

**ANNUAL FINANCIAL REPORT**

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

**JUNE 30, 2017**

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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winfield Public School District No. 34, Winfield, Illinois, (the "District"), as of and for the year ended June 30, 2017, 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, each major fund, and the aggregate remaining fund information of Winfield Public School District No. 34, as of June 30, 2017, 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2017, 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

October 10, 2017  
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, 2017, 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 October 10, 2017. 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

October 10, 2017  
Rolling Meadows, IL

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





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, 2017. 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, 2017, by \$12,402,428 (net position).
- The District's total net position increased by \$316,338.
- Revenues and expenses for governmental activities increased modestly; revenues by \$634,526 and expenses by \$571,115.
- The District had capital outlay expenditures in the amount of \$141,125 for various improvements and equipment purchases.
- Fund balances continue to remain at healthy levels. Fund balances totaled \$4,618,348, which is an increase of \$331,599 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 received, expenditures disbursed, 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.

**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, 2017 and 2016:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current assets	\$ 4,618,348	\$ 4,286,749
Capital assets (less depreciation)	<u>10,733,291</u>	<u>11,022,504</u>
Total Assets	<u>15,351,639</u>	<u>15,309,253</u>
<b>Liabilities:</b>		
Noncurrent liabilities:		
Due within one year	262,032	273,952
Due in more than one year	<u>2,687,179</u>	<u>2,949,211</u>
Total Liabilities	<u>2,949,211</u>	<u>3,223,163</u>
<b>Net Position:</b>		
Net investment in capital assets	7,784,080	7,799,341
Restricted	1,688,365	1,604,267
Unrestricted	<u>2,929,983</u>	<u>2,682,482</u>
Total Net Position	<u>\$ 12,402,428</u>	<u>\$ 12,086,090</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 is \$12,402,428.

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 Municipal Retirement/Social Security Fund 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, \$377,753; Transportation Fund, \$63,879; Municipal Retirement/Social Security Fund, \$194,269; Debt Service Fund, \$615,078; and Capital Projects Fund, \$437,386. The District's total restricted net position at the end of the fiscal year totaled \$1,688,365. 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, 2017

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The following is a summary of the District's changes in net position for the year ending June 30, 2017 and 2016:

	Governmental Activities	
	2017	2016
<b>Revenues:</b>		
<u>Program revenues:</u>		
Charges for services	\$ 243,801	\$ 209,901
Operating grants and contributions	2,348,991	1,820,180
<u>General revenues:</u>		
Property taxes	5,321,281	5,284,316
Corporate replacement taxes	38,352	34,526
General state aid	133,936	124,756
Donations from private sources	65,234	48,381
Interest on investments	12,318	7,327
Total Revenues	<u>8,163,913</u>	<u>7,529,387</u>
<b>Expenses:</b>		
Instruction	4,459,014	3,962,061
Support services	2,088,251	2,052,869
Community services	7,930	29,771
Payments to other governmental units	197,848	188,446
Interest and fees on long-term debt	664,194	622,326
Depreciation (unallocated)	430,338	420,987
Total Expenses	<u>7,847,575</u>	<u>7,276,460</u>
<b>Change in Net Position</b>	316,338	252,927
<b>Net Position - Beginning</b>	<u>12,086,090</u>	<u>11,833,163</u>
<b>Net Position - Ending</b>	<u>\$ 12,402,428</u>	<u>\$ 12,086,090</u>

Changes in Net Position: The District's combined net position increased by \$316,338 to \$12,402,428 in fiscal year 2017.

The District's total revenues were \$8,163,913 for governmental activities. Local taxes (predominantly real estate taxes) were \$5,359,633 or 65.65%. Charges for services were \$243,801 or 2.99%. State and federal funding and grants were \$2,348,991 or 28.77% of the total. General state aid was \$133,936 or 1.64%. Donations were \$65,234 or 0.80% and investments earned \$12,318 or 0.15%.

Total costs for all governmental programs totaled \$7,847,575. Expenses are predominantly related to instruction, instructional support services, and maintenance of the physical plant. Expenses remained relatively stable in comparison to the prior year. Interest on long-term debt has increased from the prior year in the amount of \$41,868, 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, 2017, totaled \$6,547,265, which is \$532,335 more than the combined total of \$6,014,930 in the previous fiscal year.

As noted earlier it should be kept in mind that to get a true picture of the District's revenue, expenses and balances the "on-behalf" payment by the state to the Teachers' Retirement System (TRS) must be discounted. This amount totaled \$2,027,093 in fiscal year 2017, and is included in "operating grants and contributions" in the revenues and "instruction" within the expenses. On-behalf payments by the state totaled \$1,440,701 in fiscal year 2016.

**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, 2017. The governmental funds reported combined fund balances of \$4,618,348, which is an increase of \$331,599 in comparison to the prior year.

Educational Account

- Fund balance increased by \$246,245, resulting in an ending fund balance of \$2,490,044.
- Revenues totaled \$6,335,235, which is \$540,038 more than the previous year; on-behalf payments increased \$586,392 to \$2,027,093.

Transportation Fund

- Fund balance decreased to an ending balance of \$63,879, a decrease of \$14,304.
- Pupil transportation – purchased service expenditures increased by \$21,167 to \$50,340, while the District received \$15,305 in state transportation aid.

Capital Projects Fund

- Fund balance continued to decrease to an ending balance of \$437,386, a decrease of \$16,127.
- The District completed various building improvements totaling \$93,037.

Remaining Funds

- The Working Cash Account, Operations and Maintenance Fund, Municipal Retirement/Social Security Fund, and Debt Service Fund continued to see fund balances grow in FY17.
- Fund balances increased by a cumulative amount of \$115,785.

**Capital Assets and Debt Administration**

Capital Assets:

Total depreciation expense for the year was \$430,338, while additions to capital assets amounted to \$141,125, which consisted of the purchase and installation of unit ventilators among various other equipment purchases and building/land improvement projects.

