

**WINFIELD PUBLIC SCHOOL
DISTRICT NO. 34
WINFIELD, ILLINOIS**

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS1875 Hicks Road
Rolling Meadows, Illinois 60008PAUL H. THERMEN, C.P.A.
JEFFERY M. ROLLEFSON, C.P.A.**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education
Winfield Public School District No. 34
Winfield, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Winfield Public School District No. 34, Winfield, Illinois, (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities and each major fund of Winfield Public School District No. 34, as of June 30, 2015, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, in 2015 the District adopted new accounting guidance; *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Winfield School District No. 34's financial statements. The other information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements of Winfield School District No. 34. We have applied certain limited procedures to the other information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2015, on our consideration of Winfield Public School District No. 34's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winfield Public School District No. 34's internal control over financial reporting and compliance.

Evans, Marshall & Pease, P. C.

Evans, Marshall & Pease, P. C.
Certified Public Accountants

September 16, 2015
Rolling Meadows, IL
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EVANS, MARSHALL & PEASE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

1875 Hicks Road
Rolling Meadows, Illinois 60008

PAUL H. THERMEN, C.P.A.
JEFFERY M. ROLLEFSON, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Winfield Public School District No. 34
Winfield, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Winfield Public School District No. 34, Winfield, Illinois (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Winfield Public School District No. 34's basic financial statements, and have issued our report thereon dated September 16, 2015. The financial statements were found to be fairly stated, on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Winfield Public School District No. 34's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Winfield Public School District No. 34's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Evans, Marshall & Pease, P.C.

Evans, Marshall & Pease, P. C.
Certified Public Accountants

September 16, 2015
Rolling Meadows, IL

OTHER INFORMATION
Management's Discussion and Analysis - Unaudited

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

This section of the Winfield Public School District No. 34's (the "District") annual financial report is the discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets of the District exceeded its liabilities at June 30, 2015 by \$11,833,163 (net position).
- The District adjusted Net Position – Beginning, as Previously Reported (\$8,923,653) by \$2,988,267 to \$11,911,920.
- The District's total net position decreased by \$78,757.
- Special education expenses remain a concern as student needs and governmental regulations increase.
- Fund balances continue to remain at healthy levels.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements include two kinds of statements that present different views of the District.

- *The statement of net position and statement of activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.*
- The remaining statements are fund financial statements that focus on individual parts of the District. Fund statements generally report operation in more detail than the government-wide financial statements.

The financial statements also include many notes. These explain some of the information in the statements and provide more detailed data. The statements are followed by a section of other information that further explains and supports the financial statements.

Included as revenue in the Educational Account (and Total) is the annual "on-Behalf" payment by the State to the Teacher's Retirement System (TRS) discussed elsewhere in this audit report. This is money over which the District has no control and never sees on its books. As a result, it is not included in the District's annual budget as either revenue or expense. In fact, the State does not always make this contribution, or make it on time. This may be confusing when reading the audit since it looks as though the District has over expended its budget by a very large number. This is not the case. This contribution by the State must be shown in the audit, but it should be kept in mind that to get a true picture of the District's revenue, expenses and balances, this contribution must be discounted.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2015

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain, are shown in the following table:

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as general fund	Instances in which District administers resources on behalf of someone else, such as student activity monies
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balance	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Cash basis accounting and current financial resources focus	Cash basis accounting and current financial resources focus	Cash basis accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Revenues for which cash is received during the year; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds may contain capital assets
Type of inflow/outflow information	Revenues for which cash is received during the year. Expenditures when goods and services have been paid for.	Revenues for which cash is received during the year. expenditures when goods or services have been paid for.	All additions and deductions during the year

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All the current year's revenues and expenditures are accounted for in the statement of activities.

Unlike a private sector company, the District cannot readily convert fixed assets to liquid assets; the District cannot sell a school building and use the cash. Districts can, and sometimes do, convert fixed assets to cash through the sale of property; however this is a rare event and not easily accomplished.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

The government-wide financial statements report the District's net position and how it has changed throughout the year. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one needs to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are presented as follows:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, support services, community programs and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as working cash).

The District has two kinds of funds:

Governmental Funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining the relationship (or differences) between them.

Fiduciary Funds – The District serves as a trustee, or fiduciary, for assets that belong to others, such as student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Statement of Net Position: The following summary data is compared with data from the preceding year. The following provides a summary of the District's Statement of Net Position as of June 30, 2015 and 2014:

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities	
	2015	(Restated) 2014
Assets:		
Current assets	\$ 4,320,670	\$ 4,313,314
Capital assets (less depreciation)	10,987,883	8,380,509
Total Assets	15,308,553	12,693,823
Liabilities:		
Current liabilities (short term debt)	280,173	294,780
Noncurrent liabilities (long term debt)	3,195,217	3,475,391
Total Liabilities	3,475,390	3,770,171
Net Position (deficit):		
Net investment in capital assets (net of debt)	7,512,493	7,598,606
Restricted	1,848,083	1,788,002
Unrestricted	2,472,587	2,525,312
Total Net Position	\$ 11,833,163	\$ 11,911,920

The following is a summary of the District's changes in net position for the year ending June 30, 2015 and 2014:

	Governmental Activities	
	2015	(Restated) 2014
Program revenues received:		
Charges for services	\$ 236,068	\$ 204,654
Operating grants and contributions	1,636,328	1,403,836
General revenues received:		
Property taxes	5,129,309	5,019,974
Corporate personal property replacement	37,503	35,830
Impact fees	-	26,118
State aid- formula grants	86,068	89,298
Donations from private sources	54,980	64,753
Unrestricted investment earnings	6,113	6,980
Total Revenues Received	7,186,369	6,851,443
Expenditures disbursed:		
Instruction	3,924,509	3,479,887
Support services	2,092,097	2,085,717
Community services	41,274	47,628
Payments to other governmental units	194,737	216,534
Interest and fees on long-term debt	581,122	626,503
Depreciation (unallocated)	431,387	301,653
Total Expenditures Disbursed	7,265,126	6,757,922
Change in Net Position	(78,757)	93,521
Net Position - Beginning	11,911,920	11,818,399
Net Position - Ending	\$ 11,833,163	\$ 11,911,920

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Changes in Net Position: The District's combined net position decreased by \$78,757 to \$11,833,163 in fiscal year 2015.

The District's total revenues were \$7,186,369 for governmental activities. Local taxes (predominantly real estate taxes) were \$5,166,812 or 71.89%. Charges for services were \$236,068 or 3.28%. State and federal funding and grants were \$1,636,328 or 22.77% of the total. General state aid was \$86,068 or 1.20%. Donations were \$54,980 or 0.77% and investments earned \$6,113 or 0.09%.

Total costs for all governmental programs, net of program revenues and grants, totaled \$5,392,730. Expenditures are predominantly related to instruction, instructional support services, and maintenance of the physical plant. Depreciation expense is \$129,734 higher than the previous year due to a new capital asset appraisal performed, which reported more capital assets. More capital assets translates to more depreciation expensed each year.

