

West Northfield School District 31

Annual Financial Report

Year Ended June 30, 2012

West Northfield School District 31
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2012

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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

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, 2012, which collectively comprise West Northfield School District 31's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of West Northfield School District 31's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2011 financial statements and, in our report dated January 20, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated November 14, 2012 on our consideration of West Northfield School District 31's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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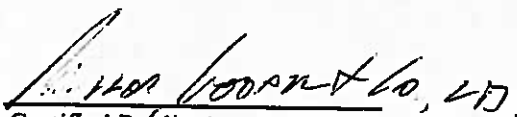
The Members of the Board of Education
West Northfield School District 31
Northbrook, Illinois

(Continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, the Illinois Municipal Retirement Fund historical data on page 43, and the budgetary comparison schedules and notes to required supplementary information on pages 44 through 64 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Northfield School District 31's basic financial statements. The other schedules, listed in the table of contents as supplementary financial information and other supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 financial statements. The information, except for the average daily attendance figure used in the Schedule of Operating Costs and Tuition Charge, which is unaudited, 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

MILLER, COOPER & CO., LTD.


Certified Public Accountants

Deerfield, Illinois
November 14, 2012

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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, 2012. 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 unrestricted net assets making up 29% of total net assets.
- General revenues accounted for \$12,428 in revenue, or 82% of all revenues. Program specific revenues in the form of state categorical reimbursements and state/federal grants accounted for \$2,541, or 17% of total revenues of \$15,239.
- The District had \$14,134 in expenditures related to government activities. However, only \$2,541 of these expenses was offset by state and federal reimbursements or grants.
- The District has \$2,315 remaining due on its long-term general obligation bonds.

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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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 District maintains no proprietary funds).

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.

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 which includes the 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.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. 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 fund financial statements.

Notes to the basic financial statements

The notes to the financial statements provide additional information that is essential to a full 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 noncertified employees.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

District-Wide Financial Analysis

The District's combined net assets were higher on June 30, 2012 than they were the year before, increasing 6% to \$19,378.

TABLE 1: Condensed Statements of Net Assets (in thousands of dollars)		
	<u>2012</u>	<u>2011</u>
Assets:		
Current and other assets	\$ 15,864	\$14,997
Capital Assets	<u>12,164</u>	<u>12,612</u>
Total Assets	<u>28,028</u>	<u>27,609</u>
Liabilities:		
Current Liabilities	6,750	6,601
Long-term debt outstanding	<u>1,900</u>	<u>2,734</u>
Total Liabilities	<u>8,650</u>	<u>9,335</u>
Net Assets:		
Invested in capital assets, net of related debt	11,776	12,099
Restricted	1,997	1,363
Unrestricted	<u>5,606</u>	<u>4,812</u>
Total Net Assets	<u>\$ 19,379</u>	<u>\$18,274</u>

The increase in the District's net assets is due primarily to the 31% reduction of long-term debt outstanding.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

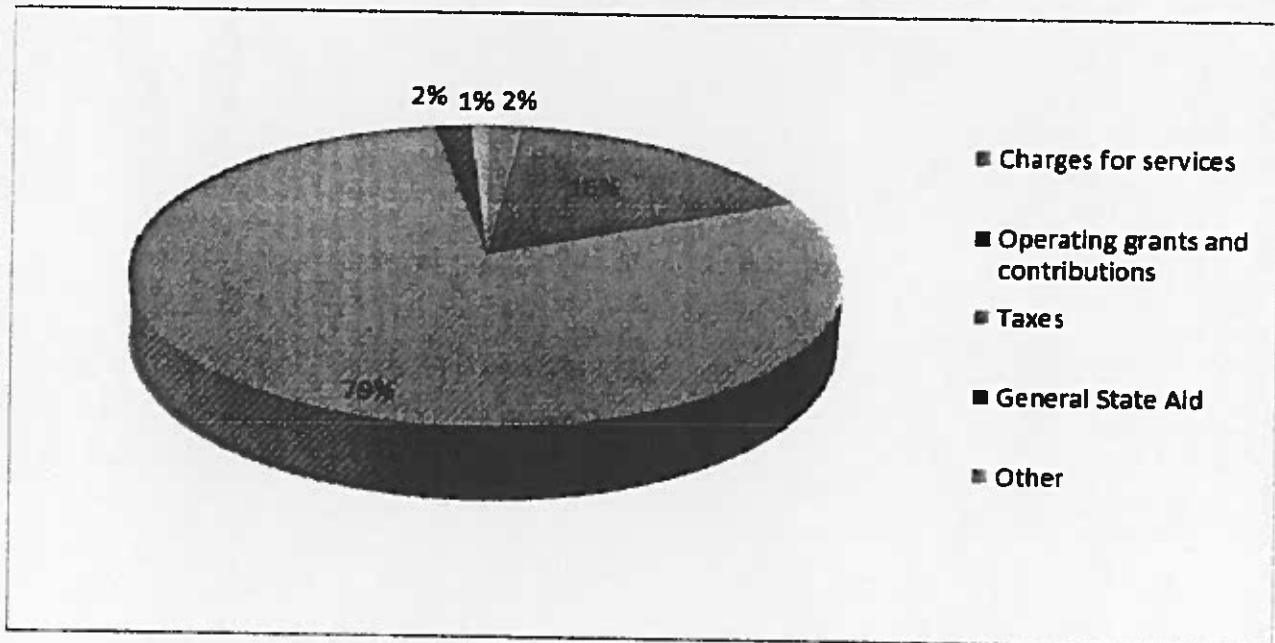
TABLE 2: Changes in Net Assets (in thousands of dollars)		
	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 270	\$ 507
Operating grants and contributions	2,541	2,237
Capital grants and obligations	-	1,781
General Revenues:		
Taxes	12,002	12,637
General state aid	288	269
Other	<u>138</u>	<u>108</u>
Total Revenues	<u>15,239</u>	<u>17,539</u>
Expenses:		
Instruction	9,014	9,292
Pupil and instructional staff services	966	973
Administration and business	1,772	2,264
Transportation	406	387
Operations and maintenance	964	1,219
Other	<u>1,012</u>	<u>1,017</u>
Total Expenses	<u>14,134</u>	<u>15,152</u>
Excess of revenues over expenses	<u>1,105</u>	<u>2,387</u>
Increase in net assets	\$1,105	\$2,387

Property and replacement taxes accounted for the largest portion of the District's revenues, contributing 79%. The remainder of revenues came from state and federal grants and other sources. The total cost of all the District's programs was \$14,134, with approximately 96% of that being directly related to instruction and support services for students.

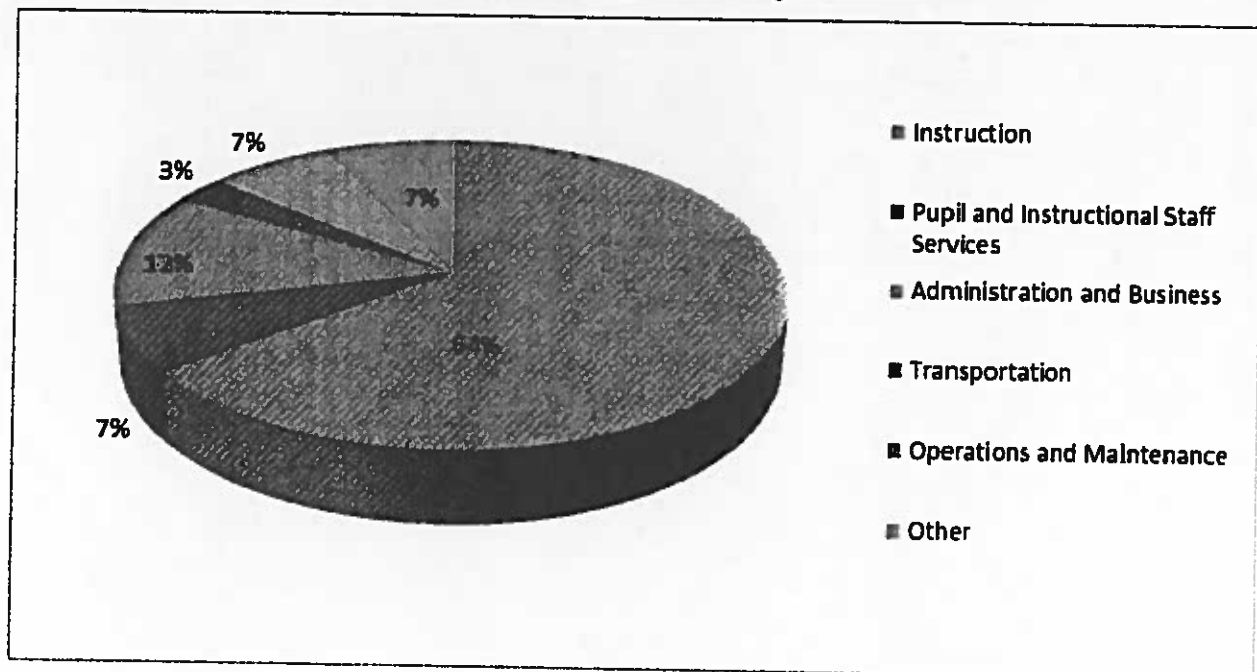
Revenues in the governmental activities of the District of \$15,239 were \$1,015 higher than expenses. The increase in net assets was higher in fiscal year 2011 due to the receipt of the Illinois Construction Grant. The decrease in overall expenses of approximately 7% was due to cautious spending (emergency repairs only), budget cuts, and efficiencies to minimally impact fund balances.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The strong financial performance of the District as a whole is reflected in its government funds as well. As the District completed the year, its government funds reported combined fund balances of \$9,970.