	<u>2017</u>	<u>2016</u>
Land	\$ 591,553	\$ 591,553
Land Improvements	295,017	283,306
Buildings and Improvements	9,691,220	9,999,190
Equipment and Furniture	<u>155,501</u>	<u>148,455</u>
Total	<u>\$ 10,733,291</u>	<u>\$ 11,022,504</u>

More detailed information about capital assets can be found in Note 4 to the financial statements.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2017

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Long-Term Debt:

At year end, the District had \$2,949,212 in capital appreciation, general obligation bonds, and capital leases outstanding, \$262,032 which is due within the next fiscal year.

	<u>2017</u>	<u>2016</u>
Capital Appreciation Bond	\$ 1,117,637	\$ 1,375,217
General Obligation Bonds	1,810,000	1,820,000
Capital Leases	<u>21,574</u>	<u>27,947</u>
Total	<u>\$ 2,949,211</u>	<u>\$ 3,223,164</u>

Revenue is collected by the County Assessor to cover the payments on these bonds. Bond payments are not under the tax cap. During FY17, the District did not experience any negative changes in its debt credit rating or limitation.

More detailed information about long-term debt can be found in Note 5 to the financial statements.

**Budgetary Analysis**

The Educational Account was over-expended by \$1,831,403 due to difference of budget versus actual state on-behalf payments (\$2,027,093) 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. The Debt Service Fund was over-expended by \$7,708; the District did not budget for capital lease payments to be expended through the Debt Service Fund. Transportation Fund is over-expended by \$5,340 due to timing differences, since the District prepares the financial statements on the modified cash basis of accounting. Various payments in the current fiscal year applied to services performed in the prior fiscal year. Capital Projects Fund was over-expended by \$22,996 because of unexpected emergency projects that needed to be serviced or taken care of in a timely manner.

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

The State of Illinois has recently changed the state funding formula for schools. Winfield School District will be a Tier 4 school district, this means that new revenues from the State will be significantly limited, accounting for 0.01% of new funds allocated by the State. Conversely, the District can expect a consistent allocation from the State based on current funding levels. The District has a solid foundation of local property tax support which is the primary generator of revenue. It is funded above the State defined adequacy level.

**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, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 4,618,348
Capital assets not being depreciated:	
Land	591,553
Capital assets, net of accumulated depreciation:	
Buildings and improvements	9,691,220
Land improvements	295,017
Equipment and furniture	155,501
Total Assets	15,351,639
<b>LIABILITIES</b>	
Noncurrent liabilities:	
Due within one year	262,032
Due in more than one year	2,687,179
Total Liabilities	2,949,211
<b>NET POSITION</b>	
Net investment in capital assets	7,784,080
Restricted for:	
Operations and maintenance	377,753
Transportation	63,879
Municipal retirement/social security	194,269
Debt service	615,078
Capital projects	437,386
Unrestricted	2,929,983
Total Net Position	\$ 12,402,428

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, 2017

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					
Regular programs	\$ 1,784,419	\$ 165,728	\$ 4,955	\$ -	\$ (1,613,736)
Special education programs	519,963	78,073	237,964	-	(203,926)
Other instructional programs	127,539	-	51,584	-	(75,955)
State on-behalf retirement	2,027,093	-	2,027,093	-	-
Support services					
Pupils	375,166	-	-	-	(375,166)
Instructional staff	79,213	-	8,669	-	(70,544)
General administration	473,214	-	-	-	(473,214)
School administration	235,002	-	-	-	(235,002)
Business	765,091	-	18,726	-	(746,365)
Central	160,565	-	-	-	(160,565)
Community services	7,930	-	-	-	(7,930)
Payments to other governmental units	197,848	-	-	-	(197,848)
Debt service:					
Interest and fees on long-term debt	664,194	-	-	-	(664,194)
Depreciation - unallocated	430,338	-	-	-	(430,338)
<b>Total Governmental Activities</b>	<b>\$ 7,847,575</b>	<b>\$ 243,801</b>	<b>\$ 2,348,991</b>	<b>\$ -</b>	<b>(5,254,783)</b>
<b>GENERAL REVENUES RECEIVED:</b>					
Taxes:					
Property taxes levied for general and specific purposes					4,368,253
Property taxes levied for debt service					953,028
Corporate replacement taxes					38,352
Donations from private sources					65,234
General state aid					133,936
Interest on investments					12,318
<b>Total General Revenues Received</b>					<b>5,571,121</b>
<b>CHANGE IN NET POSITION</b>					<b>316,338</b>
<b>NET POSITION - JULY 1, 2016</b>					<b>12,086,090</b>
<b>NET POSITION - JUNE 30, 2017</b>					<b>\$ 12,402,428</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, 2017

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
<b>ASSETS</b>				
Cash	\$ 2,929,983	\$ 377,753	\$ 63,879	\$ 194,269
Total Assets	<u>\$ 2,929,983</u>	<u>\$ 377,753</u>	<u>\$ 63,879</u>	<u>\$ 194,269</u>
<b>LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Restricted:				
Debt service	-	-	-	-
Municipal retirement/social security	-	-	-	194,269
Operations and maintenance	-	377,753	-	-
Transportation	-	-	63,879	-
Capital projects	-	-	-	-
Unassigned	2,929,983	-	-	-
Total Fund Balances	<u>2,929,983</u>	<u>377,753</u>	<u>63,879</u>	<u>194,269</u>
Total Liabilities and Fund Balances	<u>\$ 2,929,983</u>	<u>\$ 377,753</u>	<u>\$ 63,879</u>	<u>\$ 194,269</u>

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
\$ 615,078	\$ 437,386	\$ 4,618,348
\$ 615,078	\$ 437,386	\$ 4,618,348
\$ -	\$ -	\$ -
615,078	-	615,078
-	-	194,269
-	-	377,753
-	-	63,879
-	437,386	437,386
-	-	2,929,983
615,078	437,386	4,618,348
\$ 615,078	\$ 437,386	\$ 4,618,348



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND FUND  
BALANCES (MODIFIED CASH BASIS) TO THE STATEMENT OF NET POSITION (MODIFIED CASH BASIS)  
JUNE 30, 2017

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Total fund balances-governmental funds (Exhibit C) \$ 4,618,348

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	16,065,468	
Land improvements	641,650	
Equipment	<u>683,138</u>	
Total cost of capital assets	17,981,809	
Accumulated depreciation	<u>(7,248,518)</u>	
Net capital assets		10,733,291

