West Northfield School District 31
Northbrook, Illinois

Annual Financial Report

Year Ended June 30, 2018

West Northfield School District 31

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
West Northfield School District 31
Northbrook, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Northfield School District 31, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise West Northfield School District 31's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

(Continued)

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Northfield School District 31, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note N to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 75 through 78, the other postemployment benefits data on pages 79 through 80, budgetary comparison schedules and notes to the required supplementary information on pages 82 through 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Northfield School District 31's basic financial statements. The other schedules listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 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 supplementary financial information for the year ended June 30, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of West Northfield School District 31, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated October 12, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Northfield School District 31's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund with comparative actual amounts for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund and Debt Service Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

The Other Supplemental Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated January 21, 2019, on our consideration of West Northfield School District 31's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Northfield School District 31's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
January 21, 2019

The management discussion and analysis of West Northfield School District 31's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2018. 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 thousands of dollars.

Financial Highlights

- The Governmental Accounting Standards Board (GASB) issued Statement No. 75, (GASB 75) *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. The implementation of GASB 75 requires the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security (THIS) plan and the total other postemployment benefit (OPEB) liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by $9,645, OPEB liabilities increased by $9,715, and deferred outflows increased by $70. Combined with the Issuance of $11,045 of general obligation bonds, resulted in the unrestricted component of the net position changing from $8,810 in FY17 to a negative $10,455 in FY18. Though the implementation of GASB 75 is a significant reporting change, the District continues to maintain a healthy financial position.
- General revenues increased 2% and overall accounted for $17,723 of total revenues. This translates to approximately the same percentage as the prior year which is 68% of all revenues. Property and replacement taxes, including amounts levied for debt service, account for 93% of General Revenues. This is a 3% increase, as a percentage of General Revenues, from fiscal year 2017. Program specific revenues accounted for $8,114, or 31.4%, of the total revenues of $25,837.
- The District had $26,605 in program expenditures related to governmental activities. However, only $7,653 was offset by state and federal reimbursements or grants, which included the TRS "on-behalf" payments of $6,968.
- The District has $12,705 remaining due on its long-term general obligation bonds, as of June 30, 2018 with $485 due within one year. This remaining balance represents a significant increase from the prior year which is due mainly to the issuance of $11,045 in general obligation bonds for capital projects in fiscal year 2018.

Overview of the Financial Statements

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

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

This report also contains required supplementary information, supplementary financial information, and other supplemental information in addition to the basic financial statements.

Government-wide financial statements

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

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

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

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services - regular education, special education, other instructional programs, state retirement contributions, and supporting services, including general and school administration, business, operations and maintenance of facilities, and transportation services.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Overview of the Financial Statements (Continued)

Fund financial statements (Continued)

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund (Educational Account, Tort Immunity and Judgment Account, and Working Cash Account), Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, and Capital Projects, all of which are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of students. 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 used for fiduciary funds is much like that for the entity-wide financial statements.

Notes to the basic financial statements

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

Other information

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

District-Wide Financial Analysis

Cash and investments increased from $17,676 to $24,720. This increase was offset by the year's activities while being reflective of the receipts from the 2018A & B Bond Issuance. Deferred outflow of resources increased by over 60% mainly due to the change in reporting Other Postemployment Benefits under GASB 75.

Current liabilities decreased by $3,299 due to the fiscal year 2016-2017 recognition of the settlement agreement which amounted to $3,250 and was paid in December of 2017. This was a one-time expense to settle a property tax appeal for the 2004-2006 and 2007-2009 triennials with a large taxpayer. Long-term liabilities increased to $24,967 from $6,008 mainly due to the long-term schedule of payments for the new bond issuance and adoption of GASB 75.

The District's combined net position for governmental activities was much lower on June 30, 2018 than the previous year, decreasing $10,413 to $7,437. The unrestricted portion of the net position decreased from $8,810 to negative $10,455. This change is mainly due to the adoption of GASB 75 and reporting of Other Postemployment Benefit liabilities, and the issuance of $11,045 of General Obligation Bonds.

District-Wide Financial Analysis (Continued)

TABLE 1: Condensed Statements of Net Position (in thousands of dollars)	2018	2017*
Assets:		
Current and other assets	$ 32,603	$ 25,834
Capital Assets, net	8,586	8,693
Total Assets	41,189	34,527
Deferred Outflow of Resources:		
Deferred outflows related to pension liabilities	874	724
Deferred outflows related to other postemployment benefits	300	-
Total Deferred Outflow of Resources	1,174	724
Liabilities:		
Current Liabilities	543	3,842
Long-term Liabilities	24,967	6,008
Total Liabilities	25,510	9,850
Deferred Inflow of Resources:		
Pension liabilities	691	74
Other postemployment benefits liabilities	1,130	0
Property taxes levied for a future period	7,595	7,477
Total Deferred Inflow of Resources	9,416	7,551
Net Position:		
Net investment in capital assets	6,651	5,446
Restricted	11,241	3,594
Unrestricted	(10,455)	8,810
Total Net Position	**$ 7,437**	**$ 17,850**

* Amounts presented as originally reported and not restated due to the implementation of GASB Statement No. 75.

District-Wide Financial Analysis (Continued)

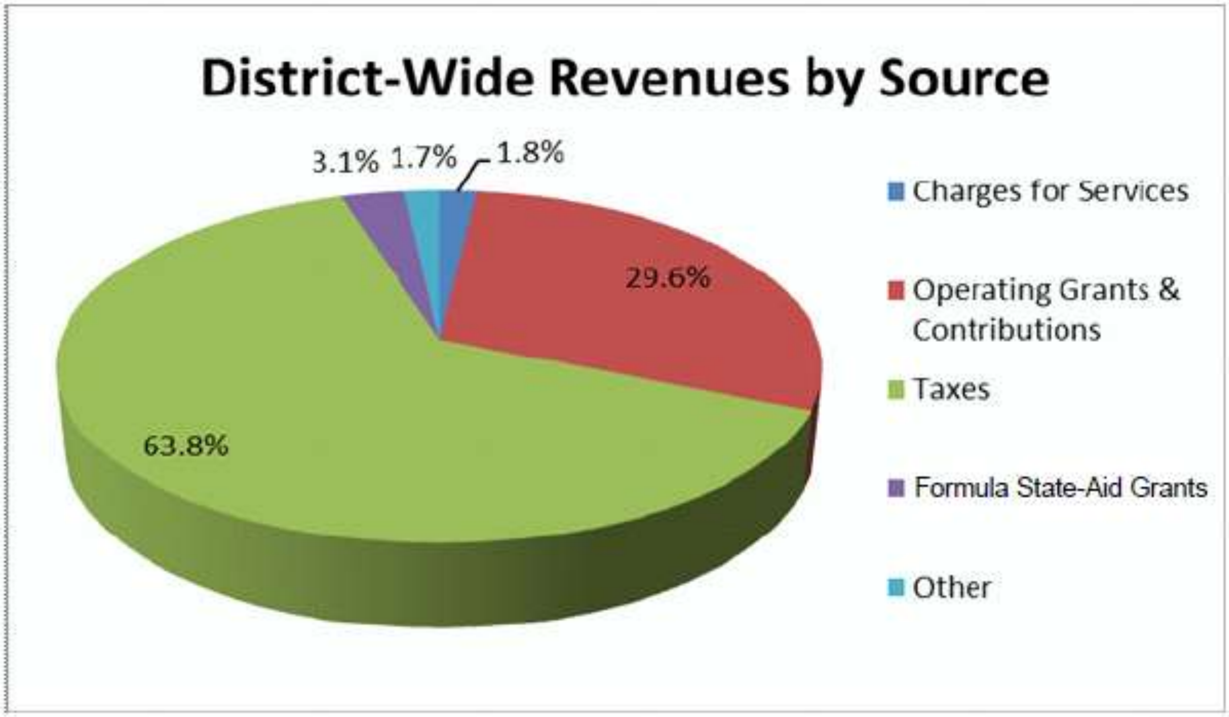
TABLE 2:
Changes in Net Position – Governmental Activities
(in thousands of dollars)

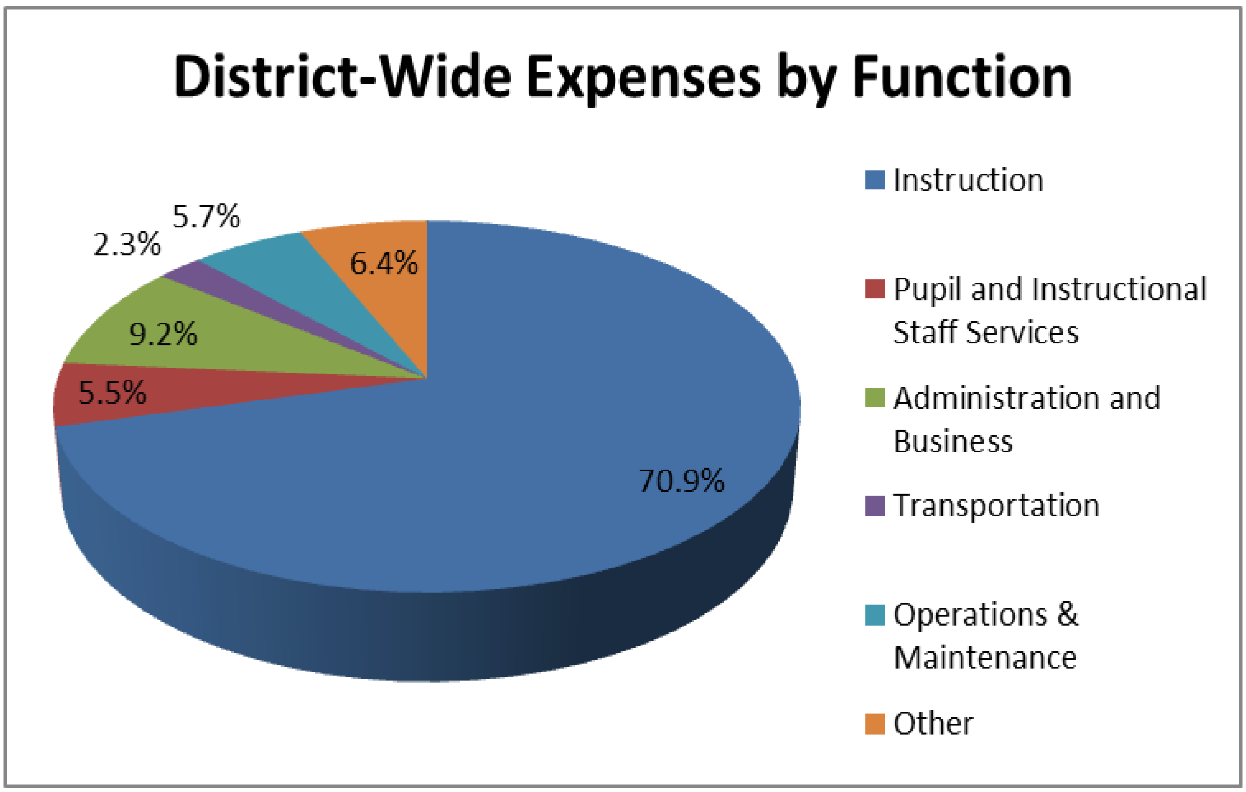
	2018	2017
Revenues:		
Program Revenues:		
Charges for services	$ 461	$ 411
Operating grants and contributions	7,653	7,716
General Revenues:		
Property & Replacement Taxes	16,471	16,734
State-aid formula grants	804	409
Other	448	237
Total Revenues	25,837	25,506
Expenses:		
Instruction	18,861	17,166
Pupil and instructional staff services	1,474	1,347
Administration and business	2,450	2,405
Transportation	609	551
Operations and maintenance	1,514	1,315
Other	1,697	4,485
Total Expenses	26,605	27,269
Decrease in net position	**$ (768)**	**$ (1,763)**

Property and replacement taxes accounted for the largest portion of the District's revenues, contributing 63.7% of total governmental activity revenues which is slightly less than the prior year's proportion of revenues of 65.6% The remaining revenues came mainly from operating grants, and state aid formula grants. The total cost of programs was $26,605, with approximately 77% of those costs being directly related to instruction and support services for students. This indicates a 9.8% increase in instruction and support services costs while Other Expenses decreased 62% to 1,697.

