

West Northfield School District 31
Northbrook, Illinois
Annual Financial Report
Year Ended June 30, 2016

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2016

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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, 2016, 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)

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, 2016, 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.

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 63 through 66, budgetary comparison schedules and notes to the required supplementary information on pages 67 through 87 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 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.

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, 2016 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016 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, 2016 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

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, 2015 (not presented herein), and have issued our report thereon dated November 12, 2015, 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 the West Northfield School District 31's basic financial statements as a whole. 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, 2015 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 2015 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 2015 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, 2015.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016 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.



Certified Public Accountants

Deerfield, Illinois
October 12, 2016

West Northfield School District 31

Management's Discussion and Analysis

For the Year Ended June 30, 2016

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, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The District continues to maintain a healthy financial position with an unrestricted net position making up 53% of the total net position, which is slightly higher than last year.
- General revenues accounted for \$15,689 of revenues, or 74% of all revenues. Property taxes including amounts levied for debt service, account for 97% of General Revenues. This is a 2% increase, as a percentage of General Revenues, from fiscal year 2015. Program specific revenues accounted for \$5,445 or 26%, of the total revenues of \$21,135.
- The District had \$21,097 in program expenditures related to governmental activities. However, only \$5,071 was offset by state and federal reimbursements or grants, which included the TRS "on-behalf" payments of \$4,185.
- The District has \$4,005 remaining due on its long-term general obligation bonds, as of June 30, 2016 with \$645 due within one year. This increase from the prior year represents the 2015A & B Bonds issued in July, 2015.

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.

West Northfield School District 31 Management's Discussion and Analysis For the Year Ended June 30, 2016

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued)

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.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, which was adopted by the District as of the fiscal year ended June 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

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 revenues and expenses 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.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

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

The District's combined net position for governmental activities was higher on June 30, 2016 than the previous year, increasing 0.2% to \$19,613. The unrestricted portion of the net position increased 1.6% over last year's \$10,191. Current liabilities increased by \$312 due to construction in progress.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

District-Wide Financial Analysis (Continued)

TABLE 1: <i>Condensed Statements of Net Position</i> <i>(in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 25,472	\$ 21,939
Capital Assets, net	<u>8,862</u>	<u>7,176</u>
Total Assets	<u>34,334</u>	<u>29,115</u>
Deferred Outflow of Resources:		
Deferred outflows related to pension liabilities	<u>732</u>	<u>353</u>
Total Deferred Outflow of Resources	<u>732</u>	<u>353</u>
Liabilities:		
Current Liabilities	980	668
Long-term Liabilities	<u>6,593</u>	<u>2,100</u>
Total Liabilities	<u>7,573</u>	<u>2,768</u>
Deferred Inflow of Resources:		
Bond proceeds for a future period	-	68
Pension liabilities	45	70
Property taxes levied for a future period	<u>7,835</u>	<u>6,987</u>
Total Deferred Inflow of Resources	<u>7,880</u>	<u>7,125</u>
Net Position:		
Net investment in capital assets	5,516	6,705
Restricted	3,740	2,679
Unrestricted	<u>10,357</u>	<u>10,191</u>
Total Net Position	\$ 19,613	\$ 19,575

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

District-Wide Financial Analysis (Continued)

<i>TABLE 2: Changes in Net Position – Governmental Activities (in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 374	\$ 379
Operating grants and contributions	5,071	4,400
<i>General Revenues:</i>		
Property & Replacement Taxes	15,179	15,733
State-aid formula grants	370	348
Other	<u>141</u>	<u>43</u>
Total Revenues	<u>21,135</u>	<u>20,903</u>
Expenses:		
Instruction	14,261	13,312
Pupil and instructional staff services	1,433	1,384
Administration and business	2,017	1,872
Transportation	469	476
Operations and maintenance	1,278	1,293
Other	<u>1,639</u>	<u>1,094</u>
Total Expenses	<u>21,097</u>	<u>19,431</u>
Excess of revenues over expenses	<u>38</u>	<u>1,472</u>
Increase in net position	\$ 38	\$ 1,472

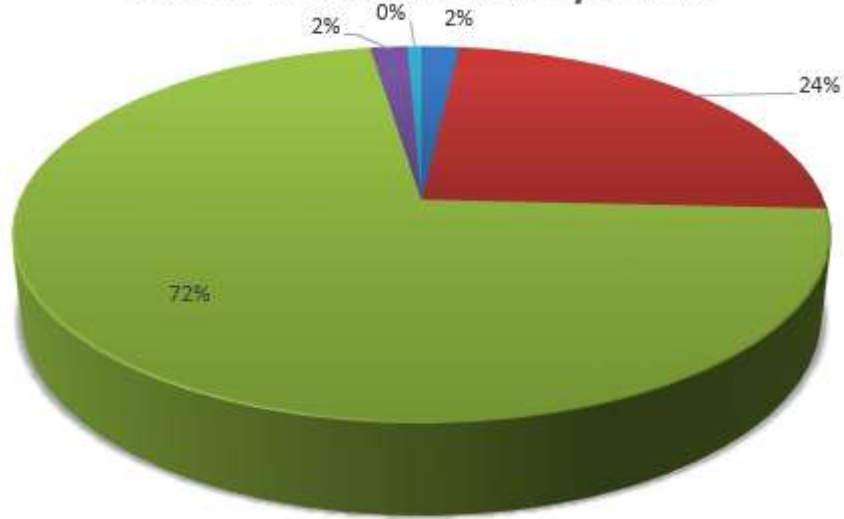
Property and replacement taxes accounted for the largest portion of the District's revenues, contributing 72% of governmental activity revenues. The remainder of revenues came from General State Aid, state and federal grants, and other local sources, including registration fees. The total cost of programs was \$21,097, with approximately 74% of those costs being directly related to instruction and support services for students.

Revenues in the governmental activities of the District of \$21,135 were \$38 higher than expenses. The increase reflected in this statement's net position illustrates a 1% increase in revenues. This primarily stems from an increase in state retirement contributions. The 8.5% increase in overall expenses is due to increases in instructional and administration services.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

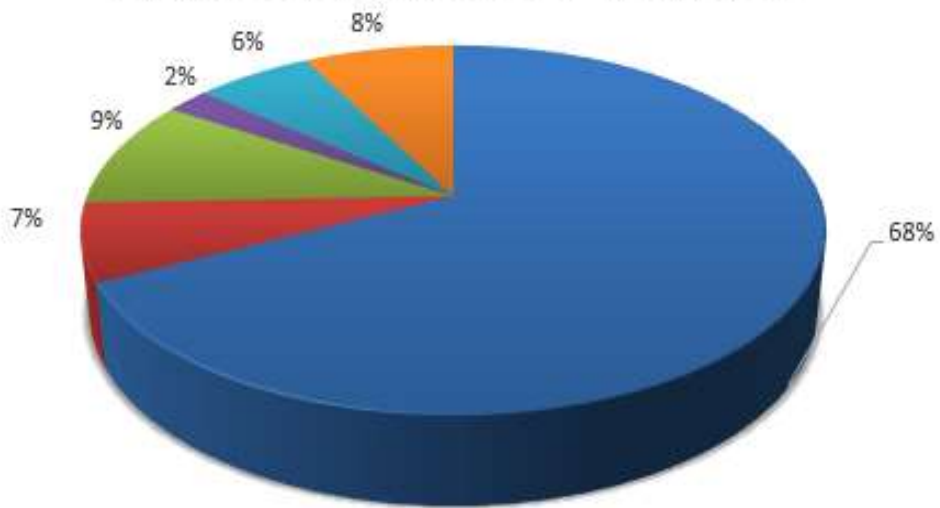
District-Wide Financial Analysis (Continued)

District-Wide Revenues by Source



■ Charges for services ■ Operating grants and contributions ■ Taxes ■ General state aid ■ Other

District-Wide Expenses by Function



■ Instruction ■ Pupil and Instructions Staff Services
■ Administration and Business ■ Transportaiton
■ Operatings and Maintenance ■ Other

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Financial Analysis of the District's Funds

The strong 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 \$16,661 compared to the prior year's total fund balance of \$14,212, reflecting a 17.2% increase.

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 by \$250, primarily as a result of an increase in state aid, mainly Teachers' Retirement System (TRS) "on behalf" payments made by the state. Expenditures were \$1,801 more primarily due to the same TRS "on behalf" state contributions when reflected as the corresponding expense, as well as an increase in capital outlay and non-programmed charges.

Capital Assets and Debt Administration

Capital assets

By the end of fiscal year 2016, the District had compiled total capital assets of approximately \$8,862, net of accumulated depreciation, from a broad range of assets including buildings, land, and equipment. Construction in Progress reflects \$767 which relates to the HVAC project taking place at Winkleman School.

TABLE 3:		
<i>Capital Assets (net of depreciation)</i>		
<i>(in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
Land	\$ 81	\$ 81
Construction in progress	767	477
Buildings and improvements	7,574	6,381
Equipment and other	<u>440</u>	<u>237</u>
Total	\$ 8,862	\$ 7,176

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Capital Assets and Debt Administration (Continued)

Long-term liabilities

The District has \$4,005 in long-term bonded debt with \$645 due within one year. The increase in General Obligation Bonds is reflective of the 2015 Working Cash Bonds issued during fiscal year 2016. More detailed information on long-term debt can be found in Note F of the basic financial statements. The other substantial increase is due to the net pension liabilities from both pension systems.