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget, as required by the state when a referendum is successful. This revision caused the budgeted amount for revenues to exceed the actual revenues. This occurs since the budget is required to be revised for the current year, while anticipated revenues from a successful referendum will be recognized in future years. Revenues exceeded original budget by \$841, primarily as a result of more Teachers' Retirement System (TRS) on behalf payments made by the state than anticipated and an increase in donations. Revenues were less than the final budget by \$1,166 due to the required overstatement of revenues, as described above. Expenditures were \$774 less than the final budget primarily due to a conservative approach to spending related to purchased services and supplies across all possible areas in the General Fund.

Capital Assets and Debt Administration

Capital assets

By the end of 2012, the District had compiled a total investment of \$12,164, net of accumulated depreciation, in a broad range of capital assets including buildings, land, and equipment. Total depreciation expense for the year was \$528. More detailed information about capital assets can be found in Note F of the basic financial statements.

TABLE 3: Capital Assets (net of depreciation) (in thousands of dollars)		
	<u>2012</u>	<u>2011</u>
Land	\$ 81	\$ 81
Buildings and improvements	10,407	10,733
Equipment and other	<u>1,676</u>	<u>1,798</u>
Total	\$12,164	\$12,612

Long-term debt

The District has \$2,315 in long-term bonded debt. More detailed information on long-term debt can be found in Note G of the basic financial statements.

TABLE 4: Outstanding Long-Term Debt (in thousands of dollars)		
	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 1,645	\$ 2,315
Capital leases	255	365
Compensated absences	<u>-</u>	<u>54</u>
Total	\$ 1,900	\$ 2,734

BASIC FINANCIAL STATEMENTS

**West Northfield School District 31
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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 state of Illinois appropriated funds to pay the District's 2003 construction grant request of \$1.78 million dollars. The grant funds eliminated the deficit the District had been carrying the Operations and Maintenance Fund. These funds will allow the District to address some of its life safety and repair needs for the buildings. The District was also granted and has received a School Maintenance Grant in the amount of \$50,000. These funds will offset close to 1/3 of the costs to repair the Winkelman parking lot and replace the Field parking lots, select curbs and sidewalk areas.
- The District will continue to monitor the impact the current economic climate has on its finances. The rate of return on investments remains low and the expected receipts from the passage of the referendum have not been realized due to a number of economic occurrences outside of the District's control. The District is anticipating that this issue will be resolved in the near future. The District continues to work with stakeholders currently involved in large property tax appeals in order to minimize the impact to the District, while securing a manageable process for the future. Currently, the largest of the property tax appeals (Allstate) is being litigated for the 2004 through 2009 tax years. For 2010 through 2012 tax years, an agreement was reached with Allstate and there will be no impact on the school district. The District will continue to manage its financial resources to meet the needs of all students.
- The District instituted a Sufficiency Levy to amend amounts to be levied from and abated to taxpayers, for the remaining year's payable on the 2010 Bond Issuance.
- Information received from the Village of Glenview stated that the Astellas Pharmaceutical Corporation will begin utilizing its 7b tax incentive in Tax Year 2013, which is payable to the District in 2014. This economic incentive program approved by Cook County should bring estimated, additional revenue to the District beginning no later than 2014. Current estimates range between \$200 to \$300 per year.
- Since Astellas received its Occupancy Permit in April of 2012, the District can anticipate a partial assessment of the property coming on the tax rolls for 2012, which will result in tax receipts for the tax year 2012.
- The District was also made aware of the possibility of a development project that would be located adjacent to the Astellas Pharmaceutical Corporation. Should this development take place, the preliminary figures indicate that the District may be able to anticipate additional annual revenues of approximately \$1,800.

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 Director of Business Services at 847-313-4413.

West Northfield School District 31
STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
June 30, 2012

ASSETS

Cash and investments	\$ 9,960,785
Receivables (net of allowance for uncollectibles):	
Interest	853
Property taxes	5,565,424
Replacement taxes	70,796
Intergovernmental	243,679
Prepaid items	22,811
Capital assets:	
Land	81,393
Depreciable buildings, property, and equipment, net	<u>12,082,483</u>
Total assets	<u>28,028,224</u>

LIABILITIES

Accounts payable	15,081
Other current liabilities	236,817
Unearned revenue	5,645,873
Long-term liabilities:	
Due within one year	851,485
Due after one year	<u>1,900,385</u>
Total liabilities	<u>8,649,641</u>

NET ASSETS

Invested in capital assets, net of related debt	11,776,469
Restricted For:	
Debt service	733,015
Student transportation	72,843
Retirement benefits	123,396
Tort immunity	24
Capital projects	1,066,636
Unrestricted	<u>5,606,200</u>
Total net assets	<u>\$ 19,378,583</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, 2012

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 4,854,119	\$ 130,182	\$ 159,794	\$ (4,564,143)
Special programs	1,811,663	-	529,402	(1,282,261)
Other instructional programs	722,333	4,700	61,832	(655,801)
State retirement contributions	1,625,434	-	1,625,434	-
Support services:				
Pupils	656,783	-	-	(656,783)
Instructional staff	309,724	-	57,520	(252,204)
General administration	795,721	-	-	(795,721)
School administration	552,578	-	-	(552,578)
Business	423,660	6,324	14,071	(403,265)
Transportation	406,402	120,544	92,857	(193,001)
Operations and maintenance	963,563	7,958	-	(955,605)
Central	399,345	-	-	(399,345)
Community services	459	-	-	(459)
Interest and fees	84,412	-	-	(84,412)
Unallocated depreciation	527,638	-	-	(527,638)
 Total governmental activities	 \$ 14,133,834	 \$ 269,708	 \$ 2,540,910	 (11,323,216)
 General revenues:				
Taxes:				
				8,350,089
				2,018,326
				1,245,212
				388,151
				287,899
				8,057
				130,421
				12,428,155
				1,104,939
				18,273,644
				\$ 19,378,583

The accompanying notes are an integral part of this statement.

West Northfield School District 31

Governmental Funds

BALANCE SHEET

June 30, 2012

With Comparative Totals for June 30, 2011

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
ASSETS				
Cash and investments	\$ 6,446,845	\$ 1,272,859	\$ 116,364	\$ 123,396
Receivables (net of allowance for uncollectibles):				
Interest	802	-	51	-
Property taxes	4,156,313	814,635	67,163	169,766
Replacement taxes	70,796	-	-	-
Intergovernmental	197,251	-	46,428	-
Loan to transportation fund	90,000	-	-	-
Prepaid items	22,811	-	-	-
Total assets	<u>\$ 10,984,818</u>	<u>\$ 2,087,494</u>	<u>\$ 230,006</u>	<u>\$ 293,162</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 15,081	\$ -	\$ -	\$ -
Other current liabilities	35,147	-	-	-
Loan from general fund	-	-	90,000	-
Deferred revenue	4,236,762	814,635	67,163	169,766
Total liabilities	<u>4,286,990</u>	<u>814,635</u>	<u>157,163</u>	<u>169,766</u>
Fund balances:				
Nonspendable	22,811	-	-	-
Restricted	24	1,272,859	72,843	33,396
Unassigned	6,674,993	-	-	90,000
Total fund balance	<u>6,697,828</u>	<u>1,272,859</u>	<u>72,843</u>	<u>123,396</u>
Total liabilities and fund balance	<u>\$ 10,984,818</u>	<u>\$ 2,087,494</u>	<u>\$ 230,006</u>	<u>\$ 293,162</u>

Debt Service	Capital Projects	Total	
		2012	2011
\$ 934,685	\$ 1,066,636	\$ 9,960,785	\$ 8,939,088
-	-	853	791
357,547	-	5,565,424	5,691,393
-	-	70,796	51,934
-	-	243,679	292,410
-	-	90,000	90,000
-	-	22,811	21,094
<u>\$ 1,292,232</u>	<u>\$ 1,066,636</u>	<u>\$ 15,954,348</u>	<u>\$ 15,086,710</u>
\$ -	\$ -	\$ 15,081	\$ 82,397
201,670	-	236,817	10
-	-	90,000	90,000
357,547	-	5,645,873	5,620,550
<u>559,217</u>	<u>-</u>	<u>5,987,771</u>	<u>5,792,957</u>
-	-	22,811	21,094
733,015	1,066,636	3,178,773	1,883,325
-	-	6,764,993	7,389,334
<u>733,015</u>	<u>1,066,636</u>	<u>9,966,577</u>	<u>9,293,753</u>
<u>\$ 1,292,232</u>	<u>\$ 1,066,636</u>	<u>\$ 15,954,348</u>	<u>\$ 15,086,710</u>

West Northfield School District 31
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
Year Ended June 30, 2012

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

Total fund balances - governmental funds	\$ 9,966,577
Net capital assets used in governmental activities and included in the statement of net assets do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	12,163,876
Long-term liabilities, including bonds payable and leases payable, included in the statement of net assets are not due and payable in the current period and, therefore, are not included in the governmental funds balance sheet.	<u>(2,751,870)</u>
Net assets - governmental activities	<u>\$ 19,378,583</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, 2012