Revenues in the governmental activities of the District of $25,837 were $768 lower than expenses. The decrease shown in this statement's net position reflects a 1.3% increase in revenues while overall expenses decreased by 2.4%.

District-Wide Financial Analysis (Continued)





Financial Analysis of the District's Funds

The sound financial performance of the District as a whole is reflected in its government funds. At year-end, the District's government funds reported total fund balance of $24,488 compared to the prior year's total fund balance of $14,509, reflecting a 68.8% increase. This is contributed to increases in two main funds. Primarily due to the issuance of approximately $2,000 in taxable bonds, the General Fund increased from $10,915 to $13,303, a 22% change, and the tax-exempt portion of the bond issuance of $8,005 increased Capital Projects Fund from $787 to $8,514. The District also refunded a portion of its 2015 bonds which brings the total Debt Issuance under Debt Service Extension Base (DSEB) for fiscal year 2017-2018 to $11,045.

General Fund Budgetary Highlights

The General Fund on the Governmental Funds report consists of activity related to the Education Account, Working Cash Account, and the Tort Immunity and Judgment Account. Revenues in the General Fund exceeded the prior year's amount by 1.4% which reflected the change to State Aid. Expenditures were $1,903 less primarily due to Other Supporting Services which was entirely comprised of the tax refund payment through the settlement agreement with a large taxpayer.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance also reflect the appropriate process between funds to abate the working cash funds from the bonds to the Capital Projects Fund. The Operations & Maintenance Fund Balance decreased by 21% over the prior year due to a concentrated effort on maintenance and repairs during the 2017-2018 school year.

Capital Assets and Debt Administration

Capital assets

The District's Capital Assets decreased by 3% from the prior year and the District had compiled total capital assets of approximately $8,586, net of accumulated depreciation, from a broad range of assets including buildings, land, and equipment. Construction in Progress increased from $13 to $187 due to the balance of building improvements to be completed during the summer months.

TABLE 3:
Capital Assets (net of depreciation)
(in thousands of dollars)

	2018	2017
Land	$ 81	$ 81
Construction in progress	187	13
Buildings and improvements	7,928	8,179
Equipment and other	390	420
Total	**$ 8,586**	**$ 8,693**

Capital Assets and Debt Administration (Continued)

Long-term liabilities

The District's long-term bonded debt increased significantly from the 2018 A&B bond issuance previously discussed. Of this $24,967 in long-term liabilities, $689 is due within one year. The $689 is comprised of General Obligation Bonds, Capital Leases, and the potential for Compensated Absences. The IMRF net pension liability decreased 54.6% from the prior year. The District's TRS net pension liability increased 26%. Additional detailed information on long-term debt can be found in Note F of the basic financial statements. The net pension liabilities from both systems, IMRF and TRS, reflect a 3% decrease due to the change in the IMRF liability. The unamortized premium increased due to the $255 bond premium costs from the issuance of the 2018 bonds.

TABLE 4:
Outstanding Long-Term Liabilities
(in thousands of dollars)

	2018	2017*
General obligation bonds	$12,705	$ 3,360
Unamortized premium	307	66
Capital leases	220	261
RHP OPEB	33	-
Compensated absences	93	86
THIS OPEB	9,443	9,715
IMRF net pension liability	366	807
TRS net pension liability	1,800	1,428
Total	**$ 24,967**	**$ 15,723**

* Presented as restated due to the implementation of GASB Statement No. 75.

Factors bearing on the District's Future

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

- The District continues to monitor the impact the current economic climate has on its finances. The rate of return on investments continues to increase. The Consumer Price Index- All Urban increased last year and has maintained a 2.1% change for the 2018 levy year.

- In the 2013 tax year, the Astellas Corporation exercised the first year of its 7(b) tax incentive that was awarded through the Village of Glenview. Normally, commercial property is assessed at 25% of market value, plus the equalization factor. Property receiving a 7(b) tax incentive is assessed at 10% of the market value for the first ten years, which began in 2013, 15% for year eleven, and 20% in year twelve, plus the equalization factor. The District continues to anticipate receiving the full amount of tax revenue from this development in 2026.

- The District continues to watch for any new development on Willow and Sanders. The GlenStar Properties completed the development located at Willow and Sanders and those additional receipts were captured during the 2015 and 2016 levy process. Additional space is available for continued growth.

- From the 2017 levy process, the District's new property equalized assessed valuation amounted to $3,552.

- The District continues to receive impact fees from the development on the Mission Hills Golf Course, Provenance Northbrook as certificates of occupancy are expected to be received. The development continues to show progress each month. This development, by Red Seal Homes, is expected to consist of 137 custom and maintenance free residences which include 21 single-family homes, 82 townhomes, and 34 duplex units in unincorporated Cook County. It is located within 1.5 miles of the corporate limits of the Village of Northbrook. Based on the original fiscal study, the EAV of the development is anticipated to be over $22 million at full build out. New property taxes from the 2017 levy year included receipts from eight of those properties.

- Through continued efforts to minimize the financial impact, the District has been working with stakeholders involved in large property tax appeals. Negotiations continued through December of 2017 on the corporate property tax appeals for the tax years 2004-2006 and 2007-2009. The stakeholder's involved and the District's commitment towards a resolution for these two triennials has been successful. A Settlement Agreement was finalized for the two remaining triennials and payment was processed in December, 2017. The anticipated cost was included in the 2017 audit due to its status of a potential liability. This settlement agreement and subsequent payment removes this liability from the District's financial picture.

- Additionally, the District and its legal counsel remain involved in a very manageable, successful process to protect its assets from future large property tax appeals by meeting with stakeholders proactively on the value of the properties involved prior to the distribution of tax bills. For the tax years 2010–2012, 2013–2015, and 2016-2018 settlement agreements were reached with regard to the valuation of the three main campuses on the property. A smaller, fourth property was added to the 2016-2018 Settlement Agreement. The next effort will occur in 2019. This process has greatly mitigated the possibility of negative outcomes from large tax appeals. These agreements protect the District's revenues and could eliminate the negative impact on the school District's finances for those years, as appeals by any party can only be made if there is a significant change to the properties. The parties involved in these settlement agreements will continue to practice this proactive approach to protect the District's assets and provide a fair platform for all involved, as long as it is available as an option.

- This District continues to monitor the state policies and potential and/or realized changes with legislation, mainly those involving the cost shift for pensions and pension reform, State funding, and property taxes. State funding has changed from General State Aid to an Evidence Based Funding Model which includes payments based on individual districts' needs in regards to low-income, English Learners, and special education percentages.

- Employer health care costs are also being monitored due to potential changes in legislation. The District continues to work with its insurance cooperative in order to remain proactive in its health care offerings. Its association within a cooperative also protects the District from volativity in the insurance marketplace.

- The $3 million in tax-exempt bonds issued in 2015 have been completely utilized. These bonds covered the cost of the items on the Ten Year Life Safety Study approved by ISBE in 2015, as well as the replacement of the majority of HVAC equipment at Field School and HVAC equipment in the older section of Winkelman School.

- Part of the District's financial management strategy is to maintain consistency within its DSEB while evaluating the needs of the students, staff, and community which includes improvements to the buildings and grounds. A comprehensive review was completed on the facilities and grounds which identified a number of areas to address, which included improved learning environments and safety for the community. To that end, the District issued $8,005 in tax-exempt bonds to address these needs and remain within its DSEB. Two million was also issued in taxable bonds to improve programs and fund balances. A portion of the 2015 bonds were restructured, as well.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the dollars it receives.

If you have questions about this report, or need additional financial information, contact the District's Chief School Business Official, at 847-313-4413.

BASIC FINANCIAL STATEMENTS

West Northfield School District 31

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

June 30, 2018

ASSETS		
Cash and investments	$	24,720,387
Receivables (net of allowance for uncollectibles):		
Interest		36,850
Property taxes		7,594,978
Replacement taxes		61,165
Intergovernmental		163,129
Prepaid items		26,147
Capital assets:		
Land		81,393
Construction in progress		187,239
Depreciable buildings, property, and equipment, net		8,317,467
Total assets		41,188,755
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows related to pensions		873,621
Deferred outflows related to other postemployment benefits		299,934
Total deferred outflows		1,173,555
LIABILITIES		
Accounts payable		150,595
Other current liabilities		29,224
Interest payable		41,643
Unearned revenue		321,287
Long-term liabilities:		
Due within one year		688,974
Due after one year		24,277,942
Total liabilities		25,509,665
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions		690,736
Deferred inflows related to other postemployment benefits		1,129,752
Property taxes levied for a future period		7,594,978
Total deferred inflows		9,415,466
NET POSITION		
Net investment in capital assets		6,651,152
Restricted For:		
Operations and maintenance		873,728
Debt service		1,112,403
Student transportation		513,594
Retirement benefits		171,529
Capital projects		8,569,493
Tort immunity		34
Unrestricted		(10,454,754)
Total net position	$	7,437,179

The accompanying notes are an integral part of this statement.