TABLE 4: <i>Outstanding Long-Term Liabilities</i> <i>(in thousands of dollars)</i>		
	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 4,005	\$ 345
Unamortized premium	74	-
Capital leases	361	126
OPEB	9	15
Compensated absences	69	94
IMRF net pension liability	839	455
TRS net pension liability	<u>1,236</u>	<u>1,065</u>
Total	\$ 6,593	\$ 2,100

Factors bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect 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 remain relatively low.
- 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, at 15% for year eleven, and 20% in year twelve, plus the equalization factor. The District is anticipating the full amount of tax revenue from this development in 2026.
- GlenStar Properties has completed the development located at Willow and Sanders, adjacent to Astellas Pharmaceutical Corporation, called the Tapestry Project. The District's 2015 levy request captured the additional property tax receipts provided from the available assessed value considered new property by year end 2015. Additional tax receipts for the balance of the new property will be requested through the 2016 levy process. There is also potential for further development on that property but the District has not received any current information, to date.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Factors bearing on the District's Future (Continued)

- At the time of this report, the development on the Mission Hills Golf Course, Provenance, has received its various approvals and has broken ground. The timeframe of the project's completion continues to be uncertain due to litigation with various current owners. This development, by Red Seal Development Corporation, would consist of 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 fiscal study, at full build-out, the EAV of the development is anticipated to be over \$22 million.
- There is another potential development within the District's boundaries which would be located on the west side of Landwehr Road, north of Willow Road. K. Hovnanian Homes is proposing a 7 lot residential development. This is expected to move forward.
- The District continues to work with stakeholders currently involved in large property tax appeals in order to minimize the impact to the District. Currently, the largest of the corporate property tax appeals continues in the litigation process for the tax years 2004 through 2006, with the 2007 through 2009 triennial to follow. This District is committed to work towards a resolution for these two triennials.
- The District remains involved with a manageable process to protect its assets for the future. For the 2010 through 2012 tax years and the 2013 through 2015 tax years, settlement agreements were reached with regard to the valuation of the three main campuses on the Allstate property that are involved in the appeals.
- The District and its legal counsel have recently met with Allstate's attorneys and the Assessor's Office in order to produce settlement agreements for the current triennial, tax years 2016 through 2018. Values have been agreed upon and the Settlement Agreements are being created at this point in time. The District and Allstate are also working to agree on the value of a fourth piece of property prior to the distribution of the tax bills. This proactive process has greatly mitigated the possibility of negative outcomes from large tax appeals by meeting on a triennial basis to determine a fair value of the properties before the tax bills are distributed. These agreements protect the District's revenues in regards to those tax years and may eliminate the 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 plan to continue this proactive approach to protect the District's assets and providing a fair platform for all involved.
- This District continues to monitor state fiscal policies including pension reform, which if put in place, would negatively impact District funding and increase costs in the future.
- Future employer health care costs are unknown due to health care reform under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. The District is working with its insurance carriers to stay proactive.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2016

Requests for Information

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

If you have questions about this report, or need additional financial information, contact the 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, 2016

ASSETS	
Cash and investments	\$ 17,202,879
Receivables (net of allowance for uncollectibles):	
Interest	5,986
Property taxes	7,931,787
Replacement taxes	71,090
Intergovernmental	234,583
Prepaid items	25,460
Capital assets:	
Land	81,393
Construction in progress	767,002
Depreciable buildings, property, and equipment, net	<u>8,013,510</u>
 Total assets	 <u>34,333,690</u>
 DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to pension liabilities	<u>732,223</u>
 Total deferred outflows	 <u>732,223</u>
 LIABILITIES	
Accounts payable	771,594
Due to other governments	50,222
Other current liabilities	24,884
Interest payable	6,309
Unearned revenue	126,718
Long-term liabilities:	
Due within one year	775,950
Due after one year	<u>5,817,699</u>
 Total liabilities	 <u>7,573,376</u>
 DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to pension liabilities	44,637
Property taxes levied for a future period	<u>7,835,147</u>
 Total deferred inflows	 <u>7,879,784</u>
 NET POSITION	
Net investment in capital assets	5,515,783
Restricted For:	
Operations and maintenance	1,127,811
Debt service	659,613
Student transportation	333,406
Retirement benefits	220,311
Capital projects	1,398,605
Tort immunity	34
Unrestricted	<u>10,357,190</u>
 Total net position	 <u>\$ 19,612,753</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 5,884,972	\$ 257,317	\$ 120,535	\$ (5,507,120)
Special programs	2,979,360	-	551,973	(2,427,387)
Other instructional programs	1,210,905	2,400	61,041	(1,147,464)
State retirement contributions	4,185,208	-	4,185,208	-
Support services:				
Pupils	746,627	-	-	(746,627)
Instructional staff	686,374	-	16,791	(669,583)
General administration	880,719	-	-	(880,719)
School administration	643,347	-	-	(643,347)
Business	492,870	5,599	13,447	(473,824)
Transportation	469,113	104,773	121,866	(242,474)
Operations and maintenance	1,278,452	3,445	-	(1,275,007)
Central	821,730	-	-	(821,730)
Community services	9,192	-	-	(9,192)
Interest and fees	187,745	-	-	(187,745)
Unallocated depreciation	620,029	-	-	(620,029)
Total governmental activities	<u>\$ 21,096,643</u>	<u>\$ 373,534</u>	<u>\$ 5,070,861</u>	<u>(15,652,248)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				12,385,697
Real estate taxes, levied for special purposes				1,868,090
Real estate taxes, levied for debt service				581,051
Personal property replacement taxes				344,617
State aid-formula grants				369,502
Investment earnings				43,019
Miscellaneous				97,658
Total general revenues				15,689,634
Change in net position				37,386
Net position, beginning of year				19,575,367
Net position, end of year				\$ 19,612,753

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2016

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 12,598,863	\$ 1,119,965	\$ 335,372
Receivables (net of allowance for uncollectibles):			
Interest	5,986	-	-
Property taxes	6,543,736	646,279	163,925
Replacement taxes	62,090	-	-
Intergovernmental	203,997	-	30,586
Prepaid Items	<u>25,460</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 19,440,132</u>	<u>\$ 1,766,244</u>	<u>\$ 529,883</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 57,886	\$ -	\$ 764
Due to other governments	-	-	-
Other current liabilities	24,857	27	-
Unearned revenue	<u>92,930</u>	<u>-</u>	<u>33,788</u>
Total liabilities	<u>175,673</u>	<u>27</u>	<u>34,552</u>
DEFERRED INFLOWS			
Interest revenue to be collected in a future period	2,400	-	-
Property taxes levied for a future period	<u>6,464,008</u>	<u>638,406</u>	<u>161,925</u>
Total deferred inflows	<u>6,466,408</u>	<u>638,406</u>	<u>161,925</u>
FUND BALANCES			
Nonspendable	25,460	-	-
Restricted	34	1,127,811	333,406
Unassigned	<u>12,772,557</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>12,798,051</u>	<u>1,127,811</u>	<u>333,406</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 19,440,132</u>	<u>\$ 1,766,244</u>	<u>\$ 529,883</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Total
\$ 209,252	\$ 827,878	\$ 2,111,549	\$ 17,202,879
-	-	-	5,986
169,015	408,832	-	7,931,787
9,000	-	-	71,090
-	-	-	234,583
-	-	-	25,460
<u>\$ 387,267</u>	<u>\$ 1,236,710</u>	<u>\$ 2,111,549</u>	<u>\$ 25,471,785</u>
\$ -	\$ -	\$ 712,944	\$ 771,594
-	50,222	-	50,222
-	-	-	24,884
-	-	-	126,718
<u>-</u>	<u>50,222</u>	<u>712,944</u>	<u>973,418</u>
-	-	-	2,400
<u>166,956</u>	<u>403,852</u>	<u>-</u>	<u>7,835,147</u>
<u>166,956</u>	<u>403,852</u>	<u>-</u>	<u>7,837,547</u>
-	-	-	25,460
220,311	782,636	1,398,605	3,862,803
-	-	-	12,772,557
<u>220,311</u>	<u>782,636</u>	<u>1,398,605</u>	<u>16,660,820</u>
<u>\$ 387,267</u>	<u>\$ 1,236,710</u>	<u>\$ 2,111,549</u>	<u>\$ 25,471,785</u>

West Northfield School District 31
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2016

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

Total fund balances - governmental funds	\$	16,660,820
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.		8,861,905
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	\$ 590,456	
Deferred outflows of 2016 employer contributions related to pensions	<u>141,767</u>	732,223
Deferred inflows of resources related to pensions		(44,637)
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.		2,400
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.		(6,309)
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.		<u>(6,593,649)</u>
Net position - governmental activities	\$	<u><u>19,612,753</u></u>

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, 2016

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 12,385,697	\$ 1,243,133	\$ 283,589	\$ 341,368
Replacement taxes	220,292	-	41,000	9,000
State aid	4,934,839	-	121,866	-
Federal aid	383,658	-	-	-
Interest	42,601	-	-	-
Other	<u>340,161</u>	<u>26,258</u>	<u>104,773</u>	<u>-</u>
Total revenues	<u>18,307,248</u>	<u>1,269,391</u>	<u>551,228</u>	<u>350,368</u>
Expenditures				
Current:				
Instruction:				
Regular programs	5,797,978	-	-	83,735
Special programs	1,143,709	-	-	41,282
Other instructional programs	1,188,152	-	-	15,686
State retirement contributions	4,185,208	-	-	-
Support services:				
Pupils	704,431	-	-	30,405
Instructional staff	656,514	-	-	10,511
General administration	853,905	-	-	23,311
School administration	609,058	-	-	31,217
Business	455,251	-	-	23,813
Transportation	-	-	469,113	-
Operations and maintenance	-	1,174,378	-	69,772
Central	395,134	-	-	32,859
Community services	9,192	-	-	-
Nonprogrammed charges	1,788,216	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>562,980</u>	<u>11,864</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>18,349,728</u>	<u>1,186,242</u>	<u>469,113</u>	<u>362,591</u>
Excess (deficiency) of revenues over expenditures	<u>(42,480)</u>	<u>83,149</u>	<u>82,115</u>	<u>(12,223)</u>
Other financing sources (uses)				
Transfers in	1,000,000	3,000,000	-	-
Transfers (out)	(4,208,151)	(3,000,000)	-	-
Capital lease proceeds	427,812	-	-	-
Debt issuance	4,005,000	-	-	-
Premium on debt issuance	<u>83,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,308,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,265,566	83,149	82,115	(12,223)
Fund balance, beginning of year	<u>11,532,485</u>	<u>1,044,662</u>	<u>251,291</u>	<u>232,534</u>
Fund balance, end of year	<u>\$ 12,798,051</u>	<u>\$ 1,127,811</u>	<u>\$ 333,406</u>	<u>\$ 220,311</u>

The accompanying notes are an integral part of this statement.