Total Net Position: Please note that the amounts reported for governmental activities in the audit statement are different from the summary tables above because (1) capital assets used in governmental activities are not financial resources, as they are in business, and are not reported as assets in governmental funds. (2) long-term liabilities, including bonds payable and capital leases are not due in the current period and therefore not reported as liabilities in the funds. The result is that the total net position for governmental activities are \$11,833,163.

Restricted Net Position: A portion of the District's total net position is considered restricted. The Township's restricted net position results from portions of governmental funds that are restricted, committed, or assigned, or in any other way, limit the availability of fund resources for future use. The Operations and Maintenance Fund, Transportation Fund, and Illinois Municipal Retirement Funds are special revenue funds; by law, funds held in a special revenue fund are restricted to the purpose of the fund. The Net Position of the Debt Service Fund and Capital Projects Fund are also restricted for expenditures disbursed for specified purposes.

The funds have a restricted balance as follows: Operations and Maintenance Fund, \$309,758; Transportation Fund, \$57,319; Illinois Municipal Retirement Fund, \$92,456; Debt Service Fund, \$558,341; and Capital Projects Fund, \$830,209. The District's total restricted net position at the end of the fiscal year totaled \$1,848,083. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

Financial Analysis of the District's Funds

The financial performance of the District reflects the financial climate of the country as a whole and Illinois in particular. Expenditures and revenues are monitored carefully. Financial updates and projections are shared with the Board of Education regularly. Account balances for all funds are at a healthy level for the year ended June 30, 2015.

Educational Account

- Fund balance decreased by \$52,939, resulting in an ending fund balance of \$2,034,814.

Capital Projects Fund

- Fund balance continued to decrease to an ending balance of \$830,209, a decrease of \$84,936.
- The District continues major improvements into the near future, including roof repairs.

Remaining Funds

- The Working Cash, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement Fund, and Debt Service Fund continued to see fund balances grow in FY15.
- Fund balances increased by a cumulative amount of \$145,231.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets and Debt Administration

Capital Assets: Total depreciation expense for the year was \$431,387, while additions to capital assets amounted to \$50,494 which consisted of the surveillance equipment, an aluminum fence, and other capital improvements as it relates to the building and land. More detailed information about capital assets can be found in Note 3 to the financial statements.

At the end of the year, the District had outstanding commitments for roof repairs of the primary building. Construction in progress relates to architectural fees for the roofing project. No payments for the updating of the roof have been made as of June 30, 2015.

Long-Term Debt: At year end, the District had \$3,475,390 in capital appreciation and general obligation bonds outstanding, \$280,173 which is due within the next fiscal year. More detailed information about long-term debt can be found in Note 4 to the financial statements.

	<u>2015</u>	<u>2014</u>
Capital Appreciation Bond	\$ 1,645,390	\$ 1,930,170
General Obligation Bonds	1,830,000	1,840,000
Total	<u>\$ 3,475,390</u>	<u>\$ 3,770,170</u>

Revenue is collected by the County Assessor to cover the payments on these bonds. Bond payments are not under the tax cap.

During FY 2015, the District did not experience any negative changes in its debt credit rating or limitation.

Budgetary Analysis

The Educational Account was over-expended due to difference of budget versus actual state on-behalf payments (\$1,301,252) to TRS and THIS. As noted earlier, this "on-Behalf" payment is not included in the District's annual budget as either revenue or an expense.

Factors Bearing on the District's Financial Future

The District has several residential developments that may have an impact on revenue. New construction and housing developments in the area continue to be minimal. Each of these developments provides impact fees and increases the Equalized Assessed Value (EAV) which results in additional property taxes. As for expenditures the District expects the special education costs continue to out spend the revenue received, and utility costs will continue to rise. Finally, the District has received the \$2.3 million from the Illinois Capital Development Board in FY12, which a portion was used on the roofing project during FY '14 and the remainder is held in the Site and Construction Fund.

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers, customers, investors 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, Doug Gallios, at Winfield Public School District No. 34, 0S150 Winfield Road, Winfield, IL 60190.

BASIC FINANCIAL STATEMENTS

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
STATEMENT OF NET POSITION
(MODIFIED CASH BASIS)
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 4,320,670
Capital assets not being depreciated:	
Land	591,553
Construction in progress	24,763
Capital assets, net of accumulated depreciation:	
Land improvements	309,506
Buildings	9,920,157
Equipment	141,904
	15,308,553
Total Assets	15,308,553
LIABILITIES	
Noncurrent liabilities:	
Due within one year	280,173
Due in more than one year	3,195,217
	3,475,390
Total Liabilities	3,475,390
NET POSITION	
Net investment in capital assets	7,512,493
Restricted for:	
Operations & maintenance	309,758
Transportation	57,319
Municipal retirement/social security	92,456
Debt service	558,341
Capital projects	830,209
Unrestricted	2,472,587
	2,472,587
Total Net Position	\$ 11,833,163

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

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 STATEMENT OF ACTIVITIES
 (MODIFIED CASH BASIS)
 YEAR ENDED JUNE 30, 2015

FUNCTIONS/ PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities:					
Instruction	\$ 3,924,509	\$ 236,068	\$ 1,580,242	\$ -	\$ (2,108,199)
Support services	2,092,097	-	56,086	-	(2,036,011)
Community services	41,274	-	-	-	(41,274)
Payments to other governmental units	194,737	-	-	-	(194,737)
Interest and fees	581,122	-	-	-	(581,122)
Depreciation - unallocated *	431,387	-	-	-	(431,387)
Total Governmental Activities	\$ 7,265,126	\$ 236,068	\$ 1,636,328	\$ -	(5,392,730)

General Revenues:

Taxes:

Property taxes, levied for general purposes	3,981,991
Property taxes, levied for debt service	896,471
Property taxes, levied for specific purposes:	
Municipal retirement	180,826
Special education	70,021
Personal property replacement taxes	37,503
Donations from private sources	54,980
State aid - formula grants	86,068
Unrestricted investment earnings	6,113

Total General Revenues Received 5,313,973

Change in Net Position (78,757)

Net Position - Beginning, as Previously Reported 8,923,653

Prior Period Adjustment:

Adjustment of Capital Assets to Appraisal 2,988,267

Net Position, Restated July 1, 2014 11,911,920

Net Position, June 30, 2015 \$ 11,833,163

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

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND	MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND
ASSETS				
Cash and cash equivalents	\$ 2,472,587	\$ 309,758	\$ 57,319	\$ 92,456
Total Assets	<u>\$ 2,472,587</u>	<u>\$ 309,758</u>	<u>\$ 57,319</u>	<u>\$ 92,456</u>
LIABILITIES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Restricted:				
Debt service	-	-	-	-
Municipal retirement/social security	-	-	-	92,456
Operations & maintenance	-	309,758	-	-
Transportation	-	-	57,319	-
Committed:				
Capital projects	-	-	-	-
Unassigned	2,472,587	-	-	-
Total Fund Balances	<u>2,472,587</u>	<u>309,758</u>	<u>57,319</u>	<u>92,456</u>
Total Liabilities and Fund Balances	<u>\$ 2,472,587</u>	<u>\$ 309,758</u>	<u>\$ 57,319</u>	<u>\$ 92,456</u>