West Northfield School District 31

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

		PROGRAM REVENUES		Net (Expenses)
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	$ 6,789,421	$ 278,167	$ 166,538	$ (6,344,716)
Special programs	3,704,635	-	263,441	(3,441,194)
Other instructional programs	1,399,332	200	47,031	(1,352,101)
State retirement contributions	6,967,783	-	6,967,783	-
Support services:				
Pupils	737,211	-	-	(737,211)
Instructional staff	736,312	-	36,790	(699,522)
General administration	1,105,649	-	-	(1,105,649)
School administration	746,551	-	-	(746,551)
Business	597,634	7,529	12,224	(577,881)
Transportation	609,283	117,923	158,754	(332,606)
Operations and maintenance	1,514,054	57,026	-	(1,457,028)
Central	491,770	-	-	(491,770)
Community services	17,863	-	-	(17,863)
Interest and fees	481,396	-	-	(481,396)
Unallocated depreciation	705,683	-	-	(705,683)
Total governmental activities	$ 26,604,577	$ 460,845	$ 7,652,561	(18,491,171)

General revenues:	
Taxes:	
Real estate taxes, levied for general purposes	13,366,479
Real estate taxes, levied for special purposes	1,918,355
Real estate taxes, levied for debt service	827,006
Personal property replacement taxes	358,978
State aid-formula grants	804,266
Investment earnings	296,387
Miscellaneous	151,573
Total general revenues	17,723,044
Change in net position	(768,127)
Net position, beginning of year (as restated, see Note N)	8,205,306
Net position, end of year	$ 7,437,179

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds
BALANCE SHEET
June 30, 2018

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	$ 13,389,327	$ 873,755	$ 623,856
Receivables (net of allowance for uncollectibles):			
Interest	36,850	-	-
Property taxes	6,231,592	597,868	206,817
Replacement taxes	52,165	-	-
Intergovernmental	123,170	-	39,959
Prepaid items	26,147	-	-
Total assets	19,859,251	1,471,623	870,632
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	64,237	-	42,141
Other current liabilities	29,197	27	-
Unearned revenue	213,207	-	108,080
Total liabilities	306,641	27	150,221
DEFERRED INFLOWS			
Unavailable interest revenue	18,480	-	-
Property taxes levied for a future period	6,231,592	597,868	206,817
Total deferred inflows	6,250,072	597,868	206,817
FUND BALANCES			
Nonspendable	26,147	-	-
Restricted	34	873,728	513,594
Unassigned	13,276,357	-	-
Total fund balance	13,302,538	873,728	513,594
Total liabilities, deferred inflows, and fund balance	$ 19,859,251	$ 1,471,623	$ 870,632

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
$ 162,529	$ 1,112,403	$ 8,558,517	$ 24,720,387
-	-	-	36,850
170,424	388,277	-	7,594,978
9,000	-	-	61,165
-	-	-	163,129
-	-	-	26,147
341,953	1,500,680	8,558,517	32,602,656
-	-	44,217	150,595
-	-	-	29,224
-	-	-	321,287
-	-	44,217	501,106
-	-	-	18,480
170,424	388,277	-	7,594,978
170,424	388,277	-	7,613,458
-	-	-	26,147
171,529	1,112,403	8,514,300	11,185,588
-	-	-	13,276,357
171,529	1,112,403	8,514,300	24,488,092
$ 341,953	$ 1,500,680	$ 8,558,517	$ 32,602,656

West Northfield School District 31

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		$ 24,488,092
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		8,586,099
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions and other postemployment benefits	$ 964,741	
Deferred outflows of 2018 employer contributions related to pensions and other postemployment benefits	208,814	1,173,555
Deferred inflows of resources related to pensions and other postemployment benefits		(1,820,488)
Certain revenue receivables of the District recognized in the statement of net position do not provide current financial resources and are deferred in the governmental funds balance sheet.		18,480
Interest payable included in the statement of net position is not related to a current period expenditure and, therefore, is not included in the governmental fund balance sheet.		(41,643)
Long-term liabilities, including bonds payable, capital leases, pension liabilities, other postemployment benefits and compensated absences included in the statement of net position are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet.		(24,966,916)
Net position - governmental activities		$ 7,437,179

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2018

	General	Operations and Maintenance	Transportation
Revenues			
Property taxes	$ 13,365,153	$ 1,192,202	$ 375,834
Replacement taxes	229,931	-	60,000
State aid	7,842,169	-	158,754
Federal aid	455,904	-	-
Interest	255,027	-	-
Other	359,330	58,276	117,923
Total revenues	22,507,514	1,250,478	712,511
Expenditures			
Current:			
Instruction:			
Regular programs	6,179,522	-	-
Special programs	1,503,145	-	-
Other instructional programs	1,278,678	-	-
State retirement contributions	6,967,783	-	-
Support services:			
Pupils	672,324	-	-
Instructional staff	671,845	-	-
General administration	1,030,705	-	-
School administration	666,921	-	-
Business	464,077	-	-
Transportation	-	-	609,283
Operations and maintenance	-	1,357,809	-
Central	422,185	-	-
Community services	17,398	-	-
Nonprogrammed charges	2,038,716	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Capital outlay	151,246	127,387	-
Total expenditures	22,064,545	1,485,196	609,283
Excess (deficiency) of revenues over expenditures	442,969	(234,718)	103,228
Other financing sources			
Transfers in	3,250,000	8,005,346	-
Transfers (out)	(11,398,995)	(8,005,346)	-
Capital lease proceeds	90,654	-	-
Debt issuance	11,045,000	-	-
Deposits with escrow agent	(1,026,948)	-	-
Other uses not classified elsewhere	(269,995)	-	-
Premium on debt issuance	254,664	-	-
Total other financing sources	1,944,380	-	-
Net change in fund balance	2,387,349	(234,718)	103,228
Fund balance, beginning of year	10,915,189	1,108,446	410,366
Fund balance, end of year	$ 13,302,538	$ 873,728	$ 513,594

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
$ 351,568	$ 827,083	$ -	$ 16,111,840
9,000	60,047	-	358,978
-	-	-	8,000,923
-	-	-	455,904
-	-	34,389	289,416
-	-	76,889	612,418
360,568	887,130	111,278	25,829,479
106,773	-	-	6,286,295
57,271	-	-	1,560,416
20,278	-	-	1,298,956
-	-	-	6,967,783
15,666	-	-	687,990
10,538	-	-	682,383
25,025	-	-	1,055,730
33,661	-	-	700,582
23,413	-	-	487,490
-	-	-	609,283
75,844	-	-	1,433,653
33,737	-	-	455,922
465	-	-	17,863
-	-	-	2,038,716
-	832,225	-	832,225
-	160,513	-	160,513
-	-	389,728	668,361
402,671	992,738	389,728	25,944,161
(42,103)	(105,608)	(278,450)	(114,682)
-	143,649	8,005,346	19,404,341
-	-	-	(19,404,341)
-	-	-	90,654
-	-	-	11,045,000
-	-	-	(1,026,948)
-	-	-	(269,995)
-	-	-	254,664
-	143,649	8,005,346	10,093,375
(42,103)	38,041	7,726,896	9,978,693
213,632	1,074,362	787,404	14,509,399
$ 171,529	$ 1,112,403	$ 8,514,300	$ 24,488,092

West Northfield School District 31

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	$	9,978,693
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. This is the amount by which depreciation expense exceeds capital outlay in the current period.		(106,597)
Accrued interest reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.		(36,997)
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.		6,971
Changes in deferred outflows and inflows or resources related to pensions are reported only in the statements of activities:		
Deferred outflow and inflows of resources related to IMRF pension		(620,918)
Deferred outflow and inflows of resources related to TRS pension		153,946
Deferred outflow and inflows of resources related to RHP OPEB		29,643
Deferred outflow and inflows of resources related to THIS OPEB		(929,775)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		(9,243,093)
Change in net position - governmental activities	$	(768,127)

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Agency Fund

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2018

	Student Activity Fund
ASSETS	
Cash and investments	$ 24,279
LIABILITIES	
Due to student groups	$ 24,279

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of West Northfield School District 31 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

   The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

   The District includes all funds of its operations that are controlled by or dependent upon the District, as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

   The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. New Accounting Pronouncement

   GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

   Specific changes to the District's financial statements relate to the recognition of other postemployment benefit (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note H and Note N for the effects of this restatement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the District are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (Debt Service Fund) and the acquisition or construction of major capital facilities (Capital Projects Fund). The General Fund is used to account for all activities of the District not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues and local fees.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be abolished and become part of the Educational Account Fund or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least 0.05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property levy and state reimbursement grants, and expenditures of these monies is for risk management activities.

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects, or fiduciary funds) that are legally restricted or committed to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

Operations and Maintenance Fund - accounts for expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes, personal property replacement taxes and transfers from other funds.

Transportation Fund - accounts for all revenues and expenditures used for student transportation. Revenues are derived primarily from local property taxes, personal property replacement taxes, and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Government-Wide and Fund Financial Statements (Continued)

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue sources are local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Fund

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bonds proceeds or transfers from other funds.

e. Fiduciary Funds

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

The Agency Fund - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. 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. They account for activities such as student yearbook, student clubs and council, and scholarships.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements, imposed by the provider, have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenue that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned and unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2018, the District has deferred outflows of resources related to pensions and other postemployment benefits. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2018, the District reported deferred inflows of resources related to pensions, other postemployment benefits, and property taxes levied for a future period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deposits and Investments

The Illinois Compiled Statues require the District to utilize the investment services of the Township School Treasurer (the Treasurer). Investments are stated at fair value. Changes in fair value are included in investment income.

8. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund, with the remaining balance allocated at the discretion of the District.

9. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

10. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Construction in progress is stated at cost and includes engineering, design, material, and labor incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets (Continued)

Assets	Years
Buildings	20 - 40
Building improvements	15 - 20
Equipment	5 - 20
Vehicles	8

11. 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 and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and 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 cost and losses on refunding are reported as expenditures.

12. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

13. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. The District's restricted net position was restricted as a result of enabling legislation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Restricted Net Position (Continued)

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

14. Accumulated Unpaid Vacation Pay and Sick Pay

Administrators and support staff are entitled to be compensated for vacation time. The liability for unused compensated absences is reported on the government-wide financial statements.

Full or part-time educational support personnel who work at least 600 hours per year receive 10 paid sick leave days per year. Part-time employees will receive sick leave pay equivalent to their regular workday. Unused sick leave shall accumulate to the maximum number of days that the Illinois Municipal Retirement Fund (IMRF) will recognize for retirement credit purposes. Certified employees earn sick days as of the date of hire. Unused sick leave days accumulate with no limit. When a certified employee resigns from the District, unused sick days are reported to the Teachers' Retirement System (TRS).

The liability for accrued vacation, at June 30, 2018, was $93,047 and is recorded as a long-term liability in the Statement of Net Position. Due to the nature of policies on sick leave and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

15. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the State for the employer's share of the Teachers' Retirement System pension (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

16. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service funds and capital project funds, are by definition restricted for those specified purposes.

c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed funds at June 30, 2018.

d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Director of Business Services/CSBO. The District had no assigned funds at June 30, 2018.

e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The nonspendable fund balance in the General Fund consists of $26,147 for prepaid items. The restricted fund balance in the General Fund is comprised of $34, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other post employment benefits (OPEB), and pension expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet." The details of this difference are as follows:

Bonds payable	$ 12,705,000
Compensated absences	93,047
Capital leases	219,754
Unamortized bond premium	307,438
IMRF net pension liability	366,462
TRS net pension liability	1,799,846
RHP total other postemployment benefit liability	32,486
THIS net other postemployment benefit liability	9,442,883
Net adjustment to reduce fund balances - governmental funds to arrive at net position - governmental activities	$ 24,966,916

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	$	599,086
Depreciation expense		(705,683)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$	(106,597)

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal payments on general obligation bonds	$	1,700,000
Capital lease proceeds		(90,654)
Principal payments on capital leases		132,225
Proceeds from bonds issuance		(11,045,000)
Premium on bonds sold		(254,664)
Amortization of bond premium		13,057
IMRF net pension liability, net		440,932
TRS net pension liability, net		(371,490)
RHP other postemployment benefit liability, net		(32,486)
THIS other postemployment benefit liability, net		272,545
Compensated absences, net		(7,558)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$	(9,243,093)

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statues. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding $500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

As explained in Note A, the Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township Treasurer's Board of Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Treasurer, as prescribed by the Illinois Compiled Statutes. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the School Board. The Treasurer invests excess funds at his/her discretion, subject to the legal restrictions discussed below.