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	(21,574)	
Bonds payable	<u>(2,927,637)</u>	
Total long-term liabilities		<u>(2,949,211)</u>

Net position-governmental activities (Exhibit A) \$ 12,402,428

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 3,699,229	\$ 460,888	\$ 20,535	\$ 187,601
Corporate replacement taxes	-	-	-	38,352
Student tuition and fees	36,688	-	-	-
Interest on investments	6,866	697	196	1,707
Pupil activities	57,346	-	-	-
Donations from private sources	50,380	14,854	-	-
Rentals	-	44,445	-	-
Other	18,360	-	-	-
State sources				
General state aid	133,936	-	-	-
Transportation aid	-	-	15,305	-
Special education	123,604	-	-	-
Bilingual	4,151	-	-	-
School lunch programs	142	-	-	-
Other	19,496	-	-	-
State on-behalf retirement revenues	2,027,093	-	-	-
Federal sources				
Special milk program	3,279	-	-	-
Title I - low income	47,433	-	-	-
IDEA preschool flow through	2,074	-	-	-
IDEA flow through	92,790	-	-	-
Title II - teacher quality	8,669	-	-	-
Medicaid matching funds - admin. outreach	4,955	-	-	-
<b>Total Revenues Received</b>	<b>6,336,491</b>	<b>520,884</b>	<b>36,036</b>	<b>227,660</b>
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular programs	1,760,477	-	-	23,942
Special education programs	474,989	-	-	44,974
Other instructional programs	126,128	-	-	1,411
Support services				
Pupils	362,575	-	-	12,591
Instructional staff	73,540	-	-	5,673
General administration	458,127	-	-	15,087
School administration	220,579	-	-	14,423
Business	208,095	436,668	50,340	59,529
Central	160,565	-	-	-
Community services	7,930	-	-	-
Payments to other governmental units	197,848	-	-	-
State on-behalf retirement expenditures	2,027,093	-	-	-

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
\$ 953,028	\$ -	\$ 5,321,281
-	-	38,352
-	-	36,688
2,445	407	12,318
-	-	57,346
-	-	65,234
-	-	44,445
-	86,962	105,322
-	-	133,936
-	-	15,305
-	-	123,604
-	-	4,151
-	-	142
-	-	19,496
-	-	2,027,093
-	-	3,279
-	-	47,433
-	-	2,074
-	-	92,790
-	-	8,669
-	-	4,955
<u>955,473</u>	<u>87,369</u>	<u>8,163,913</u>

-	-	1,784,419
-	-	519,963
-	-	127,539
-	-	375,166
-	-	79,213
-	-	473,214
-	-	235,002
-	10,459	765,091
-	-	160,565
-	-	7,930
-	-	197,848
-	-	2,027,093

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WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
EXPENDITURES				
Capital outlay	\$ 3,169	\$ 44,919	\$ -	\$ -
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures Disbursed	<u>6,081,115</u>	<u>481,587</u>	<u>50,340</u>	<u>177,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>255,376</u>	<u>39,297</u>	<u>(14,304)</u>	<u>50,030</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfers out	<u>(7,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(7,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	247,501	39,297	(14,304)	50,030
FUND BALANCE - JULY 1, 2016	<u>2,682,482</u>	<u>338,456</u>	<u>78,183</u>	<u>144,239</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 2,929,983</u>	<u>\$ 377,753</u>	<u>\$ 63,879</u>	<u>\$ 194,269</u>

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

Debt Service Fund	Capital Projects Fund	Total Governmental Funds
\$ -	\$ 93,037	\$ 141,125
273,952	-	273,952
664,194	-	664,194
<u>938,146</u>	<u>103,496</u>	<u>7,832,314</u>
<u>17,327</u>	<u>(16,127)</u>	<u>331,599</u>
7,875	-	7,875
-	-	(7,875)
<u>7,875</u>	<u>-</u>	<u>-</u>
25,202	(16,127)	331,599
589,876	453,513	4,286,749
<u>\$ 615,078</u>	<u>\$ 437,386</u>	<u>\$ 4,618,348</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES (MODIFIED CASH BASIS) TO THE STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2017

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Total net change in fund balances-governmental funds (Exhibit D) \$ 331,599

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	\$ (430,338)	
Capital outlays - over capitalization policy limits	<u>141,125</u>	
Depreciation expense in excess of capital outlay		(289,213)

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 leases	6,372	
Principal paid to bond holders	<u>267,580</u>	
Total principal paid on debt		<u>273,952</u>

Change in net position of governmental activities (Exhibit B) \$ 316,338

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2017

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	<u>Total Agency Funds</u>
ASSETS	
Cash	<u>\$ 20,546</u>
Total Assets	<u><u>\$ 20,546</u></u>
LIABILITIES	
Due to organizations	<u>\$ 20,546</u>
Total Liabilities	<u><u>\$ 20,546</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 non-exchange 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:

**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

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

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/Social Security 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.

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, payments to Medicare and payments to the Social Security system for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

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

Debt Service Fund – A Debt Service Fund used to accumulate resources for, and payment of, general long-term debt, principal, interest, and related costs.

Capital Projects Fund – A Capital Projects Fund that accounts for financial resources to be used for the acquisition, construction, or additions to major capital facilities.

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

**C. Measurement Focus/Basis of Accounting**

**Measurement Focus**

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

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

**Basis of Accounting**

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the basic financial statements. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

**D. 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.

**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 (\$377,753), the Transportation Fund (\$63,879), the Municipal Retirement/Social Security Fund (\$194,269), the Debt Service Fund (\$615,078), and the Capital Projects Fund (\$437,386), totaling \$1,688,365.

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

**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, 2017, 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, 2017, 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. Assignments may take place after the reporting period.

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

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

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

**E. Cash and Deposits**

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable 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.

**I. Corporate Replacement Taxes**

Corporate replacement taxes are first allocated to the Municipal Retirement/Social Security Fund, and the balance is allocated to the General Fund at the discretion of the Board of Education.