	Debt Service	Capital Projects	Total
\$	581,051	\$ -	\$ 14,834,838
	74,325	-	344,617
	-	-	5,056,705
	-	-	383,658
	-	5,556	48,157
	-	-	471,192
	<u>655,376</u>	<u>5,556</u>	<u>21,139,167</u>
	-	-	5,881,713
	-	-	1,184,991
	-	-	1,203,838
	-	-	4,185,208
	-	-	734,836
	-	-	667,025
	-	-	877,216
	-	-	640,275
	-	-	479,064
	-	-	469,113
	-	-	1,244,150
	-	-	427,993
	-	-	9,192
	-	-	1,788,216
	537,953	-	537,953
	193,869	-	193,869
	-	2,107,385	2,682,229
	<u>731,822</u>	<u>2,107,385</u>	<u>23,206,881</u>
	<u>(76,446)</u>	<u>(2,101,829)</u>	<u>(2,067,714)</u>
	208,151	3,000,000	7,208,151
	-	-	(7,208,151)
	-	-	427,812
	-	-	4,005,000
	-	-	83,385
	<u>208,151</u>	<u>3,000,000</u>	<u>4,516,197</u>
	131,705	898,171	2,448,483
	<u>650,931</u>	<u>500,434</u>	<u>14,212,337</u>
\$	<u>782,636</u>	<u>\$ 1,398,605</u>	<u>\$ 16,660,820</u>

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, 2016

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

Net change in fund balances - total governmental funds	\$ 2,448,483
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.	1,685,761
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.	(2,653)
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	(5,138)
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 liability	292,637
Deferred outflow and inflows of resources related to TRS pension liability	111,610
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.	<u>(4,493,314)</u>
Change in net position - governmental activities	<u>\$ 37,386</u>

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, 2016

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 35,008</u>
LIABILITIES	
Due to student groups	<u>\$ 35,008</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, hereinafter referred to as generally accepted accounting principles (GAAP), 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.

Also, the District is not a component unit in any other governmental reporting entity, as defined by the Governmental Accounting Standards Board (GASB) pronouncements.

2. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, which was implemented by the District during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurements for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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.

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 and intergovernmental revenues.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 within one year. As allowed by the School Code of Illinois, this Fund may be abolished and become part of the General (Educational Account) Fund or this Fund 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 .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 and transfers from other funds.

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers most revenues available if they are collected within 60 days after year-end. Revenues 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 and replacement taxes, interest, and intergovernmental revenue 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. Unearned and unavailable revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. 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.

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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(s). At June 30, 2016, the District has deferred outflows of resources related to pension liabilities (see Note G). In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period(s). At June 30, 2016, the District had deferred inflows of resources related to property taxes levied for a future period and pensions (see Note G).

7. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). Investments are stated at amortized cost or net asset value (NAV) per share as disclosed in the related notes. For investments stated at NAV, there are no unfunded commitments, redemption frequency or redemption notice requirements. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

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 acquisition value at the date of donation.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets (Continued)

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:

<u>Assets</u>	<u>Years</u>
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 in the period 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 debt service 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 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2016, was \$69,505 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 for the General Fund which does not budget for on-behalf payments from the state of Illinois. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. 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.
- 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 does not have any committed fund balances at June 30, 2016.
- 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 does not have any assigned fund balances at June 30, 2016.
- 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.

Governmental fund balances reported on the fund financial statements, at June 30, 2016, are as follows:

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Fund Balance (Continued)

The nonspendable fund balance in the General Fund consists of \$25,460 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.

18. Pensions

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

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, 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.” The details of this difference are as follows:

Bonds payable	\$ (4,005,000)
Compensated absences	(69,505)
Other postemployment benefits	(8,661)
Capital leases	(361,122)
Premium on bonds	(74,608)
IMRF net pension liability	(838,714)
TRS net pension liability	<u>(1,236,039)</u>
 Net adjustment to reduce fund balances - governmental funds to arrive at net position - governmental activities	 <u>\$ (6,593,649)</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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	\$ 2,305,790
Depreciation expense	<u>(620,029)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 1,685,761</u>

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	
General obligation bonds	\$ 345,000
Capital lease	192,953
Issuance of long-term debt	(4,005,000)
Premium on issuance	(83,385)
Amortization of bond premium	8,777
Capital lease additions	(427,812)
IMRF net pension liability, net	(383,355)
TRS net pension liability, net	(171,041)
Other postemployment benefits (net change)	6,316
Compensated absences (net change)	<u>24,233</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (4,493,314)</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. 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, 2016, the District's cash and investments consisted of the following:

	Governmental	Fiduciary	Total
Cash and investments	\$ 17,202,879	\$ 35,008	\$ 17,237,887

For disclosure purposes, this amount is segregated into three components at June 30, 2016, as follows:

	Total
Deposits with financial institutions*	\$ 6,052,128
Illinois Funds	153,898
Illinois Institutional Investors Trust	1,750,000
Illinois School District Liquid Asset Fund Plus	4,486,093
Other investments	4,795,768
	\$ 17,237,887

* includes accounts held in demand and savings accounts, but primarily consists of certificates of deposit and money market accounts which are valued at amortized cost.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2016, the District's other investments consisted of the following:

Investment Type	Amortized Cost	Maturity	Percentage of Total
US Govt-Gov't. Agencies	\$ 1,498,863	08/12/2016	31.25 %
US Govt-Gov't. Agencies	999,061	08/30/2016	20.83
US Govt-Gov't. Agencies	2,297,844	09/15/2016	47.91
	\$ 4,795,768		

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 investments and deposits with financial institutions, including certificates of deposit. As of June 30, 2016, the value of all cash and investments held by the Treasurer's office was \$11,443,168.

2. Interest Rate Risk

The District's investment policy, which is the same as the Treasurer's office, seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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 authorizes investments in any type of security as permitted by State statute.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. It is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are rated AAAM and are valued at NAV per share, which is the price for which the investment could be sold. There were no unfunded commitments and no redemption limitations or notice periods.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are rated AAAM and are valued at NAV per share, which is the price for which the investment could be sold. There were no unfunded commitments and no redemption limitations or notice periods.

The Illinois Institutional Investors Trust (IIIT) is a not-for-profit investment trust formed pursuant to the Illinois School Code and managed by a Board of Trustees, elected from participating members. It is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are rated AAAM and valued at NAV per share, which is the price for which the investment could be sold. There were no unfunded commitments and no redemption limitations or notice periods.

4. Cash and Investments in the Custody of the District

At June 30, 2016, the carrying value of the District's student activity, imprest, e-pay, and flexible benefit funds was \$228,108, all of which was deposited with financial institutions.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

5. Concentration of Credit Risk

The Treasurer's and 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 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, 2016, the bank balance of the District's deposits with financial institutions totaled \$6,052,189.

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 17, 2015. 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. The District's annual property tax levy is subject to two statutory limitations, individual fund rate ceilings and the Property Tax Extension Limitation Act (PTELA).

The 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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 2.6685 for 2015.

The County Clerk adds the equalized assessed valuation of all real property in the District 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 2015 tax levy was \$513,583,834.

Property taxes are collected by the Cook County Treasurer/Collector who remits them to the School Treasurer. Taxes levied in one year become due and payable in two installments on March 1 and approximately 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 is based on (1) the current levy, (2) assessment, and (3) equalization, and any changes from the prior year will be reflected in the second installment bill.

The portion of the 2015 property tax levy not received by June 30 is recorded as 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 is reflected as deferred inflows of resources.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases/</u> <u>Transfers</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2016</u>
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Construction in process	<u>476,734</u>	<u>1,983,198</u>	<u>1,692,930</u>	<u>767,002</u>
 Total capital assets, not being depreciated	 <u>558,127</u>	 <u>1,983,198</u>	 <u>1,692,930</u>	 <u>848,395</u>
 Capital assets, being depreciated				
Buildings	16,461,103	1,692,930	-	18,154,033
Building improvements	1,627,276	-	-	1,627,276
Equipment	1,931,208	288,447	-	2,219,655
Vehicles	<u>35,501</u>	<u>34,145</u>	<u>-</u>	<u>69,646</u>
 Total capital assets, being depreciated	 <u>20,055,088</u>	 <u>2,015,522</u>	 <u>-</u>	 <u>22,070,610</u>
 Less accumulated depreciation for:				
Buildings	10,557,166	435,243	-	10,992,409
Building improvements	1,149,799	64,877	-	1,214,676
Equipment	1,694,605	115,641	-	1,810,246
Vehicles	<u>35,501</u>	<u>4,268</u>	<u>-</u>	<u>39,769</u>
 Total accumulated depreciation	 <u>13,437,071</u>	 <u>620,029</u>	 <u>-</u>	 <u>14,057,100</u>
 Total capital assets, being depreciated, net	 <u>6,618,017</u>	 <u>1,395,493</u>	 <u>-</u>	 <u>8,013,510</u>
Governmental activities capital assets, net	<u>\$ 7,176,144</u>	<u>\$ 3,378,691</u>	<u>\$ 1,692,930</u>	<u>\$ 8,861,905</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2016.

