

**ANNUAL FINANCIAL REPORT**

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

**JUNE 30, 2016**

**WINFIELD PUBLIC SCHOOL DISTRICT NO. 34**  
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**EVANS, MARSHALL & PEASE, P.C.**

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**CERTIFIED PUBLIC ACCOUNTANTS  
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1875 Hicks Road  
Rolling Meadows, Illinois 60008

**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 Winfield Public School District No. 34, Winfield, Illinois, (the "District"), as of and for the year ended June 30, 2016, 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, 2016, 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.

## **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 7, 2016, 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 7, 2016  
Rolling Meadows, IL  
(12)



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### 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 Winfield Public School District No. 34, Winfield, Illinois, as of and for the year ended June 30, 2016, 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 7, 2016. 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 7, 2016  
Rolling Meadows, IL

**OTHER INFORMATION**  
**Management's Discussion and Analysis – Unaudited**





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, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. 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, 2016 by \$12,086,090 (net position).
- The District's total net position increased by \$252,927.
- Expenses for governmental activities remained relatively stable with last year at \$7,276,460; however, revenue increased by \$343,018.
- The District finished the major roofing project started in fiscal year June 30, 2015. The cost totaled \$416,009.
- The District entered into a lease/purchase agreement during the year for (4) multi-purpose copy machines in the amount of \$33,949.
- Fund balances continue to remain at healthy levels. Fund balances totaled \$4,286,749, which is a decrease of \$33,921 in comparison to the previous year.

### **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 are comprised of three components:

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

This report also contains other information in addition to the basic 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.

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.

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.

#### Notes to the financial statements:

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

#### Other information:

In addition to the basic financial statement and accompanying notes, this report also presents certain other information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

**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, 2016 and 2015:

	Governmental Activities	
	2016	2015
<b>Assets:</b>		
Current assets	\$ 4,286,749	\$ 4,320,670
Capital assets (less depreciation)	11,022,504	10,987,883
Total Assets	<u>15,309,253</u>	<u>15,308,553</u>
<b>Liabilities:</b>		
Current liabilities	273,952	280,173
Noncurrent liabilities	2,949,211	3,195,217
Total Liabilities	<u>3,223,163</u>	<u>3,475,390</u>
<b>Net Position:</b>		
Net investment in capital assets	7,799,341	7,512,493
Restricted	1,604,267	1,848,083
Unrestricted	2,682,482	2,472,587
Total Net Position	<u>\$ 12,086,090</u>	<u>\$ 11,833,163</u>

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 \$12,086,090.

Restricted Net Position: A portion of the District's total net position is considered restricted. The District'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, \$338,456; Transportation Fund, \$78,183; Municipal Retirement Fund, \$144,239; Debt Service Fund, \$589,876; and Capital Projects Fund, \$453,513. The District's total restricted net position at the end of the fiscal year totaled \$1,604,267. There were no significant changes affecting restrictions, commitments, or other limitations to the availability of fund resources for future use.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016

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The following is a summary of the District's changes in net position for the year ending June 30, 2016 and 2015:

	Governmental Activities	
	2016	2015
<b>Revenues:</b>		
<u>Program revenues:</u>		
Charges for services	\$ 209,901	\$ 236,068
Operating grants and contributions	1,820,180	1,636,328
<u>General revenues:</u>		
Property taxes	5,284,316	5,129,309
Corporate personal property replacement	34,526	37,503
Impact fees	-	-
State aid - formula grants	124,756	86,068
Donations from private sources	48,381	54,980
Unrestricted investment earnings	7,327	6,113
<b>Total Revenues</b>	<b>7,529,387</b>	<b>7,186,369</b>
<b>Expenses:</b>		
Instruction	3,962,061	3,924,509
Support services	2,052,869	2,092,097
Community services	29,771	41,274
Payments to other governmental units	188,446	194,737
Interest and fees on long-term debt	622,326	581,122
Depreciation (unallocated)	420,987	431,387
<b>Total Expenses</b>	<b>7,276,460</b>	<b>7,265,126</b>
<b>Change in Net Position</b>	<b>252,927</b>	<b>(78,757)</b>
<b>Net Position - Beginning</b>	<b>11,833,163</b>	<b>11,911,920</b>
<b>Net Position - Ending</b>	<b>\$ 12,086,090</b>	<b>\$ 11,833,163</b>

Changes in Net Position: The District's combined net position increased by \$252,927 to \$12,086,090 in fiscal year 2016.

The District's total revenues were \$7,529,387 for governmental activities. Local taxes (predominantly real estate taxes) were \$5,318,842 or 70.64%. Charges for services were \$209,901 or 2.79%. State and federal funding and grants were \$1,820,180 or 24.17% of the total. General state aid was \$124,756 or 1.66%. Donations were \$48,381 or 0.64% and investments earned \$7,327 or 0.10%.

Total costs for all governmental programs totaled \$7,276,460. Expenditures are predominantly related to instruction, instructional support services, and maintenance of the physical plant. Expenditures remained relatively stable in comparison to the prior year. Interest on long-term debt has increased from the prior year in the amount of \$41,204, and the District will continue to see interest expense increase going forward. Combined expenses for instruction and support services in the fiscal year ended June 30, 2016 totaled \$6,014,930, which is \$1,676 less than the combined total of \$6,016,606 in the previous fiscal year.

**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, 2016. The governmental funds reported combined fund balances of \$4,286,749, which is a decrease of \$33,921 in comparison to the prior year.

Educational Account

- Fund balance increased by \$209,895, resulting in an ending fund balance of \$2,243,799.
- The District received \$215,526 more from state sources, while managing to keep expenditures in check.

Capital Projects Fund

- Fund balance continued to decrease to an ending balance of \$453,513, a decrease of \$376,696.
- The District continued major improvements, including completing a major roof repair project.

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 FY16.
- Fund balances increased by a cumulative amount of \$133,790.

**Capital Assets and Debt Administration**

Capital Assets: Total depreciation expense for the year was \$420,987, while additions to capital assets amounted to \$455,609 which consisted of completion of a major roofing project, (4) copier machines, and other various building improvements and carpeting. More detailed information about capital assets can be found in Note 4 to the financial statements.

Long-Term Debt: At year end, the District had \$3,223,164 in capital appreciation, general obligation bonds, and capital leases outstanding, \$273,952 which is due within the next fiscal year. More detailed information about long-term debt can be found in Note 5 to the financial statements.