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

DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
\$ 558,341	\$ 830,209	\$ 4,320,670
<u>\$ 558,341</u>	<u>\$ 830,209</u>	<u>\$ 4,320,670</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
558,341	-	558,341
-	-	92,456
-	-	309,758
-	-	57,319
-	830,209	830,209
-	-	2,472,587
<u>558,341</u>	<u>830,209</u>	<u>4,320,670</u>
<u>\$ 558,341</u>	<u>\$ 830,209</u>	<u>\$ 4,320,670</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCES TO THE STATEMENT OF NET POSITION (CASH BASIS)

Total fund balances-governmental funds (Exhibit C) \$ 4,320,670

Amounts reported for governmental activities in the statement of assets and liabilities arising from cash transactions are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets:		
Land	\$	591,553
Construction in progress		24,763
Land improvements		603,136
Buildings		15,565,566
Equipment		<u>600,058</u>
Total cost of capital assets		17,385,076
Accumulated depreciation		<u>(6,397,193)</u>
Net investment in capital assets		10,987,883

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	<u>(3,475,390)</u>
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Net position-governmental activities (Exhibit A)	<u><u>\$ 11,833,163</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	GENERAL FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
REVENUES			
Local sources:			
Property taxes	\$ 3,585,973	\$ 445,791	\$ 20,248
Personal property replacement taxes	641	-	-
Student tuition and fees	45,047	-	-
Interest on investments	1,178	132	11
Pupil activities	91,221	-	-
Donations	54,980	-	-
Other	11,880	59,684	-
State sources	1,515,522	-	29,038
Federal sources	177,836	-	-
Total Revenues Received	<u>5,484,278</u>	<u>505,607</u>	<u>49,297</u>
EXPENDITURES			
Instruction	3,859,217	-	-
Support services	1,438,467	436,898	36,028
Community services	40,328	-	-
Payments to other governmental units	194,737	-	-
Capital outlay	4,254	2,980	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures Disbursed	<u>5,537,003</u>	<u>439,878</u>	<u>36,028</u>
NET CHANGE IN FUND BALANCES	(52,725)	65,729	13,269
BEGINNING FUND BALANCE JULY 1, 2014	<u>2,525,312</u>	<u>244,029</u>	<u>44,050</u>
ENDING FUND BALANCE JUNE 30, 2015	<u>\$ 2,472,587</u>	<u>\$ 309,758</u>	<u>\$ 57,319</u>

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

MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
\$ 180,826	\$ 896,471	\$ -	\$ 5,129,309
36,862	-	-	37,503
-	-	-	45,047
466	46	4,280	6,113
-	-	-	91,221
-	-	-	54,980
-	-	28,236	99,800
-	-	-	1,544,560
-	-	-	177,836
<u>218,154</u>	<u>896,517</u>	<u>32,516</u>	<u>7,186,369</u>
65,292	-	-	3,924,509
106,512	-	74,192	2,092,097
946	-	-	41,274
-	-	-	194,737
-	-	43,260	50,494
-	294,780	-	294,780
-	581,122	-	581,122
<u>172,750</u>	<u>875,902</u>	<u>117,452</u>	<u>7,179,013</u>
45,404	20,615	(84,936)	7,356
<u>47,052</u>	<u>537,726</u>	<u>915,145</u>	<u>4,313,314</u>
<u>\$ 92,456</u>	<u>\$ 558,341</u>	<u>\$ 830,209</u>	<u>\$ 4,320,670</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES (CASH BASIS)

Total net change in fund balances-governmental funds (Exhibit D) \$ 7,356

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. Capital outlays for items below the District's capitalization policy limits and repairs and maintenance are expensed.

Depreciation expense	\$(431,387)	
Capital outlays - over capitalization policy limits	<u>50,494</u>	
Capital outlay in excess of depreciation expense		(380,893)

Repayment of debt principal is recorded as an expenditure in governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. The District debt was reduced by a refunding bond and principal payments made to bond and note holders. 294,780

Change in net position of governmental activities (Exhibit B) \$ (78,757)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
STATEMENT OF ASSETS AND LIABILITIES (CASH BASIS)
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Total Agency Funds</u>
ASSETS	
Cash and investments	<u>\$ 12,626</u>
Total Assets	<u><u>\$ 12,626</u></u>
LIABILITIES	
Due to organizations	<u>\$ 12,626</u>
Total Liabilities	<u><u>\$ 12,626</u></u>

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements are as follows:

A. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

B. Basis of Presentation – Fund Accounting

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There are no business-type activities within the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on general long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expenses of each 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 or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental fund types include the following:

General Fund – The General Fund, which consists of the Educational Account and Working Cash Account, is the primary operating fund of the District and is always classified as a major fund. It is used to account for the revenues received and expenditures disbursed which are used in providing education in the District. It is used to account for all financial resources except those required to be accounted for in other funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Special Revenue Funds – The Special Revenue Funds, which include the Operations and Maintenance Fund, Transportation Fund, and the Municipal Retirement Fund, are used to account for revenue received from specific sources (other than those accounted for in the Debt Service and Capital Projects Funds) that are legally restricted to expenditures disbursed for specified purposes.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types (not included in government-wide statements)

Agency Funds – The Agency Funds (Student Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Major and Nonmajor Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues received, or expenditures disbursed of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues received, or expenditures disbursed of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The District has opted to treat all of its funds as major funds.

The funds which are classified as major are as follows:

Major:

Educational Account	Part of the General Fund. See above for description.
Working Cash Account	Part of the General Fund. See above for description.
Operations and Maintenance Fund	A Special Revenue Fund to account for activity relating to the maintenance of school facilities.
Transportation Fund	A Special Revenue Fund to account for activity relating to student transportation to and from school.
Municipal Retirement/ Social Security Fund	A Special Revenue Fund to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund for noncertified employees.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Debt Service Fund	A Debt Service Fund used to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs.
Capital Projects Fund	A Capital Projects Fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both a restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

C. Measurement Focus/Basis of Accounting

Measurement Focus

The basic financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues received and other financing sources) and decreases (expenditures disbursed and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the disbursement of cash.

Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

D. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Program Revenues

Amounts reported as program revenues include 1) Tuition and fees and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than as program revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Capital Assets

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2003, infrastructure assets were not capitalized. Such assets have been valued at estimated historical cost. Depreciation of all exhaustible fixed assets is recorded as an allocation in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows: buildings, improvements and infrastructure 20 – 50 years, transportation equipment 8 years, equipment 5 – 20 years.

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. No depreciation is recorded in the fund financial statements.