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$ 345,000	\$ 4,005,000	\$ 345,000	\$ 4,005,000	\$ 645,000
Capital Leases	126,263	427,812	192,953	361,122	130,950
Unamortized premium	-	83,385	8,777	74,608	-
Compensated absences	93,738	95,268	119,501	69,505	-
Other postemployment benefits	14,977	-	6,316	8,661	-
IMRF net pension liability	455,359	770,435	387,080	838,714	-
TRS net pension liability	<u>1,064,998</u>	<u>281,894</u>	<u>110,853</u>	<u>1,236,039</u>	<u>-</u>
	<u>\$ 2,100,335</u>	<u>\$ 5,663,794</u>	<u>\$ 1,170,480</u>	<u>\$ 6,593,649</u>	<u>\$ 775,950</u>

1. General Obligation Bonds Payable

The summary of activity in bonds payable for the year ended June 30, 2016 is as follows:

	<u>Bonds Payable</u> <u>July 1, 2015</u>	<u>Debt Issued</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2016</u>
\$2,985,000 GO Limited School Bonds Series 2015A, dated July 9, 2015, due December 1, 2024, interest at 3.00%.	\$ -	\$ 2,985,000	\$ -	\$ 2,985,000
\$1,020,000 Taxable GO Limited School Bonds Series 2015B, dated July 9, 2015, due December 1, 2017, interest at 1.00% - 1.20%.	-	1,020,000	-	1,020,000

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

\$2,695,000 GO Limited School Bonds
 Series 2010A, dated October 20,
 2010, due January 1, 2016, interest at
 2.00% - 3.00%

	\$	<u>345,000</u>	\$	<u>-</u>	\$	<u>345,000</u>	\$	<u>-</u>
	\$	<u>345,000</u>	\$	<u>4,005,000</u>	\$	<u>345,000</u>	\$	<u>4,005,000</u>

At June 30, 2016, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 645,000	\$ 97,275	\$ 742,275
2018	700,000	86,925	786,925
2019	-	79,800	79,800
2020	-	79,800	79,800
2021	-	79,800	79,800
2022-2025	<u>2,660,000</u>	<u>137,400</u>	<u>2,797,400</u>
Total	<u>\$ 4,005,000</u>	<u>\$ 561,000</u>	<u>\$ 4,566,000</u>

During the fiscal year ended June 30, 2016, the District issued \$4,005,000 of General Obligation Bonds, Series 2015A and 2015B. The 2015A issuance were used to fund capital projects throughout the District. The 2015B issuance were used to support operations of the Education Fund in these uncertain times within the state of Illinois.

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$782,636 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, 2016, the statutory debt limit for the District was \$35,437,285, of which \$31,071,163 is fully available.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016, 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
2017	\$ 130,950	\$ 15,528	\$ 146,478
2018	97,452	9,782	107,234
2019	77,287	5,188	82,475
2020	55,433	1,512	56,945
	<u>\$ 361,122</u>	<u>\$ 32,010</u>	<u>\$ 393,132</u>

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.

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES

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

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.

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, 2016, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES

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

Contributions (Continued)

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, state of Illinois contributions recognized by the 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 \$4,096,635 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, 2016, were \$48,012, and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and Special Trust Fund Contributions

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

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$61,130 were paid from federal and special trust funds that required employer contributions of \$22,044. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

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 Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the District paid \$0 to TRS for employer ERO contributions.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES

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

Contributions (Continued)

Early Retirement Cost Contributions (Continued)

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, 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, 2016, 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	\$ 1,236,039
State's proportionate share of the net pension liability associated with the District	50,002,609
	51,238,648
Total	\$ 51,238,648

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The 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, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.0018867923 percent, which was an increase of 0.0001368277 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$4,226,134 and revenue of \$4,096,635 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 459	\$ 1,355
Change in assumptions	17,093	-
Net difference between projected and actual earnings on pension plan investments	24,479	43,282
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>108,315</u>	<u>-</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>150,346</u>	 <u>44,637</u>
 District contributions subsequent to the measurement date	 <u>70,055</u>	 <u>-</u>
	<u>\$ 220,401</u>	<u>\$ 44,637</u>

The District reported \$70,055 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 25,957
2018	25,957
2019	25,957
2020	27,838
2021	<u>-</u>
	<u>\$ 105,709</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions

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

Inflation	3.00 percent
Salary increases	Varies by amount of service credit
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18 %	7.53 %
Global equity (excluding U.S.)	18	7.88
Aggregate bonds	16	1.57
U.S. TIPS	2	2.82
NCREIF	11	5.11
Opportunistic real estate	4	9.09
ARS	8	2.57
Risk parity	8	4.87
Diversified inflation strategy	1	3.26
Private equity	14	12.33
Total	<u>100 %</u>	

Discount Rate

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

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

Discount Rate (Continued)

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were 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 liability calculated using the discount rate of 7.47 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 (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate:

	<u>1% Decrease (6.47%)</u>	<u>Current Discount (7.47%)</u>	<u>1% Increase (8.47%)</u>
District's proportionate share of the net pension liability	\$ 1,527,441	\$ 1,236,039	\$ 997,081

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	52
Inactive plan members entitled to but not yet receiving benefits	140
Active plan members	<u>39</u>
Total	<u><u>231</u></u>

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 2015 was 10.61%. For the fiscal year ended June 30, 2016 the District contributed \$134,921 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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31,

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.48%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation 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 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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 2014). 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:

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.48% 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 3.57%, and the resulting single discount rate is 7.48%.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2015:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 6,192,455	\$ 5,737,096	\$ 455,359
Changes for the year:			
Service cost	142,986	-	142,986
Interest on the total pension liability	456,641	-	456,641
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	163,544	-	163,544
Changes of assumptions	7,264	-	7,264
Contributions - Employer	-	146,889	(146,889)
Contributions - Employees	-	56,686	(56,686)
Net investment income	-	28,358	(28,358)
Benefit payments, including refunds of employee contributions	(334,543)	(334,543)	-
Other (net transfer)	-	155,147	(155,147)
Net changes	<u>435,892</u>	<u>52,537</u>	<u>383,355</u>
Balances at December 31, 2015	<u>\$ 6,628,347</u>	<u>\$ 5,789,633</u>	<u>\$ 838,714</u>

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 7.48%, 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 (6.48%)	Current Discount Rate (7.48%)	1% Higher (8.48%)
Net pension liability	\$ <u>1,622,441</u>	\$ <u>838,714</u>	\$ <u>186,205</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016, the District recognized pension expense of \$238,864. At June 30, 2016, the District reported deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 70,706	\$ -
Change of assumptions	3,140	-
Net difference between projected and actual earnings on pension plan investments	<u>366,264</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>440,110</u>	<u>-</u>
Pension contributions made subsequent to the measurement date	<u>71,712</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 511,822</u>	<u>\$ -</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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)

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

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2016	\$ 169,078
2017	95,232
2018	95,233
2019	80,567
2020	-
Thereafter	<u>-</u>
Total	<u>\$ 440,110</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE G - PENSION LIABILITIES (Continued)

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 70,055	\$ 71,712	\$ 141,767
Experience	459	70,706	71,165
Assumptions	17,093	3,140	20,233
Proportionate share	108,315	-	108,315
Investments	24,479	366,264	390,743
	\$ 220,401	\$ 511,822	\$ 732,223
Net pension liability	\$ 1,236,039	\$ 838,714	\$ 2,074,753
Deferred inflows of resources:			
Investments	1,355	-	1,355
Experience	43,282	-	43,282
	\$ 44,637	\$ -	\$ 44,637

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

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

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

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

On behalf contributions to 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 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$88,573, and the District recognized revenue and expenditures of this amount during the year.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE H - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.80 percent during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$66,223 to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

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

2. Retiree Health Plan

The District currently provides postemployment benefits to one individual. The agreement terminates when the individual reaches age 65. The amount paid by the District, for the year ended June 30, 2016 approximated \$6,300.

NOTE I - JOINT AGREEMENTS

The District is a member of the Northern Suburban Special Education District (NSSSED), 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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 years.

Complete financial statements for SELF can be obtained from its business office at 1500 McDaniel Avenue, Evanston, Illinois 60201.

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 outcome of which is presently not determinable. Although the District will continue to vigorously defend these lawsuits, an unfavorable outcome could have a significant effect on future tax revenues. 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.

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, not to be significant.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2016, the District is committed to approximately \$336,000 in expenditures in the upcoming year for a single construction project. These expenditures will be paid through the proceeds from the bonds issued on July 9, 2015, and from available fund balances in the Capital Projects Fund.

NOTE M - INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Principal Purpose</u>
Working Cash	Education	\$ 1,000,000	Working cash fund abatement
Working Cash	Operations and Maintenance	3,000,000	Working cash fund abatement
Operations and Maintenance	Capital Projects	3,000,000	Fund capital projects
Education	Debt Service	192,953	To pay principal on capital leases
Education	Debt Service	15,198	To pay interest on capital leases

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 12, 2016, 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 \$29,476 will be made annually, beginning on July 15, 2016.

