,514	15,893,184
Total Tax Collections	\$ 14,525,209	15,048,520	15,467,851	15,892,301	8,228,977
Percentage Collected	99.78%	99.77%	99.91%	99.35%	51.78%

MOKENA SCHOOL DISTRICT NO. 159**Schedule of Long-Term Debt Requirements****Capital Appreciation School Bonds of 2000****June 30, 2016**

Date of Issue	March 30, 2011
Date of Maturity	December 1, 2019
Authorized Issue	\$4,545,000
Denomination of Bonds	\$5,000
Interest Rates	7.147%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2017	\$ 580,715	1,269,285	1,850,000
2018	553,033	1,336,967	1,890,000
2019	515,535	1,374,465	1,890,000
2020	480,571	1,409,430	1,890,001
	2,129,854	5,390,147	7,520,001

MOKENA SCHOOL DISTRICT NO. 159**Schedule of Long-Term Debt Requirements****General Obligation Limited Working Cash School Bonds of 2016A
June 30, 2016**

Date of Issue	March 7, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$2,865,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2017	\$ 85,000	122,545	207,545
2018	110,000	97,250	207,250
2019	110,000	95,050	205,050
2020	115,000	92,800	207,800
2021	115,000	89,925	204,925
2022	120,000	86,400	206,400
2023	125,000	82,725	207,725
2024	125,000	78,975	203,975
2025	130,000	75,150	205,150
2026	135,000	70,500	205,500
2027	140,000	65,000	205,000
2028	145,000	59,300	204,300
2029	155,000	53,300	208,300
2030	160,000	47,000	207,000
2031	165,000	40,500	205,500
2032	170,000	33,800	203,800
2033	180,000	26,800	206,800
2034	185,000	19,500	204,500
2035	195,000	11,900	206,900
2036	200,000	4,000	204,000
	2,865,000	1,252,420	4,117,420

MOKENA SCHOOL DISTRICT NO. 159**Schedule of Long-Term Debt Requirements****General Obligation Refunding School Bonds of 2016B
June 30, 2016**

Date of Issue	March 7, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$4,080,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Bank of New York Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2017	\$ -	188,638	188,638
2018	-	152,950	152,950
2019	-	152,950	152,950
2020	-	152,950	152,950
2021	195,000	150,025	345,025
2022	200,000	144,100	344,100
2023	205,000	138,025	343,025
2024	210,000	131,800	341,800
2025	215,000	125,425	340,425
2026	225,000	117,700	342,700
2027	235,000	108,500	343,500
2028	245,000	98,900	343,900
2029	255,000	88,900	343,900
2030	265,000	78,500	343,500
2031	275,000	67,700	342,700
2032	285,000	56,500	341,500
2033	300,000	44,800	344,800
2034	310,000	32,600	342,600
2035	325,000	19,900	344,900
2036	335,000	6,700	341,700
	4,080,000	2,057,563	6,137,563