G. Long-term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

H. Equity Classifications/Fund Balance Reporting

Equity Classifications

Equity is classified as net position and displayed in three components:

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

Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation. The Restricted net position consists of the Operations and Maintenance Fund (\$309,758), the Transportation Fund (\$57,319), the Municipal Retirement/Social Security Fund (\$92,456), the Debt Service Fund (\$558,341), and the Capital Projects Fund (\$830,209), totaling \$1,848,083.

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

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.

Fund Balance Reporting

Governmental fund balances are to be classified into five major classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – the nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis used by the District there is nothing to report for this classification.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Restricted – the restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District. Items such as restrictions imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

- *Special Education* – cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Account. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
- *State Grants* – proceeds from state grants and the related expenditures have been included in the Educational Account and Transportation Fund. At June 30, 2015, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted balance.
- *Federal Grants* – proceeds from federal grants and the related expenditures have been included in the Educational Account. At June 30, 2015, expenditures disbursed exceeded revenue received from federal grants, resulting in no restricted balance.
- *Social Security* – expenditures disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures disbursed exceeded revenue received, resulting in no restricted balance.

Committed – the committed fund balance refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned – The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – the unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

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

NOTE 2. CASH AND INVESTMENTS

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy that is in compliance with Illinois law. The institutions in which investments are made must be approved by the Board of Education.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments may be separately held by some of the District's funds.

Permitted Deposits and Investments – The District is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 23 5/2 and 23 5/6; and Chapter 105, Section 5/8-7.

Deposits

At year-end, the carrying amount of the District's deposits and investments totaled \$4,320,670 and the bank balances totaled \$4,394,481.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 2. CASH AND INVESTMENTS (Cont'd)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District limits the weighted average maturity of its investment portfolio to less than six months. The weighted average of the portfolio maturity for investments was 16.24 days and the weighted portfolio yield was 0.202%.

Credit Risk: Under Illinois law, the District is restricted to investing funds in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. All investments have a maturity of less than six months. The bank balance of \$4,394,481 is separated into the following components as follows:

Depository Account	Bank Balance
Deposits with financial institutions	\$ 292,547
Certificates of deposit	1,823,465
ISDLAF+	2,278,469
Total Deposits	\$ 4,394,481

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. Neither is registered with the SEC as an investment company. Investments are each rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The bank balance of \$4,394,481 is exposed to custodial credit risk as follows:

Depository Account	Bank Balance
Insured	\$ 2,116,012
Uncollateralized	2,278,469
Total Deposits	\$ 4,394,481

NOTE 3. PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The adoption date for the 2014 tax levy, payable in 2015, was December 15, 2014 (the 2013 tax levy, payable in 2014, was passed on December 16, 2013). Taxes attach as an enforceable lien on property on the date of levy and are payable in two installments (June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates.

A summary of the past two years' assessed valuation, tax rates, and extensions are as follows:

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3. PROPERTY TAXES (CONT'D)

Tax Year	2014		2013	
Equalized Assessed Valuation	\$118,224,315		\$122,661,862	
	Rates	Extensions	Rates	Extensions
Purpose				
Educational	3.0103	\$ 3,558,907	2.8369	\$ 3,479,795
Operations & Maintenance	0.3838	453,745	0.3577	438,761
Transportation	0.0178	21,044	0.0159	19,503
Municipal Retirement	0.0970	114,678	0.0874	107,206
Special Education	0.0608	71,880	0.0557	68,323
Bond & Interest	0.7696	909,854	0.7214	884,883
Social Security	0.0608	71,880	0.0557	68,323
Totals	4.4001	\$ 5,201,988	4.1307	\$ 5,066,794

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	(Restated) Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Not being depreciated:				
Land	\$ 591,553	\$ -	\$ -	\$ 591,553
Construction in Progress	-	24,763	-	24,763
Subtotal	591,553	24,763	-	616,316
Other Capital Assets:				
Buildings and Improvements	15,557,081	8,485	-	15,565,566
Land Improvements	596,630	6,506	-	603,136
Equipment	589,318	10,740	-	600,058
Subtotal	16,743,029	25,731	-	16,768,760
Accumulated Depreciation:				
Building and Improvements	5,290,435	354,974	-	5,645,409
Land Improvements	267,433	26,197	-	293,630
Equipment	407,938	50,216	-	458,154
Subtotal	5,965,806	431,387	-	6,397,193
Net Capital Assets	\$ 11,368,776	\$ (405,656)	\$ -	\$ 10,987,883

Depreciation was charged to functions as follows:

Governmental Activities:

Unallocated

\$ 431,387

Total governmental activities depreciation expense

\$ 431,387

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 5. CHANGES IN LONG-TERM DEBT

Bonded Debt

On May 30, 2002 the District issued Capital Appreciation School Bonds in the amount of \$5,958,150. Principal payments are due January 1, and interest payments at rates from 8.48% to 9.00% are due January 1, through fiscal year ending June 30, 2022. The balance due as of June 30, 2015 is \$1,645,390.

On August 29, 2013 the District issued Taxable General Obligation Refunding School Bonds in the amount of \$840,000. Principal payments are due January 1, and interest payments at a rate of 3.59% are due January 1 and July 1, through fiscal year ending June 30, 2023. The balance due as of June 30, 2015 is \$820,000.

On August 29, 2013 the District issued General Obligation Refunding School Bonds in the amount of \$1,020,000. Principal payments are due January 1, and interest payments at a rate of 2.60% are due January 1 and July 1, through fiscal year ending June 30, 2023. The balance due as of June 30, 2015 is \$1,005,000.

Long-term debt activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Refunded</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Capital Appreciation Bond, Series 2002	\$ 1,930,170	\$ -	\$ 284,780	\$ -	\$ 1,645,390	\$ 270,173
General Obligation Bonds:						
Refunding School Bond, Series 2013A	830,000	-	5,000	-	825,000	5,000
Refunding School Bond, Series 2013B	1,010,000	-	5,000	-	1,005,000	5,000
Total Long Term Debt	<u>\$3,770,170</u>	<u>\$ -</u>	<u>\$ 294,780</u>	<u>\$ -</u>	<u>\$ 3,475,390</u>	<u>\$ 280,173</u>

At June 30, 2015 the annual cash flow requirements of all long-term debt to retirement were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 280,173	\$ 620,575
2017	267,580	662,858
2018	255,266	704,862
2019	244,546	750,273
2020	232,816	791,694
2021	222,532	836,668
2022	212,477	881,413
2023	865,000	53,581
2024	895,000	23,270
Total	<u>\$ 3,475,390</u>	<u>\$ 5,325,194</u>

Based on the 2014 assessed valuation of \$118,224,315, the legal debt margin of 6.9 percent is \$8,157,478. At June 30, 2015 the outstanding bonded debt to which the legal debt margin applies is \$3,475,390, leaving an available borrowing power of \$4,682,088.

NOTE 6. RETIREMENT SYSTEMS

A. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan Description

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the system's administration.

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

Benefits Provided

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

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

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2015, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$1,274,079 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2015, were \$15,443, and are deferred because they were paid after the June 30, 2014 measurement date.