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, 2016

Calendar year ended December 31,

	2015	2014
Total pension liability		
Service cost	\$ 142,986	\$ 149,654
Interest on the total pension liability	456,641	422,843
Difference between expected and actual experience of the total pension liability	163,544	(38,191)
Assumption changes	7,264	245,421
Benefit payments and refunds	(334,543)	(300,715)
Net change in total pension liability	435,892	479,012
Total pension liability, beginning	6,192,455	5,713,443
Total pension liability, ending	\$ 6,628,347	\$ 6,192,455
 Plan fiduciary net position		
Contributions, employer	\$ 146,889	\$ 134,273
Contributions, employee	56,686	55,896
Net investment income	28,358	340,352
Benefit payments, including refunds of employee contributions	(334,543)	(300,715)
Other (net transfer)	155,147	(127,516)
Net change in plan fiduciary net position	52,537	102,290
Plan fiduciary net position, beginning	5,737,096	5,634,806
Plan fiduciary net position, ending	\$ 5,789,633	\$ 5,737,096
 Net pension liability (asset)	\$ 838,714	\$ 455,359
 Plan fiduciary net position as a percentage of the total pension liability	87.35 %	92.65 %
 Covered Valuation Payroll	\$ 1,259,691	\$ 1,242,127
 Net pension liability as a percentage of covered valuation payroll	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, 2016

<u>Calendar Year</u> Ending <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> as a % of <u>Covered Valuation Payroll</u>
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 10.61% and covered valuation payroll of \$1,259,691.

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
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.0018867923 %	0.0017499646 %
District's proportionate share of the net pension liability (asset)	\$ 1,236,039	\$ 1,064,998
State's proportionate share of the net pension liability (asset) associated with the District	<u>50,002,609</u>	<u>43,134,039</u>
Total	<u>\$ 51,238,648</u>	<u>\$ 44,199,037</u>
District's covered-employee payroll	\$ 7,719,938	\$ 6,993,465
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	16.01 %	15.23 %
Plan fiduciary net position as a percentage of the total pension liability	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
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers' Retirement System of the State of Illinois
June 30, 2016

Fiscal year ended June 30,

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 66,100	\$ 61,458
Contributions in relation to the contractually required contribution	<u>(66,113)</u>	<u>(62,438)</u>
Contribution deficiency (excess)	<u>\$ (13)</u>	<u>\$ (980)</u>
District's covered-employee payroll	\$ 7,719,938	\$ 6,993,465
Contributions as a percentage of covered-employee payroll	0.86 %	0.89 %

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
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$12,899,288	\$12,385,697	\$ (513,591)	\$12,958,372
Corporate personal property replacement taxes	220,000	220,292	292	138,290
Summer school tuition from pupils or parents	1,800	2,400	600	100
Interest on investments	28,250	42,601	14,351	29,151
Sales to pupils - a la carte	4,200	5,599	1,399	4,130
Fees	85,350	127,235	41,885	167,429
Other district/school activity revenue	42,000	44,373	2,373	-
Rentals - regular textbook	118,000	85,709	(32,291)	82,893
Contributions and donations from private sources	40,000	53,320	13,320	3,656
Refund of prior years' expenditures	-	113	113	-
Other	<u>15,000</u>	<u>21,412</u>	<u>6,412</u>	<u>12,522</u>
Total local sources	<u>13,453,888</u>	<u>12,988,751</u>	<u>(465,137)</u>	<u>13,396,543</u>
State sources				
General State Aid	350,000	369,502	19,502	348,221
Special Education - Private Facility Tuition	4,000	-	(4,000)	17,842
Special Education - Extraordinary	90,000	119,929	29,929	108,338
Special Education - Personnel	136,000	206,573	70,573	179,332
Special Education - Summer School	1,100	1,814	714	1,133
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	85,613	51,751	(33,862)	61,590
Other state sources	<u>750</u>	<u>62</u>	<u>(688)</u>	<u>1,500</u>
Total state sources	<u>667,463</u>	<u>749,631</u>	<u>82,168</u>	<u>717,956</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Federal sources				
Special Milk Program	\$ 10,000	\$ 13,447	\$ 3,447	\$ 13,556
Title I - Low Income	142,000	120,535	(21,465)	131,461
Federal - Special Education - Pre-School Flow Through	5,827	5,827	-	5,361
Federal - Special Education - I.D.E.A. - Flow Through	144,620	138,949	(5,671)	132,187
Federal - Special Education - I.D.E.A. - Room and Board	-	-	-	12,734
Emergency Immigrant Assistance	-	5,930	5,930	-
Title III - English Language Acquisition	6,750	3,360	(3,390)	34,696
Learn & Serve America	26,875	-	(26,875)	-
Title II - Teacher Quality	13,000	16,729	3,729	17,196
Medicaid Matching Funds - Fee-For-Service-Program	25,000	78,881	53,881	34,483
Other federal sources	-	-	-	9,500
Total federal sources	<u>374,072</u>	<u>383,658</u>	<u>9,586</u>	<u>391,174</u>
Total revenues	<u>14,495,423</u>	<u>14,122,040</u>	<u>(373,383)</u>	<u>14,505,673</u>
Expenditures				
Instruction				
Regular programs				
Salaries	4,959,055	4,899,639	59,416	4,539,289
Employee benefits	759,234	719,621	39,613	644,563
Purchased services	4,500	3,225	1,275	2,731
Supplies and materials	228,050	154,296	73,754	239,967
Capital outlay	3,000	3,010	(10)	2,673
Other objects	3,225	2,289	936	2,022
Non-capitalized equipment	4,175	643	3,532	1,604
Termination benefits	18,270	18,265	5	144,386
Total	<u>5,979,509</u>	<u>5,800,988</u>	<u>178,521</u>	<u>5,577,235</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$ 902,500	\$ 874,971	\$ 27,529	\$ 863,392
Employee benefits	195,950	180,076	15,874	153,264
Purchased services	9,500	16,786	(7,286)	6,448
Supplies and materials	46,500	23,982	22,518	29,428
Capital outlay	-	3,415	(3,415)	-
Non-capitalized equipment	1,000	429	571	-
Total	<u>1,155,450</u>	<u>1,099,659</u>	<u>55,791</u>	<u>1,052,532</u>
CTE programs				
Purchased services	9,100	-	9,100	6,678
Supplies and materials	10,800	7,081	3,719	7,615
Capital outlay	40,000	39,923	77	-
Non-capitalized equipment	3,500	-	3,500	-
Total	<u>63,400</u>	<u>47,004</u>	<u>16,396</u>	<u>14,293</u>
Interscholastic programs				
Salaries	171,200	151,060	20,140	130,826
Employee benefits	2,310	1,859	451	1,532
Purchased services	10,600	7,007	3,593	6,328
Supplies and materials	21,740	20,216	1,524	14,065
Total	<u>205,850</u>	<u>180,142</u>	<u>25,708</u>	<u>152,751</u>
Summer school programs				
Salaries	15,200	6,555	8,645	14,484
Employee benefits	227	85	142	178
Supplies and materials	300	72	228	-
Total	<u>15,727</u>	<u>6,712</u>	<u>9,015</u>	<u>14,662</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Gifted programs				
Salaries	\$ 107,349	\$ 107,344	\$ 5	\$ 106,354
Employee benefits	9,125	9,137	(12)	8,809
Purchased services	200	129	71	109
Supplies and materials	<u>1,900</u>	<u>417</u>	<u>1,483</u>	<u>687</u>
Total	<u>118,574</u>	<u>117,027</u>	<u>1,547</u>	<u>115,959</u>
 Bilingual programs				
Salaries	742,822	721,245	21,577	697,604
Employee benefits	132,985	134,103	(1,118)	123,149
Purchased services	2,000	446	1,554	2,455
Supplies and materials	21,789	14,710	7,079	8,027
Termination benefits	<u>6,690</u>	<u>6,686</u>	<u>4</u>	<u>5,344</u>
Total	<u>906,286</u>	<u>877,190</u>	<u>29,096</u>	<u>836,579</u>
Special education programs K-12 - private tuition	<u>63,000</u>	<u>47,465</u>	<u>15,535</u>	<u>11,172</u>
Total instruction	<u>8,507,796</u>	<u>8,176,187</u>	<u>331,609</u>	<u>7,775,183</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	166,635	154,258	12,377	139,391
Employee benefits	24,524	34,595	(10,071)	31,175
Purchased services	5,500	4,547	953	3,300
Supplies and materials	<u>1,800</u>	<u>2,066</u>	<u>(266)</u>	<u>996</u>
Total	<u>198,459</u>	<u>195,466</u>	<u>2,993</u>	<u>174,862</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Guidance services				
Supplies and materials	\$ 500	\$ -	\$ 500	\$ -
Total	500	-	500	-
Health services				
Salaries	97,094	94,150	2,944	117,120
Employee benefits	20,850	21,026	(176)	24,828
Purchased services	1,100	535	565	126
Supplies and materials	2,500	1,771	729	3,374
Other objects	800	482	318	789
Non-capitalized equipment	500	-	500	-
Total	122,844	117,964	4,880	146,237
Psychological services				
Salaries	160,900	160,388	512	129,325
Employee benefits	28,220	19,554	8,666	20,216
Purchased services	14,000	14,054	(54)	4,250
Supplies and materials	2,040	2,103	(63)	430
Total	205,160	196,099	9,061	154,221
Speech pathology and audiology services				
Salaries	129,500	122,035	7,465	121,388
Employee benefits	21,600	21,692	(92)	20,061
Purchased services	4,700	3,191	1,509	1,653
Supplies and materials	1,500	721	779	1,564
Total	157,300	147,639	9,661	144,666

