

West Northfield School District 31
Northbrook, Illinois
Annual Financial Report
Year Ended June 30, 2015

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

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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, 2015, 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, 2015, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note M to the audited financial statements, net position, net pension liability and deferred outflows as of July 1, 2014 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* (GASB 71). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, the Illinois Municipal Retirement Fund and Teacher's Retirement System of the State of Illinois pension data on pages 61 through 64, the budgetary comparison schedules on pages 65 through 80, and notes to required supplementary information on pages 81 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2015 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 in the 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.

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, 2015 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2015 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the West Northfield School District 31's basic financial statements, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated November 10, 2014, 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 for the year ended June 30, 2014 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 2014 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 been subjected to the auditing procedures applied in the audit of those 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, 2014.

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 November 12, 2015 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
November 12, 2015

West Northfield School District 31

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The District continues to maintain a healthy financial position with an unrestricted net position making up 52% of the total net position.
- General revenues accounted for \$16,124 of revenues, or 77% of all revenues. Property taxes including amounts levied for debt service, account for 95% of General Revenues. Program specific revenues in the form of state and federal categorical reimbursements and state grants accounted for \$4,400, or 21%, of the total revenues of \$20,903.
- The District had \$19,431 in program expenditures related to governmental activities. However, only \$4,400 was offset by state and federal reimbursements or grants, which included the TRS "on-behalf" payments of \$3,551.
- The District has \$345 remaining due on its long-term general obligation bonds, as of June 30, 2015 with \$345 due within one year.

Overview of the Financial Statements

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

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

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

Government-wide financial statements

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

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

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

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Government-wide financial statements (Continued)

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. 68, Financial Reporting for Pensions (GASB 68), and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (GASB 71), which were adopted by the District as of the fiscal year ended June 30, 2015. GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension liabilities. For defined benefits pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service. GASB 71 established standards for measuring amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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, 2015

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, 2015 than the previous year, increasing 2.6% to \$19,575. The unrestricted portion of the net position increased 4% over last year's \$9,811. Current liabilities increased based on construction in progress of \$477. Long-term liabilities reflect an increase due to a restatement of the balance as of July 1, 2014 as a result of the implementation of GASB 68 and GASB 71. That increase was partially offset by debt payments. Please refer to Note F.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

TABLE 1:		
<i>Condensed Statements of Net Position</i>		
<i>(in thousands of dollars)</i>		
	<u>2015</u>	<u>2014</u>
Assets:		
Current and other assets	\$ 21,939	\$20,616
Capital Assets, net	<u>7,176</u>	<u>7,145</u>
Total Assets	<u>29,115</u>	<u>27,761</u>
Deferred Outflow of Resources:		
Deferred outflows related to pension liabilities	<u>353</u>	-
Total Deferred Outflow of Resources	<u>353</u>	-
Liabilities:		
Current Liabilities	668	232
Long-term debt outstanding	<u>2,100</u>	<u>1,296</u>
Total Liabilities	<u>2,768</u>	<u>1,528</u>
Deferred Inflow of Resources:		
Bond proceeds for a future period	68	-
Pension liabilities	70	-
Property taxes levied for a future period	<u>6,987</u>	<u>7,155</u>
Total Deferred Inflow of Resources	<u>7,125</u>	<u>7,155</u>
Net Position:		
Net investment in capital assets	6,705	5,950
Restricted	2,679	3,317
Unrestricted	<u>10,191</u>	<u>9,811</u>
Total Net Position	\$19,575	\$19,078*

*- This amount is presented as originally reported. The amount was restated at July 1, 2014 due to the implementation of GASB 68 and GASB 71.

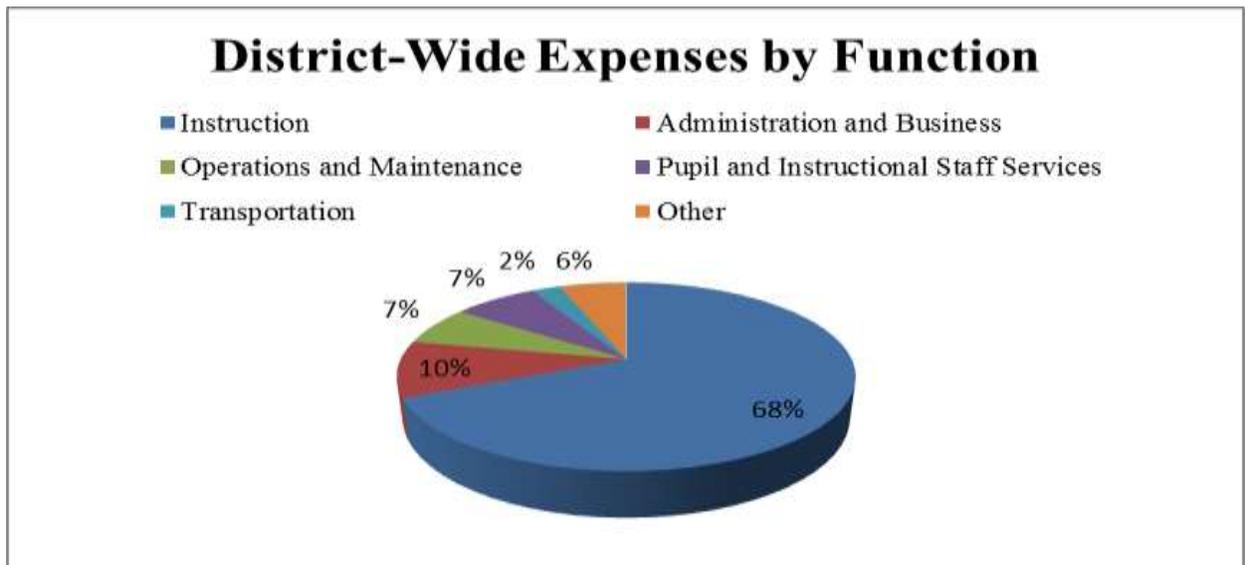
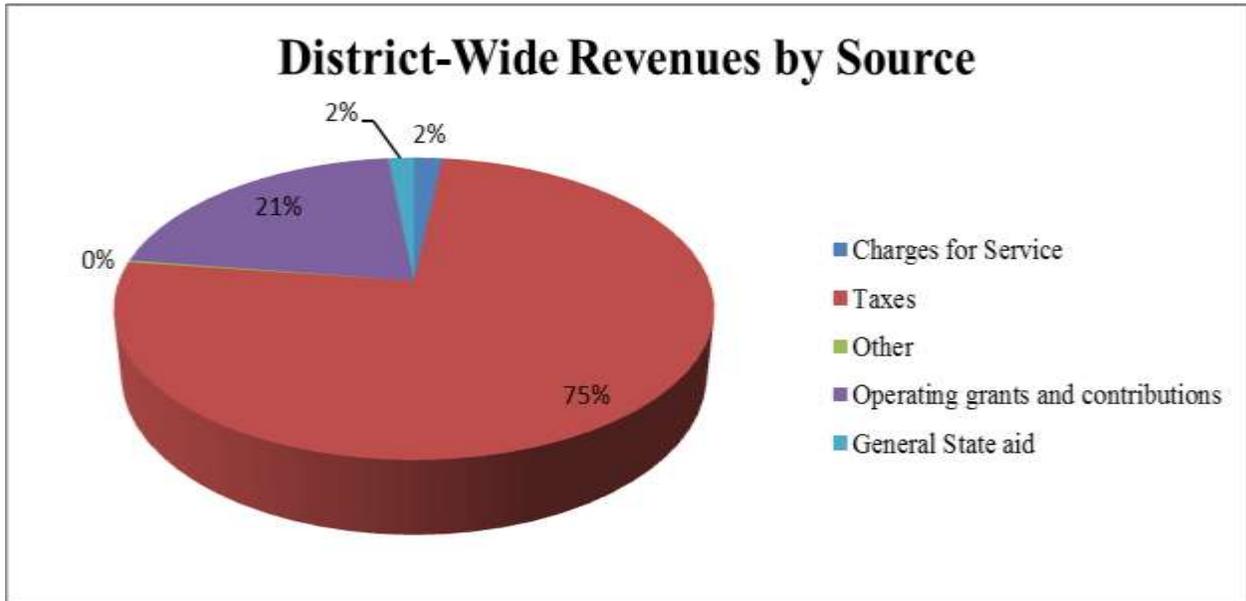
West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

TABLE 2: <i>Changes in Net Position – Governmental Activities</i> <i>(in thousands of dollars)</i>		
	<u>2015</u>	<u>2014</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 379	\$ 396
Operating grants and contributions	4,400	3,336
<i>General Revenues:</i>		
Property & Replacement Taxes	15,733	15,852
General state aid	348	334
Other	<u>43</u>	<u>223</u>
Total Revenues	<u>20,903</u>	<u>20,141</u>
Expenses:		
Instruction	13,312	10,962
Pupil and instructional staff services	1,384	1,112
Administration and business	1,872	1,792
Transportation	476	443
Operations and maintenance	1,293	1,139
Other	<u>1,094</u>	<u>1,132</u>
Total Expenses	<u>19,431</u>	<u>16,580</u>
Excess of revenues over expenses	<u>1,472</u>	<u>3,561</u>
Increase in net position	\$ 1,472	\$3,561

Property and replacement taxes accounted for the largest portion of the District's revenues, contributing 75% 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 \$19,431, with approximately 97% of those costs being directly related to instruction and support services for students.