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

For the year ended June 30, 2015, the employer pension contribution was 33.00 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$-0- were paid from federal and special trust funds that required employer contributions of \$-0-. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer retirement contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid \$-0- to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the employer paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent and \$-0- for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2015, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 253,764
State's proportionate share of the net pension liability associated with the employer	<u>15,824,975</u>
Total	<u><u>\$ 16,078,739</u></u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was .0004 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013, actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was .0006 percent.

For the year ended June 30, 2015, the employer recognized pension expense of \$1,289,530 and revenue of \$1,274,079 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134	\$ -
Net difference between projected and actual earnings on pension plan investments	-	12,754
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	102,675
Employer contributions subsequent to the measurement date	15,451	-
Total	\$ 15,585	\$ 115,429

\$15,451 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (28,077)
2017	\$ (28,077)
2018	\$ (28,077)
2019	\$ (28,077)
2020	\$ (2,987)

Actuarial Assumptions

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

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

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

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.45 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

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

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	\$ 313,386	\$ 253,764	\$ 204,390

TRS Fiduciary Net Position

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

B. Teacher Health Insurance Security (THIS) Fund

Contributions

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

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

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

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

- *On-Behalf Contributions to the THIS Fund*
 The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$27,173, and the employer recognized revenue and expenditures of this amount during the year.
- *Employer Contributions to the THIS Fund*
 The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the employer paid \$20,247 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

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

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

C. Illinois Municipal Retirement Fund (IMRF)

IMRF Plan Description

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

Benefits Provided

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

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

Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

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

	IMRF
Retirees and Beneficiaries currently receiving benefits	26
Inactive Plan Members entitled to but not yet receiving benefits	71
Active Plan Members	21
Total	118

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

Contributions

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2014 was 13.12%. For the fiscal year ended 2015, the employer contributed \$81,264 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

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

Single Discount Rate

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.45%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 2,227,396	\$ 1,849,032	\$ 378,364
Changes for the year:			
Service Cost	75,184	-	75,184
Interest on the Total Pension Liability	166,030	-	166,030
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(48,577)	-	(48,577)
Changes of Assumptions	122,287	-	122,287
Contributions - Employer	-	78,604	(78,604)
Contributions - Employees	-	31,206	(31,206)
Net Investment Income	-	113,556	(113,556)
Benefits Payments, including Refunds of Employee Contributions	(84,724)	(84,724)	-
Other (Net Transfer)	-	6,911	(6,911)
Net Changes	230,200	145,553	84,647
Balances at December 31, 2014	\$ 2,457,596	\$ 1,994,585	\$ 463,011

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.45%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.45%)	Current Discount (7.45%)	1% Higher (8.45%)
Net pension liability/(asset)	\$ 776,499	\$ 463,011	\$ 201,909

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

For the year ended June 30, 2015, the employer recognized pension expense of \$114,918. At June 30, 2015, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Reconnized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 17,975
Changes of assumptions	45,251	-
Net difference between projected and actual earnings on pension plan investments	21,057	-
Total Deferred Amounts to be reconnized in pension expense in future periods	66,308	17,975
<i>Pension Contributions made subsequent to the Measurement Date</i>	44,236	-
Total Deferred Amounts Related to Pensions	\$ 110,544	\$ 17,975

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

Year Ending December 31	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2015	\$ 32,540	\$ -
2016	5,264	-
2017	5,264	-
2018	5,265	-
2019	-	-
Thereafter	-	-
Total	\$ 48,333	\$ -

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 6. RETIREMENT SYSTEMS (Cont'd)

D. Aggregate Pension Amounts

For the year ended June 30, 2015, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 15,585	\$ 110,544	\$ 126,129
Net Pension Liability	253,764	463,011	716,775
Deferred Inflows of Resources	115,429	17,975	133,404
Pension Expense, Net of State Support	15,451	114,918	130,369

E. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare.

NOTE 7. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board.

NOTE 8. COMMITMENTS

The District was under no contractual commitment obligations as of June 30, 2015.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased insurance from private insurance companies to handle these risks of loss. During fiscal year 2015 there was no significant reductions in insurance coverage for any category. Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10. TORT IMMUNITY EXPENDITURES

The District's tort immunity expenditures consisted of payments for:

Workers compensation	\$ 33,663
Liability insurance	31,696
Legal expenses	16,328
Total Tort Immunity Expenditures	\$ 81,687

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11. PRIOR YEAR RESTATEMENT

Beginning balances of capital assets were adjusted to the fixed asset appraisal. The resulting adjustment only affects the government-wide financial statements. At June 30, 2015, the District had the following prior period adjustment in the government-wide financial statements:

Government-Wide Financial Statements	
Net Position - Beginning, as Previously Recorded	\$ 8,923,653
Prior Period Adjustment:	
Adjustment of Capital Assets to Appraisal	2,988,267
Restated Net Position - Beginning	\$ 11,911,920

NOTE 12. CHANGE IN ACCOUNTING PRINCIPLE

In 2015, the District adopted new accounting guidance:

- *GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and*
- *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.*

NOTE 13. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2015, and the date of this audit report requiring disclosure in the financial statements.

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OTHER INFORMATION

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 OTHER INFORMATION
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FISCAL YEAR 2015*

Employer's proportion of the net pension liability	0.0004%
Employer's proportionate share of the net pension liability	\$ 253,764
State's proportionate share of the net pension liability associated with the employer	<u>15,824,975</u>
Total	<u>\$ 16,078,739</u>
Employer's covered-employee payroll	\$ 2,664,029
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10%
Plan fiduciary net position as a percentage of the total pension liability	43.00%

*The amounts presented were determined as of the prior fiscal-year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
OTHER INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
FISCAL YEAR 2015

Contractually-required contribution	\$ 15,451
Contributions in relation to the contractually-required contribution	<u>15,443</u>
Contribution deficiency (excess)	<u>\$ 8</u>
Employer's covered-employee payroll	\$ 2,664,029
Contributions as a percentage of covered-employee payroll	0.58%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
OTHER INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEAR

Calendar year ending December 31,	<u>2014</u>
Total pension liability	
Service cost	\$ 75,184
Interest on the total pension liability	166,030
Benefit changes	-
Difference between expected and actual experience of the total pension liability	(48,577)
Changes of assumptions	122,287
Benefit payments, including refunds of employee contributions	<u>(84,724)</u>
Net change in pension liability	230,200
Total pension liability - beginning	<u>2,227,396</u>
Total pension liability - ending (A)	<u><u>\$ 2,457,596</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 78,604
Contributions - employees	31,206
Net investment income	113,556
Benefit payments, including refunds of employee contributions	(84,724)
Other (net transfer)	<u>6,911</u>
Net change in plan fiduciary net position	145,553
Plan fiduciary net position - beginning	1,849,032
Plan fiduciary net position - ending (B)	<u><u>\$ 1,994,585</u></u>
Net pension liability/(asset) - ending (A) - (B)	<u><u>\$ 463,011</u></u>
Plan fiduciary net position as a percentage of total pension liability	81.16%
Covered valuation payroll	\$ 628,834
Net pension liability as a percentage of covered valuation payroll	73.63%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
OTHER INFORMATION
MULTIYEAR SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
MOST RECENT CALENDAR YEAR