**NOTE 2. CASH AND DEPOSITS**

Cash and deposits are considered to be cash on hand, cash with financial institutions, savings deposit accounts, and non-negotiable 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, 2017

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

At June 30, 2017, the carrying amount of the District's deposits totaled \$4,638,894, which includes \$20,546 in the agency funds. Bank balances totaling \$4,742,860 are separated into the following components:

	Governmental	Fiduciary	Total
Cash and Deposits	\$ 4,722,295	\$ 20,565	\$ 4,742,860

	Amount	Maturity Less Than Six Months
Cash and Deposits		
Cash with Financial Institutions	\$ 405,156	\$ 405,156
Non-negotiable Certificates of Deposits ISDLAF+	1,820,000 2,517,704	1,820,000 2,517,704
Total Cash and Deposits	\$ 4,742,860	\$ 4,742,860

*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 2.52 days and the weighted portfolio yield was 0.720%.

*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 investment 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. This fund is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments are valued at net asset value (NAV) per share price, which is the price at which the investment could be sold, as determined by the pool.

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the District will not be able to recover the value of its deposits that are in the possession of an outside party. The bank balance of \$4,742,860 is exposed to custodial credit risk as follows:

Depository Account	Bank Balance
Insured/Collateralized	\$ 2,225,156
Uncollateralized	2,517,704
Total Deposits	\$ 4,742,860

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**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 2016 tax levy, payable in 2017, was December 15, 2016 and the 2015 tax levy, payable in 2016, was passed on December 14, 2015. Taxes attach as an enforceable lien on property on the date of levy and are payable in two installments (June 1 and September 1) subsequent to the year of levy. The District receives significant distributions of tax receipts approximately one month after these due dates.

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

Tax Year	2016		2015	
	Equalized Assessed Valuation		Equalized Assessed Valuation	
	\$134,930,113		\$124,267,295	
Purpose	Rates	Extensions	Rates	Extensions
Educational	2.7028	\$ 3,646,891	2.9145	\$ 3,621,770
Operations and Maintenance	0.3456	466,318	0.3679	457,179
Transportation	0.0153	20,644	0.0165	20,504
Municipal Retirement	0.0871	117,524	0.0922	114,575
Special Education	0.0549	74,077	0.0561	69,714
Debt Service	0.7187	969,743	0.7563	939,834
Social Security	0.0549	74,077	0.0561	69,714
Totals	3.9793	\$ 5,369,274	4.2596	\$ 5,293,290

**NOTE 4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities:				
Not being depreciated:				
Land	\$ 591,553	\$ -	\$ -	\$ 591,553
Subtotal	591,553	-	-	591,553
Other Capital Assets:				
Buildings and Improvements	16,005,371	60,097	-	16,065,468
Land Improvements	603,136	38,514	-	641,650
Equipment and Furniture	640,624	42,514	-	683,138
Subtotal	17,249,131	141,125	-	17,390,256
Accumulated Depreciation:				
Building and Improvements	6,006,181	368,067	-	6,374,248
Land Improvements	319,830	26,803	-	346,633
Equipment and Furniture	492,169	35,468	-	527,637
Subtotal	6,818,180	430,338	-	7,248,518
Net Capital Assets	\$ 11,022,504	\$ (289,213)	\$ -	\$ 10,733,291

Depreciation was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 430,338
Total governmental activities depreciation expense	\$ 430,338



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

Long-term debt activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
<b>Bonds:</b>					
Capital Appreciation Bond, Series 2002	\$ 1,375,217	\$ -	\$ 257,580	\$ 1,117,637	\$ 245,266
Refunding School Bond, Series 2013A	820,000	-	5,000	815,000	5,000
Refunding School Bond, Series 2013B	1,000,000	-	5,000	995,000	5,000
<b>Total Bonds</b>	<b>3,195,217</b>	<b>-</b>	<b>267,580</b>	<b>2,927,637</b>	<b>255,266</b>
<b>Capital Leases:</b>					
(4) Copier Machines	27,946	-	6,372	21,574	6,766
<b>Total Long-Term Debt</b>	<b>\$ 3,223,163</b>	<b>\$ -</b>	<b>\$ 273,952</b>	<b>\$ 2,949,211</b>	<b>\$ 262,032</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, 2017, is \$1,117,637.

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, 2017, is \$815,000.

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, 2017, is \$995,000.

At June 30, 2017, the annual debt service cash flow requirements to service all bonds are:

Year Ending June 30,	Principal	Interest
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>\$ 2,927,637</b>	<b>\$ 4,041,761</b>

**Capital Leases**

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.

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

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, 2017, is \$21,574.

As of June 30, 2017, the annual debt service requirements to cover outstanding capital lease agreements are:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,766	\$ 1,110	\$ 7,876
2019	7,182	694	7,876
2020	<u>7,626</u>	<u>250</u>	<u>7,876</u>
Total	<u>\$ 21,574</u>	<u>\$ 2,054</u>	<u>\$ 23,628</u>

**Legal Debt Margin**

Based on the 2016 assessed valuation of \$134,930,113, the legal debt margin of 6.9 percent is \$9,310,178. At June 30, 2017 the outstanding bonded debt to which the legal debt margin applies is \$2,927,637, leaving an available borrowing power of \$6,382,541.

**NOTE 6. RETIREMENT SYSTEMS**

**A. Teachers' Retirement System of the State of Illinois (TRS)**

**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 [www.trsil.org](http://www.trsil.org); by writing to TRS at 2815 West Washington Street, P. O. Box 19253, Springfield, IL 62794; or by calling (888) 678-3675.

*Benefits Provided*

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

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

**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

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. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the expiration of the Early Retirement Option (ERO). 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, 2017, 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 \$1,999,418 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, 2017, were \$14,331, and are deferred because they were paid after the June 30, 2016, measurement date.

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

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, 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, 2016, measurement date.

**Employer retirement contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016, is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer paid \$-0- to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

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**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

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, 2017, the employer paid \$1,550 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, 2017, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	\$ 303,230
State's proportionate share of the net pension liability associated with the employer	20,359,412
<b>Total</b>	<b><u>\$ 20,662,642</u></b>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the employer's proportion was .00038 percent, which was a (decrease) of .00006 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the employer recognized pension expense of \$2,013,749 and revenue of \$1,999,418 for support provided by the state. At June 30, 2017, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 2,242	\$ 206
Net difference between projected and actual earnings on pension plan investments	8,567	-
Changes of assumptions	26,043	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,108	82,974
Total deferred amounts to be recognized in pension expense in future periods	45,960	83,180
<i>Pension contributions made subsequent to the measurement date</i>	14,331	-
<b>Total</b>	<b>\$ 60,291</b>	<b>\$ 83,180</b>

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**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

\$14,331 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, 2018. 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 Ending June 30,	Net Deferred Outflows (Inflows) Of Resources
2018	\$ (21,055)
2019	(21,055)
2020	3,512
2021	1,604
2022	(225)
Total	<u>\$ (37,219)</u>

*Actuarial Assumptions*

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	Varies by amount of service credit
<b>Investment rate of return</b>	7.00 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.