	<u>2016</u>	<u>2015</u>
Capital Appreciation Bond	\$ 1,375,217	\$ 1,645,390
General Obligation Bonds	1,820,000	1,830,000
Capital Leases	<u>27,947</u>	<u>-</u>
Total	<u>\$ 3,223,164</u>	<u>\$ 3,475,390</u>

Revenue is collected by the County Assessor to cover the payments on these bonds. Bond payments are not under the tax cap. The District entered into a lease/purchase agreement during the year in the amount of \$33,949.

During FY16, 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 (\$1,440,701) 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. Also, the Debt Service Fund was over-expended by \$7,753; the District did not budget for Capital Lease payments to be expended through the Debt Service Fund.

### **Factors Bearing on the District's Financial Future**

The District has several residential developments that may have an impact on the District's revenues. New construction and housing developments in the area continue to be minimal. Each of these developments provides impact fees and increases the Equalized Assessed Valuation (EAV) which results in additional property taxes. As for expenditures, the District expects the special education costs to continue to exceed the revenue received, and utility costs will continue to rise. Finally, the District received the \$2.3 million from the Illinois Capital Development Board in FY12; a portion was used on the roofing project during FY14 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.



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## **BASIC FINANCIAL STATEMENTS**



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2016

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 4,286,749
Capital assets not being depreciated:	
Land	591,553
Capital assets, net of accumulated depreciation:	
Buildings and improvements	9,999,190
Land improvements	283,306
Equipment	148,455
Total Assets	15,309,253
<b>LIABILITIES</b>	
Noncurrent liabilities:	
Due within one year	273,952
Due in more than one year	2,949,211
Total Liabilities	3,223,163
<b>NET POSITION</b>	
Net investment in capital assets	7,799,341
Restricted for:	
Operations and maintenance	338,456
Transportation	78,183
Municipal retirement/social security	144,239
Debt service	589,876
Capital projects	453,513
Unrestricted	2,682,482
Total Net Position	\$ 12,086,090

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  
 FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/ PROGRAMS	Expenses Disbursed	Program Revenues Received			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 3,962,061	\$ 209,901	\$ 1,756,944	\$ -	\$ (1,995,216)
Support services	2,052,869	-	63,236	-	(1,989,633)
Community services	29,771	-	-	-	(29,771)
Payments to other governmental units	188,446	-	-	-	(188,446)
<b>Debt service:</b>					
Interest on long-term debt	622,326	-	-	-	(622,326)
Depreciation - unallocated	420,987	-	-	-	(420,987)
<b>Total Governmental Activities</b>	<b>\$ 7,276,460</b>	<b>\$ 209,901</b>	<b>\$ 1,820,180</b>	<b>\$ -</b>	<b>(5,246,379)</b>
<b>GENERAL REVENUES RECEIVED:</b>					
<b>Taxes:</b>					
Property taxes					5,284,316
Personal property replacement taxes					34,526
Donations from private sources					48,381
State aid - formula grants					124,756
Unrestricted investment earnings					7,327
<b>Total General Revenues Received</b>					<b>5,499,306</b>
<b>CHANGE IN NET POSITION</b>					<b>252,927</b>
<b>NET POSITION - JULY 1, 2015</b>					<b>11,833,163</b>
<b>NET POSITION - JUNE 30, 2016</b>					<b>\$ 12,086,090</b>

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

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 GOVERNMENTAL FUNDS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 MODIFIED CASH BASIS  
 JUNE 30, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
<b>ASSETS</b>				
Cash	\$ 2,682,482	\$ 338,456	\$ 78,183	\$ 144,239
Total Assets	<u>\$ 2,682,482</u>	<u>\$ 338,456</u>	<u>\$ 78,183</u>	<u>\$ 144,239</u>
<b>LIABILITIES</b>				
	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>				
Restricted:				
Debt service	-	-	-	-
Municipal retirement/social security	-	-	-	144,239
Operations & maintenance	-	338,456	-	-
Transportation	-	-	78,183	-
Committed:				
Capital projects	-	-	-	-
Unassigned	2,682,482	-	-	-
Total Fund Balances	<u>2,682,482</u>	<u>338,456</u>	<u>78,183</u>	<u>144,239</u>
Total Liabilities and Fund Balances	<u>\$ 2,682,482</u>	<u>\$ 338,456</u>	<u>\$ 78,183</u>	<u>\$ 144,239</u>

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
\$ 589,876	\$ 453,513	\$ 4,286,749
<u>\$ 589,876</u>	<u>\$ 453,513</u>	<u>\$ 4,286,749</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
589,876	-	589,876
-	-	144,239
-	-	338,456
-	-	78,183
-	453,513	453,513
-	-	2,682,482
<u>589,876</u>	<u>453,513</u>	<u>4,286,749</u>
<u>\$ 589,876</u>	<u>\$ 453,513</u>	<u>\$ 4,286,749</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)  
JUNE 30, 2016

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Total fund balances-governmental funds (Exhibit C) \$ 4,286,749

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	
Buildings and improvements	16,005,371	
Land improvements	603,136	
Equipment	<u>640,624</u>	
Total cost of capital assets	17,840,684	
Accumulated depreciation	<u>(6,818,180)</u>	
Net investment in capital assets		11,022,504

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:

Capital leases payable	(27,946)	
Bonds payable	<u>(3,195,217)</u>	
Total long-term liabilities		<u>(3,223,163)</u>

Net position-governmental activities (Exhibit A) \$ 12,086,090

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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, 2016

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 3,686,729	\$ 458,654	\$ 20,921	\$ 186,730
Personal property replacement taxes	-	-	-	34,526
Student tuition and fees	30,226	-	-	-
Interest on investments	4,453	463	134	1,039
Pupil activities	106,380	-	-	-
Donations	48,381	-	-	-
Rentals	-	20,000	-	-
Other	3,984	-	-	-
State sources:				
General state aid	124,756	-	-	-
Transportation aid	-	-	28,982	-
Special education	162,105	-	-	-
Bilingual	1,774	-	-	-
School lunch programs	212	-	-	-
Other	1,500	-	-	-
State on behalf payments	1,440,701	-	-	-
Federal sources:				
Special milk program	3,893	-	-	-
Title I - low income	62,512	-	-	-
IDEA preschool flow through	2,825	-	-	-
IDEA flow through	85,527	-	-	-
Title II - teacher quality	12,559	-	-	-
Medicaid matching	17,590	-	-	-
<b>Total Revenues Received</b>	<b>5,796,107</b>	<b>479,117</b>	<b>50,037</b>	<b>222,295</b>
<b>EXPENDITURES</b>				
Instruction	3,895,029	-	-	67,033
Support services	1,466,322	432,178	29,173	102,247
Community services	28,539	-	-	1,232
Payments to other governmental units	188,446	-	-	-
Capital outlay	33,949	18,241	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures Disbursed</b>	<b>5,612,285</b>	<b>450,419</b>	<b>29,173</b>	<b>170,512</b>