At June 30, 2018, the District's cash and investments consisted of the following:

	Governmental	Fiduciary	Total
Cash and investments	$ 24,720,387	$ 24,279	$ 24,744,666

For disclosure purposes, this amount is classified into four components as follows:

	Total
Deposits with financial institutions*	$ 12,284,330
Illinois Funds	325,213
Illinois Trust	1,500,000
Illinois School District Liquid Asset Fund Plus (ISDLAF+)	10,635,123
	$ 24,744,666

*includes accounts held in demand and savings accounts, but primarily consists of money market savings accounts and non-negotiable certificates of deposit, which were valued at cost.

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Cash and Investments Under the Custody of the Township Treasurer

District cash and investments (other than the student activity, flexible benefit, and imprest funds) are part of a common pool for all of the school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by District. Cash for all funds, including cash applicable to the Debt Service Fund and the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer also holds money market type accounts and deposits with financial institutions, including certificates of deposit. As of June 30, 2018, the value of all cash and investments held by the Treasurer's office was $12,643,100.

2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs.

The following investments are measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Illinois Trust Term Series	$ 1,500,000	n/a	Daily	1 day
ISDLAF+	10,635,123	n/a	Daily	1 day
Illinois Funds	325,213	n/a	Daily	1 day

The Illinois Trust, formerly known as the Illinois Institutional Investors Trust (IIIT), is a trust organized under the laws of the State of Illinois managed by a Board of Trustees, elected from participating members. The Illinois Trust is not registered with the SEC as an investment company. Investments in the Illinois Trusts are rated AAAm and are valued at Illinois Trust's share price, which is the price for which the investment could be sold.

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Interest Rate Risk (Continued)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAm and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

3. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investment policy authorized investments in any type of security as permitted by State statute.

4. Cash and Investments in the Custody of the District

At June 30, 2018, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit funds was $390,744, all of which was deposited with financial institutions.

5. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer (Treasurer) to meet the District's ongoing need for safety, liquidity, and rate of return.

6. Custodial Credit Risk

With respect to deposits, custodial credit risk is 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. At June 30, 2018, the bank balance of the District's deposits with financial institutions totaled $12,494,319, all of which was fully insured or collateralized.

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

6. Custodial Credit Risk (Continued)

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be maintained by third parties.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday in December of each year. The tax levy resolution was approved by the Board on December 14, 2017. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

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

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9627 for 2017.

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2017 tax levy was $611,806,992.

Property taxes are collected by the Cook County Collector/Treasurer, who remits them to the District. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2017 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time, thereafter, does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days are reflected as deferred inflows of resources - property taxes levied for a future period.

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2017
Capital assets, not being depreciated				
Land	$ 81,393	$ -	$ -	$ 81,393
Construction in process	13,167	187,239	13,167	187,239
Total capital assets, not being depreciated	94,560	187,239	13,167	268,632
Capital assets, being depreciated				
Buildings	19,010,038	351,431	-	19,361,469
Building improvements	1,628,303	-	-	1,628,303
Equipment	2,298,835	73,583	-	2,372,418
Vehicles	51,848	-	-	51,848
Total capital assets, being depreciated	22,989,024	425,014	-	23,414,038
Less accumulated depreciation for:				
Buildings	11,179,699	537,512	-	11,717,211
Building improvements	1,279,621	64,954	-	1,344,575
Equipment	1,905,329	98,949	-	2,004,278
Vehicles	26,239	4,268	-	30,507
Total accumulated depreciation	14,390,888	705,683	-	15,096,571
Total capital assets, being depreciated, net	8,598,136	(280,669)	-	8,317,467
Governmental activities capital assets, net	$ 8,692,696	$ (93,430)	$ 13,167	$ 8,586,099

NOTE F - LONG-TERM LIABILITIES

During the year ended June 30, 2018, changes in long-term liabilities were as follows:

	Balance July 1, 2017 (as restated)	Additions	Deletions	Balance June 30, 2018
General obligation bonds	$ 3,360,000	$ 11,045,000	$ 1,700,000	$ 12,705,000
Capital leases	261,325	90,654	132,225	219,754
Unamortized premium	65,831	254,664	13,057	307,438
Compensated absences	85,489	102,468	94,910	93,047
RHP total other postemployment benefit liability	-	33,982	1,496	32,486
THIS total other postemployment benefit liability**	9,715,428	927,525	1,200,070	9,442,883
IMRF net pension liability	807,394	548,273	989,205	366,462
TRS net pension liability	1,428,356	561,936	190,446	1,799,846
	$ 15,723,823	$ 13,564,502	$ 4,321,409	$ 24,966,916

** The beginning balance as of July 1, 2017 is restated due to the implementation of GASB 75 (Note H and Note N).

	Due Within One Year
General obligation bonds	$ 485,000
Capital leases	134,127
Compensated absences	69,847
	$ 688,974

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable

During the fiscal year ended June 30, 2018, the District issued $3,070,000 of Taxable General Obligation Limited School Bonds, Series 2018A and $7,795,000 of General Obligation Limited School Bonds, Series 2018B. Proceeds of the 2018A Bonds were used to (i) advance refund a portion of the District's outstanding General Obligation Limited Tax School Bonds, Series 2015A, (ii) increase the District's working cash fund to be used for operating purposes and (iii) pay costs associated with the issuance of the 2018A Bonds. Proceeds of the 2018B Bonds were used to (i) increase the District's working cash fund to fund capital projects and (ii) pay costs associated with the issuance of the 2018B Bonds.

This partial refunding resulted in a theoretical economic loss (difference between the present value of the debt service payments on the Series 2015A bonds and Series 2018A bonds) of $2,037,330.

The District partially defeased G.O. Series 2015A bonds by placing a portion of the proceeds of Series 2018A bonds in an irrevocable trust to provide for future debt service payments on the Series 2015A bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2018, $1,000,000 of bond principal outstanding is considered defeased.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding at June 30, 2018, are as follows:

	Bonds Payable July 1, 2017	Debt Issued	Debt Retired/ Defeased	Bonds Payable June 30, 2018
$2,985,000 GO Limited School Bonds Series 2015A, dated July 9, 2015, due December 1, 2024, interest at 3.00%.	$ 2,985,000	$ -	$ 1,325,000	$ 1,660,000
$1,020,000 Taxable GO Limited School Bonds Series 2015B, dated July 9, 2015, due December 1, 2017, interest at 1.00% - 1.20%.	375,000	-	375,000	-
$3,070,000 Taxable GO Limited School Bonds Series 2018A, dated February 27, 2018 due December 1, 2027, interest at 2.10% - 3.35%.	-	3,070,000	-	3,070,000
$7,975,000 GO Limited School Bonds Series 2018B, dated February 27, 2018, due December 1, 2037, interest at 3.50% - 4.00%.	-	7,975,000	-	7,975,000
Total	$ 3,360,000	$ 11,045,000	$ 1,700,000	$ 12,705,000

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

At June 30, 2018, the District's annual debt service requirements to maturity for bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 485,000	$ 430,880	$ 915,880
2020	395,000	421,048	816,048
2021	415,000	410,912	825,912
2022	440,000	398,918	838,918
2023	465,000	385,342	850,342
2024-2037	10,505,000	3,196,859	13,701,859
Total	$ 12,705,000	$ 5,243,959	$ 17,948,959

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is $1,112,403 in the Debt Service Fund to service the outstanding bonds payable and capital leases.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2018, the statutory debt limit for the District was $42,214,682, of which $29,289,928 is fully available.

NOTE F - LONG-TERM LIABILITIES (Continued)

2. Capital Leases

The District currently has several lease agreements for financing the acquisition of computers and copiers. The computer leases require annual payments, while the copier leases require monthly installment payments for sixty consecutive months. The obligations for these loans will be repaid from the Debt Service Fund.

At June 30, 2018, the District's future cash flow requirements for retirement of leases payable principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 134,127	$ 9,522	$ 143,649
2020	85,627	3,016	88,643
	$ 219,754	$ 12,538	$ 232,292

NOTE G - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information About the Pension Plan (Continued)

Plan Description (Continued)
TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2017; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

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

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

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

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued)
Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2017, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of $6,099,489 in pension contributions from the state of Illinois.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2018, were $49,240, and are deferred because they were paid after the June 30, 2017 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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling $10,000 were paid from federal and special trust funds that required employer contributions of $1,010. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued)

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid $0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent and $0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$	1,799,846
State's proportionate share of the net pension liability associated with the District		61,977,099
Total	$	63,776,945

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0023558772 percent, which was in a increase of 0.000543667 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of $6,367,284 and revenue of $6,099,489 for support provided by the state. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	$ 19,548	$ 831
Change in assumptions	120,127	51,719
Net difference between projected and actual earnings on pension plan investments	1,235	-
Changes in proportion and differences between District contributions and proportionate share of contributions	353,481	31,258
Total deferred amounts to be recognized in pension expense in the future periods	494,391	83,808
District contributions subsequent to the measurement date	50,250	-
	$ 544,641	$ 83,808

The District reported $50,250 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

Year ending June 30:	Net Deferred Outflows of Resources
2019	$ 121,097
2020	126,462
2021	96,173
2022	57,963
2022	8,888
Total	$ 410,583

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.00 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 same assumptions were used in the June 30, 2016 actuarial valuation.

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:

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4 %	6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	100 %	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 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 at June 30, 2017 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were projected to be covered, so 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.

NOTE G - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

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

Discount Rate (Continued)

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

The following presents the District's proportionate share of the net pension 1iability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 2,211,346	$ 1,799,846	$ 1,462,794

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report.*

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

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

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.

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	56
Inactive plan members entitled to but not yet receiving benefits	156
Active plan members	49
Total	261

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 10.95% For the fiscal year ended June 30, 2018 the District contributed $165,334 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. 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, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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 table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Long-term Expected Rate of Return	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37%	6.85%
International equity	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternative investments	7%	2.65% - 7.35%
Cash equivalents	1%	2.25%
Total	100%	

Single Discount Rate

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

a. 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

b. 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 3.31%, and the resulting single discount rate is 7.50%.