For the June 30, 2016, valuation, the investment return assumption was lowered from 7.50 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

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:

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**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private equity	14.0%	10.63%
Total	<u>100%</u>	

*Discount Rate*

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was changed from the June 30, 2015, rate of 7.47 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, 2016, 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, 2015, the discount rate used to measure the total pension liability was 7.47 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 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
Employer's proportionate share of the net pension liability	\$ 370,863	\$ 303,230	\$ 247,992

*TRS Fiduciary Net Position*

Detailed information about the TRS's fiduciary net position as of June 30, 2016, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

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

**B. 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.

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, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	34
Inactive Plan Members entitled to but not yet receiving benefits	65
Active Plan Members	22
Total	121

**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

**Contributions**

As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2016 was 13.47%. For the fiscal year ended 2017, the employer contributed \$82,761 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, 2016. 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, 2016:

- 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 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012); 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 2012). 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:



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**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38%	8.30%	6.85%
International Equities	17%	8.45%	6.75%
Fixed Income	27%	3.05%	3.00%
Real Estate	8%	6.90%	5.75%
Alternatives	9%		
Private Equity		12.45%	7.35%
Hedge Funds		5.35%	5.25%
Commodities		4.25%	2.65%
Cash Equivalents	1%	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
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 3.78%, and the resulting single discount rate is 7.45%.

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**NOTE 6. RETIREMENT FUND COMMITMENTS (Cont'd)**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 2,604,077	\$ 2,024,606	\$ 579,471
Changes for the year:			
Service Cost	69,553	-	69,553
Interest on the Total Pension Liability	192,805	-	192,805
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(58,884)	-	(58,884)
Changes of Assumptions	(15,318)	-	(15,318)
Contributions - Employer	-	82,761	(82,761)
Contributions - Employees	-	27,649	(27,649)
Net Investment Income	-	136,563	(136,563)
Benefits Payments, including Refunds of Employee Contributions	(101,730)	(101,730)	-
Other (Net Transfer)	-	29,203	(29,203)
Net Changes	<u>86,426</u>	<u>174,446</u>	<u>(88,020)</u>
Balances at December 31, 2016	<u>\$ 2,690,503</u>	<u>\$ 2,199,052</u>	<u>\$ 491,451</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 7.50%, 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% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 3,019,514	\$ 2,690,503	\$ 2,416,033
Plan Fiduciary Net Position	<u>2,199,052</u>	<u>2,199,052</u>	<u>2,199,052</u>
Net Pension Liability	<u>\$ 820,462</u>	<u>\$ 491,451</u>	<u>\$ 216,981</u>

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

For the year ended June 30, 2017, the employer recognized pension expense of \$39,843. At June 30, 2017, 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 FUND COMMITMENTS (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	\$ -	\$ 22,805
Changes of assumptions	-	5,933
Net difference between projected and actual earnings on pension plan investments	108,097	-
Total deferred amounts to be recognized in pension expense in future periods	108,097	28,738
<i>Pension contributions made subsequent to the measurement date</i>		
	46,883	-
Total Deferred Amounts Related to Pensions	\$ 154,980	\$ 28,738

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
2017	\$ 7,936	\$ -
2018	36,675	-
2019	31,409	-
2020	3,339	-
2021	-	-
Thereafter	-	-
Total	\$ 79,359	\$ -

**C. Aggregate Pension Amounts**

For the year ended June 30, 2017, aggregate pension amounts are as follows:

	TRS	IMRF	Total
Deferred Outflows of Resources	\$ 60,291	\$ 154,980	\$ 215,271
Net Pension Liability	303,230	491,451	794,681
Deferred Inflows of Resources	83,180	28,738	111,918
Pension Expense, Net of State Support	14,331	39,843	54,174

**D. Social Security/Medicare**

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

## NOTE 7. OTHER POST EMPLOYMENT BENEFITS

### A. 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. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

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

- *On-Behalf Contributions to the THIS Fund*

The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$27,675, 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 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the employer paid \$20,756 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".

### B. Retiree Healthcare Plan

The District provides postemployment medical insurance benefits (OPEB) for retired employees as required by state regulation. No formal postemployment benefit plan has been established. The District's implicit cost is equal to the difference between current premium levels and what those premiums would be if retirees were not included. The implicit cost cannot presently be determined; however, management believes that this amount is immaterial.

## NOTE 8. 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.

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 9. COMMITMENTS**

The District was under no contractual commitment obligations as of June 30, 2017.

**NOTE 10. 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 2017 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 11. TORT IMMUNITY EXPENDITURES**

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

	<u>Amount</u>
Workers' compensation	\$ 32,842
Liability insurance	26,459
Legal expenses	<u>15,934</u>
Total Tort Immunity Expenditures	<u><u>\$ 75,235</u></u>

**NOTE 12. INTERFUND TRANSFERS**

Transfers are used to (1) move revenue from the fund with collection authorization to the Debt Service Fund as Debt Service principal and interest become due, and (2) move amounts between funds as required by state regulations and local ordinances.

The District made an interfund transfer from the General Fund to the Debt Service Fund in the amount of \$7,875 for principal and interest payments paid on the capital lease.

**NOTE 13. SUBSEQUENT EVENTS**

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

There have been no recognized or non-recognized subsequent events that have occurred between June 30, 2017, and the date of this audit report requiring disclosure in the financial statements.