With Comparative Actual Totals for the Year Ended June 30, 2011

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 8,350,089	\$ 1,563,623	\$ 129,241	\$ 325,462
Replacement taxes	199,907	89,638	89,606	9,000
State aid	2,236,972	-	92,857	-
Federal aid	343,898	-	-	-
Interest	4,667	1,161	730	160
Other	254,846	24,721	120,544	-
Total revenues	11,390,379	1,679,143	432,978	334,622
Expenditures				
Current:				
Instruction:				
Regular programs	4,792,908	-	-	65,758
Special programs	810,431	-	-	34,413
Other instructional programs	711,566	-	-	10,767
State retirement contributions	1,625,434	-	-	-
Support services:				
Pupils	633,085	-	-	23,698
Instructional staff	304,907	-	-	4,817
General administration	767,999	-	-	27,722
School administration	524,536	-	-	28,042
Business	403,649	-	-	19,486
Transportation	-	-	406,402	-
Operations and maintenance	-	889,080	-	64,499
Central	365,044	-	-	34,301
Community services	459	-	-	-
Nonprogrammed charges	966,819	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	75,212	9,984	-	-
Total expenditures	11,982,049	899,064	406,402	313,503
Excess (deficiency) of revenues over expenditures	(591,670)	780,079	26,576	21,119
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(148,541)	-	-	-
Bond proceeds	-	-	-	-
Total other financing sources (uses)	(148,541)	-	-	-
Net change in fund balance	(740,211)	780,079	26,576	21,119
Fund balance, beginning of year	7,438,039	492,780	46,267	102,277
Fund balance, end of year	\$ 6,697,828	\$ 1,272,859	\$ 72,843	\$ 123,396

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Total	
		2012	2011
\$ 1,245,212	\$ -	\$ 11,613,627	\$ 12,215,369
-	-	388,151	421,934
-	50,000	2,379,829	4,064,161
-	-	343,898	326,786
726	613	8,057	11,255
18	-	400,129	604,099
<u>1,245,956</u>	<u>50,613</u>	<u>15,133,691</u>	<u>17,643,604</u>
-	-	4,858,666	5,334,723
-	-	844,844	765,373
-	-	722,333	754,534
-	-	1,625,434	1,618,261
-	-	656,783	754,447
-	-	309,724	217,679
-	-	795,721	813,882
-	-	552,578	641,616
-	-	423,135	809,254
-	-	406,402	387,088
-	-	953,579	1,202,778
-	-	399,345	441,947
-	-	459	918
-	-	966,819	813,959
770,826	-	770,826	1,526,418
84,412	-	84,412	94,204
-	4,611	89,807	785,920
<u>855,238</u>	<u>4,611</u>	<u>14,460,867</u>	<u>16,963,001</u>
<u>390,718</u>	<u>46,002</u>	<u>672,824</u>	<u>680,603</u>
148,541	-	148,541	148,541
-	-	(148,541)	(148,541)
-	-	-	3,636,810
<u>148,541</u>	<u>-</u>	<u>-</u>	<u>3,636,810</u>
539,259	46,002	672,824	4,317,413
<u>193,756</u>	<u>1,020,634</u>	<u>9,293,753</u>	<u>4,976,340</u>
<u>\$ 733,015</u>	<u>\$ 1,066,636</u>	<u>\$ 9,966,577</u>	<u>\$ 9,293,753</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, 2012

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

Net change in fund balances - total governmental funds	\$ 672,824
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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 capital outlay exceeds depreciation expense in the current period.	(448,340)
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Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements. This is the amount of the net change in unearned revenue for the year.	105,082
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The issuance of long-term debt (e.g. bonds, capital leases, compensated absences) 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>775,373</u>
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Change in net assets - governmental activities	<u><u>\$ 1,104,939</u></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, 2012

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>65,722</u>
LIABILITIES	
Due to student groups	\$ <u>65,722</u>

The accompanying notes are an integral part of this statement.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

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. 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 funds) and the acquisition or construction of major capital facilities (capital projects fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

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.

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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 Fund Account, the Working Cash Fund Account, and the Tort Immunity and Judgment Fund Account. The Educational Fund 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 Fund Account is for the financial resources, held by the District, to be used as temporary interfund loans for working capital requirements to the special revenue fund's Operations and Maintenance and Transportation Funds. Money loaned by the Working Cash Fund Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Fund Account of at least .05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Fund 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 - is used 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 all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

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

c. Debt Service Fund

The *Debt Service Fund* - is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

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 property taxes, bonds proceeds, or transfers from other funds.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Fiduciary Funds

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.

The Agency Fund - consists of the Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do 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.

4. 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, as are the fiduciary fund statements. 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 revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deposits and Investments

State statutes require the District to use the investment services of the Township School Treasurer and authorize the District's Treasurer to invest in obligations of the U.S. Treasury, certain highly rated commercial paper, corporate bonds, repurchase agreements, other investments and money market funds allowed by state statute, with certain restrictions. Investments are stated at fair value. Changes in the fair value of investments are recorded as investment income.

6. Personal Property Replacement Taxes

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

7. Capital Assets

Capital assets, which include land, buildings, and equipment, 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 five years. 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 - 75
Building improvements	35 - 50
Equipment	10 - 15
Vehicles	8

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Prepaid Items

Prepaid items, which consist of insurance premiums, 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 net assets.

9. Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

10. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

11. 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.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Restricted Net Assets

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets 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 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 they are needed.

13. 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 pension 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.

14. Fund Balance

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fund financial statements, 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 year-end.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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. The District does not have any assigned fund balances at year-end.
- 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.

See Note M for additional detail on the components of the General Fund's fund balance at June 30, 2012.

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 Assets

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable and leases payable, included in the statement of net assets 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	\$ 2,315,000
Compensated absences	49,463
Capital leases	<u>387,407</u>
Net adjustment to reduce fund balances - governmental funds to arrive at net assets - governmental activities	<u><u>\$ 2,751,870</u></u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

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

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets - 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 (net of disposals)	\$ (11,684)
Depreciation expense (net of disposals)	<u>(436,656)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities	<u>\$ (448,340)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g. bonds, capital leases, compensated absences) 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	\$ 645,000
Capital leases	125,826
Compensated absences (net change)	<u>4,547</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities	<u>\$ 775,373</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2012, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 9,960,785	\$ 65,722	\$ 10,026,507

For disclosure purposes, this amount is segregated into three components: 1) cash on hand, 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and nonnegotiable certificates of deposit, and 3) other investments, which consist of investments other than certificates of deposit, as follows:

	<u>Total</u>
Deposits with financial institutions	\$ 2,377,934
Illinois School District Liquid Asset Fund Plus	7,486,845
The Illinois Funds	<u>161,728</u>
	<u>\$ 10,026,507</u>

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

As explained in Note A-5, 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 School Code. 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.

District cash and investments (other than the student activity and imprest funds) are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balances by district or cooperative. Income from investments is distributed based upon the District's percentage participation in the pool. Cash for all funds is not deemed available for purposes other than those for which these balances are intended.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Cash and Investments Under the Custody of the Township Treasurer (Continued)

The Treasurer operates as a nonrated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

The weighted average of all pooled investments held by the Treasurer was 0.1474 as of June 30, 2012. The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of June 30, 2012, the fair value of the District's investments held by the Treasurer's office was \$3,250,000.

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. The District will also consider investments in local financial institutions, recognizing their contribution to the community's economic development.

2. 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.

3. Cash and Investments in the Custody of the District

At June 30, 2012, the carrying value of the District's student activity funds was \$65,722, all of which was deposited with financial institutions.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

4. Concentration of Credit Risk

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

5. Concentration of 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, 2012, the bank balance of the District's deposits with financial institutions totaled \$2,551,793.

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 secured by private insurance or collateral.

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 8, 2011. 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 2.9706 for 2011.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

The County Clerk adds the equalized assessed valuation of all real property in the County to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2011 tax levy was \$588,042,363.

Property taxes are collected by the Cook County Treasurer who remits them to the School Treasurer. Taxes levied in one year become due and payable in two installments on March 1 and approximately September 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 will be reflected in the second installment bill.

The portion of the 2011 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles of 1%. The net receivables 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 unearned revenue.