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	$ 6,805,282	$ 5,997,888	$ 807,394
Changes for the year:			
Service cost	132,864	-	132,864
Interest on the total pension liability	501,675	-	501,675
Difference between expected and actual experience of the total pension liability	124,087	-	124,087
Changes of assumptions	(210,353)	-	(210,353)
Contributions - employer	-	156,120	(156,120)
Contributions - employees	-	64,159	(64,159)
Net investment income	-	1,091,285	(1,091,285)
Benefit payments, including refunds of employee contributions	(365,429)	(365,429)	-
Other (net transfer)	-	(322,359)	322,359
Net changes	182,844	623,776	(440,932)
Balances at December 31, 2017	$ 6,988,126	$ 6,621,664	$ 366,462

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan’s net pension liability (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability (asset)	$ 1,133,735	$ 366,462	$ (271,109)

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2018, the District recognized pension expense of $345,315. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ 47,043	$ -
Change of assumptions	-	79,748
Net difference between projected and actual earnings on pension plan investments	198,081	527,180
Total deferred amounts to be recognized in pension expense in the future periods	245,124	606,928
Pension contributions made subsequent to the measurement date	83,856	-
Total deferred amounts related to pensions	$ 328,980	$ 606,928

The District reported $83,856 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019.

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

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year Ending June 30,	Net Deferred Inflows of Resources
2019	$ (61,840)
2020	(43,801)
2021	(124,368)
2022	(131,795)
2023	-
Thereafter	-
Total	$ (361,804)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	$ 50,250	$ 83,856	$ 134,106
Experience	19,548	47,043	66,591
Assumptions	120,127	-	120,127
Proportionate share	353,481	-	353,481
Investments	1,235	198,081	199,316
	$ 544,641	$ 328,980	$ 873,621
Net pension liability	$ 1,799,846	$ 366,462	$ 2,166,308
Pension expense	$ 6,367,284	$ 345,315	$ 6,712,599

NOTE G - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Experience	$ 831	$ -	$ 831
Assumptions	51,719	79,748	131,467
Investments	-	527,180	527,180
Proportionate share	31,258	-	31,258
	$ 83,808	$ 606,928	$ 690,736

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description
The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

The 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. 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.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

General Information about the Other Postemployment Plan (Continued)

Plan Description (Continued)
The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The current reports are listed under "Central Management Services" (http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp). Prior reports are available under "Healthcare and Family Services" (http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp).

Benefits Provided
The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions
On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate), were $868,294 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid $74,708 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 measurement date.

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.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$	9,442,883
State's estimated proportionate share of the net OPEB liability associated with the District*		12,400,852
	$	21,843,735

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the THIS Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.036389 percent, which was a increase of 0.000848 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of $1,600,236 and revenue of $868,294, which represents support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,348
Changes of assumptions	-	1,124,300
Net difference between projected and actual earnings on OPEB plan investments	-	104
Changes in proportion and differences between District contributions and proportionate share of contributions	195,583	-
Total deferred amounts to be recognized in OPEB expense in future periods	195,583	1,129,752
District contributions subsequent to the measurement date	74,708	-
	$ 270,291	$ 1,129,752

The District reported $74,708 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
2019	$ 143,507
2020	143,507
2021	143,507
2022	143,507
2023	143,481
Thereafter	216,660
Total	$ 934,169

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.75 percent
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2016, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP- 2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.59% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability to decrease by approximately $3.564 billion.

Investment Return

During plan year end June 30, 2017, the trust earned $357,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2017, is a negative $45 million. Given the significant benefit payable, negative plan fiduciary net position and pay-as-you-go funding policy, the investment return assumption was set to zero.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	$ 11,331,410	$ 9,442,883	$ 7,931,762

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the District's net OPEB liability as of June 30, 2017, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	$ 7,621,374	$ 9,442,883	$ 12,057,351

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

* One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

2. Retiree Health Plan

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Benefits Provided

The plan provides the ability for IMRF retirees and their spouses, given certain eligibility provisions, to access the District's group health insurance plan during retirement on a pay-all basis, provided they had at least 8 years of credited service if enrolled in IMRF prior to January 1, 2011 or at least 10 years of credited service if enrolled in IMRF after January 1, 2011. Coverage is also available for eligible dependents on a pay-all basis. Coverage can continue upon the participant reaching Medicare eligibility. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Employees Covered by Benefit Terms

As of June 30, 2018 the following employees were covered by the benefit terms:

Active employees	44
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	-
Total	44

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes 0 percent to postemployment benefits, which varies for different employee groups. For fiscal year 2018, the District contributed $0 toward the cost of the postemployment benefits for retirees, which was 0% of covered payroll.

Total OPEB Liability

The District's total OPEB liability was measured as of June 29, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability, after considering the share if benefit-related costs with inactive Plan members, was determined by an actuarial valuation performed as of July 1, 2017 using the following actuarial methods and assumptions:

Actuarial valuation date	July 1, 2017
Measurement date	June 29, 2018
Actuarial cost method	Entry age normal

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Total OPEB Liability (Continued)

Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.98%
Salary rate increase	4.00%
Healthcare inflation rate	HMO initial - 4.50% HMO ultimate - N/A - trend rates are constant for all years PPO initial - 6.50% PPO ultimate - 5.00%
Mortality rates	RP-2014 Combined Annuitant Mortality Tables for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.
Election at retirement	10% of all active IMRF employees are assumed to elect coverage continuation at retirement.
Marital status	50% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.98% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 29, 2018.

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	$ -	$ -	$ -
Changes for the year:			
Service cost	3,486	-	3,486
Interest on the total OPEB liability	946	-	946
Benefit payments, including the implicit rate subsidy	(1,496)	-	(1,496)
Other changes	29,550	-	29,550
Balances at June 30, 2018	$ 32,486	$ -	$ 32,486

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.98%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower	Current Discount Rate	1% Higher
Total OPEB liability	$ 34,673	$ 32,486	$ 30,421

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of 4.50% - 6.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower	Current Healthcare Rate	1% Higher
Total OPEB liability	$ 29,319	$ 32,486	$ 36,080

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018 the District recognized OPEB expense of $7,274. At June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	$ 29,643	$ -
Total deferred amounts to be recognized in OPEB expense in the future periods	$ 29,643	$ -

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources
2019	$ 2,842
2020	2,842
2021	2,842
2022	2,842
2023	2,842
Thereafter	15,433
Total	$ 29,643

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2018:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	$ 74,708	$ -	$ 74,708
Assumptions	-	29,643	29,643
Proportionate share	195,583	-	195,583
	$ 270,291	$ 29,643	$ 299,934
OPEB liability	$ 9,442,883	$ 32,486	$ 9,475,369

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

3. Summary of OPEB Items (Continued)

	THIS	RHP	Total
Deferred inflows of resources:			
Experience	$ 5,348	$ -	$ 5,348
Assumptions	1,124,300	-	1,124,300
Investments	104	-	104
	$ 1,129,752	$ -	$ 1,129,752

NOTE I - JOINT AGREEMENTS

The District is a member of the Northern Suburban Special Education District (NSSED), a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pools described in Note J. The District believes that, because it does not control the selection of the governing authority and because of the control over employment of management personnel, operation, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

The District entered an agreement with the Board of Commissions of the Glenview Park District that allows for School District 31 to lease space and grounds around Winkelman School for lawful Park District purposes. The original agreement was for 20 years ending May 16, 2010 and was extended for an additional term of 10 years ending May 16, 2020.

NOTE J - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: Education Benefit Cooperative (EBC) for health benefit claims; School Employee Loss Fund (SELF) for worker's compensation claims; and Suburban School Cooperative Insurance Pool (SSCIP) for property damage and injury claims. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settled claims have not exceeded coverage for the past three fiscal years.

Complete financial statements for the School Employee Loss Fund (SELF) can be obtained from its business office at 1111 South Dee Road, Park Ridge, Illinois 60068.

NOTE J - RISK MANAGEMENT (Continued)

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

NOTE K - CONTINGENCIES

1. Litigation

   The District is a defendant in various tax objection lawsuits. The District settled one property tax objection lawsuit for approximately $3,250,000, which was paid during the fiscal year ending June 30, 2018.

   With regard to other pending matters, the eventual outcome and related liability, if any, is not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs, other than as noted above.

2. Grants

   Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2018, the District is committed to approximately $2,455,000 in expenditures in the upcoming year for a modular unit and renovation project. These expenditures will be paid during fiscal year 2019.

NOTE M - INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

From	To	Amount	Principal Purpose
General (Educational Account)	Debt Service	$ 143,649	Principal and interest payments on capital leases
General (Working Cash Account)	General (Educational Account)	3,250,000	Working Cash Account abatement
General (Working Cash Account)	Operations and Maintenance	8,005,346	Working Cash Account abatement
Operations and Maintenance	Capital Projects	8,005,346	Permanent Transfer to Capital Projects

NOTE N - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by $9,645,114, OPEB liabilities (included in long-term liabilities) increased by $9,715,428, and deferred outflows increased by $70,314.

NOTE O - SUBSEQUENT EVENT

Management has evaluated subsequent events through January 21, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than that described below, have occurred subsequent to the statement of position date that require additional disclosure in the financial statements.

Subsequent to year-end, the District entered into a three year capital lease agreement for tablets. Three payments in the amount of $29,951 will be made annually, beginning on July 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

West Northfield School District 31

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEARS
Illinois Municipal Retirement Fund
June 30, 2018

Calendar year ended December 31,

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 132,864	$ 139,842	$ 142,986	$ 149,654
Interest on the total pension liability	501,675	487,022	456,641	422,843
Difference between expected and actual experience of the total pension liability	124,087	(60,720)	163,544	(38,191)
Assumption changes	(210,353)	(14,661)	7,264	245,421
Benefit payments and refunds	(365,429)	(374,548)	(334,543)	(300,715)
Net change in total pension liability	182,844	176,935	435,892	479,012
Total pension liability, beginning	6,805,282	6,628,347	6,192,455	5,713,433
Total pension liability, ending	$ 6,988,126	$ 6,805,282	$ 6,628,347	$ 6,192,445
Plan fiduciary net position				
Contributions, employer	$ 156,120	$ 138,297	$ 146,889	$ 134,273
Contributions, employee	64,159	56,525	56,686	55,896
Net investment income	1,091,285	390,262	28,358	340,352
Benefit payments, including refunds of employee contributions	(365,429)	(374,548)	(334,543)	(300,715)
Other (net transfer)	(322,359)	(2,281)	155,147	(127,516)
Net change in plan fiduciary net position	623,776	208,255	52,537	102,290
Plan fiduciary net position, beginning	5,997,888	5,789,633	5,737,096	5,634,806
Plan fiduciary net position, ending	$ 6,621,664	$ 5,997,888	$ 5,789,633	$ 5,737,096
Net pension liability (asset)	$ 366,462	$ 807,394	$ 838,714	$ 455,349
Plan fiduciary net position as a percentage of the total pension liability	94.76 %	88.14 %	87.35 %	92.65 %
Covered Valuation Payroll	$ 1,425,759	$ 1,256,103	$ 1,259,691	$ 1,242,127
Net pension liability as a percentage of covered valuation payroll	25.70 %	64.28 %	66.58 %	36.66 %

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

West Northfield School District 31

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

June 30, 2018

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	$ 156,121 *	$ 156,120	$ 1	$ 1,425,759	10.95 %
2016	138,297	138,297	-	1,256,103	11.01
2015	133,653	146,889	(13,236)	1,259,691	11.66
2014	134,274	134,273	1	1,242,127	10.81

* Estimated based on contribution rate of 10.95% and covered valuation payroll of $1,425,759.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

West Northfield School District 31

MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,

	2017	2016	2015	2014
District's proportion of the net pension liability	0.0023558772 %	0.0018095105 %	0.0018867923 %	0.0017499646 %
District's proportionate share of the net pension liability	$ 1,799,846	$ 1,428,356	$ 1,236,039	$ 1,064,998
State's proportionate share of the net pension liability associated with the District	61,977,099	65,734,967	50,002,609	43,134,039
Total	$ 63,776,945	$ 67,163,323	$ 51,238,648	$ 44,199,037
District's covered-employee payroll	$ 8,370,668	$ 8,277,863	$ 7,719,938	$ 6,993,465
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	21.50 %	17.26 %	16.01 %	15.23 %
Plan fiduciary net position as a percentage of the total pension liability	39.30 %	36.40 %	41.50 %	43.00 %

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

West Northfield School District 31

MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS

Teachers' Retirement System of the State of Illinois

June 30, 2018

Fiscal year ended June 30,

	2017	2016	2015	2014
Contractually required contribution	$ 97,061	$ 70,055	$ 66,100	$ 61,458
Contributions in relation to the contractually required contribution	(97,061)	(70,077)	(66,113)	(62,438)
Contribution excess	$ -	$ (22)	$ (13)	$ (980)
District's covered-employee payroll	$ 8,489,592	$ 8,370,668	$ 8,277,863	$ 7,719,938
Contributions as a percentage of covered-employee payroll	1.14 %	0.84 %	0.80 %	0.81 %

Note: The District implemented GASB 68 beginning with it's fiscal year ended June 30, 2015 therefore 10 years of information is not available.