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 78,605	\$ 78,604	\$ 1	\$ 628,834	12.50%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2014 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age = normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	29-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%. Approximate; No explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 GENERAL FUND
 SCHEDULE OF ASSETS, LIABILITIES AND
 FUND BALANCES - BY ACCOUNT (BUDGETARY BASIS)
 JUNE 30, 2015

	EDUCATIONAL ACCOUNT	WORKING CASH ACCOUNT	TOTAL GENERAL FUND
ASSETS			
Cash and investments	\$ 2,034,814	\$ 437,773	\$ 2,472,587
Total Assets	<u>\$ 2,034,814</u>	<u>\$ 437,773</u>	<u>\$ 2,472,587</u>
LIABILITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND EQUITY			
Fund Balances:			
Unassigned	<u>2,034,814</u>	<u>437,773</u>	<u>2,472,587</u>
Total Fund Balances	<u>2,034,814</u>	<u>437,773</u>	<u>2,472,587</u>
Total Liabilities and Fund Balances	<u>\$ 2,034,814</u>	<u>\$ 437,773</u>	<u>\$ 2,472,587</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 GENERAL FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - BY ACCOUNT (BUDGETARY BASIS)
 YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>EDUCATIONAL ACCOUNT</u>	<u>WORKING CASH ACCOUNT</u>	<u>TOTAL GENERAL FUND</u>
REVENUES RECEIVED				
Local sources:				
Property taxes	\$ 3,579,000	\$ 3,585,973	\$ -	\$ 3,585,973
Personal property replacement taxes	1,000	641	-	641
Student tuition and fees	33,000	45,047	-	45,047
Interest on investments	1,300	964	214	1,178
Pupil activities	45,300	91,221	-	91,221
Donations	40,000	54,980	-	54,980
Other	31,000	11,880	-	11,880
State sources	301,700	1,515,522	-	1,515,522
Federal sources	158,500	177,836	-	177,836
	<u>4,190,800</u>	<u>5,484,064</u>	<u>214</u>	<u>5,484,278</u>
EXPENDITURES DISBURSED				
Instruction	2,579,070	3,859,217	-	3,859,217
Support services	1,431,215	1,438,467	-	1,438,467
Community services	48,770	40,328	-	40,328
Payments to other governmental units	242,500	194,737	-	194,737
Capital outlay	15,000	4,254	-	4,254
	<u>4,316,555</u>	<u>5,537,003</u>	<u>-</u>	<u>5,537,003</u>
NET CHANGE IN FUND BALANCES	<u>\$ (125,755)</u>	(52,939)	214	(52,725)
FUND BALANCE JULY 1, 2014		<u>2,087,753</u>	<u>437,559</u>	<u>2,525,312</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 2,034,814</u>	<u>\$ 437,773</u>	<u>\$ 2,472,587</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 3,510,000	\$ 3,515,952	\$ 3,452,536
Special education levy	69,000	70,021	66,403
Corporate replacement taxes	1,000	641	-
Tuition and fees	33,000	45,047	35,317
Earnings on investments	1,200	964	1,497
Pupil activities	45,300	91,221	78,310
Donations	40,000	54,980	47,845
Other	31,000	11,880	8,272
Total Local Sources	3,730,500	3,790,706	3,690,180
State Sources:			
General state aid	88,000	86,068	89,298
Special education	204,200	121,244	232,303
Bilingual	8,500	5,856	9,268
School lunch programs	300	352	367
Other	700	750	736
State on behalf payments	-	1,301,252	933,162
Total State Sources	301,700	1,515,522	1,265,134
Federal Sources:			
Special milk program	2,000	4,778	3,212
Title I - low income	42,100	54,983	62,954
IDEA preschool flow through	1,000	2,550	1,000
IDEA flow through	93,000	93,607	93,680
Title II - teacher quality	10,000	12,647	12,153
Medicaid matching	10,400	9,271	10,411
Total Federal Sources	158,500	177,836	183,410
Total Revenues Received	4,190,700	5,484,064	5,138,724

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Instruction:			
Regular Programs:			
Salaries	\$ 1,776,000	\$ 1,763,537	\$ 1,727,767
Employee benefits	152,760	139,594	139,427
Employee benefits-on-behalf	-	1,301,252	933,162
Supplies and materials	42,500	41,782	30,388
Total	1,971,260	3,246,165	2,830,744
Special Education Programs:			
Salaries	364,700	376,741	364,844
Employee benefits	72,580	68,664	65,659
Purchased services	500	-	-
Supplies and materials	5,130	3,721	4,228
Total	442,910	449,126	434,731
Educationally Deprived/Remedial Programs:			
Salaries	43,000	38,312	39,114
Employee benefits	2,080	964	1,545
Purchased services	10,500	7,175	11,070
Supplies and materials	8,810	10,890	8,986
Total	64,390	57,341	60,715
Interscholastic Programs:			
Salaries	27,000	26,659	25,449
Employee benefits	1,150	1,769	1,282
Purchased services	4,000	2,560	2,697
Total	32,150	30,988	29,428
Summer School Programs:			
Salaries	6,100	7,369	990
Employee benefits	500	37	2
Total	6,600	7,406	992

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Instruction:			
Gifted:			
Salaries	\$ 50,600	\$ 50,603	\$ 49,107
Employee benefits	780	7,788	734
Total	51,380	58,391	49,841
Bilingual:			
Salaries	9,800	9,800	8,003
Employee benefits	100	-	-
Purchased services	480	-	390
Total	10,380	9,800	8,393
Total Instruction	2,579,070	3,859,217	3,414,844
Support Services:			
Pupils:			
Attendance and Social Work Services:			
Salaries	77,800	77,777	75,511
Employee benefits	1,250	1,198	1,124
Supplies and materials	105	104	22
Total	79,155	79,079	76,657
Health:			
Salaries	27,400	29,756	26,343
Employee benefits	40	41	38
Supplies and materials	2,350	2,270	1,205
Total	29,790	32,067	27,586
Psychological Services:			
Salaries	82,100	79,373	68,715
Employee benefits	14,830	6,273	13,892
Purchased services	2,500	3,235	578
Supplies and materials	105	99	88
Total	99,535	88,980	83,273

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Support Services:			
Speech Pathology/Audio Services:			
Salaries	\$ 88,000	\$ 87,984	\$ 85,421
Employee benefits	11,070	7,500	6,707
Supplies and materials	330	312	70
Total	99,400	95,796	92,198
Other Support Services:			
Salaries	59,200	58,851	57,015
Employee benefits	600	282	367
Total	59,800	59,133	57,382
Instructional Staff:			
Improvement of Instruction Services:			
Salaries	11,000	5,177	8,509
Employee benefits	200	67	184
Purchased services	14,210	15,146	15,846
Supplies and materials	2,160	210	2,129
Non-capitalized equipment	-	1,394	-
Total	27,570	21,994	26,668
Education Media:			
Salaries	25,900	25,812	25,060
Employee benefits	5,500	5,783	4,944
Supplies and materials	7,575	7,639	7,232
Total	38,975	39,234	37,236
Assessment and Testing:			
Purchased services	5,000	4,973	5,123
Total	5,000	4,973	5,123
General Administration:			
Board of Education Services:			
Employee benefits	-	3	-
Purchased services	65,000	73,078	51,358
Other	6,000	6,008	5,879
Total	71,000	79,089	57,237