Revenues in the governmental activities of the District of \$20,903 were \$1,472 higher than expenses. The increase reflected in this statement's net position illustrates a 4% increase in revenues. This increase stems primarily from an increase in state retirement contributions. The 17% increase in overall expenses occurred due to a 21% increase in costs associated with instruction and a 3% decrease in miscellaneous costs.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015**



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 \$14,212 compared to the prior year's total fund balance of \$13,227, reflecting a 7.4% increase.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015**

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 \$1,348, primarily as a result of an increase in state aid, which includes Teachers' Retirement System (TRS) "on behalf" payments made by the state. Expenditures were \$2,346 more primarily due to the same TRS "on behalf" state contributions when shown as an expense, as well as an increase in regular program costs and non-programmed charges.

Capital Assets and Debt Administration

Capital assets

By the end of fiscal year 2015, the District had compiled total capital assets of approximately \$7,176, net of accumulated depreciation, from a broad range of assets including buildings, land, and equipment. Construction in Progress reflects \$477 which relates to the HVAC project taking place at Field School and the District Office.

TABLE 3:		
<i>Capital Assets (net of depreciation)</i>		
<i>(in thousands of dollars)</i>		
	<u>2015</u>	<u>2014</u>
Land	\$ 81	\$ 81
Construction in progress	477	50
Buildings and improvements	6,381	6,787
Equipment and other	<u>237</u>	<u>227</u>
Total	\$7,176	\$7,145

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Long-term debt

The District has \$345 in long-term bonded debt with \$345 due within one year. The reduction in General Obligation Bonds is reflective of the balance due and paid during fiscal year 2015 for the 2010 bond issuance. More detailed information on long-term debt can be found in Note F of the basic financial statements.

<i>TABLE 4: Outstanding Long-Term Debt (in thousands of dollars)</i>		
	<u>2015</u>	<u>2014*</u>
General obligation bonds	\$ 345	\$ 950
Capital leases	126	245
OPEB	15	30
Compensated absences	94	71
IMRF net pension liability	455	-
TRS net pension liability	<u>1,065</u>	<u>-</u>
Total	\$ 2,100	\$ 1,296

*-This amount is presented as originally reported. A portion of long-term debt was restated at July 1, 2014 due to the implementation of GASB 68 and GASB 71.

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 order to fund items listed on the recently approved Ten Year Life Safety Survey and to attend to needed Capital Projects, the District's Board of Education approved moving forward with issuing Working Cash Fund Bonds. During the credit rating process, Moody's removed the "negative outlook" from the District's Aa3 credit rating. On June 24, 2015, the District entered into an agreement to sell \$4.005MM of Series 2015A and 2015B Bonds via a competitive sale process. \$2.985MM in tax exempt bonds was designated for Capital Projects such as HVAC updates at both schools and the district office, as well as addressing Life Safety Repairs. \$1.020MM in taxable bonds was designated to fund improvements to the instructional programs and extra-co-curricular activities, as well as to provide financial assistance should potential revenue losses occur from a property tax freeze, reduction in General State Aid and mandated categoricals, cost resulting from a pension shift, or property tax refunds. The Working Cash Fund bond closed on July 16, 2015. The 2015 levy process will begin the funding process for the associated debt service for the 2015 bonds. The 2014 Tax Levy requested the remaining balance of the debt service associated with the 2010 bond issuance.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Factors bearing on the District's Future (Continued)

- 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.
- The GlenStar development, located at Willow and Sanders, and adjacent to the Astellas Pharmaceutical Corporation, received the approval of the Village of Glenview during fiscal year 2013. At this point, the residential and commercial components are near completion and the District's 2015 levy request will include new property from this development. This residential area consists of 290 studio, one-bedroom, and two-bedroom luxury apartments, ranging from \$1,300 to \$2,500 per month. The commercial portion of the development is open for business including Mariano's, LA Fitness, a bank, Gardner Daycare, CVS Pharmacy, and other business establishments, such as Chipotle, Starbucks, and Naf Naf Grill. This development will add to the District's tax base and will bring in additional tax dollars as new property.
- At the time of this report, the potential development on the Mission Hills Golf Course, the Provenance Development, continues to work its way through the various approval processes. This development, by Red Seal Development Corporation, would consist of 21 single family homes, 82 townhomes, and 34 duplex units in unincorporated Cook County, 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.
- The District continues to work with stakeholders currently involved in large property tax appeals in order to minimize the impact to the District, while having secured a manageable process for the future. 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. For the 2010 through 2012 tax years, and 2013 through 2015 tax years, settlement agreements were reached with regard to the valuation of the three Allstate properties that are involved in the appeals. The District has greatly mitigated the possible outcomes by meeting on a triennial basis with these stakeholders in order 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 protecting the District's assets and providing a fair platform for all involved. At this point in time, there is no indication of a timeframe in which the 2004-2006 triennial will conclude its litigation. We will continue to approach this situation in a pro-active manner.
- 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.

West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Factors bearing on the District's Future (Continued)

- 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.

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, 2015

ASSETS

Cash and investments	\$	14,520,093
Receivables (net of allowance for uncollectibles):		
Interest		11,917
Property taxes		7,123,637
Replacement taxes		70,798
Intergovernmental		188,201
Prepaid items		23,915
Capital assets:		
Land		81,393
Construction in progress		476,734
Depreciable buildings, property, and equipment, net		<u>6,618,017</u>
 Total assets		 <u>29,114,705</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to pension liabilities		<u>353,461</u>
 Total deferred outflows		 <u>353,461</u>

LIABILITIES

Accounts payable		489,977
Other current liabilities		19,466
Interest payable		3,656
Unearned revenue		154,666
Long-term liabilities:		
Due within one year		433,379
Due after one year		<u>1,666,956</u>
 Total liabilities		 <u>2,768,100</u>

DEFERRED INFLOW OF RESOURCES

Bond proceeds for a future period		68,000
Deferred inflows related to pension liabilities		70,122
Property taxes levied for a future period		<u>6,986,577</u>
 Total deferred inflows		 <u>7,124,699</u>

NET POSITION

Net investment in capital assets		6,704,881
Restricted For:		
Operations and maintenance		1,044,662
Debt service		650,931
Student transportation		251,291
Retirement benefits		232,534
Capital projects		500,434
Tort immunity		34
Unrestricted		<u>10,190,600</u>
 Total net position		 <u>\$ 19,575,367</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, 2015

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	\$ 5,676,853	\$ 266,500	\$ 131,461	\$ (5,278,892)
Special programs	2,736,924	-	491,410	(2,245,514)
Other instructional programs	1,347,320	100	105,786	(1,241,434)
State retirement contributions	3,551,491	-	3,551,491	-
Support services:				
Pupils	749,005	-	-	(749,005)
Instructional staff	634,910	-	17,946	(616,964)
General administration	854,051	-	-	(854,051)
School administration	520,995	-	-	(520,995)
Business	496,693	4,130	14,306	(478,257)
Transportation	476,462	103,789	87,785	(284,888)
Operations and maintenance	1,292,583	4,160	-	(1,288,423)
Central	543,509	-	-	(543,509)
Community services	1,470	-	-	(1,470)
Interest and fees	26,579	-	-	(26,579)
Unallocated depreciation	522,338	-	-	(522,338)
	<u>\$ 19,431,183</u>	<u>\$ 378,679</u>	<u>\$ 4,400,185</u>	<u>(14,652,319)</u>
Total governmental activities				
General revenues:				
Taxes:				
				12,958,372
				1,816,173
				526,682
				431,290
				348,221
				31,011
				12,674
				16,124,423
				1,472,104
				18,103,263
				\$ 19,575,367

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 11,385,785	\$ 1,036,286	\$ 269,866	\$ 220,111
Receivables (net of allowance for uncollectibles):				
Interest	11,917	-	-	-
Property taxes	6,029,702	616,172	123,341	177,490
Replacement taxes	61,798	-	-	9,000
Intergovernmental	166,961	-	21,240	-
Prepaid Items	<u>23,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 17,680,078</u>	<u>\$ 1,652,458</u>	<u>\$ 414,447</u>	<u>\$ 406,601</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 26,445	\$ 3,448	\$ -	\$ -
Other current liabilities	19,439	27	-	-
Unearned revenue	<u>112,483</u>	<u>-</u>	<u>42,183</u>	<u>-</u>
Total liabilities	<u>158,367</u>	<u>3,475</u>	<u>42,183</u>	<u>-</u>
DEFERRED INFLOWS				
Bond proceeds for a future period	68,000	-	-	-
Interest revenue to be collected in a future period	7,538	-	-	-
Property taxes levied for a future period	<u>5,913,688</u>	<u>604,321</u>	<u>120,973</u>	<u>174,067</u>
Total deferred inflows	<u>5,989,226</u>	<u>604,321</u>	<u>120,973</u>	<u>174,067</u>
FUND BALANCES				
Nonspendable	23,915	-	-	-
Restricted	34	1,044,662	251,291	232,534
Unassigned	<u>11,508,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>11,532,485</u>	<u>1,044,662</u>	<u>251,291</u>	<u>232,534</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 17,680,078</u>	<u>\$ 1,652,458</u>	<u>\$ 414,447</u>	<u>\$ 406,601</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total
\$ 647,527	\$ 960,518	\$ 14,520,093
-	-	11,917
176,932	-	7,123,637
-	-	70,798
-	-	188,201
<u>-</u>	<u>-</u>	<u>23,915</u>
<u>\$ 824,459</u>	<u>\$ 960,518</u>	<u>\$ 21,938,561</u>
\$ -	\$ 460,084	\$ 489,977
-	-	19,466
<u>-</u>	<u>-</u>	<u>154,666</u>
<u>-</u>	<u>460,084</u>	<u>664,109</u>
-	-	68,000
-	-	7,538
<u>173,528</u>	<u>-</u>	<u>6,986,577</u>
<u>173,528</u>	<u>-</u>	<u>7,062,115</u>
-	-	23,915
650,931	500,434	2,679,886
<u>-</u>	<u>-</u>	<u>11,508,536</u>
<u>650,931</u>	<u>500,434</u>	<u>14,212,337</u>
<u>\$ 824,459</u>	<u>\$ 960,518</u>	<u>\$ 21,938,561</u>