NOTE E - INTERFUND LOANS

The composition of interfund loan balances as of June 30, 2012 for the District's individual major funds, is as follows:

<u>Loan Receivable</u>	<u>Loan Payable Fund</u>	<u>Amount</u>
General	Transportation	\$ <u>90,000</u>

The interfund balances exist to cover operational expenditures in the Transportation Fund until the District collects property tax revenue. All amounts will be repaid within one year.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Increases/ Transfers	Decreases/ Transfers	Balance June 30, 2012
Capital assets, not being depreciated				
Land	\$ 81,393	\$ -	\$ -	\$ 81,393
Total capital assets, not being depreciated	81,393	-	-	81,393
Capital assets, being depreciated				
Buildings	15,138,929	-	-	15,138,929
Building improvements	884,296	4,611	-	888,907
Equipment	2,940,218	85,196	101,491	2,923,923
Vehicles	35,501	-	-	35,501
Total capital assets, being depreciated	18,998,944	89,807	101,491	18,987,260
Less accumulated depreciation for:				
Buildings	4,994,137	305,351	-	5,299,488
Building improvements	296,429	25,311	-	321,740
Equipment	1,142,054	196,976	90,982	1,248,048
Vehicles	35,501	-	-	35,501
Total accumulated depreciation	6,468,121	527,638	90,982	6,904,777
Total capital assets, being depreciated, net	12,530,823	(437,831)	10,509	12,082,483
Governmental activities capital assets, net	\$ 12,612,216	\$ (437,831)	\$ 10,509	\$ 12,163,876

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE G - LONG-TERM LIABILITIES

In October 2010, the District issued General Obligation Limited School Bonds Series 2010A and Taxable General Obligation Limited School Bonds Series 2010B, which yielded proceeds of \$2,695,000 and \$265,000, respectively. The General Obligation Limited School Bonds Series 2010A mature in five separate installments between 2012 and 2016 and incur interest between 2.0 and 3.0 percent. The Taxable General Obligation Limited School Bonds Series 2010B matured in one installment during 2012, incurring interest of 0.85 percent. All related proceeds are designated to increase the working cash fund of the District. The following is the long-term liability activity for the District for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 2,960,000	\$ -	\$ 645,000	\$ 2,315,000	\$ 670,000
Capital leases	513,233	-	125,826	387,407	132,022
Compensated absences	54,010	49,463	54,010	49,463	49,463
	<u>\$ 3,527,243</u>	<u>\$ 49,463</u>	<u>\$ 824,836</u>	<u>\$ 2,751,870</u>	<u>\$ 851,485</u>

1. General Obligation Bonds

The summary of activity in bonds payable for the year ended June 30, 2012 is as follows:

	<u>Bonds Payable July 1, 2011</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Bonds Payable June 30, 2012</u>
\$2,695,000 GO Limited School Bonds Series 2010A, dated October 20, 2010, due January 1, 2016, interest at 2.00% - 3.00%.	\$ 2,695,000	\$ -	\$ 380,000	\$ 2,315,000
\$265,000 GO Limited School Bonds Series 2010B, dated October 20, 2010, matured January 1, 2012, interest at 0.85%	265,000	-	265,000	-
	<u>\$ 2,960,000</u>	<u>\$ -</u>	<u>\$ 645,000</u>	<u>\$ 2,315,000</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE G - LONG-TERM LIABILITIES (Continued)

At June 30, 2012, the District's future cash flow requirements for retirement of bond principal were as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 670,000	\$ 55,800	\$ 725,800
2014	695,000	42,400	737,400
2015	605,000	28,500	633,500
2016	345,000	10,350	355,350
	<u>\$ 2,315,000</u>	<u>\$ 137,050</u>	<u>\$ 2,452,050</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$733,015 in the Debt Service Fund to service the outstanding bonds payable. As of June 30, 2012, the District was in compliance with all significant bond covenants.

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, 2012, the statutory debt limit for the District was \$40,574,923 of which \$38,259,923 is fully available.

2. Capital Leases

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

At June 30, 2012, the District's future cash flow requirements for the retirement of leases payable were as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 132,022	\$ 16,519	\$ 148,541
2014	138,526	10,015	148,541
2015	116,859	3,189	120,048
	<u>\$ 387,407</u>	<u>\$ 29,723</u>	<u>\$ 417,130</u>

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS

1. Teachers' Retirement System of the State of Illinois

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.

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 state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

The state of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, state of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$1,565,756 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the state of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent \$1,558,875 and 23.38 percent \$1,471,608, respectively.

The District makes other types of employer contributions directly to TRS.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$36,697. Contributions for the years ended June 30, 2011 and June 30, 2010, were \$39,141 and \$36,507, respectively.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for 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.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent, respectively, of salaries paid from federal and special trust funds. For the year ended June 30, 2012, salaries totaling \$41,373 were paid from federal and special trust funds that required employer contributions of \$10,306. For the years ended June 30, 2011 and June 30, 2010, required District contributions were \$21,347 and \$46,510, respectively.

Early Retirement Option (ERO)

The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2012, the District paid \$0 to TRS for employer contributions under the ERO program. For the years ended June 30, 2011 and June 30, 2010, the District paid \$0 and \$0 respectively, in employer ERO contributions.

Salary Increases Over 6 Percent and Excess Sick Leave

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2012, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2011 and June 30, 2010, the District paid \$0, to TRS for employer contributions due on salary increases in excess of 6 percent.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

Salary Increases Over 6 Percent and Excess Sick Leave (Continued)

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during a four-year sick leave review period, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the year ended June 30, 2012, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2011 and June 30, 2010, the District paid \$0 in employer contributions granted for sick leave days.

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012 is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

THIS Fund Employer Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides 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 may participate in the state-administered participating provider option plan or choose from several managed care options.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action, with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan, with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by 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 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$55,678, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and June 30, 2010 were 0.88 percent and 0.84 percent of pay, respectively. State contributions on behalf of District employees were \$59,386 and \$52,872, respectively.

Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$41,758 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$44,539 and \$39,654, respectively, to the THIS Fund, which was 100 percent of the required contribution.

Further Information on the THIS Fund

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy

As set by state statute, the District's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District annual required contribution rate for calendar year 2011 was 11.54 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost

For fiscal year ending June 30, 2012, the District's actual contributions for pension cost for the regular plan were \$134,910. The required contribution for fiscal year 2012 was \$134,910.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/12	\$ 134,910	100%	\$ -
06/30/11	144,490	100%	-
06/30/10	119,180	100%	-

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE H - RETIREMENT FUND COMMITMENTS (Continued)

2. **Illinois Municipal Retirement Fund** (Continued)

Annual Pension Cost (Continued)

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial value and market value of assets. The District's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 63.86 percent funded. The actuarial accrued liability for benefits was \$2,327,538 and the actuarial value of assets was \$1,486,324, resulting in an underfunded actuarial accrued liability (UAAL) of \$841,214. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,195,789 and the ratio of the UAAL to the covered payroll was 70 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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.

NOTE I - OTHER POSTEMPLOYMENT BENEFITS

The District currently provides postemployment benefits to three individuals. The agreements terminate when the individuals reach age 65. The amount paid by the District for the year ended June 30, 2012 approximated \$25,000.

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE J - JOINT AGREEMENTS

The District is a member of the Northern Suburban Special Education District (NSSD), a joint agreement that provides certain special education services to residents of many school districts. 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 K - 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.

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

Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

NOTE L - 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.

2. Grants

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

West Northfield School District 31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE M - FUND BALANCE REPORTING

As defined in Note A-14, the District had the following components of fund balance in the General Fund at June 30, 2012:

General Fund

Nonspendable - prepaid items	\$ <u>22,811</u>
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Restricted for tort immunity	\$ <u>24</u>
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NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2012, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require additional disclosure in the financial statements.

Subsequent to year-end, the District entered into a capital lease agreement for four years. Payments under this lease agreement include four annual payments of \$36,097.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

West Northfield School District 31
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
June 30, 2012

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/11	\$ 1,486,324	\$ 2,327,538	63.86 %	\$ 841,214	\$ 1,195,789	70.35 %
12/31/10	1,743,765	2,455,489	71.01	711,724	1,215,387	58.56
12/31/09	1,499,239	2,200,835	68.12	701,596	1,178,482	59.53

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$1,355,264. On a market basis, the funded ratio would be 58.23%.