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other support services - pupils				
Salaries	\$ 63,500	\$ 46,779	\$ 16,721	\$ 66,605
Employee benefits	<u>580</u>	<u>484</u>	<u>96</u>	<u>11,872</u>
Total	<u>64,080</u>	<u>47,263</u>	<u>16,817</u>	<u>78,477</u>
Total pupils	<u>748,343</u>	<u>704,431</u>	<u>43,912</u>	<u>698,463</u>
Instructional staff				
Improvement of instruction services				
Salaries	260,359	216,224	44,135	194,219
Employee benefits	46,080	44,645	1,435	41,074
Purchased services	107,671	105,066	2,605	75,281
Supplies and materials	5,300	4,299	1,001	7,815
Other objects	<u>2,000</u>	<u>1,660</u>	<u>340</u>	<u>1,500</u>
Total	<u>421,410</u>	<u>371,894</u>	<u>49,516</u>	<u>319,889</u>
Educational media services				
Salaries	206,832	204,409	2,423	190,986
Employee benefits	32,820	31,359	1,461	28,764
Purchased services	1,850	828	1,022	788
Supplies and materials	23,300	20,025	3,275	19,003
Non-capitalized equipment	500	-	500	-
Termination benefits	<u>11,455</u>	<u>11,451</u>	<u>4</u>	<u>10,803</u>
Total	<u>276,757</u>	<u>268,072</u>	<u>8,685</u>	<u>250,344</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Assessment and testing				
Salaries	\$ 2,400	\$ 870	\$ 1,530	\$ 1,239
Purchased services	13,000	11,238	1,762	8,663
Supplies and materials	<u>5,250</u>	<u>4,440</u>	<u>810</u>	<u>2,806</u>
Total	<u>20,650</u>	<u>16,548</u>	<u>4,102</u>	<u>12,708</u>
Total instructional staff	<u>718,817</u>	<u>656,514</u>	<u>62,303</u>	<u>582,941</u>
General administration				
Board of education services				
Salaries	3,010	3,006	4	2,890
Purchased services	127,500	116,229	11,271	126,766
Supplies and materials	4,500	3,658	842	2,344
Other objects	<u>15,000</u>	<u>6,722</u>	<u>8,278</u>	<u>7,436</u>
Total	<u>150,010</u>	<u>129,615</u>	<u>20,395</u>	<u>139,436</u>
Executive administration services				
Salaries	328,345	328,338	7	311,013
Employee benefits	70,985	75,622	(4,637)	66,321
Purchased services	7,600	5,609	1,991	6,771
Supplies and materials	3,600	4,066	(466)	2,603
Other objects	7,000	6,056	944	7,328
Termination benefits	<u>15,535</u>	<u>15,532</u>	<u>3</u>	<u>17,930</u>
Total	<u>433,065</u>	<u>435,223</u>	<u>(2,158)</u>	<u>411,966</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special area administrative services				
Salaries	\$ 147,935	\$ 147,417	\$ 518	\$ 138,678
Employee benefits	49,025	47,166	1,859	45,255
Purchased services	1,800	1,297	503	289
Supplies and materials	500	286	214	600
Other objects	350	49	301	-
Total	<u>199,610</u>	<u>196,215</u>	<u>3,395</u>	<u>184,822</u>
Tort immunity services				
Purchased services	<u>134,850</u>	<u>92,852</u>	<u>41,998</u>	<u>93,400</u>
Total	<u>134,850</u>	<u>92,852</u>	<u>41,998</u>	<u>93,400</u>
Total general administration	<u>917,535</u>	<u>853,905</u>	<u>63,630</u>	<u>829,624</u>
School administration				
Office of the principal services				
Salaries	450,610	447,543	3,067	362,065
Employee benefits	142,740	140,803	1,937	105,016
Purchased services	4,000	682	3,318	1,994
Supplies and materials	9,950	9,414	536	11,368
Other objects	1,050	449	601	668
Termination benefits	10,170	10,167	3	9,353
Total	<u>618,520</u>	<u>609,058</u>	<u>9,462</u>	<u>490,464</u>
Total school administration	<u>618,520</u>	<u>609,058</u>	<u>9,462</u>	<u>490,464</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services				
Salaries	\$ 153,595	\$ 154,399	\$ (804)	\$ 158,103
Employee benefits	47,875	48,223	(348)	46,913
Purchased services	2,500	1,484	1,016	1,560
Supplies and materials	350	36	314	83
Other objects	500	350	150	325
Total	<u>204,820</u>	<u>204,492</u>	<u>328</u>	<u>206,984</u>
Fiscal services				
Salaries	109,125	108,303	822	89,031
Employee benefits	20,916	20,944	(28)	16,428
Purchased services	13,900	11,257	2,643	9,695
Supplies and materials	500	292	208	460
Other objects	500	770	(270)	-
Total	<u>144,941</u>	<u>141,566</u>	<u>3,375</u>	<u>115,614</u>
Food services				
Supplies and materials	16,584	12,945	3,639	14,434
Capital outlay	5,000	1,949	3,051	-
Total	<u>21,584</u>	<u>14,894</u>	<u>6,690</u>	<u>14,434</u>
Internal services				
Purchased services	84,000	81,700	2,300	74,085
Supplies and materials	20,500	14,477	6,023	15,458
Total	<u>104,500</u>	<u>96,177</u>	<u>8,323</u>	<u>89,543</u>
Total business	<u>475,845</u>	<u>457,129</u>	<u>18,716</u>	<u>426,575</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Central				
Information services				
Salaries	\$ 18,000	\$ 4,015	\$ 13,985	\$ 4,625
Purchased services	7,250	5,925	1,325	1,396
Supplies and materials	300	-	300	-
Total	<u>25,550</u>	<u>9,940</u>	<u>15,610</u>	<u>6,021</u>
Staff services				
Salaries	10,435	9,932	503	9,737
Employee benefits	2,551	2,551	-	2,347
Purchased services	2,000	1,969	31	1,248
Other objects	250	-	250	-
Total	<u>15,236</u>	<u>14,452</u>	<u>784</u>	<u>13,332</u>
Data processing services				
Salaries	175,625	168,101	7,524	163,848
Employee benefits	28,030	29,071	(1,041)	26,126
Purchased services	133,925	124,872	9,053	90,287
Supplies and materials	108,400	48,698	59,702	53,451
Capital outlay	70,400	514,659	(444,259)	211,753
Total	<u>516,380</u>	<u>885,401</u>	<u>(369,021)</u>	<u>545,465</u>
Total central	<u>557,166</u>	<u>909,793</u>	<u>(352,627)</u>	<u>564,818</u>
Other supporting services				
Supplies and materials	-	95	(95)	271
Total	<u>-</u>	<u>95</u>	<u>(95)</u>	<u>271</u>
Total support services	<u>4,036,226</u>	<u>4,190,925</u>	<u>(154,699)</u>	<u>3,593,156</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Purchased services	\$ 7,250	\$ 4,262	\$ 2,988	\$ 1,246
Supplies and materials	<u>2,000</u>	<u>4,930</u>	<u>(2,930)</u>	<u>-</u>
Total	<u>9,250</u>	<u>9,192</u>	<u>58</u>	<u>1,246</u>
Payments to other districts and government units				
Payments for regular programs				
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,536</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,536</u>
Payments for special education programs				
Other objects	<u>1,692,178</u>	<u>1,788,216</u>	<u>(96,038)</u>	<u>1,601,837</u>
Total payments to other districts and other government units	<u>1,692,178</u>	<u>1,788,216</u>	<u>(96,038)</u>	<u>1,627,373</u>
Debt service				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Provision for contingencies	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total expenditures	<u>14,285,450</u>	<u>14,164,520</u>	<u>120,930</u>	<u>12,996,958</u>
Excess (deficiency) of revenues over expenditures	<u>209,973</u>	<u>(42,480)</u>	<u>(252,453)</u>	<u>1,508,715</u>

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources (uses)				
Permanent transfer from Working Cash Fund - abatement	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
Permanent transfer to Operations and Maintenance Fund	(4,000,000)	(4,000,000)	-	-
Debt issuance	3,935,257	4,005,000	69,743	-
Premium on debt issuance	-	83,385	83,385	-
Capital lease proceeds	-	427,812	427,812	113,700
Transfer to Debt Service Fund for principal on capital leases	-	(192,953)	(192,953)	-
Transfer to Debt Service Fund for interest on capital leases	-	(15,198)	(15,198)	-
Total other financing sources	<u>935,257</u>	<u>1,308,046</u>	<u>372,789</u>	<u>113,700</u>
Net change to fund balance	<u>\$ 1,145,230</u>	1,265,566	<u>\$ 120,336</u>	1,622,415
Fund balance, beginning of year		<u>11,532,485</u>		<u>9,910,070</u>
Fund balance, end of year		<u>\$12,798,051</u>		<u>\$11,532,485</u>

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,317,799	\$ 1,243,133	\$ (74,666)	\$ 1,179,688
Rentals	4,000	3,445	(555)	4,160
Other	5,000	22,813	17,813	-
Total local sources	<u>1,326,799</u>	<u>1,269,391</u>	<u>(57,408)</u>	<u>1,183,848</u>
Total revenues	<u>1,326,799</u>	<u>1,269,391</u>	<u>(57,408)</u>	<u>1,183,848</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	5,000	4,500	500	4,500
Capital outlay	30,000	-	30,000	-
Total	<u>35,000</u>	<u>4,500</u>	<u>30,500</u>	<u>4,500</u>
Operation and maintenance of plant services				
Salaries	404,085	386,767	17,318	372,413
Employee benefits	103,757	102,872	885	96,124
Purchased services	480,050	348,759	131,291	355,562
Supplies and materials	362,700	323,724	38,976	302,826
Capital outlay	68,000	11,864	56,136	3,745
Other objects	500	-	500	-
Non-capitalized equipment	23,000	7,756	15,244	6,089
Total	<u>1,442,092</u>	<u>1,181,742</u>	<u>260,350</u>	<u>1,136,759</u>