West Northfield School District 31
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2015

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

Total fund balances - governmental funds	\$	14,212,337
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.		7,176,144
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	\$ 216,906	
Deferred outflows of 2015 employer contributions related to pensions	<u>136,555</u>	353,461
Deferred inflows of resources related to pensions		(70,122)
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.		7,538
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.		(3,656)
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>(2,100,335)</u>
Net position - governmental activities	\$	<u><u>19,575,367</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, 2015

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 12,958,372	\$ 1,179,688	\$ 260,616	\$ 375,869
Replacement taxes	138,290	-	50,000	18,000
State aid	4,269,447	-	87,785	-
Federal aid	391,174	-	-	-
Interest	29,151	-	-	-
Other	270,730	4,160	103,789	-
Total revenues	<u>18,057,164</u>	<u>1,183,848</u>	<u>502,190</u>	<u>393,869</u>
Expenditures				
Current:				
Instruction:				
Regular programs	5,574,562	-	-	77,219
Special programs	1,063,704	-	-	42,531
Other instructional programs	1,134,244	-	-	15,100
State retirement contributions	3,551,491	-	-	-
Support services:				
Pupils	698,463	-	-	26,745
Instructional staff	582,941	-	-	8,141
General administration	829,624	-	-	22,080
School administration	490,464	-	-	29,138
Business	426,442	-	-	23,350
Transportation	-	-	476,462	-
Operations and maintenance	-	1,137,514	-	68,620
Central	353,065	-	-	32,625
Community services	1,246	-	-	-
Nonprogrammed charges	1,627,373	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	214,830	3,745	-	-
Total expenditures	<u>16,548,449</u>	<u>1,141,259</u>	<u>476,462</u>	<u>345,549</u>
Excess of revenues over expenditures	<u>1,508,715</u>	<u>42,589</u>	<u>25,728</u>	<u>48,320</u>
Other financing sources				
Capital lease proceeds	113,700	-	-	-
Total other financing sources	<u>113,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,622,415	42,589	25,728	48,320
Fund balance, beginning of year	<u>9,910,070</u>	<u>1,002,073</u>	<u>225,563</u>	<u>184,214</u>
Fund balance, end of year	<u>\$ 11,532,485</u>	<u>\$ 1,044,662</u>	<u>\$ 251,291</u>	<u>\$ 232,534</u>

The accompanying notes are an integral part of this statement.

	Debt Service	Capital Projects	Total
\$	526,682	\$ -	\$ 15,301,227
	225,000	-	431,290
	-	-	4,357,232
	-	-	391,174
	-	-	29,151
	-	12,674	391,353
	<u>751,682</u>	<u>12,674</u>	<u>20,901,427</u>
	-	-	5,651,781
	-	-	1,106,235
	-	-	1,149,344
	-	-	3,551,491
	-	-	725,208
	-	-	591,082
	-	-	851,704
	-	-	519,602
	-	-	449,792
	-	-	476,462
	-	-	1,206,134
	-	-	385,690
	-	-	1,246
	-	-	1,627,373
	602,017	-	602,017
	261,381	-	261,381
	-	654,403	872,978
	<u>863,398</u>	<u>654,403</u>	<u>20,029,520</u>
	(111,716)	(641,729)	871,907
	-	-	113,700
	-	-	113,700
	(111,716)	(641,729)	985,607
	<u>762,647</u>	<u>1,142,163</u>	<u>13,226,730</u>
\$	<u>650,931</u>	\$ <u>500,434</u>	\$ <u>14,212,337</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, 2015

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

Net change in fund balances - total governmental funds	\$ 985,607
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.	31,256
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.	(491)
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	1,860
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	145,070
Deferred outflow and inflows of resources related to TRS pension liability	1,716
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>307,086</u>
Change in net position - governmental activities	<u>\$ 1,472,104</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, 2015

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>25,405</u>
LIABILITIES	
Due to student groups	\$ <u>25,405</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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. 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. 68, *Accounting and Financial Reporting for Pensions*, which was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense on the government-wide financial statements. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discounts projected benefit payment to their actuarial present value, and attribute the present value to periods of employee service.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which was implemented by the District during the fiscal year ended June 30, 2015. This Statement established standards for measuring amounts associated with contributions, if any made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncements (Continued)

Specific changes to the District's financial statements relate to the recognition of: net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note G and Note M for the effect of this restatement.

3. Fund Accounting

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

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

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

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) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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, 2015

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 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.

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, 2015

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 Fund

The fiduciary fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Student Activity Fund (Agency Fund) - is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. These 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, 2015

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.

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, 2015, 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, 2015, the District's property taxes levied for a future year, pension liabilities (see Note G), and bond proceeds for a future period are reported as deferred inflows of resources.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Deposits and Investments

The Illinois Compiled Statutes require the District to utilize the investment services of the Northfield Township School Treasurer (the Treasurer). Investments are stated at fair value. Due to the nature of the District's investments, fair value approximates cost. 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. Capital Assets

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

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	15 - 20
Equipment	5 - 20
Vehicles	8

10. Prepaid Items

Prepaid items are recorded at cost and amortized over the term of the underlying agreements. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources" even though they are a component of current assets.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 effective interest 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 and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. Restricted Net Position

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

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Accumulated Unpaid Vacation Pay (Continued)

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).

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.

16. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- 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 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, 2015.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance (Continued)

- 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, 2015.
- 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, 2015, are as follows:

The nonspendable fund balance in the General Fund consists of \$23,915 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.

17. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension liability, 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 reported at fair value.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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	\$ (345,000)
Compensated absences	(93,738)
Other postemployment benefits	(14,977)
Capital leases	(126,263)
Net pension liability - IMRF	(455,359)
Net pension liability - TRS	<u>(1,064,998)</u>
Net adjustment to reduce fund balances - governmental funds to arrive at net position - governmental activities	<u>\$ (2,100,335)</u>

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	\$ 560,030
Depreciation expense	(522,338)
Loss on disposal of assets	<u>(6,436)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ 31,256</u>

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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 (Continued)

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	\$ 605,000
Capital lease	232,310
Capital lease additions	(113,700)
IMRF net pension liability, net	(376,722)
TRS net pension liability, net	(32,059)
Other postemployment benefits (net change)	14,581
Compensated absences (net change)	<u>(22,324)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	 <u>\$ 307,086</u>

NOTE C - DEPOSITS AND INVESTMENTS

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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, 2015, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 14,520,093	\$ 25,405	\$ 14,545,498

For disclosure purposes, this amount is segregated into three components at June 30, 2015, as follows:

	<u>Total</u>
Deposits with financial institutions	\$ 9,632,332
Illinois School District Liquid Asset Fund Plus	4,806,430
The Illinois Funds	<u>106,736</u>
	<u>\$ 14,545,498</u>

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, 2015, the fair value of the District's investments held by the Treasurer's office was \$12,893,500.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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.

3. Credit Risk

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an unrated, 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 valued at share price, which is the price for which the investment could be sold.

The Illinois Funds, a state investment pool, was rated AAAM by Standard & Poor's. The State Treasurer is the regulatory oversight agency for the pool and the State Treasurer is audited by the Illinois Auditor General to ensure that all state statutes are being followed. Each member owns a prorated share of each investment or deposit, which is held in the name of the fund. The fair value of the position in the external investment pool is the same as the value of the pool shares.

4. Cash and Investments in the Custody of the District

At June 30, 2015, the carrying value of the District's student activity, imprest, and flexible benefit funds was \$58,285, all of which was deposited with financial institutions.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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, 2015, the bank balance of the District's deposits with financial institutions totaled \$9,906,019.

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 9, 2014. 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 Cook County Assessor is responsible for the assessment of all taxable property within Cook County except for certain railroad property, which is assessed directly by the state. One-third of the County is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.7253 for 2014.

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 2014 tax levy was \$516,403,282.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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. Property taxes are normally collected by the District within 60 days of the respective installment dates. The second installment is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2014 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 property taxes levied for a future period (deferred inflow).