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Support Services:			
General Administration:			
Executive Administration Services:			
Salaries	\$ 235,400	\$ 240,414	\$ 228,838
Employee benefits	32,490	32,220	29,033
Purchased services	5,100	4,963	4,555
Other	2,600	2,541	2,119
Total	<u>275,590</u>	<u>280,138</u>	<u>264,545</u>
Special Area Administration Services:			
Salaries	50,000	52,069	58,531
Employee benefits	-	28	-
Purchased services	400	216	177
Total	<u>50,400</u>	<u>52,313</u>	<u>58,708</u>
School Administration:			
Office of the Principal Services:			
Salaries	187,400	182,881	169,232
Employee benefits	32,500	35,141	32,247
Purchased services	600	12,250	26,890
Other	350	350	335
Total	<u>220,850</u>	<u>230,622</u>	<u>228,704</u>
Business:			
Direction of Business Support Services:			
Salaries	48,000	45,083	40,540
Purchased services	500	400	387
Total	<u>48,500</u>	<u>45,483</u>	<u>40,927</u>
Fiscal Services:			
Salaries	89,700	89,606	86,995
Employee benefits	15,400	14,995	14,501
Purchased services	5,000	4,991	4,342
Total	<u>110,100</u>	<u>109,592</u>	<u>105,838</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Support Services:			
Operation & Maintenance of Plant Services:			
Purchased services	\$ 24,150	\$ 21,142	\$ 22,281
Supplies and materials	18,000	14,881	19,241
Total	42,150	36,023	41,522
Pupil Transportation Services:			
Purchased services	4,000	2,513	2,909
Total	4,000	2,513	2,909
Food Services:			
Purchased services	10,000	12,546	15,352
Total	10,000	12,546	15,352
Central:			
Information Services:			
Purchased services	6,400	5,600	6,881
Total	6,400	5,600	6,881
Data Processing Services:			
Purchased services	153,000	155,650	142,414
Capital outlay	15,000	4,254	-
Non-capitalized equipment	-	7,642	13,489
Total	168,000	167,546	155,903
Total Support Services	1,446,215	1,442,721	1,384,649
Community Services:			
Salaries	16,000	14,815	14,814
Employee benefits	400	252	213
Purchased services	30,320	14,811	29,900
Supplies and materials	2,050	10,450	1,873
Total Community Services	48,770	40,328	46,800

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
EDUCATIONAL ACCOUNT
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Payments to Other LEAs and Governmental Units			
Other	\$ 242,500	\$ 194,737	\$ 216,534
Total Payments to Other LEAs and Governmental Units	242,500	194,737	216,534
Total Expenditures Disbursed	4,316,555	5,537,003	5,062,827
NET CHANGE IN FUND BALANCES	\$ (125,855)	(52,939)	75,897
FUND BALANCE JULY 1, 2014		2,087,753	2,011,856
FUND BALANCE JUNE 30, 2015		\$ 2,034,814	\$ 2,087,753

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 WORKING CASH ACCOUNT
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
Earnings on investments	\$ 100	\$ 214	\$ 759
Total Local Sources	<u>100</u>	<u>214</u>	<u>759</u>
Total Revenues Received	<u>100</u>	<u>214</u>	<u>759</u>
NET CHANGE IN FUND BALANCES	<u>\$ 100</u>	214	759
FUND BALANCE JULY 1, 2014		<u>437,559</u>	<u>436,800</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 437,773</u>	<u>\$ 437,559</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 OPERATIONS AND MAINTENANCE FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 442,000	\$ 445,791	\$ 432,403
Earnings on investments	100	132	90
Rentals	50,000	59,684	58,812
Impact fees	25,000	-	26,118
Total Local Sources	<u>517,100</u>	<u>505,607</u>	<u>517,423</u>
Total Revenues Received	<u>517,100</u>	<u>505,607</u>	<u>517,423</u>
EXPENDITURES DISBURSED			
Support Services:			
Operations and Maintenance of Plant Services:			
Salaries	164,400	171,745	154,910
Employee benefits	23,900	32,979	20,166
Purchased services	130,300	117,353	120,814
Supplies and materials	128,000	114,398	121,630
Capital outlay	10,000	2,980	-
Non-capitalized equipment	-	423	6,595
Total Support Services	<u>456,600</u>	<u>439,878</u>	<u>424,115</u>
Total Expenditures Disbursed	<u>456,600</u>	<u>439,878</u>	<u>424,115</u>
NET CHANGE IN FUND BALANCES	<u>\$ 60,500</u>	65,729	93,308
FUND BALANCE JULY 1, 2014		<u>244,029</u>	<u>150,721</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 309,758</u>	<u>\$ 244,029</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 TRANSPORTATION FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 21,900	\$ 20,248	\$ 17,204
Earnings on investments	100	11	16
Total Local Sources	<u>22,000</u>	<u>20,259</u>	<u>17,220</u>
State Sources:			
Transportation aid	<u>37,000</u>	<u>29,038</u>	<u>44,590</u>
Total State Sources	<u>37,000</u>	<u>29,038</u>	<u>44,590</u>
Total Revenues Received	<u>59,000</u>	<u>49,297</u>	<u>61,810</u>
EXPENDITURES DISBURSED			
Support Services:			
Pupil Transportation:			
Purchased services	<u>55,000</u>	<u>36,028</u>	<u>43,526</u>
Total Support Services	<u>55,000</u>	<u>36,028</u>	<u>43,526</u>
Total Expenditures Disbursed	<u>55,000</u>	<u>36,028</u>	<u>43,526</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,000</u>	13,269	18,284
FUND BALANCE JULY 1, 2014		<u>44,050</u>	<u>25,766</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 57,319</u>	<u>\$ 44,050</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 176,600	\$ 180,826	\$ 169,995
Personal property replacement taxes	34,000	36,862	35,830
Earnings on investments	100	466	110
Donations	-	-	4,908
Total Local Sources	<u>210,700</u>	<u>218,154</u>	<u>210,843</u>
Total Revenues Received	<u>210,700</u>	<u>218,154</u>	<u>210,843</u>
EXPENDITURES DISBURSED			
Instruction - employee benefits	70,570	65,292	65,043
Support services - employee benefits	114,930	106,512	105,339
Community services - employee benefits	1,200	946	828
Total Expenditures Disbursed	<u>186,700</u>	<u>172,750</u>	<u>171,210</u>
NET CHANGE IN FUND BALANCES	<u>\$ 24,000</u>	45,404	39,633
FUND BALANCE JULY 1, 2014		<u>47,052</u>	<u>7,419</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 92,456</u>	<u>\$ 47,052</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
DEBT SERVICE FUND
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 890,000	\$ 896,471	\$ 881,433
Earnings on investments	100	46	176
Total Local Sources	<u>890,100</u>	<u>896,517</u>	<u>881,609</u>
Total Revenues Received	<u>890,100</u>	<u>896,517</u>	<u>881,609</u>
EXPENDITURES DISBURSED			
Debt Service:			
Bond principal	294,780	294,780	317,983
Bond interest	581,277	581,122	529,252
Other	-	-	56,051
Total Debt Service	<u>876,057</u>	<u>875,902</u>	<u>903,286</u>
Total Expenditures Disbursed	<u>876,057</u>	<u>875,902</u>	<u>903,286</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>14,043</u>	<u>20,615</u>	<u>(21,677)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	1,860,000
Payment to refunded bonds escrows agent	-	-	(1,796,200)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>63,800</u>
NET CHANGE IN FUND BALANCES	<u>\$ 14,043</u>	20,615	42,123
FUND BALANCE JULY 1, 2014		<u>537,726</u>	<u>495,603</u>
FUND BALANCE JUNE 30, 2015		<u>\$ 558,341</u>	<u>\$ 537,726</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEARS ENDED JUNE 30, 2015 AND 2014