## **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  
 MOST RECENT FISCAL YEARS

	<u>FY 16*</u>	<u>FY 15*</u>	<u>FY 14*</u>
Employer's proportion of the net pension liability	0.00038%	0.00044%	0.00040%
Employer's proportionate share of the net pension liability	\$ 303,230	\$ 288,876	\$ 253,764
State's proportionate share of the net pension liability associated with the employer	<u>20,359,412</u>	<u>17,249,695</u>	<u>15,824,975</u>
Total	<u>\$ 20,662,642</u>	<u>\$ 17,538,571</u>	<u>\$ 16,078,739</u>
Employer's covered-employee payroll	\$ 2,566,471	\$ 2,664,029	\$ 2,565,042
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12%	11%	10%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	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  
MOST RECENT FISCAL YEARS

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	FY 16*	FY 15*	FY 14*
Contractually-required contribution	\$ 14,886	\$ 15,451	\$ 14,877
Contributions in relation to the contractually-required contribution	14,886	15,443	14,892
Contribution deficiency (excess)	\$ -	\$ 8	\$ (15)
Employer's covered-employee payroll	\$ 2,566,471	\$ 2,664,029	\$ 2,565,042
Contributions as a percentage of covered-employee payroll	0.58%	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  
MOST RECENT CALENDAR YEARS

Calendar year ending December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 69,553	\$ 67,245	\$ 75,184
Interest on the total pension liability	192,805	182,118	166,030
Benefit changes	-	-	-
Difference between expected and actual experience of the total pension liability	(58,884)	(9,520)	(48,577)
Changes of assumptions	(15,318)	-	122,287
Benefit payments, including refunds of employee contributions	(101,730)	(93,362)	(84,724)
Net change in pension liability	86,426	146,481	230,200
Total pension liability - beginning	2,604,077	2,457,596	2,227,396
Total pension liability - ending (A)	<u>\$ 2,690,503</u>	<u>\$ 2,604,077</u>	<u>\$ 2,457,596</u>
Plan fiduciary net position			
Contributions - employer	\$ 82,761	\$ 77,757	\$ 78,604
Contributions - employees	27,649	26,979	31,206
Net investment income	136,563	10,001	113,556
Benefit payments, including refunds of employee contributions	(101,730)	(93,362)	(84,724)
Other (net transfer)	29,203	8,646	6,911
Net change in plan fiduciary net position	174,446	30,021	145,553
Plan fiduciary net position - beginning	2,024,606	1,994,585	1,849,032
Plan fiduciary net position - ending (B)	<u>\$ 2,199,052</u>	<u>\$ 2,024,606</u>	<u>\$ 1,994,585</u>
Net pension liability/(asset) - ending (A) - (B)	<u>\$ 491,451</u>	<u>\$ 579,471</u>	<u>\$ 463,011</u>
Plan fiduciary net position as a percentage of total pension liability	81.73%	77.75%	81.16%
Covered valuation payroll	\$ 614,420	\$ 599,520	\$ 628,834
Net pension liability as a percentage of covered valuation payroll	79.99%	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  
MOST RECENT CALENDAR YEARS

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 82,762	\$ 82,761	\$ 1	\$ 614,420	13.47%
2015	77,758	77,757	1	599,520	12.97%
2014	78,605	78,604	1	628,834	12.50%

**Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 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 2016 Contribution Rates:**

*Actuarial Cost Method:* Aggregate entry age = normal

*Amortization Method:* Level percentage of payroll, closed

*Remaining Amortization Period:* Non-Taxing bodies: 10 year rolling period.  
Taxing bodies (Regular, SLEP and ECO groups): 27 year closed period until remaining period reaches 15 years (then 15 year rolling period).  
Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.  
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers.

*Asset Valuation Method:* 5-year smoothed market; 20% corridor

*Wage Growth:* 3.50%

*Price Inflation:* 2.75% - Approximate; No explicit price inflation assumption is used in this valuation

*Salary Increases:* 3.75% to 14.50%, including inflation

*Investment Rate of Return:* 7.50%

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013

*Mortality:* For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2014, 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  
 COMBINING SCHEDULE OF ASSETS, LIABILITIES AND  
 FUND BALANCES - MODIFIED CASH BASIS  
 JUNE 30, 2017

	Educational Account	Working Cash Account	Total General Fund
ASSETS			
Cash	\$ 2,490,044	\$ 439,939	\$ 2,929,983
Total Assets	<u>\$ 2,490,044</u>	<u>\$ 439,939</u>	<u>\$ 2,929,983</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES			
Unassigned	<u>2,490,044</u>	<u>439,939</u>	<u>2,929,983</u>
Total Fund Balances	<u>2,490,044</u>	<u>439,939</u>	<u>2,929,983</u>
Total Liabilities and Fund Balances	<u>\$ 2,490,044</u>	<u>\$ 439,939</u>	<u>\$ 2,929,983</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2017