NOTE E - CAPITAL ASSETS

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

	Balance July 1, 2014	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2015
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Construction in process	50,241	476,734	50,241	476,734
	<u>131,634</u>	<u>476,734</u>	<u>50,241</u>	<u>558,127</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated				
Buildings	16,436,887	24,216	-	16,461,103
Building improvements	1,590,173	37,103	-	1,627,276
Equipment	1,883,618	72,218	24,628	1,931,208
Vehicles	35,501	-	-	35,501
	<u>19,946,179</u>	<u>133,537</u>	<u>24,628</u>	<u>20,055,088</u>
Total capital assets, being depreciated				

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE E - CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases/</u> <u>Transfers</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2015</u>
Less accumulated depreciation for:				
Buildings	10,164,246	392,920	-	10,557,166
Building improvements	1,077,097	72,702	-	1,149,799
Equipment	1,656,081	56,716	18,192	1,694,605
Vehicles	35,501	-	-	35,501
	<u>12,932,925</u>	<u>522,338</u>	<u>18,192</u>	<u>13,437,071</u>
Total accumulated depreciation				
	<u>12,932,925</u>	<u>522,338</u>	<u>18,192</u>	<u>13,437,071</u>
Total capital assets, being depreciated, net	<u>7,013,254</u>	<u>(388,801)</u>	<u>6,436</u>	<u>6,618,017</u>
Governmental activities capital assets, net	<u>\$ 7,144,888</u>	<u>\$ 87,933</u>	<u>\$ 56,677</u>	<u>\$ 7,176,144</u>

NOTE F - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2015.

	<u>Balance</u> <u>July 1, 2014</u> <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$ 950,000	\$ -	\$ 605,000	\$ 345,000	\$ 345,000
Capital Leases	244,873	113,700	232,310	126,263	88,379
Compensated absences	71,414	74,857	52,533	93,738	-
Other postemployment benefits	29,558	-	14,581	14,977	-
IMRF net pension liability*	78,637	479,012	102,290	455,359	-
TRS net pension liability*	<u>1,032,939</u>	<u>85,583</u>	<u>53,524</u>	<u>1,064,998</u>	<u>-</u>
	<u>\$ 2,407,421</u>	<u>\$ 753,152</u>	<u>\$ 1,060,238</u>	<u>\$ 2,100,335</u>	<u>\$ 433,379</u>

* See Note M for further information on the restatement.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable

The summary of activity in bonds payable for the year ended June 30, 2015 is as follows:

	Bonds Payable July 1, 2014	Debt Issued	Debt Retired	Bonds Payable June 30, 2015
\$2,695,000 GO Limited School Bonds Series 2010A, dated October 20, 2010, due January 1, 2016, interest at 2.00% - 3.00%	\$ <u>950,000</u>	\$ <u>-</u>	\$ <u>605,000</u>	\$ <u>345,000</u>

At June 30, 2015, the District's future cash flow requirements for retirement of bond principal and interest were as follows:

	Year Ending June 30	Principal	Interest	Total
2016	\$ <u>345,000</u>	\$ <u>10,350</u>	\$ <u>355,350</u>	

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$650,931 in the Debt Service Fund to service the outstanding bonds payable.

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, 2015, the statutory debt limit for the District was \$35,631,826, of which \$35,160,563 is fully available.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE F - LONG-TERM LIABILITIES (Continued)

2. Capital Leases (Continued)

At June 30, 2015, the District's future cash flow requirements for retirement of leases payable principal and interest were as follows:

Year Ending	Principal	Interest	Total
<u>June 30</u>	<u> </u>	<u> </u>	<u> </u>
2016	\$ 88,379	\$ 3,656	\$ 92,035
2017	<u>37,884</u>	<u>1,360</u>	<u>39,244</u>
	<u>\$ 126,263</u>	<u>\$ 5,016</u>	<u>\$ 131,279</u>

NOTE G - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

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.

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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

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

Benefits Provided (Continued)

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, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$3,472,748 in pension contributions from the state of Illinois.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

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

Contributions (Continued)

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$44,776, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the 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, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$64,619 were paid from federal and special trust funds that required employer contributions of \$21,324. These contributions are deferred because they were paid after the June 30, 2014 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, 2015, the District paid \$0 to TRS for employer ERO contributions.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the District paid \$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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the 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	\$ 1,064,998
State's proportionate share of the net pension liability associated with the District	<u>43,134,039</u>
Total	<u>\$ 44,199,037</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the District's proportion was 0.0017499646 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The District's proportion of the net pension liability as of June 30, 2013, was based on the District's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the District's proportion was 0.0016487682 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$3,569,191 and revenue of \$3,472,748 for support provided by the state. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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	\$ 563	\$ -
Net difference between projected and actual earnings on pension plan investments	-	53,524
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>51,016</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>51,579</u>	<u>53,524</u>
District contributions subsequent to the measurement date	<u>66,100</u>	<u>-</u>
	<u>\$ 117,679</u>	<u>\$ 53,524</u>

The District reported \$66,100 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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>Year ending June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2016	\$ (862)
2017	(862)
2018	(862)
2019	(862)
2020	1,503
Thereafter	<u>-</u>
	<u>\$ (1,945)</u>

Actuarial Assumptions

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

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

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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, 2015

NOTE G - PENSION LIABILITIES (Continued)

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

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

Actuarial Assumptions (Continued)

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

Discount Rate

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

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

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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)

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ <u>1,315,221</u>	\$ <u>1,064,998</u>	\$ <u>857,786</u>

TRS Fiduciary Net Position

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

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 administer of a 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.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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.

Employees Covered by Benefit Terms

As of December 31, 2014, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	49
Inactive plan members entitled to but not yet receiving benefits	135
Active plan members	42
Total	226

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2014 was 11.43%. For the fiscal year ended June 30, 2015 the District contributed \$138,313 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	3.50%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
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.

West Northfield School District 31
 NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Mortality

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

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:

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE G - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

A Single Discount Rate of 7.49% 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 3.56%, and the resulting single discount rate is 7.49%.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2014:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 5,713,443	\$ 5,634,806	\$ 78,637
Changes for the year:			
Service cost	149,654	-	149,654
Interest on the total pension liability	422,843	-	422,843
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	(38,191)	-	(38,191)
Changes of assumptions	245,421	-	245,421
Contributions - Employer	-	134,273	(134,273)
Contributions - Employees	-	55,896	(55,896)
Net Investment Income	-	340,352	(340,352)
Benefit payments, including refunds of employee contributions	(300,715)	(300,715)	-
Other (net transfer)	-	(127,516)	127,516
Net changes	<u>479,012</u>	<u>102,290</u>	<u>376,722</u>
Balances at December 31, 2014	<u>\$ 6,192,455</u>	<u>\$ 5,737,096</u>	<u>\$ 455,359</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 7.49%, 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 (6.49%)	Current Discount Rate (7.49%)	1% Higher (8.49%)
Net pension liability (asset)	\$ <u>1,183,413</u>	\$ <u>455,359</u>	\$ <u>(150,627)</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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, 2015, the District recognized pension expense of \$362,265. At June 30, 2015, 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>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 16,598
Change of assumptions	106,663	-
Net difference between projected and actual earnings on pension plan investments	<u>58,665</u>	<u>-</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>165,328</u>	 <u>16,598</u>
 <i>Pension contributions made subsequent to the measurement date</i>	 <u>70,455</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 235,783</u>	 <u>\$ 16,598</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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>
2015	\$ 104,731
2016	14,666
2017	14,666
2018	14,667
2019	-
Thereafter	<u>-</u>
Total	<u>\$ 148,730</u>

3. 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, 2015

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. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

On behalf contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$78,743, and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the District paid \$58,672 to the THIS Fund, which was 100 percent of the required contribution.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE H - OTHER POSTEMPLOYMENT BENEFITS

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

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, 2015 approximated \$14,500.

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.

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.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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.

NOTE L - CONSTRUCTION COMMITMENTS

As of June 30, 2015, the District is committed to \$1,179,166 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 16, 2015, subsequent to year end (see Note N), and from available fund balances in the Capital Projects Fund.

NOTE M - RESTATEMENT

The implementation of GASB 68 and GASB 71 (Note A-2) required the District to report the net pension liability for IMRF and TRS. As a result of this implementation, as of July 1, 2014, net position decreased by \$975,023, net pension liability (included in long-term liabilities) increased by \$1,111,576 and deferred outflows increased by \$136,553.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 2015, 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 \$24,760 will be made annually, beginning on July 15, 2015 through July 15, 2017.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE N - SUBSEQUENT EVENTS (Continued)

Subsequent to year-end, the District entered into a four year capital lease agreement for computer equipment. Four payments in the amount of \$25,528 will be made annually, beginning on July 15, 2015 through July 15, 2018.

Subsequent to year-end, the District entered into a five year operating lease agreement for copiers. Payments in the amount of \$4,746 will be made monthly, beginning on July 1, 2015 through July 1, 2020.