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
\$ 931,282	\$ -	\$ 5,284,316
-	-	34,526
-	-	30,226
878	360	7,327
-	-	106,380
-	-	48,381
-	-	20,000
-	49,311	53,295
-	-	124,756
-	-	28,982
-	-	162,105
-	-	1,774
-	-	212
-	-	1,500
-	-	1,440,701
-	-	3,893
-	-	62,512
-	-	2,825
-	-	85,527
-	-	12,559
-	-	17,590
932,160	49,671	7,529,387
-	-	3,962,062
-	22,949	2,052,869
-	-	29,771
-	-	188,446
-	403,418	455,608
286,175	-	286,175
622,326	-	622,326
908,501	426,367	7,597,257

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

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	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	183,822	28,698	20,864	51,783
OTHER FINANCING SOURCES (USES)				
Capital leases	33,949	-	-	-
Transfer in	-	-	-	-
Transfers out	(7,876)	-	-	-
Total Other Financing Sources	26,073	-	-	-
NET CHANGE IN FUND BALANCES	209,895	28,698	20,864	51,783
FUND BALANCE - JULY 1, 2015	2,472,587	309,758	57,319	92,456
FUND BALANCE - JUNE 30, 2016	<u>\$ 2,682,482</u>	<u>\$ 338,456</u>	<u>\$ 78,183</u>	<u>\$ 144,239</u>

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
23,659	(376,696)	(67,870)
-	-	33,949
7,876	-	7,876
-	-	(7,876)
7,876	-	33,949
31,535	(376,696)	(33,921)
558,341	830,209	4,320,670
<u>\$ 589,876</u>	<u>\$ 453,513</u>	<u>\$ 4,286,749</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

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Total net change in fund balances-governmental funds (Exhibit D) \$ (33,921)

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	\$ (420,987)	
Capital outlays - over capitalization policy limits	<u>455,609</u>	
Capital outlay in excess of depreciation expense		34,622

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net position. (33,949)

Repayment of debt principal is reported as an expenditure in governmental funds and thus, has the effect of reducing fund balance because current financial resources have been used. In the government-wide statements, however, the principal reduces the liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities. The District's debt was reduced by principal payments made to debt holders.

Principal paid on capital lease	6,002	
Principal paid to bond holders	<u>280,173</u>	
Total principal paid on debt		<u>286,175</u>

Change in net position of governmental activities (Exhibit B) \$ 252,927

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF ASSETS AND LIABILITIES (CASH BASIS)  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2016

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	<u>Total Agency Funds</u>
ASSETS	
Cash	<u>\$ 13,972</u>
Total Assets	<u><u>\$ 13,972</u></u>
LIABILITIES	
Due to organizations	<u>\$ 13,972</u>
Total Liabilities	<u><u>\$ 13,972</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.

*Governmental Funds 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:

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

**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.

**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:

- 1) 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
- 2) 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.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

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

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.
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. Equity Classifications/Fund Balance Reporting**

*Government-Wide Reporting*

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.

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

**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 (\$338,456), the Transportation Fund (\$78,183), the Municipal Retirement Fund (\$144,239), the Debt Service Fund (\$589,876), and the Capital Projects Fund (\$453,513), totaling \$1,604,267.

**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.

*Governmental 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.

**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, 2016, 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, 2016, 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.

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

*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.

**E. Cash and Deposits**

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and certificates of deposits.

**F. 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.

**G. 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.

**H. 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.

**NOTE 2. CASH AND DEPOSITS**

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and certificates of deposit. The District has adopted a formal cash management policy. The financial institutions in which accounts 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.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 2. CASH AND DEPOSITS (Cont'd)**

At June 30, 2016, the carrying amount of the District's deposits and investments totaled \$4,286,749. Bank balances totaling \$4,385,704 are separated into the following components:

Cash	Amount	Maturity Less Than Six Months
Cash with financial institutions	\$ 307,169	\$ 307,169
Certificates of deposit	200,000	200,000
ISDLAF+	3,878,535	3,878,535
<b>Total Deposits</b>	<b>\$ 4,385,704</b>	<b>\$ 4,385,704</b>

*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 .64 days and the weighted portfolio yield was 0.250%.

*Credit Risk:* The District is allowed to invest in securities as authorized by Chapter 30, Sections 23 5/2, and 23 5/6, and Chapter 105, Section 5/8-7 of the *Illinois Compiled Statutes*. These Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. Agencies' accounts and any other investments constituting direct obligations of any bank as defined by the Illinois Bank Act, certain short-term commercial paper, accounts of federally insured savings and loans, and the state treasurers' investment pool. The District has no cash policy that would further limit its cash choices.

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 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 that are in the possession of an outside party. The bank balance of \$4,385,704 is exposed to custodial credit risk as follows:

Depository Account	Bank Balance
Insured	\$ 507,169
Uncollateralized	3,878,535
<b>Total Deposits</b>	<b>\$ 4,385,704</b>

**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 2015 tax levy, payable in 2016, was December 14, 2015 and the 2014 tax levy, payable in 2015, was passed on December 15, 2014. 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.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 3. PROPERTY TAXES (Cont'd)**

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

Tax Year	2015		2014	
	Rates	Extensions	Rates	Extensions
Equalized Assessed Valuation	\$124,267,295		\$118,224,315	
Educational	2.9145	\$ 3,621,770	3.0103	\$ 3,558,907
Operations & Maintenance	0.3679	457,179	0.3838	453,745
Transportation	0.0165	20,504	0.0178	21,044
Municipal Retirement	0.0922	114,575	0.0970	114,678
Special Education	0.0561	69,714	0.0608	71,880
Bond & Interest	0.7563	939,834	0.7696	909,854
Social Security	0.0561	69,714	0.0608	71,880
<b>Totals</b>	<b>4.2596</b>	<b>\$ 5,293,290</b>	<b>4.4001</b>	<b>\$ 5,201,988</b>