	2015		2014
	Original & Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
Earnings on investments	\$ 100	\$ 4,280	\$ 4,332
Donations	-	-	12,000
Other	34,300	28,236	23,943
Total Local Sources	34,400	32,516	40,275
Total Revenues Received	34,400	32,516	40,275
EXPENDITURES DISBURSED			
Support Services:			
Facilities Acquisition & Construction Services:			
Capital outlay	415,000	43,260	295,850
Non-capitalized equipment	-	74,192	128,088
Total Support Services	415,000	117,452	423,938
Total Expenditures Disbursed	415,000	117,452	423,938
NET CHANGE IN FUND BALANCES	\$ (380,600)	(84,936)	(383,663)
FUND BALANCE JULY 1, 2014		915,145	1,298,808
FUND BALANCE JUNE 30, 2015		\$ 830,209	\$ 915,145

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
ACTIVITY FUNDS
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED
YEAR ENDED JUNE 30, 2015

	Cash Balance July 1, 2014	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2015
General Account	\$ 1,350	\$ 7,828	\$ 7,578	\$ 1,600
Bird Garden	44	-	24	20
Drama	1,042	1,756	2,150	648
Scholarship	4,124	4,984	2,844	6,264
Student Council	2,231	252	-	2,483
Field Trips	(1,658)	18,737	15,949	1,130
Fundraisers	181	24	-	205
Fund The Fish	64	-	63	1
Band	499	1,699	1,923	275
Total	<u>\$ 7,877</u>	<u>\$ 35,280</u>	<u>\$ 30,531</u>	<u>\$ 12,626</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS
 AND COLLECTIONS
 YEARS ENDED JUNE 30, 2015, 2014 AND 2013

	TAX LEVY YEAR		
	2014	2013	2012
ASSESSED VALUATION	<u>\$ 118,224,315</u>	<u>\$ 122,661,862</u>	<u>\$ 132,551,611</u>
TAX EXTENSIONS BY LEVY			
Educational	\$ 3,558,907	\$ 3,479,794	\$ 3,398,888
Operations and maintenance	453,745	438,761	422,840
Bond and interest fund	909,854	884,883	871,129
Municipal retirement	114,678	107,207	98,353
Social security/medicare	71,880	68,323	64,950
Transportation	21,044	19,503	14,846
Special education	<u>71,880</u>	<u>68,323</u>	<u>64,023</u>
Total	<u>\$ 5,201,988</u>	<u>\$ 5,066,794</u>	<u>\$ 4,935,029</u>
TAX COLLECTIONS			
Year Ended June 30,			
2013	\$ -	\$ -	\$ 2,408,555
2014	-	2,499,985	2,519,991
2015	<u>2,566,154</u>	<u>2,563,154</u>	<u>-</u>
Total	<u>\$ 2,566,154</u>	<u>\$ 5,063,139</u>	<u>\$ 4,928,546</u>
Percent of Total Levy Collected through June 30, 2015	<u>49.33%</u>	<u>99.93%</u>	<u>99.87%</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2015

Due Year Ended June 30,	Capital Appreciation Bonds 2002		Taxable General Obligation Refunding Bonds 2013A		General Obligation Refunding Bonds 2013B		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 270,173	\$ 564,827	\$ 5,000	\$ 29,618	\$ 5,000	\$ 26,130	\$ 900,748
2017	257,580	607,420	5,000	29,438	5,000	26,000	930,438
2018	245,266	649,734	5,000	29,258	5,000	25,870	960,128
2019	234,546	695,454	5,000	29,079	5,000	25,740	994,819
2020	222,816	737,184	5,000	28,900	5,000	25,610	1,024,510
2021	212,532	782,468	5,000	28,720	5,000	25,480	1,059,200
2022	202,477	827,523	5,000	28,540	5,000	25,350	1,093,890
2023	-	-	790,000	28,361	75,000	25,220	918,581
2024	-	-	-	-	895,000	23,270	918,270
TOTAL	\$1,645,390	\$4,864,610	\$825,000	\$231,914	\$ 1,005,000	\$228,670	\$ 8,800,584

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
SCHEDULE OF PER CAPITA TUITION CHARGE
AND AVERAGE DAILY ATTENDANCE
YEARS ENDED JUNE 30, 2015, 2014 AND 2013

	Year Ended June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Allowable Expenses	<u>\$ 5,161,208</u>	<u>\$ 4,778,045</u>	<u>\$ 4,552,277</u>
Average Daily Attendance	<u>299.06</u>	<u>271.83</u>	<u>296.91</u>
Per Capita Tuition Charge	<u>\$ 17,258</u>	<u>\$ 17,577</u>	<u>\$ 15,332</u>

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34
 NOTES TO OTHER INFORMATION
 JUNE 30, 2015

NOTE 1. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (TRS)

Changes of Assumptions

Amounts reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

The budget for all Governmental Fund types and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, paragraph 5/17-1 of the Illinois Compiled Statutes. The budget was passed on August 28, 2014.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. All encumbrances lapse at the end of the fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. After July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. Public hearings are conducted at a public meeting to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund; however, any revisions that alter the total expenditures disbursed of any fund must be approved by the Board of Education after a public hearing.
5. Formal budgetary integration is employed as a management control device during the year.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

NOTE 3. OVEREXPENDITURE OF BUDGET

During the year ended June 30, 2015, actual expenditures disbursed exceeded budgeted expenditures in the following funds:

	Actual Disbursed	Budgeted Expenditures
Educational Account	\$ 5,537,003	\$ 4,316,555

The Educational Account was overexpended due to difference of budget versus actual state on-behalf payments (\$1,301,252) to TRS.