On July 16, 2015, the District issued \$2,985,000 worth of General Obligation Limited Tax School Bonds (Series 2015A) and \$1,020,000 worth of Taxable General Obligation Limited Tax School Bonds (Series 2015B). Interest rates related to bonds range from 1.00% to 3.00%. The bonds have required principal payments ranging from \$325,000 to \$835,000 beginning December 1, 2016. Required interest payments are on June 1 and December 1, beginning June 1, 2016. As part of the bond issuance, the District received a "good faith deposit" on its bond proceeds for \$68,000 in June 2015. This amount has been recorded as a deferred inflow of resources on the fund statements and government-wide statement of net position as of June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

West Northfield School District 31
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 Illinois Municipal Retirement Fund
June 30, 2015

	2014
Calendar year ended December 31,	
Total pension liability	
Service cost	\$ 149,654
Interest on the total pension liability	422,843
Benefit changes	-
Difference between expected and actual experience of the total pension liability	(38,191)
Assumption changes	245,421
Benefit payments and refunds	(300,715)
Net change in total pension liability	479,012
Total pension liability, beginning	5,713,443
Total pension liability, ending	\$ 6,192,455
Plan fiduciary net position	
Contributions, employer	\$ 134,273
Contributions, employee	55,896
Net investment income	340,352
Benefit payments, including refunds of employee contributions	(300,715)
Other (net transfer)	(127,516)
Net change in plan fiduciary net position	102,290
Plan fiduciary net position, beginning	5,634,806
Plan fiduciary net position, ending	\$ 5,737,096
Net pension liability	\$ 455,359
Plan fiduciary net position as a percentage of the total pension liability	92.65 %
Covered Valuation Payroll	\$ 1,242,127
Net pension liability as a percentage of covered valuation payroll	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
SCHEDULE OF CONTRIBUTIONS
 Illinois Municipal Retirement Fund
June 30, 2015

<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> <u>as a % of</u> <u>Covered Valuation Payroll</u>
2014	\$ 134,274	* \$ 134,273	1	\$ 1,242,127	10.81 %

* Estimated based on contribution rate of 10.81% and covered valuation payroll of \$1,242,127.

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, 2015

District's proportion of the net pension liability (asset)	0.0017499646 %
District's proportionate share of the net pension liability (asset)	\$ 1,064,998
State's proportionate share of the net pension liability (asset) associated with the District	<u>43,134,039</u>
Total	<u><u>\$ 44,199,037</u></u>
District's covered-employee payroll	\$ 6,993,465
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	15.23 %
Plan fiduciary net position as a percentage of the total pension liability	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, 2015

Fiscal Year ended June 30,	<u>2014</u>
Contractually required contribution	\$ 61,458
Contributions in relation to the contractually required contribution	<u>(61,458)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 6,993,465
Contributions as a percentage of covered-employee payroll	0.88 %