**NOTE 4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities:				
Not being depreciated:				
Land	\$ 591,553	\$ -	\$ -	\$ 591,553
Construction in Progress	24,763	-	24,763	-
Subtotal	616,316	-	24,763	591,553
Other Capital Assets:				
Buildings and Improvements	15,565,566	439,805	-	16,005,371
Land Improvements	603,136	-	-	603,136
Equipment	600,058	40,566	-	640,624
Subtotal	16,768,760	480,371	-	17,249,131
Accumulated Depreciation:				
Building and Improvements	5,645,409	360,772	-	6,006,181
Land Improvements	293,630	26,200	-	319,830
Equipment	458,154	34,015	-	492,169
Subtotal	6,397,193	420,987	-	6,818,180
<b>Net Capital Assets</b>	<b>\$ 10,963,120</b>	<b>\$ 59,384</b>	<b>\$ -</b>	<b>\$ 11,022,504</b>

Depreciation was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 420,987
<b>Total governmental activities depreciation expense</b>	<b>\$ 420,987</b>



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 5. CHANGES IN LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Additions	Retirements	Refunded	Balance June 30, 2016	Due Within One Year
<b>Bonds:</b>						
Capital Appreciation Bond, Series 2002	\$ 1,645,390	\$ -	\$ 270,173	\$ -	\$ 1,375,217	\$ 257,580
General Obligation Bonds:						
Refunding School Bond, Series 2013A	825,000	-	5,000	-	820,000	5,000
Refunding School Bond, Series 2013B	1,005,000	-	5,000	-	1,000,000	5,000
<b>Total Bonds</b>	<b>3,475,390</b>	<b>-</b>	<b>280,173</b>	<b>-</b>	<b>3,195,217</b>	<b>267,580</b>
<b>Capital Leases:</b>						
(4) Copier Machines	-	33,949	6,002	-	27,947	6,372
<b>Total Long-Term Debt</b>	<b>\$ 3,475,390</b>	<b>\$ 33,949</b>	<b>\$ 286,175</b>	<b>\$ -</b>	<b>\$ 3,223,164</b>	<b>\$ 273,952</b>

**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, 2016 is \$1,375,217.

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, 2016 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, 2016 is \$1,000,000.

At June 30, 2016 the annual debt service cash flow requirements to service all bonds are:

Year Ending June 30,	Principal	Interest
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
<b>Total</b>	<b>\$ 3,195,217</b>	<b>\$ 4,704,619</b>

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**NOTE 5. CHANGES IN LONG-TERM DEBT (Cont'd)**

**Lease/Purchase Agreements**

The District has acquired certain equipment by entering into various installment purchase obligations. The total cost of the property and equipment has been included in the capital assets in the year of acquisition. These obligations will be paid from current operating funds of the Educational Account, General Fund of the Governmental Fund.

On June 26, 2015, the District entered into a lease/purchase agreement with PMA Leasing for the purchase of (3) Ricoh and (1) Lexmark copier machines, totaling \$33,949, with a monthly payment of \$656 including interest at 6.00%. The remaining balance due at June 30, 2016 is \$27,947.

As of June 30, 2016, the annual debt service requirements to cover outstanding lease/purchase agreements are:

Year Ending June 30	Principal	Interest	Total
2017	\$ 6,372	\$ 1,504	\$ 7,876
2018	6,766	1,110	7,876
2019	7,183	693	7,876
2020	7,626	250	7,876
Total	<u>\$ 27,947</u>	<u>\$ 3,557</u>	<u>\$ 31,504</u>

Based on the 2015 assessed valuation of \$124,267,295, the legal debt margin of 6.9 percent is \$8,574,443. At June 30, 2016 the outstanding bonded debt to which the legal debt margin applies is \$3,195,217, leaving an available borrowing power of \$5,379,226.

**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.

**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

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

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2016, State of Illinois contributions recognized by the 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 \$1,413,240 in pension contributions from the State of Illinois.

**2.2 formula contributions.** Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$14,886, and are deferred because they were paid after the June 30, 2015 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2016, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$-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, 2015 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

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

and salary. The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the 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, 2016, 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, 2016, 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:

	Amount
Employer's proportionate share of the net pension liability	\$ 288,876
State's proportionate share of the net pension liability associated with the employer	17,249,695
Total	\$ 17,538,571

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The 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, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the employer's proportion was .0004 percent, which is the same proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the employer recognized pension expense of \$1,428,126 and revenue of \$1,413,240 for support provided by the state. At June 30, 2016, 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	\$ 107	\$ 317
Net difference between projected and actual earnings on pension plan investments	5,721	10,115
Changes of assumptions	3,995	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,217	77,754
Employer contributions subsequent to the measurement date	14,886	-
Total	\$ 36,926	\$ 88,186

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

\$14,886 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (22,784)
2018	\$ (22,784)
2019	\$ (22,784)
2020	\$ 2,205

*Actuarial Assumptions*

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

<b>Inflation</b>	3.00 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.50 percent, net of pension plan investment expense, including inflation

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

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

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

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

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

*Discount Rate*

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

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

*Sensitivity of the 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 7.47 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 (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate.

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Employer's proportionate share of the net pension liability	\$ 356,980	\$ 288,876	\$ 233,029

*TRS Fiduciary Net Position*

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

**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

**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

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 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$27,467, 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, 2016. For the year ended June 30, 2016, the employer paid \$20,532 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".

**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](http://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.

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

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, 2015, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	29
Inactive Plan Members entitled to but not yet receiving benefits	70
Active Plan Members	21
Total	120

**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 2015 was 12.97%. For the fiscal year ended 2016, the employer contributed \$79,328 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, 2015. 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, 2015:

- 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 2.75%.
- **Salary Increases** were expected to be 4.40% to 16.00%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.