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			Variance	2011
	Original Budget	Final Budget	Actual	From Final Budget	Actual
Revenues					
Local sources					
General levy	\$ 7,561,665	\$ 9,499,251	\$8,350,089	\$(1,149,162)	\$ 9,012,071
Corporate personal property replacement taxes	202,000	202,000	199,907	(2,093)	221,148
Summer school tuition from pupils or parents	1,000	1,000	4,700	3,700	100
Interest on investments	16,500	16,500	4,667	(11,833)	9,238
Sales to pupils - a la carte	4,000	4,000	6,324	2,324	285,617
Fees	56,095	56,095	42,741	(13,354)	6,445
Rentals - regular textbook	90,000	90,000	87,441	(2,559)	74,465
Contributions and donations from private sources	125,000	125,000	102,502	(22,498)	75,886
Refund of prior years' expenditures	-	-	2	2	295
Other	5,000	5,000	11,136	6,136	(505)
Total local sources	<u>8,061,260</u>	<u>9,998,846</u>	<u>8,809,509</u>	<u>(1,189,337)</u>	<u>9,684,760</u>
State sources					
General State Aid	273,498	273,498	287,899	14,401	268,508
Special Education - Private Facility Tuition	10,000	10,000	17,590	7,590	-
Special Education - Extraordinary	115,000	115,000	123,650	8,650	117,196
Special Education - Personnel	150,000	150,000	162,958	12,958	158,891
Special Education - Summer School	3,500	3,500	1,107	(2,393)	499
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	55,576	55,576	17,698	(37,878)	50,010
Learning Improvement - Change Grants	-	-	-	-	739
Other state sources	-	-	636	636	1,811
Total state sources	<u>607,574</u>	<u>607,574</u>	<u>611,538</u>	<u>3,964</u>	<u>597,654</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				2011
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual
Federal sources					
Special Milk Program	\$ 8,500	\$ 8,500	\$ 12,731	\$ 4,231	\$ 11,158
Title I - Low Income	105,558	149,443	79,944	(69,499)	130,396
Fed. - Sp. Ed. - I.D.E.A. - Flow Through	106,759	106,759	154,155	47,396	54,157
Fed. - Sp. Ed. - I.D.E.A. - Room and Board	-	-	35,406	35,406	28,497
ARRA Title I - Low Income	-	-	-	-	8,691
ARRA IDEA - Part B - Preschool	-	-	-	-	9,113
Other ARRA Funds - XI	-	-	24,815	24,815	-
Title III - English Language Acquisition	19,050	38,291	-	(38,291)	40,344
Learn & Serve America	-	6,376	3,300	(3,076)	-
Title II - Teacher Quality	15,480	15,480	3,313	(12,167)	23,994
Medicaid Matching Funds - Fee-For-Service-Program	-	-	30,234	30,234	12,243
Other federal sources	-	-	-	-	8,193
Total federal sources	<u>255,347</u>	<u>324,849</u>	<u>343,898</u>	<u>19,049</u>	<u>326,786</u>
Total revenues	<u>8,924,181</u>	<u>10,931,269</u>	<u>9,764,945</u>	<u>(1,166,324)</u>	<u>10,609,200</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Expenditures						
Instruction						
Regular programs						
Salaries	\$ 4,125,000	\$ 4,125,000	\$4,083,722	\$ 41,278	\$	\$ 4,483,867
Employee benefits	598,450	595,355	512,287	83,068		569,948
Purchased services	2,700	3,700	3,183	517		5,210
Supplies and materials	313,650	326,066	167,169	158,897		156,466
Capital outlay	-	-	-	-		5,244
Other objects	3,000	3,000	1,732	1,268		1,674
Non-capitalized equipment	6,558	500	-	500		6,681
Termination benefits	20,100	20,100	24,815	(4,715)		29,700
Total	<u>5,069,458</u>	<u>5,073,721</u>	<u>4,792,908</u>	<u>280,813</u>		<u>5,258,790</u>
Special education programs						
Salaries	593,500	593,500	585,163	8,337		538,124
Employee benefits	96,115	96,115	120,943	(24,828)		90,092
Purchased services	5,100	5,100	8,007	(2,907)		4,286
Supplies and materials	17,554	17,554	11,992	5,562		15,703
Capital outlay	-	-	-	-		11,290
Non-capitalized equipment	-	-	-	-		872
Total	<u>712,269</u>	<u>712,269</u>	<u>726,105</u>	<u>(13,836)</u>		<u>660,367</u>
Remedial and Supplemental programs K-12						
Supplies and materials	-	-	-	-		13,540
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>13,540</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget		
CTE programs						
Salaries	\$ -	\$ -	\$ -	\$ -	\$	270
Employee benefits	-	-	-	-		3
Purchased services	8,842	8,842	5,471	3,371		8,366
Supplies and materials	12,800	12,800	10,060	2,740		8,647
Non-capitalized equipment	500	500	-	500		-
Total	22,142	22,142	15,531	6,611		17,286
Interscholastic programs						
Salaries	155,250	155,250	126,860	28,390		160,164
Employee benefits	2,000	2,000	1,375	625		1,665
Purchased services	10,200	10,200	6,876	3,324		29,545
Supplies and materials	21,250	21,250	11,261	9,989		10,003
Total	188,700	188,700	146,372	42,328		201,377
Summer school programs						
Salaries	11,700	11,700	6,200	5,500		15,723
Employee benefits	150	150	72	78		170
Supplies and materials	300	300	124	176		185
Total	12,150	12,150	6,396	5,754		16,078
Gifted programs						
Salaries	100,100	100,100	100,061	39		100,641
Employee benefits	7,885	7,885	7,764	121		7,248
Purchased services	1,500	1,500	124	1,376		5,273
Supplies and materials	17,950	17,950	3,898	14,052		5,206
Total	127,435	127,435	111,847	15,588		118,368

(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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			Variance	2011
	Original Budget	Final Budget	Actual	From Final Budget	Actual
Bilingual programs					
Salaries	\$ 376,400	\$ 380,147	\$ 372,092	\$ 8,055	\$ 307,375
Employee benefits	63,375	69,267	56,408	12,859	64,856
Supplies and materials	9,825	7,891	2,920	4,971	16,815
Capital outlay	-	-	-	-	4,882
Total	<u>449,600</u>	<u>457,305</u>	<u>431,420</u>	<u>25,885</u>	<u>393,928</u>
Spec. Ed. Programs K-12 - private tuition					
Other objects	<u>100,250</u>	<u>100,250</u>	<u>84,326</u>	<u>15,924</u>	<u>79,346</u>
Total instruction	<u>6,682,004</u>	<u>6,693,972</u>	<u>6,314,905</u>	<u>379,067</u>	<u>6,759,080</u>
Support services					
Pupils					
Attendance and social work services					
Salaries	140,170	140,170	131,614	8,556	150,482
Employee benefits	20,119	20,119	18,201	1,918	21,330
Purchased services	14,000	14,000	7,563	6,437	11,163
Supplies and materials	<u>800</u>	<u>800</u>	<u>476</u>	<u>324</u>	<u>976</u>
Total	<u>175,089</u>	<u>175,089</u>	<u>157,854</u>	<u>17,235</u>	<u>183,951</u>
Guidance services					
Employee benefits	-	-	-	-	4
Purchased services	200	200	813	(613)	7,447
Supplies and materials	<u>1,000</u>	<u>1,000</u>	<u>202</u>	<u>798</u>	<u>4,692</u>
Total	<u>1,200</u>	<u>1,200</u>	<u>1,015</u>	<u>185</u>	<u>12,143</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011 Actual
	Original Budget	Final Budget	Actual	Variance From Final Budget		
Health services						
Salaries	\$ 86,800	\$ 86,800	\$ 82,384	\$ 4,416	\$	84,956
Employee benefits	16,420	16,420	16,998	(578)		12,676
Purchased services	300	300	20	280		-
Supplies and materials	1,700	1,700	2,560	(860)		1,740
Other objects	400	400	444	(44)		400
Total	<u>105,620</u>	<u>105,620</u>	<u>102,406</u>	<u>3,214</u>		<u>99,772</u>
Psychological services						
Salaries	116,000	116,000	115,897	103		116,783
Employee benefits	17,870	17,870	17,967	(97)		16,945
Purchased services	7,500	7,500	-	7,500		7,557
Supplies and materials	1,200	1,200	268	932		80
Total	<u>142,570</u>	<u>142,570</u>	<u>134,132</u>	<u>8,438</u>		<u>141,365</u>
Speech pathology and audiology services						
Salaries	212,800	212,800	171,553	41,247		200,408
Employee benefits	24,955	24,955	22,685	2,270		23,480
Supplies and materials	1,440	1,440	1,003	437		1,364
Termination benefits	2,300	2,300	-	2,300		-
Total	<u>241,495</u>	<u>241,495</u>	<u>195,241</u>	<u>46,254</u>		<u>225,252</u>
Other support services - pupils						
Salaries	46,000	46,000	42,271	3,729		44,454
Employee benefits	150	150	166	(16)		134
Total	<u>46,150</u>	<u>46,150</u>	<u>42,437</u>	<u>3,713</u>		<u>44,588</u>
Total pupils	<u>712,124</u>	<u>712,124</u>	<u>633,085</u>	<u>79,039</u>		<u>707,071</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Instructional staff					
Improvement of instruction services					
Salaries	\$ 74,370	\$ 74,370	\$ 44,090	\$ 30,280	\$ 46,287
Employee benefits	3,440	2,940	2,014	926	6,787
Purchased services	30,438	62,366	15,189	47,177	43,888
Supplies and materials	5,580	8,249	2,767	5,482	10,729
Total	113,828	147,925	64,060	83,865	107,691
Educational media services					
Salaries	176,314	176,314	175,789	525	176,495
Employee benefits	25,485	25,485	23,442	2,043	25,211
Purchased services	2,200	2,200	1,525	675	(144,954)
Supplies and materials	21,600	21,600	20,604	996	26,408
Capital outlay	-	-	-	-	639,651
Non-capitalized equipment	-	-	-	-	3,745
Total	225,599	225,599	221,360	4,239	726,556
Assessment and testing					
Salaries	-	1,400	-	1,400	-
Purchased services	17,900	17,900	17,266	634	15,726
Supplies and materials	2,000	4,150	2,221	1,929	1,345
Total	19,900	23,450	19,487	3,963	17,071
Total instructional staff	359,327	396,974	304,907	92,067	851,318

(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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
General administration					
Board of education services					
Salaries	\$ 2,700	\$ 2,700	\$ 2,622	\$ 78	\$ 2,622
Purchased services	110,500	110,500	95,717	14,783	104,406
Supplies and materials	5,000	5,000	1,989	3,011	4,612
Other objects	12,000	12,000	8,290	3,710	8,211
Total	130,200	130,200	108,618	21,582	119,851
Executive administration services					
Salaries	276,570	276,570	286,870	(10,300)	267,608
Employee benefits	52,070	52,070	57,244	(5,174)	51,715
Purchased services	8,600	8,600	6,625	1,975	4,580
Supplies and materials	2,750	2,750	1,555	1,195	2,269
Other objects	3,500	3,500	5,095	(1,595)	6,155
Termination benefits	8,470	8,470	8,456	14	13,916
Total	351,960	351,960	365,845	(13,885)	346,243
Special area administrative services					
Salaries	152,450	152,450	145,244	7,206	161,255
Employee benefits	42,810	42,810	41,416	1,394	41,382
Purchased services	1,500	1,500	1,702	(202)	1,096
Supplies and materials	700	700	136	564	60
Other objects	750	750	367	383	-
Total	198,210	198,210	188,865	9,345	203,793
Tort immunity services					
Purchased services	155,292	155,292	104,671	50,621	117,826
Total	155,292	155,292	104,671	50,621	117,826
Total general administration	835,662	835,662	767,999	67,663	787,713