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
 General Fund - Budgetary Basis
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 12,753,972	\$ 12,958,372	\$ 204,400	\$ 12,750,039
Corporate personal property replacement taxes	119,000	138,290	19,290	67,194
Summer school tuition from pupils or parents	1,600	100	(1,500)	1,700
Interest on investments	15,250	29,151	13,901	18,041
Sales to pupils - a la carte	4,500	4,130	(370)	5,005
Fees	126,500	167,429	40,929	134,924
Rentals - regular textbook	119,000	82,893	(36,107)	82,584
Contributions and donations from private sources	50,000	3,656	(46,344)	63,345
Other	4,500	12,522	8,022	4,273
Total local sources	<u>13,194,322</u>	<u>13,396,543</u>	<u>202,221</u>	<u>13,127,105</u>
State sources				
General State Aid	355,000	348,221	(6,779)	333,745
Special Education - Private Facility Tuition	28,000	17,842	(10,158)	28,383
Special Education - Extraordinary	100,000	108,338	8,338	107,568
Special Education - Personnel	100,000	179,332	79,332	156,855
Special Education - Summer School	1,200	1,133	(67)	1,064
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	63,787	61,590	(2,197)	47,698
Other state sources	700	1,500	800	736
Total state sources	<u>648,687</u>	<u>717,956</u>	<u>69,269</u>	<u>676,049</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Federal sources				
Special Milk Program	\$ 8,200	\$ 13,556	\$ 5,356	\$ 11,946
Title I - Low Income	107,374	131,461	24,087	125,855
Federal - Special Education - Pre-School Flow Through	5,361	5,361	-	5,408
Federal - Special Education - I.D.E.A. - Flow Through	130,781	132,187	1,406	122,696
Federal - Special Education - I.D.E.A. - Room and Board	35,000	12,734	(22,266)	44,081
Title III - English Language Acquisition	26,196	34,696	8,500	39,500
Title II - Teacher Quality	13,122	17,196	4,074	10,285
Medicaid Matching Funds - Fee-For-Service-Program	25,000	34,483	9,483	22,579
Other federal sources	9,500	9,500	-	-
Total federal sources	<u>360,534</u>	<u>391,174</u>	<u>30,640</u>	<u>382,350</u>
Total revenues	<u>14,203,543</u>	<u>14,505,673</u>	<u>302,130</u>	<u>14,185,504</u>
Expenditures				
Instruction				
Regular programs				
Salaries	4,577,150	4,539,289	37,861	4,220,798
Employee benefits	703,155	644,563	58,592	572,449
Purchased services	5,200	2,731	2,469	3,716
Supplies and materials	284,775	239,967	44,808	127,530
Capital outlay	3,000	2,673	327	3,015
Other objects	3,625	2,022	1,603	1,978
Non-capitalized equipment	2,175	1,604	571	862
Termination benefits	144,800	144,386	414	22,823
Total	<u>5,723,880</u>	<u>5,577,235</u>	<u>146,645</u>	<u>4,953,171</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Special education programs				
Salaries	\$ 875,800	\$ 863,392	\$ 12,408	\$ 778,444
Employee benefits	227,630	153,264	74,366	153,304
Purchased services	4,500	6,448	(1,948)	5,184
Supplies and materials	<u>26,100</u>	<u>29,428</u>	<u>(3,328)</u>	<u>7,943</u>
Total	<u>1,134,030</u>	<u>1,052,532</u>	<u>81,498</u>	<u>944,875</u>
CTE programs				
Purchased services	8,800	6,678	2,122	6,678
Supplies and materials	10,300	7,615	2,685	8,619
Non-capitalized equipment	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Total	<u>20,600</u>	<u>14,293</u>	<u>6,307</u>	<u>15,297</u>
Interscholastic programs				
Salaries	148,100	130,826	17,274	134,068
Employee benefits	1,800	1,532	268	1,205
Purchased services	10,800	6,328	4,472	6,510
Supplies and materials	<u>23,865</u>	<u>14,065</u>	<u>9,800</u>	<u>16,724</u>
Total	<u>184,565</u>	<u>152,751</u>	<u>31,814</u>	<u>158,507</u>
Summer school programs				
Salaries	8,450	14,484	(6,034)	6,477
Employee benefits	3,780	178	3,602	1,088
Supplies and materials	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Total	<u>12,530</u>	<u>14,662</u>	<u>(2,132)</u>	<u>7,565</u>
Gifted programs				
Salaries	106,100	106,354	(254)	105,129
Employee benefits	8,960	8,809	151	8,717
Purchased services	500	109	391	-
Supplies and materials	<u>3,900</u>	<u>687</u>	<u>3,213</u>	<u>1,925</u>
Total	<u>119,460</u>	<u>115,959</u>	<u>3,501</u>	<u>115,771</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Bilingual programs				
Salaries	\$ 703,382	\$ 697,604	\$ 5,778	\$ 630,917
Employee benefits	123,880	123,149	731	104,341
Purchased services	2,500	2,455	45	258
Supplies and materials	10,165	8,027	2,138	7,407
Termination benefits	-	5,344	(5,344)	-
Total	<u>839,927</u>	<u>836,579</u>	<u>3,348</u>	<u>742,923</u>
Special education programs K-12 - private tuition	-	11,172	(11,172)	133,019
Total instruction	<u>8,034,992</u>	<u>7,775,183</u>	<u>259,809</u>	<u>7,071,128</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	153,890	139,391	14,499	154,711
Employee benefits	22,609	31,175	(8,566)	34,076
Purchased services	2,500	3,300	(800)	-
Supplies and materials	900	996	(96)	955
Total	<u>179,899</u>	<u>174,862</u>	<u>5,037</u>	<u>189,742</u>
Guidance services				
Purchased services	200	-	200	-
Supplies and materials	500	-	500	-
Total	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Health services				
Salaries	98,755	117,120	(18,365)	95,864
Employee benefits	19,270	24,828	(5,558)	18,696
Purchased services	300	126	174	126
Supplies and materials	1,950	3,374	(1,424)	1,955
Other objects	500	789	(289)	113
Non-capitalized equipment	500	-	500	-
Total	<u>121,275</u>	<u>146,237</u>	<u>(24,962)</u>	<u>116,754</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Psychological services				
Salaries	\$ 130,000	\$ 129,325	\$ 675	\$ 125,498
Employee benefits	20,070	20,216	(146)	19,620
Purchased services	5,000	4,250	750	1,816
Supplies and materials	1,200	430	770	1,165
Total	<u>156,270</u>	<u>154,221</u>	<u>2,049</u>	<u>148,099</u>
Speech pathology and audiology services				
Salaries	126,500	121,388	5,112	146,918
Employee benefits	20,055	20,061	(6)	20,328
Purchased services	1,200	1,653	(453)	400
Supplies and materials	1,400	1,564	(164)	1,726
Total	<u>149,155</u>	<u>144,666</u>	<u>4,489</u>	<u>169,372</u>
Other support services - pupils				
Salaries	68,500	66,605	1,895	49,137
Employee benefits	405	11,872	(11,467)	233
Total	<u>68,905</u>	<u>78,477</u>	<u>(9,572)</u>	<u>49,370</u>
Total pupils	<u>676,204</u>	<u>698,463</u>	<u>(22,259)</u>	<u>673,337</u>
Instructional staff				
Improvement of instruction services				
Salaries	207,700	194,219	13,481	72,508
Employee benefits	42,050	41,074	976	861
Purchased services	113,397	75,281	38,116	75,504
Supplies and materials	8,900	7,815	1,085	493
Other objects	-	1,500	(1,500)	-
Total	<u>372,047</u>	<u>319,889</u>	<u>52,158</u>	<u>149,366</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Educational media services				
Salaries	\$ 193,325	\$ 190,986	\$ 2,339	\$ 183,031
Employee benefits	30,300	28,764	1,536	28,156
Purchased services	1,950	788	1,162	750
Supplies and materials	23,400	19,395	4,005	21,080
Non-capitalized equipment	500	-	500	-
Termination benefits	10,810	10,803	7	10,191
Total	<u>260,285</u>	<u>250,736</u>	<u>9,549</u>	<u>243,208</u>
Assessment and testing				
Salaries	1,600	1,239	361	-
Purchased services	13,000	8,663	4,337	11,447
Supplies and materials	4,500	2,414	2,086	2,872
Total	<u>19,100</u>	<u>12,316</u>	<u>6,784</u>	<u>14,319</u>
Total instructional staff	<u>651,432</u>	<u>582,941</u>	<u>68,491</u>	<u>406,893</u>
General administration				
Board of education services				
Salaries	2,890	2,890	-	2,779
Purchased services	127,000	126,766	234	131,869
Supplies and materials	4,500	2,344	2,156	3,658
Other objects	15,000	7,436	7,564	13,355
Total	<u>149,390</u>	<u>139,436</u>	<u>9,954</u>	<u>151,661</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Executive administration services				
Salaries	\$ 311,015	\$ 311,013	\$ 2	\$ 294,621
Employee benefits	66,425	66,321	104	63,644
Purchased services	7,600	6,771	829	6,554
Supplies and materials	2,950	2,603	347	2,335
Other objects	6,000	7,328	(1,328)	5,128
Termination benefits	18,005	17,930	75	21,662
Total	<u>411,995</u>	<u>411,966</u>	<u>29</u>	<u>393,944</u>
Special area administrative services				
Salaries	139,100	138,678	422	85,553
Employee benefits	43,900	45,255	(1,355)	25,256
Purchased services	1,800	289	1,511	78,915
Supplies and materials	450	600	(150)	106
Other objects	350	-	350	-
Total	<u>185,600</u>	<u>184,822</u>	<u>778</u>	<u>189,830</u>
Tort immunity services				
Purchased services	<u>134,950</u>	<u>93,400</u>	<u>41,550</u>	<u>91,101</u>
Total	<u>134,950</u>	<u>93,400</u>	<u>41,550</u>	<u>91,101</u>
Total general administration	<u>881,935</u>	<u>829,624</u>	<u>52,311</u>	<u>826,536</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
School administration				
Office of the principal services				
Salaries	\$ 367,895	\$ 362,065	\$ 5,830	\$ 350,899
Employee benefits	167,230	105,016	62,214	97,265
Purchased services	3,500	1,994	1,506	3,230
Supplies and materials	8,900	11,368	(2,468)	10,050
Other objects	1,000	668	332	970
Termination benefits	9,360	9,353	7	9,170
Total	<u>557,885</u>	<u>490,464</u>	<u>67,421</u>	<u>471,584</u>
Total school administration	<u>557,885</u>	<u>490,464</u>	<u>67,421</u>	<u>471,584</u>
Business				
Direction of business support services				
Salaries	158,110	158,103	7	147,382
Employee benefits	46,750	46,913	(163)	44,652
Purchased services	2,800	1,560	1,240	1,709
Supplies and materials	350	83	267	38
Other objects	500	325	175	345
Total	<u>208,510</u>	<u>206,984</u>	<u>1,526</u>	<u>194,126</u>
Fiscal services				
Salaries	89,450	89,031	419	87,082
Employee benefits	16,437	16,428	9	16,107
Purchased services	13,750	9,695	4,055	12,807
Supplies and materials	350	460	(110)	240
Other objects	500	-	500	285
Total	<u>120,487</u>	<u>115,614</u>	<u>4,873</u>	<u>116,521</u>
Food services				
Supplies and materials	14,300	14,434	(134)	11,943
Capital outlay	5,000	-	5,000	3,293
Total	<u>19,300</u>	<u>14,434</u>	<u>4,866</u>	<u>15,236</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Internal services				
Purchased services	\$ 87,250	\$ 74,085	\$ 13,165	\$ 80,456
Supplies and materials	<u>19,000</u>	<u>15,458</u>	<u>3,542</u>	<u>15,788</u>
Total	<u>106,250</u>	<u>89,543</u>	<u>16,707</u>	<u>96,244</u>
Total business	<u>454,547</u>	<u>426,575</u>	<u>27,972</u>	<u>422,127</u>
Information services				
Salaries	18,000	4,625	13,375	1,245
Purchased services	7,250	1,396	5,854	852
Supplies and materials	<u>300</u>	<u>-</u>	<u>300</u>	<u>85</u>
Total	<u>25,550</u>	<u>6,021</u>	<u>19,529</u>	<u>2,182</u>
Staff services				
Salaries	9,740	9,737	3	9,546
Employee benefits	2,349	2,347	2	2,301
Purchased services	2,000	1,248	752	3,974
Other objects	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>
Total	<u>14,339</u>	<u>13,332</u>	<u>1,007</u>	<u>15,821</u>
Data processing services				
Salaries	170,450	163,848	6,602	157,953
Employee benefits	28,205	26,126	2,079	25,759
Purchased services	111,150	90,287	20,863	81,110
Supplies and materials	76,600	53,451	23,149	56,915
Capital outlay	<u>148,500</u>	<u>211,753</u>	<u>(63,253)</u>	<u>235,641</u>
Total	<u>534,905</u>	<u>545,465</u>	<u>(10,560)</u>	<u>557,378</u>
Total central	<u>574,794</u>	<u>564,818</u>	<u>9,976</u>	<u>575,381</u>
Other supporting services				
Supplies and materials	<u>3,500</u>	<u>271</u>	<u>3,229</u>	<u>-</u>
Total	<u>3,500</u>	<u>271</u>	<u>3,229</u>	<u>-</u>
Total support services	<u>3,800,297</u>	<u>3,593,156</u>	<u>207,141</u>	<u>3,375,858</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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Community services				
Salaries	\$ 1,000	\$ -	\$ 1,000	\$ -
Purchased services	<u>-</u>	<u>1,246</u>	<u>(1,246)</u>	<u>1,143</u>
Total	<u>1,000</u>	<u>1,246</u>	<u>(246)</u>	<u>1,143</u>
Payments to other districts and government units				
Payments for regular programs				
Purchased services	<u>-</u>	<u>25,536</u>	<u>(25,536)</u>	<u>-</u>
Total	<u>-</u>	<u>25,536</u>	<u>(25,536)</u>	<u>-</u>
Payments for special education programs				
Other objects	<u>1,365,603</u>	<u>1,601,837</u>	<u>(236,234)</u>	<u>1,231,023</u>
Total payments to other districts and other government units	<u>1,365,603</u>	<u>1,627,373</u>	<u>(261,770)</u>	<u>1,231,023</u>
Provision for contingencies	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total expenditures	<u>13,241,892</u>	<u>12,996,958</u>	<u>244,934</u>	<u>11,679,152</u>
Excess of revenues over expenditures	<u>961,651</u>	<u>1,508,715</u>	<u>547,064</u>	<u>2,506,352</u>
Other financing sources				
Capital lease proceeds	<u>-</u>	<u>113,700</u>	<u>113,700</u>	<u>155,070</u>
Total other financing sources	<u>-</u>	<u>113,700</u>	<u>113,700</u>	<u>155,070</u>
Net change to fund balance	<u>\$ 961,651</u>	1,622,415	<u>\$ 660,764</u>	2,661,422
Fund balance, beginning of year		<u>9,910,070</u>		<u>7,248,648</u>
Fund balance, end of year		<u>\$ 11,532,485</u>		<u>\$ 9,910,070</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,009,987	\$ 1,179,688	\$ 169,701	\$ 1,330,726
Rentals	2,500	4,160	1,660	4,892
Other	5,000	-	(5,000)	12,380
Total local sources	<u>1,017,487</u>	<u>1,183,848</u>	<u>166,361</u>	<u>1,347,998</u>
Total revenues	<u>1,017,487</u>	<u>1,183,848</u>	<u>166,361</u>	<u>1,347,998</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction services				
Purchased services	<u>9,500</u>	<u>4,500</u>	<u>5,000</u>	<u>-</u>
Total	<u>9,500</u>	<u>4,500</u>	<u>5,000</u>	<u>-</u>
Operation and maintenance of plant services				
Salaries	388,340	372,413	15,927	370,944
Employee benefits	98,965	96,124	2,841	94,534
Purchased services	430,950	355,562	75,388	307,193
Supplies and materials	363,200	302,826	60,374	288,923
Capital outlay	75,000	3,745	71,255	25,664
Other objects	25,500	-	25,500	95
Non-capitalized equipment	<u>10,500</u>	<u>6,089</u>	<u>4,411</u>	<u>6,560</u>
Total	<u>1,392,455</u>	<u>1,136,759</u>	<u>255,696</u>	<u>1,093,913</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Total business	<u>1,401,955</u>	<u>1,141,259</u>	<u>260,696</u>	<u>1,093,913</u>
Total support services	<u>1,401,955</u>	<u>1,141,259</u>	<u>260,696</u>	<u>1,093,913</u>
Total expenditures	<u>1,401,955</u>	<u>1,141,259</u>	<u>260,696</u>	<u>1,093,913</u>
Excess (deficiency) of revenues over expenditures	\$ (384,468)	\$ 42,589	\$ 427,057	\$ 254,085
Fund balance, beginning of year		<u>1,002,073</u>		<u>747,988</u>
Fund balance, end of year		<u>\$ 1,044,662</u>		<u>\$ 1,002,073</u>