	Original and Final Budget	Educational Account	Working Cash Account	Total General Fund
<b>REVENUES RECEIVED</b>				
Local sources				
Property taxes	\$ 3,679,900	\$ 3,699,229	\$ -	\$ 3,699,229
Corporate replacement taxes	3,000	-	-	-
Student tuition and fees	27,500	36,688	-	36,688
Interest on investments	2,400	5,610	1,256	6,866
Pupil activities	52,500	57,346	-	57,346
Donations	48,000	50,380	-	50,380
Other	7,000	18,360	-	18,360
State sources	251,000	281,329	-	281,329
State on-behalf retirement revenues	-	2,027,093	-	2,027,093
Federal sources	187,000	159,200	-	159,200
	<u>4,258,300</u>	<u>6,335,235</u>	<u>1,256</u>	<u>6,336,491</u>
Total Revenues Received				
<b>EXPENDITURES DISBURSED</b>				
Current				
Instruction				
Regular programs	1,816,794	1,760,477	-	1,760,477
Special education programs	484,006	474,989	-	474,989
Other instructional programs	145,942	126,128	-	126,128
Support services				
Pupils	372,200	362,575	-	362,575
Instructional staff	72,800	73,540	-	73,540
General administration	476,650	458,127	-	458,127
School administration	225,650	220,579	-	220,579
Business	226,050	208,095	-	208,095
Central	144,100	160,565	-	160,565
Community services	15,520	7,930	-	7,930
Payments to other governmental units	245,000	197,848	-	197,848
State on-behalf retirement expenditures	-	2,027,093	-	2,027,093
Capital outlay	25,000	3,169	-	3,169
	<u>4,249,712</u>	<u>6,081,115</u>	<u>-</u>	<u>6,081,115</u>
Total Expenditures Disbursed				
EXCESS OF REVENUES OVER EXPENDITURES	<u>8,588</u>	<u>254,120</u>	<u>1,256</u>	<u>255,376</u>
<b>OTHER FINANCING (USES)</b>				
Transfers out	-	(7,875)	-	(7,875)
	<u>-</u>	<u>(7,875)</u>	<u>-</u>	<u>(7,875)</u>
Total Other Financing (Uses)				
NET CHANGE IN FUND BALANCES	<u>\$ 8,588</u>	246,245	1,256	247,501
FUND BALANCE - JULY 1, 2016		<u>2,243,799</u>	<u>438,683</u>	<u>2,682,482</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 2,490,044</u>	<u>\$ 439,939</u>	<u>\$ 2,929,983</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 3,610,000	\$ 3,627,462	\$ 3,615,431
Special education levy	69,900	71,767	71,298
Corporate replacement taxes	3,000	-	-
Tuition and fees	27,500	36,688	30,226
Interest on investments	2,100	5,610	3,543
Pupil activities	52,500	57,346	106,380
Donations from private sources	48,000	50,380	48,381
Other	7,000	18,360	3,984
<b>Total Local Sources</b>	<b>3,820,000</b>	<b>3,867,613</b>	<b>3,879,243</b>
State Sources:			
General state aid	105,000	133,936	124,756
Special education	143,300	123,604	162,105
Bilingual	2,000	4,151	1,774
School lunch programs	200	142	212
Other	500	19,496	1,500
State on-behalf retirement revenues	-	2,027,093	1,440,701
<b>Total State Sources</b>	<b>251,000</b>	<b>2,308,422</b>	<b>1,731,048</b>
Federal Sources:			
Special milk program	3,000	3,279	3,893
Title I - low income	62,000	47,433	62,512
IDEA preschool flow through	2,000	2,074	2,825
IDEA flow through	90,000	92,790	85,527
Title II - teacher quality	13,000	8,669	12,559
Medicaid matching funds - admin. outreach	17,000	4,955	17,590
<b>Total Federal Sources</b>	<b>187,000</b>	<b>159,200</b>	<b>184,906</b>
<b>Total Revenues Received</b>	<b>4,258,000</b>	<b>6,335,235</b>	<b>5,795,197</b>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Instruction:			
Regular Programs:			
Salaries	\$ 1,621,100	\$ 1,599,554	\$ 1,718,033
Employee benefits	153,194	119,186	130,277
State on-behalf retirement expenditures	-	2,027,093	1,440,701
Supplies and materials	42,500	41,737	42,189
Capital outlay	-	-	33,949
Total	<u>1,816,794</u>	<u>3,787,570</u>	<u>3,365,149</u>
Special Education Programs:			
Salaries	378,800	371,225	326,854
Employee benefits	81,325	99,575	65,417
Purchased services	-	198	-
Supplies and materials	23,881	3,991	21,967
Total	<u>484,006</u>	<u>474,989</u>	<u>414,238</u>
Educationally Deprived/Remedial Programs:			
Salaries	38,000	34,015	38,262
Employee benefits	65	10	5
Purchased services	6,380	2,346	7,129
Supplies and materials	12,000	12,103	12,714
Non-capitalized equipment	-	-	2,356
Total	<u>56,445</u>	<u>48,474</u>	<u>60,466</u>
Interscholastic Programs:			
Salaries	28,800	23,495	25,053
Employee benefits	1,950	603	2,141
Purchased services	3,000	2,993	2,220
Total	<u>33,750</u>	<u>27,091</u>	<u>29,414</u>
Summer School Programs:			
Salaries	11,000	9,384	8,600
Employee benefits	112	53	59
Total	<u>11,112</u>	<u>9,437</u>	<u>8,659</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Instruction:			
Gifted Programs:			
Salaries	\$ 31,500	\$ 31,500	\$ 38,200
Employee benefits	5,535	511	5,260
Total	37,035	32,011	43,460
Bilingual Programs:			
Salaries	7,600	9,115	7,592
Total	7,600	9,115	7,592
Total Instruction	2,446,742	4,388,687	3,928,978
Support Services:			
Pupils:			
Attendance and Social Work Services:			
Salaries	78,720	79,497	78,710
Employee benefits	1,240	1,292	1,246
Supplies and materials	105	105	101
Total	80,065	80,894	80,057
Health Services:			
Salaries	30,000	28,179	28,539
Employee benefits	60	40	43
Supplies and materials	2,350	2,283	1,634
Total	32,410	30,502	30,216
Psychological Services:			
Salaries	74,000	74,671	73,932
Employee benefits	17,440	19,718	15,118
Supplies and materials	105	105	114
Total	91,545	94,494	89,164

(Continued)



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Speech Pathology/Audio Services:			
Salaries	\$ 90,400	\$ 89,930	\$ 89,040
Employee benefits	9,650	8,185	8,971
Supplies and materials	330	166	322
Total	<u>100,380</u>	<u>98,281</u>	<u>98,333</u>
Other Support Services:			
Salaries	66,600	57,072	62,184
Employee benefits	1,200	1,332	1,469
Total	<u>67,800</u>	<u>58,404</u>	<u>63,653</u>
Instructional Staff:			
Improvement of Instruction Services:			
Salaries	11,000	12,444	9,616
Employee benefits	450	297	520
Purchased services	20,340	13,677	17,945
Supplies and materials	1,760	2,014	2,125
Total	<u>33,550</u>	<u>28,432</u>	<u>30,206</u>
Education Media Services:			
Salaries	26,500	26,383	26,122
Employee benefits	-	6,254	5,509
Supplies and materials	7,750	7,795	7,675
Total	<u>34,250</u>	<u>40,432</u>	<u>39,306</u>
Assessment and Testing Services:			
Purchased services	5,000	4,676	4,866
Total	<u>5,000</u>	<u>4,676</u>	<u>4,866</u>
General Administration:			
Board of Education Services:			
Employee benefits	50	3	3
Purchased services	94,000	81,320	59,782
Other	6,200	5,966	5,791
Total	<u>100,250</u>	<u>87,289</u>	<u>65,576</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
General Administration:			
Executive Administration Services:			
Salaries	\$ 265,500	\$ 264,946	\$ 252,290
Employee benefits	41,150	40,289	37,308
Purchased services	5,250	2,103	4,688
Other	2,800	2,150	2,155
Total	<u>314,700</u>	<u>309,488</u>	<u>296,441</u>
Special Area Administration Services:			
Salaries	61,200	61,193	50,587
Purchased services	500	157	204
Total	<u>61,700</u>	<u>61,350</u>	<u>50,791</u>
School Administration:			
Office of the Principal Services:			
Salaries	184,100	183,668	190,568
Employee benefits	40,600	36,242	38,215
Purchased services	600	294	10,685
Other	350	375	350
Total	<u>225,650</u>	<u>220,579</u>	<u>239,818</u>
Business:			
Direction of Business Support Services:			
Salaries	35,000	34,616	43,000
Purchased services	5,550	5,560	5,455
Total	<u>40,550</u>	<u>40,176</u>	<u>48,455</u>
Fiscal Services:			
Salaries	99,700	104,217	90,682
Employee benefits	17,000	14,561	18,510
Purchased services	5,800	4,475	7,910
Total	<u>122,500</u>	<u>123,253</u>	<u>117,102</u>