(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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Office of the principal services					
Salaries	\$ 405,453	\$ 405,453	\$ 402,242	\$ 3,211	\$ 491,157
Employee benefits	100,300	100,300	95,451	4,849	110,543
Purchased services	4,250	4,250	2,477	1,773	3,755
Supplies and materials	7,750	7,750	6,923	827	7,084
Other objects	1,200	1,200	-	1,200	1,881
Non-capitalized equipment	-	-	-	-	855
Termination benefits	26,318	26,318	17,443	8,875	-
Total	545,271	545,271	524,536	20,735	615,275
Total school administration	545,271	545,271	524,536	20,735	615,275
Business					
Direction of business support services					
Salaries	108,300	108,300	89,299	19,001	89,186
Employee benefits	36,120	36,120	34,031	2,089	29,659
Purchased services	34,500	34,500	31,618	2,882	35,873
Supplies and materials	1,250	1,250	848	402	588
Other objects	750	750	420	330	250
Termination benefits	-	-	(115)	115	1,246
Total	180,920	180,920	156,101	24,819	156,802
Fiscal services					
Salaries	84,170	84,170	81,341	2,829	87,753
Employee benefits	14,337	14,337	14,747	(410)	12,958
Purchased services	13,750	13,750	12,753	997	14,599
Supplies and materials	300	300	302	(2)	67
Other objects	400	400	275	125	-
Total	112,957	112,957	109,418	3,539	115,377

(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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012			Variance From Final Budget	2011 Actual
	Original Budget	Final Budget	Actual		
Food services					
Supplies and materials	\$ 37,050	\$ 37,050	\$ 29,459	\$ 7,591	\$ 330,233
Capital outlay	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,506</u>
Total	<u>44,550</u>	<u>44,550</u>	<u>29,459</u>	<u>15,091</u>	<u>337,739</u>
Internal services					
Purchased services	152,100	152,100	92,045	60,055	162,947
Supplies and materials	21,500	21,500	16,626	4,874	20,612
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,095</u>
Total	<u>173,600</u>	<u>173,600</u>	<u>108,671</u>	<u>64,929</u>	<u>199,654</u>
Total business	<u>512,027</u>	<u>512,027</u>	<u>403,649</u>	<u>108,378</u>	<u>809,572</u>
Central					
Planning, research, development and evaluation services					
Purchased services	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,750</u>
Total	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,750</u>
Information services					
Salaries	54,855	54,855	54,855	-	54,855
Employee benefits	17,285	17,285	17,241	44	15,261
Purchased services	18,700	18,700	9,310	9,390	7,554
Supplies and materials	700	700	418	282	775
Other objects	<u>1,000</u>	<u>1,000</u>	<u>250</u>	<u>750</u>	<u>450</u>
Total	<u>92,540</u>	<u>92,540</u>	<u>82,074</u>	<u>10,466</u>	<u>78,895</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Staff services					
Salaries	\$ 8,920	\$ 8,920	\$ 8,541	\$ 379	\$ 8,170
Employee benefits	2,049	2,049	2,019	30	1,620
Purchased services	1,300	1,300	842	458	1,127
Other objects	750	750	66	684	662
Total	13,019	13,019	11,468	1,551	11,579
Data processing services					
Salaries	121,050	121,050	120,073	977	120,320
Employee benefits	16,370	16,370	16,855	(485)	15,372
Purchased services	116,970	116,970	103,216	13,754	147,655
Supplies and materials	46,550	46,550	30,358	16,192	29,846
Capital outlay	76,000	76,000	75,212	788	37,766
Non-capitalized equipment	-	-	-	-	1,767
Total	376,940	376,940	345,714	31,226	352,726
Total central	482,499	482,499	440,256	42,243	444,950
Other supporting services					
Purchased services	-	600	-	600	-
Total	-	600	-	600	-
Total support services	3,446,910	3,485,157	3,074,432	410,725	4,215,899
Community services					
Employee benefits	-	-	1	(1)	2
Purchased services	600	931	215	716	914
Supplies and materials	-	500	243	257	-
Total	600	1,431	459	972	916

(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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Payments to Other Districts and Gov't Units					
Payments for special education programs					
Other objects	\$ 900,000	\$ 900,000	\$ 966,819	\$ (66,819)	\$ 813,959
Total	<u>900,000</u>	<u>900,000</u>	<u>966,819</u>	<u>(66,819)</u>	<u>813,959</u>
Total payments to other districts and government units	900,000	900,000	966,819	(66,819)	813,959
Provision for contingencies	<u>50,000</u>	<u>50,000</u>	-	<u>50,000</u>	-
Total expenditures	<u>11,079,514</u>	<u>11,130,560</u>	<u>10,356,615</u>	<u>773,945</u>	<u>11,789,854</u>
Deficiency of revenues over expenditures	<u>(2,155,333)</u>	<u>(199,291)</u>	<u>(591,670)</u>	<u>(392,379)</u>	<u>(1,180,654)</u>
Other financing sources (uses)					
Principal on bonds sold	-	-	-	-	3,599,651
Premium on bonds sold	-	-	-	-	37,159
Transfer to Debt Service Fund for Principle on Cap Leases	-	-	(125,826)	(125,826)	(126,418)
Transfer to Debt Service Fund for Interest on Capital Leases	<u>-</u>	<u>-</u>	<u>(22,715)</u>	<u>(22,715)</u>	<u>(22,123)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(148,541)</u>	<u>(148,541)</u>	<u>3,488,269</u>
Net change to fund balance	<u>\$(2,155,333)</u>	<u>\$ (199,291)</u>	<u>(740,211)</u>	<u>\$ (540,920)</u>	<u>2,307,615</u>
Fund balance, beginning of year			<u>7,438,039</u>		<u>5,130,424</u>
Fund balance, end of year			<u>\$6,697,828</u>		<u>\$ 7,438,039</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Revenues						
Local sources						
General levy	\$ 1,233,725	\$ 1,505,539	\$ 1,563,623	\$ 58,084		\$ 1,472,852
Corporate personal property replacement taxes	100,000	100,000	89,638	(10,362)		-
Interest on investments	-	-	1,161	1,161		521
Rentals	6,000	6,000	7,958	1,958		8,350
Contributions and donations from private sources	-	-	-	-		3,000
Other	-	-	16,763	16,763		18,110
Total local sources	<u>1,339,725</u>	<u>1,611,539</u>	<u>1,679,143</u>	<u>67,604</u>		<u>1,502,833</u>
State sources						
Infrastructure Improvements - Construction	-	-	-	-		780,688
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>780,688</u>
Total revenues	<u>1,339,725</u>	<u>1,611,539</u>	<u>1,679,143</u>	<u>67,604</u>		<u>2,283,521</u>
Expenditures						
Support services						
Pupils						
Purchased services	-	-	-	-		19,927
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>19,927</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Business					
Facilities acquisition and construction services					
Capital outlay	\$ 2,000	\$ 2,000	\$ -	\$ 2,000	\$ 2,115
Total	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>2,115</u>
Operation and maintenance of plant services					
Salaries	368,350	368,350	353,176	15,174	392,500
Employee benefits	91,190	91,190	83,116	8,074	76,459
Purchased services	325,700	325,700	219,534	106,166	336,465
Supplies and materials	344,500	344,500	233,254	111,246	324,948
Capital outlay	32,000	32,000	9,984	22,016	16,695
Other objects	100	100	-	100	92
Total	<u>1,161,840</u>	<u>1,161,840</u>	<u>899,064</u>	<u>262,776</u>	<u>1,147,159</u>
Total business	<u>1,163,840</u>	<u>1,163,840</u>	<u>899,064</u>	<u>264,776</u>	<u>1,149,274</u>
Total support services	<u>1,163,840</u>	<u>1,163,840</u>	<u>899,064</u>	<u>264,776</u>	<u>1,169,201</u>
Provision for contingencies	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>1,188,840</u>	<u>1,188,840</u>	<u>899,064</u>	<u>289,776</u>	<u>1,169,201</u>
Excess of revenues over expenditures	\$ 150,885	\$ 422,699	780,079	\$ 357,380	1,114,320
Fund balance, beginning of year			492,780		(621,540)
Fund balance, end of year			<u>\$ 1,272,859</u>		<u>\$ 492,780</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual	
Revenues						
Local sources						
General levy	\$ 99,424	\$ 124,299	\$ 129,241	\$ 4,942	\$ 121,586	
Corporate personal property replacement taxes	100,000	100,000	89,606	(10,394)	125,000	
Regular transportation fees from pupils or parents	135,000	135,000	120,544	(14,456)	132,336	
Interest on investments	-	-	730	730	96	
Total local sources	<u>334,424</u>	<u>359,299</u>	<u>340,121</u>	<u>(19,178)</u>	<u>379,018</u>	
State sources						
Transportation - Special Education	<u>82,000</u>	<u>82,000</u>	<u>92,857</u>	<u>10,857</u>	<u>67,558</u>	
Total state sources	<u>82,000</u>	<u>82,000</u>	<u>92,857</u>	<u>10,857</u>	<u>67,558</u>	
Total revenues	<u>416,424</u>	<u>441,299</u>	<u>432,978</u>	<u>(8,321)</u>	<u>446,576</u>	
Expenditures						
Support services						
Business						
Pupil transportation services						
Purchased services	<u>377,500</u>	<u>378,000</u>	<u>406,402</u>	<u>(28,402)</u>	<u>387,088</u>	
Total Support Services	<u>377,500</u>	<u>378,000</u>	<u>406,402</u>	<u>(28,402)</u>	<u>387,088</u>	
Total expenditures	<u>377,500</u>	<u>378,000</u>	<u>406,402</u>	<u>(28,402)</u>	<u>387,088</u>	