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Total business	\$ 1,477,092	\$ 1,186,242	\$ 290,850	\$ 1,141,259
Total support services	1,477,092	1,186,242	290,850	1,141,259
Provision for contingencies	25,000	-	25,000	-
Total expenditures	1,502,092	1,186,242	315,850	1,141,259
Excess (deficiency) of revenues over expenditures	(175,293)	83,149	258,442	42,589
Other financing uses				
Permanent transfer from Working Cash Fund - abatement	3,000,000	3,000,000	-	-
Other uses not classified elsewhere	(3,000,000)	(3,000,000)	-	-
Total other financing uses	-	-	-	-
Net change in fund balance	\$ (175,293)	83,149	\$ 258,442	42,589
Fund balance, beginning of year		1,044,662		1,002,073
Fund balance, end of year		\$ 1,127,811		\$ 1,044,662

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 263,461	\$ 283,589	\$ 20,128	\$ 260,616
Corporate personal property replacement taxes	41,000	41,000	-	50,000
Regular transportation fees from pupils or parents	<u>100,000</u>	<u>104,773</u>	<u>4,773</u>	<u>103,789</u>
Total local sources	<u>404,461</u>	<u>429,362</u>	<u>24,901</u>	<u>414,405</u>
State sources				
Transportation - special education	<u>90,000</u>	<u>121,866</u>	<u>31,866</u>	<u>87,785</u>
Total state sources	<u>90,000</u>	<u>121,866</u>	<u>31,866</u>	<u>87,785</u>
Total revenues	<u>494,461</u>	<u>551,228</u>	<u>56,767</u>	<u>502,190</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>547,675</u>	<u>469,113</u>	<u>78,562</u>	<u>476,462</u>
Total support services	<u>547,675</u>	<u>469,113</u>	<u>78,562</u>	<u>476,462</u>
Total expenditures	<u>547,675</u>	<u>469,113</u>	<u>78,562</u>	<u>476,462</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (53,214)</u>	<u>82,115</u>	<u>\$ 135,329</u>	<u>25,728</u>
Fund balance, beginning of year		<u>251,291</u>		<u>225,563</u>
Fund balance, end of year		<u>\$ 333,406</u>		<u>\$ 251,291</u>

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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 101,464	\$ 90,670	\$ (10,794)	\$ 94,852
Social security/medicare only levy	278,903	250,698	(28,205)	281,017
Corporate personal property replacement taxes	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>18,000</u>
Total local sources	<u>389,367</u>	<u>350,368</u>	<u>(38,999)</u>	<u>393,869</u>
Total revenues	<u>389,367</u>	<u>350,368</u>	<u>(38,999)</u>	<u>393,869</u>
Expenditures				
Instruction				
Regular programs	91,060	83,735	7,325	77,219
Special education programs	49,122	41,282	7,840	42,531
Interscholastic programs	4,216	4,415	(199)	2,898
Summer school programs	420	112	308	325
Gifted programs	10	4	6	4
Bilingual programs	<u>11,375</u>	<u>11,155</u>	<u>220</u>	<u>11,873</u>
Total instruction	<u>156,203</u>	<u>140,703</u>	<u>15,500</u>	<u>134,850</u>

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 4,135	\$ 3,925	\$ 210	\$ 3,776
Health services	8,470	20,984	(12,514)	12,242
Psychological services	2,340	2,300	40	1,852
Speech pathology and audiology services	1,910	1,750	160	1,742
Other support services -pupils	<u>4,260</u>	<u>1,446</u>	<u>2,814</u>	<u>6,074</u>
Total pupils	<u>21,115</u>	<u>30,405</u>	<u>(9,290)</u>	<u>25,686</u>
Instructional staff				
Improvement of instruction services	5,720	6,664	(944)	5,638
Educational media services	<u>5,775</u>	<u>3,847</u>	<u>1,928</u>	<u>3,562</u>
Total instructional staff	<u>11,495</u>	<u>10,511</u>	<u>984</u>	<u>9,200</u>
General administration				
Board of education services	570	548	22	539
Executive administration services	16,825	16,651	174	16,224
Special area administrative services	<u>6,350</u>	<u>6,112</u>	<u>238</u>	<u>5,317</u>
Total general administration	<u>23,745</u>	<u>23,311</u>	<u>434</u>	<u>22,080</u>
School administration				
Office of the principal services	<u>32,170</u>	<u>31,217</u>	<u>953</u>	<u>29,138</u>
Total school administration	<u>32,170</u>	<u>31,217</u>	<u>953</u>	<u>29,138</u>

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 4,205	\$ 4,111	\$ 94	\$ 6,967
Fiscal services	20,155	19,702	453	16,383
Operation and maintenance of plant services	<u>74,210</u>	<u>69,772</u>	<u>4,438</u>	<u>68,620</u>
Total business	<u>98,570</u>	<u>93,585</u>	<u>4,985</u>	<u>91,970</u>
Central				
Information services	1,250	307	943	354
Staff services	1,955	1,786	169	1,771
Data processing services	<u>32,425</u>	<u>30,766</u>	<u>1,659</u>	<u>30,500</u>
Total central	<u>35,630</u>	<u>32,859</u>	<u>2,771</u>	<u>32,625</u>
Total support services	<u>222,725</u>	<u>221,888</u>	<u>837</u>	<u>210,699</u>
Total expenditures	<u>378,928</u>	<u>362,591</u>	<u>16,337</u>	<u>345,549</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 10,439</u>	<u>(12,223)</u>	<u>\$ (22,662)</u>	<u>48,320</u>
Fund balance, beginning of year		<u>232,534</u>		<u>184,214</u>
Fund balance, end of year		<u>\$ 220,311</u>		<u>\$ 232,534</u>

(Concluded)

West Northfield School District 31

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles except for the General Fund which does not budget for on-behalf payments from the state of Illinois. 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. 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) 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.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted, by the Board of Education, on September 24, 2015.
- 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, 2016:

<u>Fund</u>	<u>Variance</u>
Debt Service	\$ 206

West Northfield School District 31
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

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:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 14,122,040	\$ 14,164,520
To adjust for on-behalf payments received	4,185,208	-
To adjust for on-behalf payments made	-	4,185,208
	<u>\$ 18,307,248</u>	<u>\$ 18,349,728</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

Amounts reported in 2015 reflect an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.50 percent, an inflation rate of 3.00 percent and real return of 4.50 percent, and salary increases of 5.75 percent.

West Northfield School District 31

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 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.

Methods and Assumptions Used to Determine the 2015 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): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 calculation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

West Northfield School District 31

General Fund
COMBINING BALANCE SHEET
June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 4,503,793	\$ 34	\$ 8,095,036	\$ 12,598,863
Receivables (net of allowance for uncollectibles):				
Interest	5,986	-	-	5,986
Property taxes	6,543,539	-	197	6,543,736
Replacement taxes	62,090	-	-	62,090
Intergovernmental	203,997	-	-	203,997
Prepaid Items	25,460	-	-	25,460
	<u>11,344,865</u>	<u>34</u>	<u>8,095,233</u>	<u>19,440,132</u>
Total assets	<u>\$ 11,344,865</u>	<u>\$ 34</u>	<u>\$ 8,095,233</u>	<u>\$ 19,440,132</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 57,886	\$ -	\$ -	\$ 57,886
Other current liabilities	24,857	-	-	24,857
Unearned revenue	92,930	-	-	92,930
	<u>175,673</u>	<u>-</u>	<u>-</u>	<u>175,673</u>
Total liabilities	<u>175,673</u>	<u>-</u>	<u>-</u>	<u>175,673</u>
DEFERRED INFLOWS				
Unavailable interest revenue	2,400	-	-	2,400
Property taxes levied for a future period	6,463,811	-	197	6,464,008
	<u>6,466,211</u>	<u>-</u>	<u>197</u>	<u>6,466,408</u>
Total deferred inflows	<u>6,466,211</u>	<u>-</u>	<u>197</u>	<u>6,466,408</u>
FUND BALANCES				
Nonspendable	25,460	-	-	25,460
Restricted	-	34	-	34
Unassigned	4,677,521	-	8,095,036	12,772,557
	<u>4,702,981</u>	<u>34</u>	<u>8,095,036</u>	<u>12,798,051</u>
Total fund balance	<u>4,702,981</u>	<u>34</u>	<u>8,095,036</u>	<u>12,798,051</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 11,344,865</u>	<u>\$ 34</u>	<u>\$ 8,095,233</u>	<u>\$ 19,440,132</u>

West Northfield School District 31

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 12,385,206	\$ -	\$ 491	\$ 12,385,697
Replacement taxes	220,292	-	-	220,292
State aid	4,934,839	-	-	4,934,839
Federal aid	383,658	-	-	383,658
Interest	42,601	-	-	42,601
Other	340,161	-	-	340,161
Total revenues	<u>18,306,757</u>	<u>-</u>	<u>491</u>	<u>18,307,248</u>
Expenditures				
Current:				
Instruction:				
Regular programs	5,797,978	-	-	5,797,978
Special programs	1,143,709	-	-	1,143,709
Other instructional programs	1,188,152	-	-	1,188,152
State retirement contributions	4,185,208	-	-	4,185,208
Support services:				
Pupils	704,431	-	-	704,431
Instructional staff	656,514	-	-	656,514
General administration	853,905	-	-	853,905
School administration	609,058	-	-	609,058
Business	455,251	-	-	455,251
Central	395,134	-	-	395,134
Community services	9,192	-	-	9,192
Nonprogrammed charges	1,788,216	-	-	1,788,216
Debt service:				
Interest and other	-	-	-	-
Capital outlay	562,980	-	-	562,980
Total expenditures	<u>18,349,728</u>	<u>-</u>	<u>-</u>	<u>18,349,728</u>
Excess (deficiency) of revenues over expenditures	<u>(42,971)</u>	<u>-</u>	<u>491</u>	<u>(42,480)</u>