(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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 252,436	\$ 260,616	\$ 8,180	\$ 226,067
Corporate personal property replacement taxes	50,000	50,000	-	75,000
Regular transportation fees from pupils or parents	<u>120,000</u>	<u>103,789</u>	<u>(16,211)</u>	<u>99,441</u>
Total local sources	<u>422,436</u>	<u>414,405</u>	<u>(8,031)</u>	<u>400,508</u>
State sources				
Transportation - special education	<u>90,000</u>	<u>87,785</u>	<u>(2,215)</u>	<u>88,238</u>
Total state sources	<u>90,000</u>	<u>87,785</u>	<u>(2,215)</u>	<u>88,238</u>
Total revenues	<u>512,436</u>	<u>502,190</u>	<u>(10,246)</u>	<u>488,746</u>
Expenditures				
Support services				
Business				
Pupil transportation services				
Purchased services	<u>486,000</u>	<u>476,462</u>	<u>9,538</u>	<u>443,119</u>
Total support services	<u>486,000</u>	<u>476,462</u>	<u>9,538</u>	<u>443,119</u>
Total expenditures	<u>486,000</u>	<u>476,462</u>	<u>9,538</u>	<u>443,119</u>
Excess of revenues over expenditures	<u>\$ 26,436</u>	<u>25,728</u>	<u>\$ (708)</u>	<u>45,627</u>
Fund balance, beginning of year		<u>225,563</u>		<u>179,936</u>
Fund balance, end of year		<u>\$ 251,291</u>		<u>\$ 225,563</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 85,838	\$ 94,852	\$ 9,014	\$ 93,672
Social security/medicare only levy	277,318	281,017	3,699	290,662
Corporate personal property replacement taxes	<u>9,000</u>	<u>18,000</u>	<u>9,000</u>	<u>9,000</u>
Total local sources	<u>372,156</u>	<u>393,869</u>	<u>21,713</u>	<u>393,334</u>
Total revenues	<u>372,156</u>	<u>393,869</u>	<u>21,713</u>	<u>393,334</u>
Expenditures				
Instruction				
Regular programs	84,425	77,219	7,206	74,235
Special education programs	51,320	42,531	8,789	38,892
Interscholastic programs	4,770	2,898	1,872	3,661
Summer school programs	355	325	30	146
Gifted programs	-	4	(4)	-
Bilingual programs	<u>12,090</u>	<u>11,873</u>	<u>217</u>	<u>14,120</u>
Total instruction	<u>152,960</u>	<u>134,850</u>	<u>18,110</u>	<u>131,054</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Support services				
Pupils				
Attendance and social work services	\$ 3,925	\$ 3,776	\$ 149	\$ 4,025
Health services	9,440	12,242	(2,802)	13,022
Psychological services	1,890	1,852	38	1,813
Speech pathology and audiology services	1,850	1,742	108	2,111
Other support services -pupils	<u>9,000</u>	<u>6,074</u>	<u>2,926</u>	<u>4,824</u>
Total pupils	<u>26,105</u>	<u>25,686</u>	<u>419</u>	<u>25,795</u>
Instructional staff				
Improvement of instruction services	4,900	5,638	(738)	2,558
Educational media services	<u>5,190</u>	<u>3,562</u>	<u>1,628</u>	<u>3,563</u>
Total instructional staff	<u>10,090</u>	<u>9,200</u>	<u>890</u>	<u>6,121</u>
General administration				
Board of education services	545	539	6	728
Executive administration services	16,275	16,224	51	15,966
Special area administrative services	<u>5,530</u>	<u>5,317</u>	<u>213</u>	<u>5,918</u>
Total general administration	<u>22,350</u>	<u>22,080</u>	<u>270</u>	<u>22,612</u>
School administration				
Office of the principal services	<u>30,700</u>	<u>29,138</u>	<u>1,562</u>	<u>28,889</u>
Total school administration	<u>30,700</u>	<u>29,138</u>	<u>1,562</u>	<u>28,889</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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Business				
Direction of business support services	\$ 7,095	\$ 6,967	\$ 128	\$ 6,808
Fiscal services	16,725	16,383	342	16,546
Operation and maintenance of plant services	<u>72,010</u>	<u>68,620</u>	<u>3,390</u>	<u>70,418</u>
Total business	<u>95,830</u>	<u>91,970</u>	<u>3,860</u>	<u>93,772</u>
Central				
Information services	1,425	354	1,071	95
Staff services	1,825	1,771	54	1,800
Data processing services	<u>31,825</u>	<u>30,500</u>	<u>1,325</u>	<u>30,459</u>
Total central	<u>35,075</u>	<u>32,625</u>	<u>2,450</u>	<u>32,354</u>
Total support services	<u>220,150</u>	<u>210,699</u>	<u>9,451</u>	<u>209,543</u>
Total expenditures	<u>373,110</u>	<u>345,549</u>	<u>27,561</u>	<u>340,597</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (954)</u>	<u>48,320</u>	<u>\$ 49,274</u>	<u>52,737</u>
Fund balance, beginning of year		<u>184,214</u>		<u>131,477</u>
Fund balance, end of year		<u>\$ 232,534</u>		<u>\$ 184,214</u>

(Concluded)

West Northfield School District 31

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

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 18, 2014.
- 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, 2015:

<u>Fund</u>	<u>Variance</u>
Capital Projects	\$ 229,403

West Northfield School District 31
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

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	\$ 14,505,673	\$ 12,996,958
To adjust for on-behalf payments received	3,551,491	-
To adjust for on-behalf payments made	-	3,551,491
	<u>\$ 18,057,164</u>	<u>\$ 16,548,449</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

Amounts reported in 2014 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 a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.00 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

5. SUMMARY OF ACUTARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 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.

SUPPLEMENTARY FINANCIAL INFORMATION

West Northfield School District 31

General Fund
COMBINING BALANCE SHEET
June 30, 2015

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 3,311,591	\$ 34	\$ 8,074,160	\$ 11,385,785
Receivables (net of allowance for uncollectibles):				
Interest	11,917	-	-	11,917
Property taxes	6,029,519	-	183	6,029,702
Replacement taxes	61,798	-	-	61,798
Intergovernmental	166,961	-	-	166,961
Prepaid Items	23,915	-	-	23,915
	<u>9,605,701</u>	<u>34</u>	<u>8,074,343</u>	<u>17,680,078</u>
Total assets	<u>\$ 9,605,701</u>	<u>\$ 34</u>	<u>\$ 8,074,343</u>	<u>\$ 17,680,078</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 26,445	\$ -	\$ -	\$ 26,445
Other current liabilities	19,439	-	-	19,439
Unearned revenue	112,483	-	-	112,483
	<u>158,367</u>	<u>-</u>	<u>-</u>	<u>158,367</u>
Total liabilities	<u>158,367</u>	<u>-</u>	<u>-</u>	<u>158,367</u>
DEFERRED INFLOWS				
Bond proceeds for a future period	-	-	68,000	68,000
Unavailable interest revenue	7,538	-	-	7,538
Property taxes levied for a future period	5,913,505	-	183	5,913,688
	<u>5,921,043</u>	<u>-</u>	<u>68,183</u>	<u>5,989,226</u>
Total deferred inflows	<u>5,921,043</u>	<u>-</u>	<u>68,183</u>	<u>5,989,226</u>
FUND BALANCES				
Nonspendable	23,915	-	-	23,915
Restricted	-	34	-	34
Unassigned	3,502,376	-	8,006,160	11,508,536
	<u>3,526,291</u>	<u>34</u>	<u>8,006,160</u>	<u>11,532,485</u>
Total fund balance	<u>3,526,291</u>	<u>34</u>	<u>8,006,160</u>	<u>11,532,485</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 9,605,701</u>	<u>\$ 34</u>	<u>\$ 8,074,343</u>	<u>\$ 17,680,078</u>