(Continued)

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual	
Excess of revenues over expenditures	\$ 38,924	\$ 63,299	26,576	\$ (36,723)	59,488	
Fund balance, beginning of year			46,267		(13,221)	
Fund balance, end of year			\$ 72,843		\$ 46,267	

(Concluded)

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Revenues					
Local sources					
General levy	\$ 242,016	\$ 156,638	\$ 162,731	\$ 6,093	\$ 153,660
Social security/medicare only levy	-	156,638	162,731	6,093	152,959
Corporate personal property					
Replacement taxes	9,000	9,000	9,000	-	11,556
Interest on investments	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>115</u>
Total local sources	<u>251,016</u>	<u>322,276</u>	<u>334,622</u>	<u>12,346</u>	<u>318,290</u>
Total revenues	<u>251,016</u>	<u>322,276</u>	<u>334,622</u>	<u>12,346</u>	<u>318,290</u>
Expenditures					
Instruction					
Regular programs	81,240	81,240	65,758	15,482	81,177
Special education programs	35,295	35,295	34,413	882	23,410
Vocational educational programs	-	-	-	-	4
Interscholastic programs	850	850	3,644	(2,794)	5,591
Summer school programs	175	175	165	10	530
Bilingual programs	<u>8,100</u>	<u>10,295</u>	<u>6,958</u>	<u>3,337</u>	<u>6,254</u>
Total instruction	<u>125,660</u>	<u>127,855</u>	<u>110,938</u>	<u>16,917</u>	<u>116,966</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Original Budget	Final Budget	Actual	Variance From Final Budget		2011 Actual
Support services						
Pupils						
Attendance and social work services	\$ 3,685	\$ 3,685	\$ 3,445	\$ 240	\$ 5,546	
Guidance services	-	-	-	-	5	
Health services	14,025	14,025	11,888	2,137	12,298	
Psychological services	1,700	1,700	1,661	39	1,647	
Speech pathology and audiology services	3,135	3,135	2,288	847	2,664	
Other support services -pupils	<u>5,575</u>	<u>5,575</u>	<u>4,416</u>	<u>1,159</u>	<u>5,289</u>	
Total pupils	<u>28,120</u>	<u>28,120</u>	<u>23,698</u>	<u>4,422</u>	<u>27,449</u>	
Instructional staff						
Improvement of instruction services	890	890	658	232	661	
Educational media services	<u>5,500</u>	<u>5,500</u>	<u>4,159</u>	<u>1,341</u>	<u>5,351</u>	
Total instructional staff	<u>6,390</u>	<u>6,390</u>	<u>4,817</u>	<u>1,573</u>	<u>6,012</u>	
General administration						
Board of education services	625	625	502	123	505	
Executive administration services	14,850	14,850	16,374	(1,524)	14,882	
Special area administrative services	<u>11,250</u>	<u>11,250</u>	<u>10,846</u>	<u>404</u>	<u>10,782</u>	
Total general administration	<u>26,725</u>	<u>26,725</u>	<u>27,722</u>	<u>(997)</u>	<u>26,169</u>	
School administration						
Office of the principal services	<u>31,085</u>	<u>31,085</u>	<u>28,042</u>	<u>3,043</u>	<u>26,341</u>	
Total school administration	<u>31,085</u>	<u>31,085</u>	<u>28,042</u>	<u>3,043</u>	<u>26,341</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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012					2011
	Original Budget	Final Budget	Actual	Variance From Final Budget		Actual
Business						
Direction of business support services	\$ 6,200	\$ 6,200	\$ 4,227	\$ 1,973	\$	6,826
Fiscal services	16,175	16,175	15,259	916		16,457
Operation and maintenance of plant services	<u>71,250</u>	<u>71,250</u>	<u>64,499</u>	<u>6,751</u>		<u>72,314</u>
Total business	<u>93,625</u>	<u>93,625</u>	<u>83,985</u>	<u>9,640</u>		<u>95,597</u>
Central						
Information services	10,650	10,650	10,506	144		10,560
Staff services	1,755	1,755	995	760		1,270
Data processing services	<u>23,000</u>	<u>23,000</u>	<u>22,800</u>	<u>200</u>		<u>22,933</u>
Total central	<u>35,405</u>	<u>35,405</u>	<u>34,301</u>	<u>1,104</u>		<u>34,763</u>
Total support services	<u>221,350</u>	<u>221,350</u>	<u>202,565</u>	<u>18,785</u>		<u>216,331</u>
Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>2</u>
Total expenditures	<u>347,010</u>	<u>349,205</u>	<u>313,503</u>	<u>35,702</u>		<u>333,299</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (95,994)</u>	<u>\$ (26,929)</u>	21,119	<u>\$ 48,048</u>		(15,009)
Fund balance, beginning of year			<u>102,277</u>			<u>117,286</u>
Fund balance, end of year			<u>\$ 123,396</u>			<u>\$ 102,277</u>

(Concluded)

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

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 pension 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 22, 2011 and amended by the Board of Education on May 17, 2012.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budgets at June 30, 2012:

<u>Fund</u>	<u>Variance</u>
Transportation	\$ 28,402
Debt Service	147,838

West Northfield School District 31
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2012

3. BUDGET RECONCILIATION

The statement of revenues, expenditures, and changes in fund balance - governmental funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the state of Illinois for the employer's share of the Teachers' Retirement System pension. The District 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	\$ 9,764,945	\$ 10,356,615
To adjust for on-behalf payments received	1,625,434	-
To adjust for on-behalf payments made	<u>-</u>	<u>1,625,434</u>
General fund - GAAP basis	<u>\$ 11,390,379</u>	<u>\$ 11,982,049</u>

SUPPLEMENTARY FINANCIAL INFORMATION

West Northfield School District 31

General Fund

COMBINING BALANCE SHEET

June 30, 2012

	Educational	Tort Immunity and Judgment	Working Cash	Total
ASSETS				
Cash and investments	\$ 2,526,950	\$ 34	\$ 3,919,861	\$ 6,446,845
Receivables (net of allowance for uncollectibles):				
Interest	68	-	734	802
Property taxes	4,156,313	-	-	4,156,313
Replacement taxes	70,796	-	-	70,796
Intergovernmental	197,251	-	-	197,251
Loan to educational fund	-	-	3,994,788	3,994,788
Loan to transportation fund	-	-	90,000	90,000
Prepaid Items	13,796	9,015	-	22,811
Total assets	\$ 6,965,174	\$ 9,049	\$ 8,005,383	\$ 14,979,606
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 15,081	\$ -	\$ -	\$ 15,081
Other current liabilities	35,137	10	-	35,147
Loan from working cash fund	3,994,788	-	-	3,994,788
Deferred revenue	4,236,762	-	-	4,236,762
Total liabilities	8,281,768	10	-	8,281,778
Fund balances:				
Nonspendable	13,796	9,015	-	22,811
Restricted	-	24	-	24
Unassigned	(1,330,390)	-	8,005,383	6,674,993
Total fund balance (deficit)	(1,316,594)	9,039	8,005,383	6,697,828
Total liabilities and fund balance	\$ 6,965,174	\$ 9,049	\$ 8,005,383	\$ 14,979,606

Note: Due to working cash fund and due from working cash fund are eliminated before balances are carried forward.