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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2011 valuation according to an experience study from years 2008 to 2010.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the 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 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:

Asset Class	Target Allocation	Return 12/31/2015	Projected Returns/Risks	
			One Year Arithmetic	Ten Year Geometric
Equities	38%	0.02%	8.85%	7.39%
International Equities	17%	-1.90%	9.55%	7.59%
Fixed Income	27%	-0.09%	3.05%	3.00%
Real Estate	8%	11.99%	7.20%	6.00%
Alternatives	9%			
Private Equity		N/A	13.15%	8.15%
Hedge Funds		N/A	5.55%	5.25%
Commodities		N/A	4.40%	2.75%
Cash Equivalents	1%	N/A	2.25%	2.25%
Total	<u>100%</u>			

**Single Discount Rate**

A Single Discount Rate of 7.45% 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

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

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 3.57%, 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, 2014	\$ 2,457,596	\$ 1,994,585	\$ 463,011
Changes for the year:			
Service Cost	67,245	-	67,245
Interest on the Total Pension Liability	182,118	-	182,118
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(9,520)	-	(9,520)
Changes of Assumptions	-	-	-
Contributions - Employer	-	77,757	(77,757)
Contributions - Employees	-	26,979	(26,979)
Net Investment Income	-	10,001	(10,001)
Benefits Payments, including Refunds of Employee Contributions	(93,362)	(93,362)	-
Other (Net Transfer)	-	8,646	(8,646)
Net Changes	<u>146,481</u>	<u>30,021</u>	<u>116,460</u>
Balances at December 31, 2015	<u>\$ 2,604,077</u>	<u>\$ 2,024,606</u>	<u>\$ 579,471</u>

**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)	\$ 906,523	\$ 579,471	\$ 306,810

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

For the year ended June 30, 2016, the employer recognized pension expense of \$118,089. At June 30, 2016, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

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**NOTE 6. RETIREMENT SYSTEMS (Cont'd)**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 3,607
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	128,068	-
Total Deferred Amounts to be recognized in pension expense in future periods	128,068	3,607
<i>Pension Contributions made subsequent to the Measurement Date</i>		
	45,806	-
Total Deferred Amounts Related to Pensions	\$ 173,874	\$ 3,607

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
2016	\$ 29,726	\$ -
2017	33,333	-
2018	33,334	-
2019	28,068	-
2020	-	-
Thereafter	-	-
Total	\$ 124,461	\$ -

**D. Aggregate Pension Amounts**

For the year ended June 30, 2016, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 36,926	\$ 173,874	\$ 210,800
Net Pension Liability	288,876	579,471	868,347
Deferred Inflows of Resources	88,186	3,607	91,793
Pension Expense, Net of State Support	14,886	118,089	132,975

**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.

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**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, 2016.

**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 2016 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:

	<u>Amount</u>
Workers compensation	\$ 29,930
Liability insurance	27,879
Legal expenses	<u>5,201</u>
Total Tort Immunity Expenditures	<u><u>\$ 63,010</u></u>

**NOTE 11. GENERAL STATE AID EXPENDITURES FOR SPECIAL EDUCATION SERVICES**

For the year ended June 30, 2016, \$651 of Special Education (line item 1200) was paid with revenue code 3001, General State Aid.

**NOTE 12. 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, 2016, 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 2016\*

	<u>FY 15*</u>	<u>FY 14*</u>
Employer's proportion of the net pension liability	0.0004%	0.0004%
Employer's proportionate share of the net pension liability	\$ 288,876	\$ 253,764
State's proportionate share of the net pension liability associated with the employer	<u>17,249,695</u>	<u>15,824,975</u>
Total	<u>\$ 17,538,571</u>	<u>\$ 16,078,739</u>
Employer's covered-employee payroll	\$ 2,566,471	\$ 2,664,029
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11%	10%
Plan fiduciary net position as a percentage of the total pension liability	40.50%	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 2016

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	FY 15*	FY 14*
Contractually-required contribution	\$ 14,886	\$ 15,451
Contributions in relation to the contractually-required contribution	14,886	15,443
Contribution deficiency (excess)	\$ -	\$ 8
Employer's covered-employee payroll	\$ 2,566,471	\$ 2,664,029
Contributions as a percentage of covered-employee payroll	0.58%	0.58%

\* 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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
JUNE 30, 2016

Calendar year ending December 31,	2015	2014
Total pension liability		
Service cost	\$ 67,245	\$ 75,184
Interest on the total pension liability	182,118	166,030
Benefit changes	-	-
Difference between expected and actual experience of the total pension liability	(9,520)	(48,577)
Changes of assumptions	-	122,287
Benefit payments, including refunds of employee contributions	(93,362)	(84,724)
Net change in pension liability	146,481	230,200
Total pension liability - beginning	2,457,596	2,227,396
Total pension liability - ending (A)	<u>\$ 2,604,077</u>	<u>\$ 2,457,596</u>
Plan fiduciary net position		
Contributions - employer	\$ 77,757	\$ 78,604
Contributions - employees	26,979	31,206
Net investment income	10,001	113,556
Benefit payments, including refunds of employee contributions	(93,362)	(84,724)
Other (net transfer)	8,646	6,911
Net change in plan fiduciary net position	30,021	145,553
Plan fiduciary net position - beginning	1,994,585	1,849,032
Plan fiduciary net position - ending (B)	<u>\$ 2,024,606</u>	<u>\$ 1,994,585</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ 579,471</u>	<u>\$ 463,011</u>
Plan fiduciary net position as a percentage of total pension liability	77.75%	81.16%
Covered valuation payroll	\$ 599,520	\$ 628,834
Net pension liability as a percentage of covered valuation payroll	96.66%	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  
JUNE 30, 2016

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%
2015	77,758	77,757	1	599,520	12.97%

**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>	28-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, 2013, 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  
 JUNE 30, 2016

	Educational Account	Working Cash Account	Total General Fund
<b>ASSETS</b>			
Cash	\$ 2,243,799	\$ 438,683	\$ 2,682,482
Total Assets	<u>\$ 2,243,799</u>	<u>\$ 438,683</u>	<u>\$ 2,682,482</u>
<b>LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>			
Unassigned	<u>2,243,799</u>	<u>438,683</u>	<u>2,682,482</u>
Total Fund Balances	<u>2,243,799</u>	<u>438,683</u>	<u>2,682,482</u>
Total Liabilities and Fund Balances	<u>\$ 2,243,799</u>	<u>\$ 438,683</u>	<u>\$ 2,682,482</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
GENERAL FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BY ACCOUNT  
YEAR ENDED JUNE 30, 2016