West Northfield School District 31

SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

June 30, 2018

Fiscal year ended June 30,		2018
Total OPEB liability		
Service cost	$	3,486
Interest on the total OPEB liability		946
Difference between expected and actual experience of the total OPEB liability		-
Changes of assumptions and other inputs		-
Benefit payments, including the implicit rate subsidy		(1,496)
Other changes		29,550
Net change in total OPEB liability		32,486
Total OPEB liability, beginning		-
Total OPEB liability, ending	$	32,486
Plan fiduciary net position		
Contributions, employer	$	-
Contributions, employee		-
Net investment income		-
Benefit payments, including refunds of employee contributions		-
Other (net transfer)		-
Net change in plan fiduciary net position		-
Plan fiduciary net position, beginning		-
Plan fiduciary net position, ending	$	-
Net OPEB liability	$	32,486
Plan fiduciary net position as a percentage of the total OPEB liability		0.00 %
Covered valuation payroll	$	1,403,687
Net OPEB liability as a percentage of covered valuation payroll		2.31 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

West Northfield School District 31

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teachers' Health Insurance Security Fund
June 30, 2018

Fiscal year ended June 30,	2017
District's proportion of the net OPEB liability	0.0363890000 %
District's proportionate share of the net OPEB liability	$ 9,442,883
State's proportionate share of the net OPEB liability associated with the District	12,400,852
Total	$ 21,843,735
District's covered-employee payroll	$ 8,370,668
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%

Note 1: The amounts presented were determined as of the prior fiscal-year end.

Note 2: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

West Northfield School District 31

SCHEDULE OF DISTRICT CONTRIBUTIONS

Teachers' Health Insurance Security Fund

June 30, 2018

Fiscal year ended June 30,		2017
Contractually required contribution	$	70,314
Contributions in relation to the contractually required contribution		70,318
Contribution excess	$	4
District's covered-employee payroll	$	8,489,592
Contributions as a percentage of covered-employee payroll		-0.83%

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

West Northfield School District 31

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	$ 14,060,007	$ 13,365,153	$ (694,854)	$ 13,533,375
Corporate personal property replacement taxes	226,000	229,931	3,931	229,699
Summer school tuition from pupils or parents	2,000	200	(1,800)	3,900
Interest on investments	55,500	255,027	199,527	96,383
Sales to pupils - a la carte	8,000	7,529	(471)	12,693
Fees	74,800	142,496	67,696	118,446
Other district/school activity revenue	43,000	43,720	720	43,075
Rentals - regular textbook	125,000	91,951	(33,049)	91,319
Contributions and donations from private sources	25,000	1,464	(23,536)	30,000
Other	75,000	71,970	(3,030)	76,921
Total local sources	14,694,307	14,209,441	(484,866)	14,235,811
State sources				
General State Aid	-	-	-	409,111
Evidence Based Funding	600,000	804,266	204,266	-
Special Education - Extraordinary	60,000	-	(60,000)	117,573
Special Education - Personnel	115,000	-	(115,000)	216,526
Special Education - Orphanage - Individual	23,000	39,617	16,617	5,203
Special Education - Orphanage - Summer Individual	-	6,281	6,281	8,869
Special Education - Summer School	1,500	-	(1,500)	1,647
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	82,281	22,722	(59,559)	35,247
Other state sources	750	1,500	750	-
Total state sources	882,531	874,386	(8,145)	794,176

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Federal sources				
Special Milk Program	$ 10,000	$ 11,474	$ 1,474	$ 12,419
Title I - Low Income	448,000	166,538	(281,462)	280,348
Federal - Special Education				
- Pre-School Flow Through	5,827	5,903	76	7,386
Federal - Special Education				
- I.D.E.A. - Flow Through	150,757	161,400	10,643	134,675
Federal - Special Education				
- I.D.E.A. - Room and Board	-	11,040	11,040	62,730
Emergency Immigrant Assistance	-	958	958	360
Title III - English Language Acquisition	40,725	23,351	(17,374)	15,939
Title II - Teacher Quality	25,000	36,040	11,040	6,859
Medicaid Matching Funds -				
Fee-For-Service-Program	75,000	39,200	(35,800)	97,975
Other federal sources	-	-	-	3,505
Total federal sources	755,309	455,904	(299,405)	622,196
Total revenues	16,332,147	15,539,731	(792,416)	15,652,183
Expenditures				
Instruction				
Regular programs				
Salaries	5,316,200	5,090,218	225,982	4,971,944
Employee benefits	888,820	850,359	38,461	818,202
Purchased services	6,000	16,596	(10,596)	1,852
Supplies and materials	209,500	202,152	7,348	175,688
Capital outlay	8,200	95,943	(87,743)	3,000
Other objects	3,225	2,398	827	1,938
Non-capitalized equipment	7,100	-	7,100	713
Termination benefits	17,800	17,799	1	25,096
Total	6,456,845	6,275,465	181,380	5,998,433

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Special education programs				
Salaries	$ 1,131,780	$ 1,092,186	$ 39,594	$ 871,752
Employee benefits	286,470	244,021	42,449	194,709
Purchased services	27,050	77,659	(50,609)	35,355
Supplies and materials	43,300	22,413	20,887	33,784
Capital outlay	5,000	-	5,000	-
Non-capitalized equipment	1,250	-	1,250	-
Termination benefits	6,775	6,744	31	6,391
Total	1,501,625	1,443,023	58,602	1,141,991
CTE programs				
Purchased services	6,150	-	6,150	398
Supplies and materials	10,300	7,640	2,660	7,181
Capital outlay	-	2,671	(2,671)	-
Non-capitalized equipment	1,500	-	1,500	-
Total	17,950	10,311	7,639	7,579
Interscholastic programs				
Salaries	178,600	168,787	9,813	160,056
Employee benefits	2,500	2,074	426	1,935
Purchased services	8,400	6,602	1,798	6,291
Supplies and materials	23,300	23,871	(571)	21,844
Total	212,800	201,334	11,466	190,126
Summer school programs				
Salaries	5,500	2,270	3,230	1,788
Employee benefits	80	13	67	25
Supplies and materials	100	-	100	-
Total	5,680	2,283	3,397	1,813

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Gifted programs				
Salaries	$ 190,937	$ 190,628	$ 309	$ 108,585
Employee benefits	21,973	20,493	1,480	9,494
Purchased services	200	129	71	129
Supplies and materials	2,800	681	2,119	625
Termination benefits	6,812	6,811	1	5,707
Total	222,722	218,742	3,980	124,540
Bilingual programs				
Salaries	701,742	690,943	10,799	778,645
Employee benefits	152,763	143,528	9,235	149,473
Purchased services	2,250	205	2,045	12,735
Supplies and materials	10,292	9,085	1,207	6,258
Termination benefits	4,919	4,918	1	9,444
Total	871,966	848,679	23,287	956,555
Special education programs K-12 - private tuition	77,000	60,122	16,878	75,001
Total instruction	9,366,588	9,059,959	306,629	8,496,038
Support services				
Pupils				
Attendance and social work services				
Salaries	174,642	162,908	11,734	157,961
Employee benefits	28,184	44,558	(16,374)	36,321
Purchased services	4,500	-	4,500	1,783
Supplies and materials	3,800	(225)	4,025	3,717
Total	211,126	207,241	3,885	199,782

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Health services				
Salaries	$ 50,645	$ 44,353	$ 6,292	$ 39,112
Employee benefits	11,805	39	11,766	942
Purchased services	8,800	236	8,564	7,579
Supplies and materials	3,800	3,608	192	2,799
Other objects	500	-	500	152
Non-capitalized equipment	3,500	-	3,500	-
Total	79,050	48,236	30,814	50,584
Psychological services				
Salaries	68,960	61,231	7,729	66,441
Employee benefits	12,435	12,287	148	11,609
Purchased services	37,000	64,383	(27,383)	32,751
Supplies and materials	3,700	1,427	2,273	2,806
Total	122,095	139,328	(17,233)	113,607
Speech pathology and audiology services				
Salaries	134,235	131,807	2,428	125,742
Employee benefits	24,795	24,706	89	23,119
Purchased services	64,000	83,038	(19,038)	44,411
Supplies and materials	4,800	3,133	1,667	418
Total	227,830	242,684	(14,854)	193,690
Other support services - pupils				
Salaries	51,500	34,491	17,009	35,207
Employee benefits	500	344	156	309
Total	52,000	34,835	17,165	35,516
Total pupils	692,101	672,324	19,777	593,179

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Instructional staff				
Improvement of instruction services				
Salaries	$ 287,615	$ 263,468	$ 24,147	$ 263,280
Employee benefits	51,550	49,814	1,736	46,976
Purchased services	110,257	136,494	(26,237)	83,165
Supplies and materials	9,250	7,590	1,660	3,884
Other objects	2,500	1,910	590	2,577
Total	461,172	459,276	1,896	399,882
Educational media services				
Salaries	148,545	146,222	2,323	198,107
Employee benefits	32,725	32,335	390	29,732
Purchased services	1,350	892	458	870
Supplies and materials	38,050	16,076	21,974	32,345
Capital outlay	4,500	-	4,500	3,350
Non-capitalized equipment	750	-	750	-
Termination benefits	-	-	-	6,679
Total	225,920	195,525	30,395	271,083
Assessment and testing				
Salaries	1,500	258	1,242	997
Purchased services	14,000	10,738	3,262	11,238
Supplies and materials	8,200	6,044	2,156	4,637
Total	23,700	17,044	6,656	16,872
Total instructional staff	710,792	671,845	38,947	687,837
General administration				
Board of education services				
Salaries	3,220	12,636	(9,416)	13,096
Employee benefits	-	1,010	(1,010)	3,854
Purchased services	154,000	178,150	(24,150)	97,217
Supplies and materials	5,300	2,870	2,430	3,422
Other objects	7,000	-	7,000	6,807
Total	169,520	194,666	(25,146)	124,396