West Northfield School District 31

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2012

	General	Tort Immunity and Judgment	Working Cash	Total
Revenues				
Property taxes	\$ 8,350,089	\$ -	\$ -	\$ 8,350,089
Replacement taxes	199,907	-	-	199,907
State aid	2,236,972	-	-	2,236,972
Federal aid	343,898	-	-	343,898
Interest	5	5	4,657	4,667
Other	254,846	-	-	254,846
Total revenues	11,385,717	5	4,657	11,390,379
Expenditures				
Current:				
Instruction:				
Regular programs	4,862,908	-	-	4,862,908
Special programs	810,431	-	-	810,431
State retirement contributions	1,625,434	-	-	1,625,434
Support services:				
Pupils	633,085	-	-	633,085
Instructional staff	304,907	-	-	304,907
General administration	749,422	18,577	-	767,999
School administration	524,536	-	-	524,536
Business	403,649	-	-	403,649
Central	365,044	-	-	365,044
Community services	459	-	-	459
Nonprogrammed charges	966,819	-	-	966,819
Capital outlay	75,212	-	-	75,212
Total expenditures	12,033,472	18,577	-	12,052,049
Excess (deficiency) of revenues over expenditures	(647,755)	(18,572)	4,657	(661,670)
Other financing uses				
Transfers out	(148,541)	-	-	(148,541)
Total other financing uses	(148,541)	-	-	(148,541)
Net change in fund balance	(796,296)	(18,572)	4,657	(810,211)
Fund balance (deficit), beginning of year	(590,298)	27,611	8,000,726	7,438,039
Fund balance (deficit), end of year	\$ (1,386,594)	\$ 9,039	\$ 8,005,383	\$ 6,627,828

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Revenues					
Local sources					
General levy	\$ 439,621	\$ 1,080,000	\$ 1,245,212	\$ 165,212	\$ 1,302,241
Interest on investments	250	250	726	476	205
Other	-	-	18	18	-
Total local sources	<u>439,871</u>	<u>1,080,250</u>	<u>1,245,956</u>	<u>165,706</u>	<u>1,302,446</u>
Total revenues	<u>439,871</u>	<u>1,080,250</u>	<u>1,245,956</u>	<u>165,706</u>	<u>1,302,446</u>
Expenditures					
Debt service					
Debt services - interest					
Bonds - interest	62,400	62,400	61,697	703	72,081
Other interest	-	-	22,715	(22,715)	22,123
Total debt service - interest	<u>62,400</u>	<u>62,400</u>	<u>84,412</u>	<u>(22,012)</u>	<u>94,204</u>
Principal payments on long-term debt	<u>645,000</u>	<u>645,000</u>	<u>770,826</u>	<u>(125,826)</u>	<u>1,526,418</u>
Total debt service	<u>707,400</u>	<u>707,400</u>	<u>855,238</u>	<u>(147,838)</u>	<u>1,620,622</u>
Total expenditures	<u>707,400</u>	<u>707,400</u>	<u>855,238</u>	<u>(147,838)</u>	<u>1,620,622</u>
Excess (deficiency) of revenues over expenditures	<u>(267,529)</u>	<u>372,850</u>	<u>390,718</u>	<u>17,868</u>	<u>(318,176)</u>

(Continued)

West Northfield School District 31
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				2011
	Original Budget	Final Budget	Actual	Variance From Final Budget	Actual
Other financing sources					
Transfer to pay for principal on capital leases	\$ -	\$ -	\$ 125,826	\$ 125,826	\$ 126,418
Transfer to pay for interest on capital leases	-	-	22,715	22,715	22,123
Total other financing sources	-	-	148,541	148,541	148,541
Net change in fund balance	<u>\$ (267,529)</u>	<u>\$ 372,850</u>	539,259	<u>\$ 166,409</u>	(169,635)
Fund balance, beginning of year			193,756		363,391
Fund balance, end of year			<u>\$ 733,015</u>		<u>\$ 193,756</u>

(Concluded)

West Northfield School District 31
Capital Projects Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Revenues					
Local sources					
Corporate personal property replacement taxes	\$ -	\$ -	\$ -	\$ -	\$ 64,230
Interest on investments	-	15,000	613	(14,387)	1,080
Total local sources	-	15,000	613	(14,387)	65,310
State sources					
Infrastructure Improvements - Construction	-	-	-	-	1,000,000
Other state sources	-	-	50,000	50,000	-
Total state sources	-	-	50,000	50,000	1,000,000
Total revenues	-	15,000	50,613	35,613	1,065,310
Expenditures					
Support services					
Facilities acquisition and construction services					
Capital outlay	150,000	150,000	4,611	145,389	44,676
Total support services	150,000	150,000	4,611	145,389	44,676
Provision for contingencies	200,000	200,000	-	200,000	-
Total expenditures	350,000	350,000	4,611	345,389	44,676

(Continued)

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, 2012
With Comparative Actual Amounts for the Year Ended June 30, 2011

	2012				
	Original Budget	Final Budget	Actual	Variance From Final Budget	2011 Actual
Excess (deficiency) of revenues over expenditures	<u>\$ (350,000)</u>	<u>\$ (335,000)</u>	<u>\$ 46,002</u>	<u>\$ 381,002</u>	<u>\$ 1,020,634</u>
Net change in fund balance	<u>\$ (350,000)</u>	<u>\$ (335,000)</u>	46,002	<u>\$ 381,002</u>	1,020,634
Fund balance, beginning of year			<u>1,020,634</u>		<u>-</u>
Fund balance, end of year			<u>\$ 1,066,636</u>		<u>\$ 1,020,634</u>

(Concluded)

West Northfield School District 31
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Assets				
Cash and cash equivalents	\$ 56,781	\$ 42,818	\$ 33,877	\$ 65,722
Liabilities				
Due to student groups				
Winkleman				
Misc.	\$ (432)	\$ 8,175	\$ 4,882	\$ 2,861
Student Council	5,336	-	792	4,544
Pictures	(305)	3,945	-	3,640
Other	796	-	796	-
Grant	170	-	170	-
Interest	11	-	-	11
Total Winkleman	5,576	12,120	6,640	11,056
Field School				
Miscellaneous	4,823	-	2,938	1,885
Pictures	2,811	924	500	3,235
WCWIO	87	-	-	87
6th Grade	493	-	-	493
7th Grade	216	-	-	216
8th Grade	-	1,666	894	772
Student Council	506	1,910	2,062	354
Computer Fair	176	-	-	176
Gifted	15,321	-	15,321	-
Play	372	1,193	1,248	317
Cheer Fund	1,126	-	103	1,023
School Bust Ptnr	458	-	-	458
5K Run	1,524	4,971	4,080	2,415
Interest	60	167	91	136
Senior Grant	1,000	-	-	1,000
Gardent Grant	1,091	-	-	1,091
Total Field School	30,064	10,831	27,237	13,658
District				
Major Donor	21,141	19,867	-	41,008
Total Due to Student Groups	\$ 56,781	\$ 42,818	\$ 33,877	\$ 65,722

OTHER SUPPLEMENTAL INFORMATION

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

	2011	2010	2009	2008	2007
Assessed Valuation	\$ 588,042,363	\$ 679,485,319	\$ 814,495,058	\$ 861,796,070	\$ 826,910,188
Rates Extended					
Educational	1.5065	1.3178	1.0786	1.0181	1.0129
Operations and Maintenance	0.2952	0.2323	0.1762	0.1616	0.1611
Bond and Interest	0.1296	0.1674	0.1877	0.1747	0.1822
Transportation	0.0244	0.0192	0.0145	0.0131	0.0121
Municipal Retirement	0.0307	0.0242	0.0183	0.0170	0.0181
Social Security	0.0307	0.0242	0.0183	0.0170	0.0181
Total rates extended	2.0171	1.7851	1.4936	1.4015	1.4045
Levies Extended					
Educational	\$ 8,858,814	\$ 8,954,388	\$ 8,784,881	\$ 8,773,696	\$ 8,378,755
Operations and Maintenance	1,736,096	1,578,269	1,434,790	1,392,560	1,332,627
Bond and Interest	762,090	1,137,505	1,528,800	1,505,700	1,507,167
Transportation	143,325	130,295	118,450	113,300	100,092
Municipal Retirement	180,714	164,285	149,350	146,260	149,724
Social Security	180,714	164,285	149,350	146,260	149,724
Total levies extended	\$ 11,861,753	\$ 12,129,027	\$ 12,165,621	\$ 12,077,776	\$ 11,618,089
Total Collections	\$ 6,177,713	\$ 11,894,149	\$ 11,974,510	\$ 11,933,160	\$ 11,629,238
Percentage of extensions collected	52.08%	98.06%	98.43%	98.80%	100.10%

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

West Northfield School District 31
OPERATING COSTS AND TUITION CHARGE
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>809</u>	<u>805</u>
Operating costs:		
Educational	\$ 10,358,403	\$ 11,789,801
Operations and Maintenance	899,064	1,169,201
Debt Service	883,731	1,620,622
Transportation	406,402	387,088
Municipal Retirement/Social Security	313,503	333,299
Tort	<u>18,577</u>	<u>53</u>
Subtotal	<u>12,879,680</u>	<u>15,300,064</u>
Less Revenues/Expenditures of Nonregular Programs:		
Tuition	84,326	79,346
Debt service - payments of principal on long-term debt	797,088	1,526,418
Summer school	6,561	16,608
Community Services	459	918
Capital outlay	85,196	755,164
Payments to other Districts and Gov't Units	<u>966,819</u>	<u>813,959</u>
Subtotal	<u>1,940,449</u>	<u>3,192,413</u>
Operating costs	<u>\$ 10,939,231</u>	<u>\$ 12,107,651</u>
Operating costs per pupil - based on ADA	<u>\$ 13,521</u>	<u>\$ 15,045</u>
Tuition Charge		
Operating costs	\$ 10,939,231	\$ 12,107,651
Less - revenues from specific programs, such as special education or lunch programs	<u>1,024,797</u>	<u>1,230,703</u>
Net operating costs	9,914,434	10,876,948
Depreciation allowance	<u>527,638</u>	<u>524,701</u>
Allowance tuition costs	<u>\$ 10,442,072</u>	<u>\$ 11,401,649</u>
Tuition charge per pupil - based on ADA	<u>\$ 12,906</u>	<u>\$ 14,168</u>