(Continued)

West Northfield School District 31
 General Fund
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For the Year Ended June 30, 2016

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources (uses)				
Capital lease proceeds	\$ 427,812	\$ -	\$ -	\$ 427,812
Transfer in	1,000,000	-	-	1,000,000
Transfer (out)	(208,151)	-	(4,000,000)	(4,208,151)
Debt issuance	-	-	4,005,000	4,005,000
Premium on debt issuance	-	-	83,385	83,385
	<u>1,219,661</u>	<u>-</u>	<u>88,385</u>	<u>1,308,046</u>
Total other financing sources (uses)				
Net change in fund balance	1,176,690	-	88,876	1,265,566
Fund balance, beginning of year	<u>3,526,291</u>	<u>34</u>	<u>8,006,160</u>	<u>11,532,485</u>
Fund balance, end of year	<u>\$ 4,702,981</u>	<u>\$ 34</u>	<u>\$ 8,095,036</u>	<u>\$ 12,798,051</u>

(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, 2016
With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016			2015 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 593,102	\$ 581,051	\$ (12,051)	\$ 526,682
Corporate personal property replacement taxes	170,000	74,325	(95,675)	225,000
Contributions and donations from private sources	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
Total local sources	<u>793,102</u>	<u>655,376</u>	<u>(137,726)</u>	<u>751,682</u>
Total revenues	<u>793,102</u>	<u>655,376</u>	<u>(137,726)</u>	<u>751,682</u>
Expenditures				
Debt service				
Bonds - interest	109,488	93,113	16,375	19,425
Other interest	<u>-</u>	<u>15,200</u>	<u>(15,200)</u>	<u>6,148</u>
Total debt service - interest	<u>109,488</u>	<u>108,313</u>	<u>1,175</u>	<u>25,573</u>
Principal payments on long-term debt	<u>537,000</u>	<u>537,953</u>	<u>(953)</u>	<u>837,310</u>
Other debt service				
Other objects	<u>-</u>	<u>85,556</u>	<u>(85,556)</u>	<u>515</u>
Total	<u>-</u>	<u>85,556</u>	<u>(85,556)</u>	<u>515</u>
Total debt service	<u>646,488</u>	<u>731,822</u>	<u>(85,334)</u>	<u>863,398</u>
Total expenditures	<u>646,488</u>	<u>731,822</u>	<u>(85,334)</u>	<u>863,398</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 146,614</u>	<u>(76,446)</u>	<u>\$ (223,060)</u>	<u>(111,716)</u>

(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, 2016

With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Other financing sources (uses)				
Transfer to pay for principal on capital leases	-	192,953	-	-
Transfer to pay for interest on capital leases	-	15,198	-	-
Total other financing sources (uses)	-	208,151	-	-
Net change in fund balance	\$ 146,614	131,705	\$ (223,060)	(111,716)
Fund balance, beginning of year		650,931		762,647
Fund balance, end of year		\$ 782,636		\$ 650,931

(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, 2016
 With Comparative Actual Amounts for the Year Ended June 30, 2015

	2016		Variance From Final Budget	2015 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 1,200	\$ 5,556	\$ 4,356	\$ -
Impact fees from municipal or county governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,674</u>
Total revenues	<u>1,200</u>	<u>5,556</u>	<u>4,356</u>	<u>12,674</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	\$ 2,050,000	\$ 2,107,385	\$ (57,385)	\$ 654,403
Other objects	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
Total expenditures	<u>2,175,000</u>	<u>2,107,385</u>	<u>67,615</u>	<u>654,403</u>
Excess (deficiency) of revenues over expenditures	<u>(2,173,800)</u>	<u>(2,101,829)</u>	<u>71,971</u>	<u>(641,729)</u>
Other financing sources				
Transfer from Operations and Maintenance Fund	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 826,200</u>	898,171	<u>\$ 71,971</u>	(641,729)
Fund balance, beginning of year		<u>500,434</u>		<u>1,142,163</u>
Fund balance, end of year		<u>\$ 1,398,605</u>		<u>\$ 500,434</u>

West Northfield School District 31
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 25,405	\$ 44,543	\$ 34,940	\$ 35,008
Liabilities				
Due to student groups				
District				
PTC Fundraising	\$ -	\$ 568	\$ 568	\$ -
Winter Benefit	48	18,702	18,750	-
Total District	<u>48</u>	<u>19,270</u>	<u>19,318</u>	<u>-</u>
Winkleman				
Misc.	\$ 3,422	\$ 9,323	\$ 5,173	\$ 7,572
Student Council	3,166	324	324	3,166
Schoola.com	-	24	-	24
Pictures	4,030	556	445	4,141
Interest	11	-	-	11
Total Winkleman	<u>10,629</u>	<u>10,227</u>	<u>5,942</u>	<u>14,914</u>
Field School				
Miscellaneous	710	-	710	-
Pictures	4,236	254	-	4,490
WCWIO	87	-	-	87
6th Grade	493	-	-	493
7th Grade	76	-	-	76
8th Grade	872	-	-	872
Student Council	2,563	2,062	2,316	2,309
Computer Fair	1	-	-	1
Play	1,102	1,957	1,154	1,905
Cheer Fund	276	340	362	254
5K Run	(1,052)	7,639	3,138	3,449
Interest	195	9	-	204
Senior Grant	5,169	2,785	2,000	5,954
Total Field School	<u>14,728</u>	<u>15,046</u>	<u>9,680</u>	<u>20,094</u>
Total due to student groups	<u>\$ 25,405</u>	<u>\$ 44,543</u>	<u>\$ 34,940</u>	<u>\$ 35,008</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

West Northfield School District 31
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST FIVE TAX LEVY YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	\$ <u>513,583,834</u>	\$ <u>516,403,282</u>	\$ <u>505,935,060</u>	\$ <u>568,579,540</u>	\$ <u>588,042,363</u>
Rates Extended					
Educational	2.5630	2.4639	2.4961	2.0283	1.5065
Operations and Maintenance	0.2531	0.2517	0.1977	0.2638	0.2952
Bond and Interest	0.1601	0.0723	0.1315	0.1362	0.1296
Transportation	0.0643	0.0503	0.0494	0.0317	0.0244
Municipal Retirement	0.0175	0.0194	0.0168	0.0162	0.0307
Social Security	0.0487	0.0533	0.0543	0.0484	0.0307
Working Cash	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>	<u>-</u>	<u>-</u>
Total rates extended	<u>3.1068</u>	<u>2.9110</u>	<u>2.9459</u>	<u>2.5246</u>	<u>2.0171</u>
Levies Extended					
Educational	\$ 13,163,388	\$ 12,723,510	\$ 12,628,851	\$ 11,532,400	\$ 8,858,814
Operations and Maintenance	1,300,000	1,300,000	1,000,000	1,500,000	1,736,096
Bond and Interest	822,347	373,359	665,417	774,270	762,090
Transportation	330,000	260,000	250,000	180,000	143,325
Municipal Retirement	90,000	100,000	85,000	92,000	180,714
Social Security	250,000	275,000	274,500	275,000	180,714
Working Cash	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>
Total levies extended	<u>\$ 15,956,235</u>	<u>\$ 15,032,369</u>	<u>\$ 14,904,268</u>	<u>\$ 14,353,670</u>	<u>\$ 11,861,753</u>
Total collections	<u>\$ 7,864,841</u>	<u>\$ 14,771,476</u>	<u>\$ 14,904,268</u>	<u>\$ 14,242,317</u>	<u>\$ 11,623,393</u>
Percentage of extensions collected	<u>49.29%</u>	<u>98.26%</u>	<u>100.00%</u>	<u>99.22%</u>	<u>97.99%</u>

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

West Northfield School District 31
OPERATING COSTS AND TUITION CHARGE
JUNE 30, 2016 AND 2015

	2016	2015
Operating costs per pupil		
Average Daily Attendance (ADA):	817.70	832.00
Operating costs:		
Educational	\$ 14,164,520	\$ 12,996,958
Operations and Maintenance	1,186,242	1,141,259
Debt Service	731,822	863,398
Transportation	469,113	476,462
Municipal Retirement/Social Security	362,591	345,549
Subtotal	16,914,288	15,823,626
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	47,465	11,172
Debt service - payments of principal on long-term debt	537,953	837,310
Summer school	6,824	14,987
Community Services	9,192	1,246
Capital outlay	574,820	218,171
Non-capitalized equipment	8,828	7,693
Payments to other Districts and Gov't Units	1,788,216	1,627,373
Subtotal	2,973,298	2,717,952
Operating costs	\$ 13,940,990	\$ 13,105,674
Operating costs per pupil - based on ADA	\$ 17,049	\$ 15,752
Tuition Charge		
Operating costs	\$ 13,940,990	\$ 13,105,674
Less - revenues from specific programs, such as special education or lunch programs	1,250,960	1,205,734
Net operating costs	12,690,030	11,899,940
Depreciation allowance	620,912	523,107
Allowance tuition costs	\$ 13,310,942	\$ 12,423,047
Tuition charge per pupil - based on ADA	\$ 16,279	\$ 14,932