West Northfield School District 31

General Fund

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

For the Year Ended June 30, 2015

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 12,957,854	\$ -	\$ 518	\$ 12,958,372
Replacement taxes	138,290	-	-	138,290
State aid	4,269,447	-	-	4,269,447
Federal aid	391,174	-	-	391,174
Interest	29,151	-	-	29,151
Other	270,730	-	-	270,730
	<u>18,056,646</u>	<u>-</u>	<u>518</u>	<u>18,057,164</u>
Expenditures				
Current:				
Instruction:				
Regular programs	5,574,562	-	-	5,574,562
Special programs	1,063,704	-	-	1,063,704
Other instructional programs	1,134,244	-	-	1,134,244
State retirement contributions	3,551,491	-	-	3,551,491
Support services:				
Pupils	698,463	-	-	698,463
Instructional staff	582,941	-	-	582,941
General administration	829,624	-	-	829,624
School administration	490,464	-	-	490,464
Business	426,442	-	-	426,442
Central	353,065	-	-	353,065
Community services	1,246	-	-	1,246
Nonprogrammed charges	1,627,373	-	-	1,627,373
Capital outlay	214,830	-	-	214,830
	<u>16,548,449</u>	<u>-</u>	<u>-</u>	<u>16,548,449</u>
Excess of revenues over expenditures	<u>1,508,197</u>	<u>-</u>	<u>518</u>	<u>1,508,715</u>
Other financing sources				
Capital lease proceeds	<u>113,700</u>	<u>-</u>	<u>-</u>	<u>113,700</u>
Total other financing sources	<u>113,700</u>	<u>-</u>	<u>-</u>	<u>113,700</u>
Net change in fund balance	1,621,897	-	518	1,622,415
Fund balance, beginning of year	<u>1,904,394</u>	<u>34</u>	<u>8,005,642</u>	<u>9,910,070</u>
Fund balance, end of year	<u>\$ 3,526,291</u>	<u>\$ 34</u>	<u>\$ 8,006,160</u>	<u>\$ 11,532,485</u>

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, 2015
With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015			2014 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 738,916	\$ 526,682	\$ (212,234)	\$ 759,122
Corporate personal property replacement taxes	-	225,000	-	250,000
Total local sources	<u>738,916</u>	<u>751,682</u>	<u>(212,234)</u>	<u>1,009,122</u>
Total revenues	<u>738,916</u>	<u>751,682</u>	<u>(212,234)</u>	<u>1,009,122</u>
Expenditures				
Debt service				
Bonds - interest	26,825	19,425	7,400	35,450
Other interest	-	6,148	-	11,327
Total debt service - interest	<u>26,825</u>	<u>25,573</u>	<u>7,400</u>	<u>46,777</u>
Principal payments on long-term debt	<u>847,000</u>	<u>837,310</u>	<u>9,690</u>	<u>901,817</u>
Other debt service				
Other objects	-	515	(515)	516
Total	<u>-</u>	<u>515</u>	<u>(515)</u>	<u>516</u>
Total debt service	<u>873,825</u>	<u>863,398</u>	<u>10,427</u>	<u>949,110</u>
Total expenditures	<u>873,825</u>	<u>863,398</u>	<u>10,427</u>	<u>949,110</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (134,909)</u>	<u>(111,716)</u>	<u>\$ (201,807)</u>	<u>60,012</u>
Fund balance, beginning of year		<u>762,647</u>		<u>702,635</u>
Fund balance, end of year		<u>\$ 650,931</u>		<u>\$ 762,647</u>

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, 2015
 With Comparative Actual Amounts for the Year Ended June 30, 2014

	2015		Variance From Final Budget	2014 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Impact fees from municipal or county governments	\$ -	\$ 12,674	\$ 12,674	\$ 188,458
Total revenues	<u>-</u>	<u>12,674</u>	<u>12,674</u>	<u>188,458</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	<u>300,000</u>	<u>654,403</u>	<u>(354,403)</u>	<u>-</u>
Total support services	<u>300,000</u>	<u>654,403</u>	<u>(354,403)</u>	<u>-</u>
Provision for contingencies	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>
Total expenditures	<u>425,000</u>	<u>654,403</u>	<u>(229,403)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (425,000)</u>	<u>(641,729)</u>	<u>\$ (216,729)</u>	<u>188,458</u>
Fund balance, beginning of year		<u>1,142,163</u>		<u>953,705</u>
Fund balance, end of year		<u>\$ 500,434</u>		<u>\$ 1,142,163</u>

West Northfield School District 31
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets				
Cash and cash equivalents	\$ 23,686	\$ 38,670	\$ 36,951	\$ 25,405
Liabilities				
Due to student groups				
District				
Winter Benefit	\$ -	\$ 14,002	\$ 13,954	\$ 48
Winkleman				
Misc.	\$ 2,182	\$ 7,268	\$ 6,028	\$ 3,422
Student Council	3,166	1,566	1,566	3,166
Pictures	2,962	1,068	-	4,030
Interest	11	-	-	11
Total Winkleman	<u>8,321</u>	<u>9,902</u>	<u>7,594</u>	<u>10,629</u>
Field School				
Miscellaneous	915	635	840	710
Pictures	4,055	876	695	4,236
WCWIO	87	-	-	87
6th Grade	493	-	-	493
7th Grade	76	-	-	76
8th Grade	872	-	-	872
Student Council	526	3,660	1,623	2,563
Computer Fair	176	-	175	1
Play	643	1,627	1,168	1,102
Cheer Fund	554	315	593	276
School Bust Ptrn	458	-	458	-
5K Run	84	5,969	7,105	(1,052)
Interest	187	8	-	195
Senior Grant	5,493	1,676	2,000	5,169
Gardent Grant	746	-	746	-
Total Field School	<u>15,365</u>	<u>14,766</u>	<u>15,403</u>	<u>14,728</u>
Total due to student groups	<u>\$ 23,686</u>	<u>\$ 38,670</u>	<u>\$ 36,951</u>	<u>\$ 25,405</u>

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed Valuation	\$ <u>516,403,282</u>	\$ <u>505,935,060</u>	\$ <u>568,579,540</u>	\$ <u>588,042,363</u>	\$ <u>679,485,319</u>
Rates Extended					
Educational	2.4639	2.4961	2.0283	1.5065	1.3178
Operations and Maintenance	0.2517	0.1977	0.2638	0.2952	0.2323
Bond and Interest	0.0723	0.1315	0.1362	0.1296	0.1674
Transportation	0.0503	0.0494	0.0317	0.0244	0.0192
Municipal Retirement	0.0194	0.0168	0.0162	0.0307	0.0242
Social Security	0.0533	0.0543	0.0484	0.0307	0.0242
Working Cash	<u>0.0001</u>	<u>0.0001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total rates extended	<u>2.9110</u>	<u>2.9459</u>	<u>2.5246</u>	<u>2.0171</u>	<u>1.7851</u>
Levies Extended					
Educational	\$ 12,723,510	\$ 12,628,851	\$ 11,532,400	\$ 8,858,814	\$ 8,954,388
Operations and Maintenance	1,300,000	1,000,000	1,500,000	1,736,096	1,578,269
Bond and Interest	373,359	665,417	774,270	762,090	1,137,505
Transportation	260,000	250,000	180,000	143,325	130,295
Municipal Retirement	100,000	85,000	92,000	180,714	164,285
Social Security	275,000	274,500	275,000	180,714	164,285
Working Cash	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total levies extended	<u>\$ 15,032,369</u>	<u>\$ 14,904,268</u>	<u>\$ 14,353,670</u>	<u>\$ 11,861,753</u>	<u>\$ 12,129,027</u>
Total collections	<u>\$ 7,758,363</u>	<u>\$ 14,904,268</u>	<u>\$ 14,242,317</u>	<u>\$ 11,623,393</u>	<u>\$ 11,894,149</u>
Percentage of extensions collected	<u>51.61%</u>	<u>100.00%</u>	<u>99.22%</u>	<u>97.99%</u>	<u>98.06%</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, 2015 AND 2014

	2015	2014
Operating costs per pupil		
Average Daily Attendance (ADA):	832.00	788.71
Operating costs:		
Educational	\$ 12,996,958	\$ 11,679,152
Operations and Maintenance	1,141,259	1,093,913
Debt Service	863,398	949,110
Transportation	476,462	443,119
Municipal Retirement/Social Security	345,549	340,597
Subtotal	15,823,626	14,505,891
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	11,172	133,019
Debt service - payments of principal on long-term debt	837,310	901,817
Summer school	14,987	7,711
Community Services	1,246	1,143
Capital outlay	218,171	267,613
Non-capitalized equipment	7,693	7,422
Payments to other Districts and Gov't Units	1,627,373	1,231,023
Subtotal	2,717,952	2,549,748
Operating costs	\$ 13,105,674	\$ 11,956,143
Operating costs per pupil - based on ADA	\$ 15,752	\$ 15,159
Tuition Charge		
Operating costs	\$ 13,105,674	\$ 11,956,143
Less - revenues from specific programs, such as special education or lunch programs	1,205,734	1,134,329
Net operating costs	11,899,940	10,821,814
Depreciation allowance	523,107	523,053
Allowance tuition costs	\$ 12,423,047	\$ 11,344,867
Tuition charge per pupil - based on ADA	\$ 14,932	\$ 14,384