	Original and Final Budget	Educational Account	Working Cash Account	Total General Fund
<b>REVENUES RECEIVED</b>				
Local sources:				
Property taxes	\$ 3,650,500	\$ 3,686,729	\$ -	\$ 3,686,729
Personal property replacement taxes	1,000	-	-	-
Student tuition and fees	38,000	30,226	-	30,226
Interest on investments	1,100	3,543	910	4,453
Pupil activities	49,500	106,380	-	106,380
Donations	57,500	48,381	-	48,381
Other	38,500	3,984	-	3,984
State sources	217,800	1,731,048	-	1,731,048
Federal sources	163,000	184,906	-	184,906
<b>Total Revenues Received</b>	<b>4,216,900</b>	<b>5,795,197</b>	<b>910</b>	<b>5,796,107</b>
<b>EXPENDITURES DISBURSED</b>				
Instruction	2,526,910	3,928,978	-	3,928,978
Support services	1,433,180	1,466,322	-	1,466,322
Community services	46,730	28,539	-	28,539
Payments to other governmental units	225,000	188,446	-	188,446
Capital outlay	20,000	-	-	-
<b>Total Expenditures Disbursed</b>	<b>4,251,820</b>	<b>5,612,285</b>	<b>-</b>	<b>5,612,285</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(34,920)</b>	<b>182,912</b>	<b>910</b>	<b>183,822</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	-	33,949	-	33,949
Transfers out	-	(7,876)	-	(7,876)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>26,073</b>	<b>-</b>	<b>26,073</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (34,920)</b>	<b>208,985</b>	<b>910</b>	<b>209,895</b>
<b>FUND BALANCE - JULY 1, 2015</b>		<b>2,034,814</b>	<b>437,773</b>	<b>2,472,587</b>
<b>FUND BALANCE - JUNE 30, 2016</b>		<b>\$ 2,243,799</b>	<b>\$ 438,683</b>	<b>\$ 2,682,482</b>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 3,580,000	\$ 3,615,431	\$ 3,515,952
Special education levy	70,500	71,298	70,021
Corporate replacement taxes	1,000	-	641
Tuition and fees	38,000	30,226	45,047
Earnings on investments	1,000	3,543	964
Pupil activities	49,500	106,380	91,221
Donations	57,500	48,381	54,980
Other	38,500	3,984	11,880
<b>Total Local Sources</b>	<b>3,836,000</b>	<b>3,879,243</b>	<b>3,790,706</b>
State Sources:			
General state aid	70,000	124,756	86,068
Special education	143,100	162,105	121,244
Bilingual	4,000	1,774	5,856
School lunch programs	200	212	352
Other	500	1,500	750
State on behalf payments	-	1,440,701	1,301,252
<b>Total State Sources</b>	<b>217,800</b>	<b>1,731,048</b>	<b>1,515,522</b>
Federal Sources:			
Special milk program	3,000	3,893	4,778
Title I - low income	52,000	62,512	54,983
IDEA preschool flow through	1,000	2,825	2,550
IDEA flow through	90,000	85,527	93,607
Title II - teacher quality	10,000	12,559	12,647
Medicaid matching	7,000	17,590	9,271
<b>Total Federal Sources</b>	<b>163,000</b>	<b>184,906</b>	<b>177,836</b>
<b>Total Revenues Received</b>	<b>4,216,800</b>	<b>5,795,197</b>	<b>5,484,064</b>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Instruction:			
Regular Programs:			
Salaries	\$ 1,729,090	\$ 1,718,033	\$ 1,763,537
Employee benefits	159,790	130,277	139,594
Employee benefits-on-behalf	-	1,440,701	1,301,252
Supplies and materials	42,500	42,189	41,782
Capital outlay	-	33,949	-
Total	<u>1,931,380</u>	<u>3,365,149</u>	<u>3,246,165</u>
Special Education Programs:			
Salaries	360,130	326,854	376,741
Employee benefits	79,220	65,417	68,664
Supplies and materials	3,300	21,967	3,721
Total	<u>442,650</u>	<u>414,238</u>	<u>449,126</u>
Educationally Deprived/Remedial Programs:			
Salaries	34,500	38,262	38,312
Employee benefits	2,100	5	964
Purchased services	6,230	7,129	7,175
Supplies and materials	10,050	12,714	10,890
Non-capitalized equipment	-	2,356	-
Total	<u>52,880</u>	<u>60,466</u>	<u>57,341</u>
Interscholastic Programs:			
Salaries	30,350	25,053	26,659
Employee benefits	1,850	2,141	1,769
Purchased services	3,000	2,220	2,560
Total	<u>35,200</u>	<u>29,414</u>	<u>30,988</u>
Summer School Programs:			
Salaries	8,140	8,600	7,369
Employee benefits	200	59	37
Total	<u>8,340</u>	<u>8,659</u>	<u>7,406</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Instruction:			
Gifted:			
Salaries	\$ 38,200	\$ 38,200	\$ 50,603
Employee benefits	12,690	5,260	7,788
Total	50,890	43,460	58,391
Bilingual:			
Salaries	5,470	7,592	9,800
Employee benefits	100	-	-
Total	5,570	7,592	9,800
Total Instruction	2,526,910	3,928,978	3,859,217
Support Services:			
Pupils:			
Attendance and Social Work Services:			
Salaries	78,900	78,710	77,777
Employee benefits	1,160	1,246	1,198
Supplies and materials	105	101	104
Total	80,165	80,057	79,079
Health:			
Salaries	26,000	28,539	29,756
Employee benefits	50	43	41
Supplies and materials	2,350	1,634	2,270
Total	28,400	30,216	32,067
Psychological Services:			
Salaries	74,500	73,932	79,373
Employee benefits	6,920	15,118	6,273
Purchased services	-	-	3,235
Supplies and materials	105	114	99
Total	81,525	89,164	88,980

(Continued)