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Executive administration services				
Salaries	$ 372,856	$ 373,320	$ (464)	$ 346,067
Employee benefits	87,105	86,318	787	82,376
Purchased services	6,600	5,525	1,075	5,539
Supplies and materials	4,500	3,780	720	3,315
Other objects	7,500	8,735	(1,235)	5,611
Termination benefits	-	-	-	16,464
Total	478,561	477,678	883	459,372
Special area administrative services				
Salaries	156,370	155,193	1,177	150,079
Employee benefits	55,485	51,632	3,853	49,019
Purchased services	2,500	2,061	439	1,672
Supplies and materials	500	249	251	463
Other objects	500	-	500	249
Total	215,355	209,135	6,220	201,482
Tort immunity services				
Purchased services	125,700	149,226	(23,526)	103,446
Total	125,700	149,226	(23,526)	103,446
Total general administration	989,136	1,030,705	(41,569)	888,696
School administration				
Office of the principal services				
Salaries	493,135	495,688	(2,553)	473,714
Employee benefits	156,195	156,445	(250)	146,774
Purchased services	10,200	4,081	6,119	9,061
Supplies and materials	10,100	9,794	306	9,204
Other objects	1,325	913	412	610
Termination benefits	-	-	-	5,414
Total	670,955	666,921	4,034	644,777
Total school administration	670,955	666,921	4,034	644,777

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Business				
Direction of business support services				
Salaries	$ 164,173	$ 164,173	$ -	$ 156,807
Employee benefits	53,600	53,088	512	49,937
Purchased services	2,500	1,206	1,294	1,344
Supplies and materials	350	169	181	120
Other objects	500	370	130	30
Total	221,123	219,006	2,117	208,238
Fiscal services				
Salaries	118,560	111,343	7,217	99,739
Employee benefits	12,372	10,155	2,217	14,073
Purchased services	17,000	12,096	4,904	14,618
Supplies and materials	500	519	(19)	316
Other objects	500	-	500	-
Total	148,932	134,113	14,819	128,746
Food services				
Supplies and materials	16,300	14,339	1,961	12,945
Capital outlay	5,000	3,701	1,299	-
Total	21,300	18,040	3,260	12,945
Internal services				
Purchased services	75,500	86,944	(11,444)	73,544
Supplies and materials	15,500	10,265	5,235	11,729
Total	91,000	97,209	(6,209)	85,273
Total business	482,355	468,368	13,987	435,202
Central				
Information services				
Salaries	7,000	7,640	(640)	3,570
Purchased services	7,750	1,132	6,618	-
Supplies and materials	300	155	145	-
Total	15,050	8,927	6,123	3,570

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Staff services				
Salaries	$ 11,232	$ 3,302	$ 7,930	$ 11,312
Employee benefits	2,934	733	2,201	2,782
Purchased services	1,750	2,968	(1,218)	392
Other objects	250	-	250	-
Total	16,166	7,003	9,163	14,486
Data processing services				
Salaries	179,140	179,415	(275)	162,558
Employee benefits	31,275	31,245	30	27,100
Purchased services	172,000	160,132	11,868	118,441
Supplies and materials	55,000	35,463	19,537	37,623
Capital outlay	50,000	48,236	1,764	128,144
Total	487,415	454,491	32,924	473,866
Total central	518,631	470,421	48,210	491,922
Other supporting services				
Salaries	10,000	-	10,000	-
Purchased services	6,000	-	6,000	-
Supplies and materials	-	105	(105)	-
Other objects	3,250,000	-	3,250,000	3,250,000
Total	3,266,000	105	3,265,895	3,250,000
Total support services	7,329,970	3,980,689	3,349,281	6,991,613
Community services				
Purchased services	10,000	17,398	(7,398)	11,748
Supplies and materials	3,725	-	3,725	720
Total	13,725	17,398	(3,673)	12,468

(Continued)

West Northfield School District 31

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Payments for special education programs				
Purchased services	$ -	$ 7,350	$ (7,350)	$ -
Other objects	1,945,827	2,031,366	(85,539)	1,918,512
Total	1,945,827	2,038,716	(92,889)	1,918,512
Total payments to other districts and other government units	1,945,827	2,038,716	(92,889)	1,918,512
Provision for contingencies	30,000	-	30,000	-
Total expenditures	18,686,110	15,096,762	3,589,348	17,418,631
Excess (deficiency) of revenues over expenditures	(2,353,963)	442,969	2,796,932	(1,766,448)
Other financing sources (uses)				
Permanent transfer from Working Cash Fund - abatement	(3,250,000)	(8,005,346)	(4,755,346)	-
Permanent transfer to Operations and Maintenance Fund	3,250,000	-	(3,250,000)	-
Debt issuance	-	11,045,000	11,045,000	-
Premium on debt issuance	-	254,664	254,664	-
Deposits with escrow agent	-	(1,026,948)	(1,026,948)	-
Capital lease proceeds	-	90,654	90,654	84,300
Other uses not classified elsewhere	-	(269,995)	(269,995)	-
Transfer to Debt Service Fund for principal on capital leases	-	(132,225)	(132,225)	(184,097)
Transfer to Debt Service Fund for interest on capital leases	-	(11,424)	(11,424)	(16,617)
Total other financing sources (uses)	-	1,944,380	1,944,380	(116,414)
Net change to fund balance	$ (2,353,963)	2,387,349	$ 4,741,312	(1,882,862)
Fund balance, beginning of year		10,915,189		12,798,051
Fund balance, end of year		$ 13,302,538		$ 10,915,189

(Concluded)

West Northfield School District 31

Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	$ 1,143,980	$ 1,192,202	$ 48,222	$ 1,212,907
Rentals	40,000	57,026	17,026	41,324
Other	10,000	1,250	(8,750)	1,371
Total local sources	1,193,980	1,250,478	56,498	1,255,602
Total revenues	1,193,980	1,250,478	56,498	1,255,602
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	5,000	-	5,000	-
Capital outlay	20,000	-	20,000	8,975
Total	25,000	-	25,000	8,975
Operation and maintenance of plant services				
Salaries	442,698	418,850	23,848	411,247
Employee benefits	128,913	122,239	6,674	118,644
Purchased services	463,050	468,675	(5,625)	304,010
Supplies and materials	370,100	338,489	31,611	344,285
Capital outlay	125,000	127,387	(2,387)	79,607
Other objects	500	-	500	-
Non-capitalized equipment	23,500	9,556	13,944	8,199
Total	1,553,761	1,485,196	68,565	1,265,992
Total support services	1,578,761	1,485,196	93,565	1,274,967

(Continued)

West Northfield School District 31

Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Provision for contingencies	$ 20,000	$ -	$ 20,000	$ -
Total expenditures	1,598,761	1,485,196	113,565	1,274,967
Deficiency of revenues over expenditures	(404,781)	(234,718)	170,063	(19,365)
Other financing sources (uses)				
Permanent transfer from Working Cash Fund - abatement	-	8,005,346	(8,005,346)	-
Transfer to Capital Projects Fund	-	(8,005,346)	8,005,346	-
Total other financing uses	-	-	-	-
Net change in fund balance	$ (404,781)	(234,718)	$ 170,063	(19,365)
Fund balance, beginning of year		1,108,446		1,127,811
Fund balance, end of year		$ 873,728		$ 1,108,446

(Concluded)

West Northfield School District 31

Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	$ 311,995	$ 375,834	$ 63,839	$ 318,874
Corporate personal property replacement taxes	60,000	60,000	-	50,000
Regular transportation fees from pupils or parents	95,000	117,923	22,923	100,351
Total local sources	466,995	553,757	86,762	469,225
State sources				
Transportation - Special Education	80,000	158,754	78,754	159,048
Total state sources	80,000	158,754	78,754	159,048
Total revenues	546,995	712,511	165,516	628,273
Expenditures				
Support services				
Pupil transportation services Purchased services	565,000	609,283	(44,283)	551,313
Total support services	565,000	609,283	(44,283)	551,313
Total expenditures	565,000	609,283	(44,283)	551,313
Excess (deficiency) of revenues over expenditures	$ (18,005)	103,228	$ 121,233	76,960
Fund balance, beginning of year		410,366		333,406
Fund balance, end of year		$ 513,594		$ 410,366

West Northfield School District 31

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	$ 103,999	$ 114,598	$ 10,599	$ 96,526
Social security/Medicare only levy	249,596	236,970	(12,626)	248,411
Corporate personal property replacement taxes	9,000	9,000	-	9,000
Total local sources	362,595	360,568	(2,027)	353,937
Total revenues	362,595	360,568	(2,027)	353,937
Expenditures				
Instruction				
Regular programs	122,060	106,773	15,287	88,406
Special education programs	62,675	57,271	5,404	39,827
Interscholastic programs	7,136	6,392	744	5,877
Summer school programs	300	265	35	22
Gifted programs	1,385	1,107	278	11
Bilingual programs	13,645	12,514	1,131	14,230
Total instruction	207,201	184,322	22,879	148,373

(Continued)

West Northfield School District 31

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Support services				
Pupils				
Attendance and social work services	$ 4,345	$ 3,936	$ 409	$ 4,015
Health services	8,625	7,603	1,022	6,249
Psychological services	1,000	867	133	944
Speech pathology and audiology services	1,940	1,890	50	1,809
Other support services -pupils	3,172	1,370	1,802	1,487
Total pupils	19,082	15,666	3,416	14,504
Instructional staff				
Improvement of instruction services	6,595	7,494	(899)	7,501
Educational media services	5,470	3,040	2,430	3,760
Assessment and testing	-	4	(4)	-
Total instructional staff	12,065	10,538	1,527	11,261
General administration				
Board of education services	600	581	19	565
Executive administration services	18,160	17,959	201	17,271
Special area administrative services	6,695	6,485	210	6,338
Total general administration	25,455	25,025	430	24,174
School administration				
Office of the principal services	34,570	33,661	909	32,623
Total school administration	34,570	33,661	909	32,623

(Continued)

West Northfield School District 31

Municipal Retirement / Social Security Fund

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Business				
Direction of business support services	$ 4,460	$ 4,111	$ 349	$ 4,041
Fiscal services	21,885	19,302	2,583	18,410
Operation and maintenance of plant services	81,310	75,844	5,466	75,030
Total business	107,655	99,257	8,398	97,481
Central				
Planning, research, development				
Information services	500	585	(85)	273
Staff services	2,115	523	1,592	1,995
Data processing services	33,050	32,629	421	29,932
Total central	35,665	33,737	1,928	32,200
Total support services	234,492	217,884	16,608	212,243
Community services	-	465	(465)	-
Total expenditures	441,693	402,671	39,022	360,616
Deficiency of revenues over expenditures	$ (79,098)	(42,103)	$ 36,995	(6,679)
Fund balance, beginning of year		213,632		220,311
Fund balance, end of year		$ 171,529		$ 213,632

(Concluded)

West Northfield School District 31

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements.

a) 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.