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Speech Pathology/Audio Services:			
Salaries	\$ 89,500	\$ 89,040	\$ 87,984
Employee benefits	8,010	8,971	7,500
Supplies and materials	330	322	312
Total	<u>97,840</u>	<u>98,333</u>	<u>95,796</u>
Other Support Services:			
Salaries	67,000	62,184	58,851
Employee benefits	660	1,469	282
Total	<u>67,660</u>	<u>63,653</u>	<u>59,133</u>
Instructional Staff:			
Improvement of Instruction Services:			
Salaries	11,000	9,616	5,177
Employee benefits	200	520	67
Purchased services	13,020	17,945	15,146
Supplies and materials	1,610	2,125	210
Non-capitalized equipment	1,260	-	1,394
Total	<u>27,090</u>	<u>30,206</u>	<u>21,994</u>
Education Media:			
Salaries	26,200	26,122	25,812
Employee benefits	5,600	5,509	5,783
Supplies and materials	7,950	7,675	7,639
Total	<u>39,750</u>	<u>39,306</u>	<u>39,234</u>
Assessment and Testing:			
Purchased services	5,000	4,866	4,973
Total	<u>5,000</u>	<u>4,866</u>	<u>4,973</u>
General Administration:			
Board of Education Services:			
Employee benefits	-	3	3
Purchased services	70,500	59,782	73,078
Other	6,500	5,791	6,008
Total	<u>77,000</u>	<u>65,576</u>	<u>79,089</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
General Administration:			
Executive Administration Services:			
Salaries	\$ 253,000	\$ 252,290	\$ 240,414
Employee benefits	34,950	37,308	32,220
Purchased services	5,450	4,688	4,963
Other	2,800	2,155	2,541
Total	<u>296,200</u>	<u>296,441</u>	<u>280,138</u>
Special Area Administration Services:			
Salaries	50,700	50,587	52,069
Employee benefits	100	-	28
Purchased services	500	204	216
Total	<u>51,300</u>	<u>50,791</u>	<u>52,313</u>
School Administration:			
Office of the Principal Services:			
Salaries	192,500	190,568	182,881
Employee benefits	35,400	38,215	35,141
Purchased services	600	10,685	12,250
Other	350	350	350
Total	<u>228,850</u>	<u>239,818</u>	<u>230,622</u>
Business:			
Direction of Business Support Services:			
Salaries	43,000	43,000	45,083
Purchased services	5,550	5,455	400
Total	<u>48,550</u>	<u>48,455</u>	<u>45,483</u>
Fiscal Services:			
Salaries	90,800	90,682	89,606
Employee benefits	15,950	18,510	14,995
Purchased services	8,000	7,910	4,991
Total	<u>114,750</u>	<u>117,102</u>	<u>109,592</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Operation & Maintenance of Plant Services:			
Purchased services	\$ 23,000	\$ 12,282	\$ 21,142
Supplies and materials	18,000	17,158	14,881
Total	41,000	29,440	36,023
Pupil Transportation Services:			
Purchased services	5,000	3,279	2,513
Total	5,000	3,279	2,513
Food Services:			
Purchased services	14,000	15,346	12,546
Total	14,000	15,346	12,546
Central:			
Information Services:			
Purchased services	4,100	3,441	5,600
Total	4,100	3,441	5,600
Data Processing Services:			
Purchased services	125,000	139,567	155,650
Capital outlay	20,000	-	4,254
Non-capitalized equipment	-	21,265	7,642
Total	145,000	160,832	167,546
Total Support Services	1,453,180	1,466,322	1,442,721
Community Services:			
Salaries	22,500	15,380	14,815
Employee benefits	480	91	252
Purchased services	13,450	10,606	14,811
Supplies and materials	10,300	2,462	10,450
Total Community Services	46,730	28,539	40,328

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Payments to Other LEAs and Governmental Units			
Other	\$ 225,000	\$ 188,446	\$ 194,737
Total Payments to Other LEAs and Governmental Units	225,000	188,446	194,737
Total Expenditures Disbursed	4,251,820	5,612,285	5,537,003
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,020)	182,912	(52,939)
OTHER FINANCING SOURCES (USES)			
Capital leases	-	33,949	-
Transfers out	-	(7,876)	-
Total Other Financing Sources	-	26,073	-
NET CHANGE IN FUND BALANCES	\$ (35,020)	208,985	(52,939)
FUND BALANCE - JULY 1, 2015		2,034,814	2,087,753
FUND BALANCE - JUNE 30, 2016		\$ 2,243,799	\$ 2,034,814

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 WORKING CASH ACCOUNT  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2016  


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 WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
Earnings on investments	\$ 100	\$ 910	\$ 214
Total Local Sources	100	910	214
Total Revenues Received	100	910	214
NET CHANGE IN FUND BALANCES	\$ 100	910	214
FUND BALANCE - JULY 1, 2015		437,773	437,559
FUND BALANCE - JUNE 30, 2016		\$ 438,683	\$ 437,773

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 452,000	\$ 458,654	\$ 445,791
Earnings on investments	100	463	132
Rentals	20,000	20,000	59,684
Impact fees	5,000	-	-
Total Local Sources	<u>477,100</u>	<u>479,117</u>	<u>505,607</u>
Total Revenues Received	<u>477,100</u>	<u>479,117</u>	<u>505,607</u>
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Operations and Maintenance of Plant Services:			
Salaries	177,000	168,472	171,745
Employee benefits	35,800	39,696	32,979
Purchased services	120,700	103,174	117,353
Supplies and materials	128,000	120,836	114,398
Capital outlay	10,000	18,241	2,980
Non-capitalized equipment	-	-	423
Total Support Services	<u>471,500</u>	<u>450,419</u>	<u>439,878</u>
Total Expenditures Disbursed	<u>471,500</u>	<u>450,419</u>	<u>439,878</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,600</u>	28,698	65,729
FUND BALANCE - JULY 1, 2015		<u>309,758</u>	<u>244,029</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 338,456</u>	<u>\$ 309,758</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  


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WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 20,300	\$ 20,921	\$ 20,248
Earnings on investments	-	134	11
Total Local Sources	<u>20,300</u>	<u>21,055</u>	<u>20,259</u>
State Sources:			
Transportation aid	<u>25,000</u>	<u>28,982</u>	<u>29,038</u>
Total State Sources	<u>25,000</u>	<u>28,982</u>	<u>29,038</u>
Total Revenues Received	<u>45,300</u>	<u>50,037</u>	<u>49,297</u>
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Pupil Transportation:			
Purchased services	<u>55,000</u>	<u>29,173</u>	<u>36,028</u>
Total Support Services	<u>55,000</u>	<u>29,173</u>	<u>36,028</u>
Total Expenditures Disbursed	<u>55,000</u>	<u>29,173</u>	<u>36,028</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (9,700)</u>	20,864	13,269
FUND BALANCE - JULY 1, 2015		<u>57,319</u>	<u>44,050</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 78,183</u>	<u>\$ 57,319</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  
YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 183,000	\$ 186,730	\$ 180,826
Personal property replacement taxes	32,000	34,526	36,862
Earnings on investments	200	1,039	466
Total Local Sources	<u>215,200</u>	<u>222,295</u>	<u>218,154</u>
Total Revenues Received	<u>215,200</u>	<u>222,295</u>	<u>218,154</u>
EXPENDITURES DISBURSED			
Instruction - employee benefits	68,970	67,033	65,292
Support services - employee benefits	112,100	102,247	106,512
Community services - employee benefits	1,300	1,232	946
Total Expenditures Disbursed	<u>182,370</u>	<u>170,512</u>	<u>172,750</u>
NET CHANGE IN FUND BALANCES	<u>\$ 32,830</u>	51,783	45,404
FUND BALANCE - JULY 1, 2015		<u>92,456</u>	<u>47,052</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 144,239</u>	<u>\$ 92,456</u>