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

c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.

d) Formal budgetary integration is employed as a management control device during the year for the governmental funds.

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

f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 28, 2017.

g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following fund had expenditures in excess of budget at June 30, 2018:

Fund		Variance
Transportation	$	44,283
Debt Service		48,913

3. BUDGET RECONCILIATION

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

	Revenues	Expenditures
General fund - budgetary basis	$ 15,539,731	$ 15,096,762
To adjust for on-behalf payments received	6,967,783	-
To adjust for on-behalf payments made	-	6,967,783
	$ 22,507,514	$ 22,064,545

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE*

Valuation Date:

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

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2017 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular members): 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The 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 table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

West Northfield School District 31

General Fund
COMBINING BALANCE SHEET
June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	$ 6,531,950	$ 34	$ 6,857,343	$ 13,389,327
Receivables (net of allowance for uncollectibles):				
Interest	36,850	-	-	36,850
Property taxes	6,231,466	-	126	6,231,592
Replacement taxes	52,165	-	-	52,165
Intergovernmental	123,170	-	-	123,170
Prepaid items	26,147	-	-	26,147
Total assets	$ 13,001,748	$ 34	$ 6,857,469	$ 19,859,251
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 64,237	$ -	$ -	$ 64,237
Other current liabilities	29,197	-	-	29,197
Unearned revenue	213,207	-	-	213,207
Total liabilities	306,641	-	-	306,641
DEFERRED INFLOWS				
Unavailable interest revenue	18,480	-	-	18,480
Property taxes levied for a future period	6,231,466	-	126	6,231,592
Total deferred inflows	6,249,946	-	126	6,250,072
FUND BALANCES				
Nonspendable	26,147	-	-	26,147
Restricted	-	34	-	34
Unassigned	6,419,014	-	6,857,343	13,276,357
Total fund balance	6,445,161	34	6,857,343	13,302,538
Total liabilities, deferred inflows, and fund balance	$ 13,001,748	$ 34	$ 6,857,469	$ 19,859,251

West Northfield School District 31

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	$ 13,364,556	$ -	$ 597	$ 13,365,153
Replacement taxes	229,931	-	-	229,931
State aid	7,842,169	-	-	7,842,169
Federal aid	455,904	-	-	455,904
Interest	241,259	-	13,768	255,027
Other	359,330	-	-	359,330
Total revenues	22,493,149	-	14,365	22,507,514
Expenditures				
Current:				
Instruction:				
Regular programs	6,179,522	-	-	6,179,522
Special programs	1,503,145	-	-	1,503,145
Other instructional programs	1,278,678	-	-	1,278,678
State retirement contributions	6,967,783	-	-	6,967,783
Support services:				
Pupils	672,324	-	-	672,324
Instructional staff	671,845	-	-	671,845
General administration	1,030,705	-	-	1,030,705
School administration	666,921	-	-	666,921
Business	464,077	-	-	464,077
Central	422,185	-	-	422,185
Community services	17,398	-	-	17,398
Nonprogrammed charges	2,038,716	-	-	2,038,716
Capital outlay	151,246	-	-	151,246
Total expenditures	22,064,545	-	-	22,064,545
Excess of revenues over expenditures	428,604	-	14,365	442,969

(Continued)

West Northfield School District 31

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources				
Transfer in	$ 3,250,000	$ -	$ -	$ 3,250,000
Transfer (out)	(143,649)	-	(11,255,346)	(11,398,995)
Capital lease proceeds	90,654	-	-	90,654
Debt issuance	-	-	11,045,000	11,045,000
Deposits with escrow agent	-	-	(1,026,948)	(1,026,948)
Other uses not classified elsewhere	-	-	(269,995)	(269,995)
Premium on debt issuance	-	-	254,664	254,664
Total other financing sources	3,197,005	-	(1,252,625)	1,944,380
Net change in fund balance	3,625,609	-	(1,238,260)	2,387,349
Fund balance, beginning of year	2,819,552	34	8,095,603	10,915,189
Fund balance, end of year	$ 6,445,161	$ 34	$ 6,857,343	$ 13,302,538

(Concluded)

West Northfield School District 31

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	$ 429,352	$ 827,083	$ 397,731	$ 837,674
Corporate personal property replacement taxes	30,000	60,047	30,047	197,606
Total local sources	459,352	887,130	427,778	1,035,280
Total revenues	459,352	887,130	427,778	1,035,280
Expenditures				
Debt service				
Debt services - interest				
Bonds and certificates - interest	99,825	159,510	(59,685)	97,275
Other interest	-	-	-	16,617
Total debt service - interest	99,825	159,510	(59,685)	113,892
Principal payments on long-term debt	844,000	832,225	11,775	829,097
Other debt service				
Other objects	-	1,003	(1,003)	1,279
Total	-	1,003	(1,003)	1,279
Total debt service	943,825	992,738	(48,913)	944,268
Total expenditures	943,825	992,738	(48,913)	944,268

(Continued)

West Northfield School District 31

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Excess (deficiency) of revenues over expenditures	$ (484,473)	$ (105,608)	$ 378,865	$ 91,012
Other financing sources				
Transfer to pay for principal on capital leases	-	132,225	132,225	184,097
Transfer to pay for interest on capital leases	-	11,424	11,424	16,617
Total other financing sources	-	143,649	143,649	200,714
Net change in fund balance	$ (484,473)	38,041	$ 522,514	291,726
Fund balance, beginning of year		1,074,362		782,636
Fund balance, end of year		$ 1,112,403		$ 1,074,362

(Concluded)

West Northfield School District 31

Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
Interest on investments	$ 500	$ 34,389	$ 33,889	$ 445
Impact fees from municipal or county governments	75,000	76,889	1,889	22,014
Total revenues	75,500	111,278	35,778	22,459
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	635,000	389,728	245,272	633,660
Other objects	75,000	-	75,000	-
Total support services	710,000	389,728	320,272	633,660
Total expenditures	710,000	389,728	320,272	633,660
Deficiency of revenues over expenditures	(634,500)	(278,450)	356,050	(611,201)
Other financing sources				
Transfer from Operations and Maintenance Fund	-	8,005,346	8,005,346	-
Total other financing sources	-	8,005,346	8,005,346	-
Net change in fund balance	$ (634,500)	7,726,896	$ 8,361,396	(611,201)
Fund balance, beginning of year		787,404		1,398,605
Fund balance, end of year		$ 8,514,300		$ 787,404

West Northfield School District 31

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND - STUDENT ACTIVITY FUNDS

Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and cash equivalents	$ 29,069	$ 30,607	$ 35,397	$ 24,279
Liabilities				
Due to student groups				
District				
PTC Fundraising	$ -	$ 452	$ 402	$ 50
Winter Benefit	-	10,674	10,674	-
Total District	-	11,126	11,076	50
Winkleman				
Misc.	3,655	1,080	3,216	1,519
Student Council	3,173	3,091	3,090	3,174
Schoola.com	153	-	-	153
Pictures	2,936	1,607	699	3,844
Interest	11	-	-	11
Total Winkleman	9,928	5,778	7,005	8,701
Field School				
Miscellaneous	716	-	-	716
Pictures	4,775	486	4,275	986
WCWIO	87	-	-	87
6th Grade	493	-	-	493
7th Grade	76	-	-	76
8th Grade	872	-	-	872
Student Council	2,566	2,596	2,796	2,366
Computer Fair	1	-	-	1
Play	2,524	2,025	1,257	3,292
Cheer Fund	52	521	358	215
5K Run	1,612	4,926	6,536	2
Interest	213	9	14	208
Senior Grant	5,154	1,760	2,080	4,834
Eagle Scout	-	1,380	-	1,380
Total Field School	19,141	13,703	17,316	15,528
Total due to student groups	$ 29,069	$ 30,607	$ 35,397	$ 24,279

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

West Northfield School District 31

PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	2017	2016	2015	2014	2013
Assessed Valuation	$ 611,806,992	$ 596,179,292	$ 513,583,834	$ 516,403,282	$ 505,935,060
Rates Extended					
Educational	2.2145	2.2676	2.5630	2.4639	2.4961
Operations and Maintenance	0.2125	0.1845	0.2531	0.2517	0.1977
Debt Service	0.1380	0.1392	0.1601	0.0723	0.1315
Transportation	0.0736	0.0503	0.0643	0.0503	0.0494
Municipal Retirement	0.0212	0.0168	0.0175	0.0194	0.0168
Social Security	0.0392	0.0403	0.0487	0.0533	0.0543
Working Cash	0.0001	0.0001	0.0001	0.0001	0.0001
Total rates extended	2.6991	2.6988	3.1068	2.9110	2.9459
Levies Extended					
Educational	$ 13,548,522	$ 13,518,976	$ 13,163,388	$ 12,723,510	$ 12,628,851
Operations and Maintenance	1,300,000	1,100,000	1,300,000	1,300,000	1,000,000
Debt Service	844,250	829,885	822,347	373,359	665,417
Transportation	450,000	300,000	330,000	260,000	250,000
Municipal Retirement	130,000	100,000	90,000	100,000	85,000
Social Security	240,000	240,000	250,000	275,000	274,500
Working Cash	500	500	500	500	500
Total levies extended	$ 16,513,272	$ 16,089,361	$ 15,956,235	$ 15,032,369	$ 14,904,268
Total collections	$ 8,753,117	$ 15,810,460	$ 15,757,511	$ 14,771,476	$ 14,904,268
Percentage of extensions collected	53.01%	98.27%	98.75%	98.26%	100.00%

Note: Tax rates are expressed in dollars per $100 of assessed valuation.

West Northfield School District 31

OPERATING COSTS AND TUITION CHARGE

JUNE 30, 2018 AND 2017

	2018	2017
Operating costs per pupil		
Average Daily Attendance (ADA):	812.81	804.54
Operating costs:		
Educational	$ 15,096,762	$ 17,418,631
Operations and Maintenance	1,485,196	1,274,967
Debt Service	992,738	944,268
Transportation	609,283	551,313
Municipal Retirement/Social Security	402,671	360,616
Subtotal	18,586,650	20,549,795
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	60,122	75,001
Debt service - payments of principal on long-term debt	832,225	829,097
Summer school	2,548	1,835
Community Services	17,863	12,468
Capital outlay	277,938	223,076
Non-capitalized equipment	9,556	8,912
Payments to other Districts and Gov't Units	2,038,716	1,918,512
Subtotal	3,238,968	3,068,901
Operating costs	$ 15,347,682	$ 17,480,894
Operating costs per pupil - based on ADA	$ 18,882	$ 21,728
Tuition Charge		
Operating costs	$ 15,347,682	$ 17,480,894
Less - revenues from specific programs, such as special education or lunch programs	1,526,459	1,566,131
Net operating costs	13,821,223	15,914,763
Depreciation allowance	706,639	696,088
Allowance tuition costs	$ 14,527,862	$ 16,610,851
Tuition charge per pupil - based on ADA	$ 17,874	$ 20,646