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 921,100	\$ 931,282	\$ 896,471
Earnings on investments	100	878	46
Total Local Sources	<u>921,200</u>	<u>932,160</u>	<u>896,517</u>
Total Revenues Received	<u>921,200</u>	<u>932,160</u>	<u>896,517</u>
EXPENDITURES DISBURSED			
Debt Service:			
Principal retirement	280,173	286,175	294,780
Interest	620,575	622,326	581,122
Total Debt Service	<u>900,748</u>	<u>908,501</u>	<u>875,902</u>
Total Expenditures Disbursed	<u>900,748</u>	<u>908,501</u>	<u>875,902</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>20,452</u>	<u>23,659</u>	<u>20,615</u>
OTHER FINANCING SOURCES			
Transfers in	-	7,876	-
Total Other Financing Sources	<u>-</u>	<u>7,876</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 20,452</u>	31,535	20,615
FUND BALANCE - JULY 1, 2015		<u>558,341</u>	<u>537,726</u>
FUND BALANCE - JUNE 30, 2016		<u>\$ 589,876</u>	<u>\$ 558,341</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE TOTALS FOR 2015

	2016		2015
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
Earnings on investments	\$ 2,000	\$ 360	\$ 4,280
Other	30,000	49,311	28,236
Total Local Sources	32,000	49,671	32,516
Total Revenues Received	32,000	49,671	32,516
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Facilities Acquisition & Construction Services:			
Purchased services	-	8,623	-
Capital outlay	439,900	403,418	43,260
Non-capitalized equipment	-	14,326	74,192
Total Support Services	439,900	426,367	117,452
Total Expenditures Disbursed	439,900	426,367	117,452
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (407,900)</b>	<b>(376,696)</b>	<b>(84,936)</b>
FUND BALANCE - JULY 1, 2015		830,209	915,145
FUND BALANCE - JUNE 30, 2016		\$ 453,513	\$ 830,209

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
ACTIVITY FUNDS  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
YEAR ENDED JUNE 30, 2016

	Cash Balance July 1, 2015	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2016
General Account	\$ 1,600	\$ 8,079	\$ 7,617	\$ 2,062
Bird Garden	20	-	-	20
Drama	648	2,474	2,243	879
Scholarship	6,264	6,361	3,637	8,988
Student Council	2,483	39	-	2,522
Field Trips	1,130	16,231	18,211	(850)
Fundraisers	205	-	-	205
Fund The Fish	1	-	-	1
Science	-	90	54	36
Band	275	571	737	109
Total	<u>\$ 12,626</u>	<u>\$ 33,845</u>	<u>\$ 32,499</u>	<u>\$ 13,972</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS  
 AND COLLECTIONS  
 YEARS ENDED JUNE 30, 2016, 2015 AND 2014

	TAX LEVY YEAR		
	2015	2014	2013
ASSESSED VALUATION	<u>\$ 124,267,295</u>	<u>\$ 118,224,315</u>	<u>\$ 122,661,862</u>
TAX EXTENSIONS BY LEVY			
Educational	\$ 3,621,770	\$ 3,558,907	\$ 3,479,794
Operations and maintenance	457,179	453,745	438,761
Bond and interest fund	939,834	909,854	884,883
Municipal retirement	114,575	114,678	107,207
Social security/medicare	69,714	71,880	68,323
Transportation	20,504	21,044	19,503
Special education	<u>69,714</u>	<u>71,880</u>	<u>68,323</u>
Total	<u>\$ 5,293,290</u>	<u>\$ 5,201,988</u>	<u>\$ 5,066,794</u>
TAX COLLECTIONS			
Year Ended June 30,			
2014	\$ -	\$ -	\$ 2,499,985
2015	-	2,566,154	2,563,154
2016	<u>2,655,162</u>	<u>2,629,155</u>	<u>-</u>
Total	<u>\$ 2,655,162</u>	<u>\$ 5,195,309</u>	<u>\$ 5,063,139</u>
Percent of Total Levy Collected through June 30, 2016	<u>50.16%</u>	<u>99.87%</u>	<u>99.93%</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2016

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	
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	<u>\$ 1,375,217</u>	<u>\$ 4,299,783</u>	<u>\$ 820,000</u>	<u>\$ 202,296</u>	<u>\$ 1,000,000</u>	<u>\$ 202,540</u>	<u>\$ 7,899,836</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
SCHEDULE OF PER CAPITA TUITION CHARGE  
AND AVERAGE DAILY ATTENDANCE  
YEARS ENDED JUNE 30, 2016, 2015 AND 2014

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	Year Ended June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Allowable Expenses	<u>\$ 5,060,568</u>	<u>\$ 5,161,208</u>	<u>\$ 4,778,045</u>
Average Daily Attendance	<u>290.66</u>	<u>299.06</u>	<u>271.83</u>
Per Capita Tuition Charge	<u>\$ 17,411</u>	<u>\$ 17,258</u>	<u>\$ 17,577</u>

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 NOTES TO OTHER INFORMATION  
 JUNE 30, 2016

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

*Changes of Assumptions*

Amounts reported in 2015 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 salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75%.

**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 27, 2015.

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, 2016, actual expenditures disbursed exceeded budgeted expenditures in the following funds:

	Actual Disbursed	Budgeted Expenditures
Educational Account	\$ 5,612,285	\$ 4,251,820
Debt Service Fund	908,501	900,748

The Educational Account was over-expended due to difference of budget versus actual state on-behalf payments (\$1,440,701) to TRS. The Debt Service Fund was over-expended due to the District not budgeting for principal and interest retirement for a new capital lease issue out of the Debt Service Fund.