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Operations and Maintenance of Plant Services:			
Purchased services	\$ 23,000	\$ 11,728	\$ 12,282
Supplies and materials	20,000	14,581	17,158
Total	43,000	26,309	29,440
Pupil Transportation Services:			
Purchased services	5,000	4,490	3,279
Total	5,000	4,490	3,279
Food Services:			
Purchased services	15,000	13,867	15,346
Total	15,000	13,867	15,346
Central:			
Information Services:			
Purchased services	2,900	3,343	3,441
Total	2,900	3,343	3,441
Data Processing Services:			
Purchased services	141,200	136,993	139,567
Supplies and materials	-	20,229	-
Capital outlay	25,000	3,169	-
Non-capitalized equipment	-	-	21,265
Total	166,200	160,391	160,832
Total Support Services	1,542,450	1,486,650	1,466,322
Community Services:			
Salaries	-	-	15,380
Employee benefits	100	-	91
Purchased services	13,390	7,930	10,606
Supplies and materials	2,030	-	2,462
Total Community Services	15,520	7,930	28,539

(Continued)

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
EDUCATIONAL ACCOUNT  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Payments to Other Governmental Units			
Other	\$ 245,000	\$ 197,848	\$ 188,446
Total Payments to Other Governmental Units	245,000	197,848	188,446
Total Expenditures Disbursed	4,249,712	6,081,115	5,612,285
EXCESS OF REVENUES OVER EXPENDITURES	8,288	254,120	182,912
OTHER FINANCING SOURCES (USES)			
Capital leases	-	-	33,949
Transfers out	-	(7,875)	(7,876)
Total Other Financing Sources (Uses)	-	(7,875)	26,073
NET CHANGE IN FUND BALANCES	\$ 8,288	246,245	208,985
FUND BALANCE - JULY 1, 2016		2,243,799	2,034,814
FUND BALANCE - JUNE 30, 2017		\$ 2,490,044	\$ 2,243,799

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 WORKING CASH ACCOUNT  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2017  


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 WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
Interest on investments	\$ 300	\$ 1,256	\$ 910
Total Local Sources	300	1,256	910
Total Revenues Received	300	1,256	910
NET CHANGE IN FUND BALANCES	\$ 300	1,256	910
FUND BALANCE - JULY 1, 2016		438,683	437,773
FUND BALANCE - JUNE 30, 2017		\$ 439,939	\$ 438,683

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 OPERATIONS AND MAINTENANCE FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 450,000	\$ 460,888	\$ 458,654
Interest on investments	200	697	463
Rentals	30,000	44,445	20,000
Donations from private sources	-	14,854	-
Impact fees	1,000	-	-
Total Local Sources	<u>481,200</u>	<u>520,884</u>	<u>479,117</u>
Total Revenues Received	<u>481,200</u>	<u>520,884</u>	<u>479,117</u>
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Operations and Maintenance of Plant Services:			
Salaries	174,000	182,380	168,472
Employee benefits	43,700	30,777	39,696
Purchased services	121,600	93,118	103,174
Supplies and materials	132,000	130,393	120,836
Capital outlay	17,500	44,919	18,241
Total Support Services	<u>488,800</u>	<u>481,587</u>	<u>450,419</u>
Total Expenditures Disbursed	<u>488,800</u>	<u>481,587</u>	<u>450,419</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,600)</u>	39,297	28,698
FUND BALANCE - JULY 1, 2016		<u>338,456</u>	<u>309,758</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 377,753</u>	<u>\$ 338,456</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 TRANSPORTATION FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 20,400	\$ 20,535	\$ 20,921
Interest on investments	100	196	134
Total Local Sources	<u>20,500</u>	<u>20,731</u>	<u>21,055</u>
State Sources:			
Transportation aid	<u>20,000</u>	<u>15,305</u>	<u>28,982</u>
Total State Sources	<u>20,000</u>	<u>15,305</u>	<u>28,982</u>
Total Revenues Received	<u>40,500</u>	<u>36,036</u>	<u>50,037</u>
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Pupil Transportation Services:			
Purchased services	<u>45,000</u>	<u>50,340</u>	<u>29,173</u>
Total Support Services	<u>45,000</u>	<u>50,340</u>	<u>29,173</u>
Total Expenditures Disbursed	<u>45,000</u>	<u>50,340</u>	<u>29,173</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (4,500)</u>	(14,304)	20,864
FUND BALANCE - JULY 1, 2016		<u>78,183</u>	<u>57,319</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 63,879</u>	<u>\$ 78,183</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
General tax levy	\$ 182,800	\$ 187,601	\$ 186,730
Corporate replacement taxes	32,000	38,352	34,526
Interest on investments	400	1,707	1,039
<b>Total Local Sources</b>	<b>215,200</b>	<b>227,660</b>	<b>222,295</b>
<b>Total Revenues Received</b>	<b>215,200</b>	<b>227,660</b>	<b>222,295</b>
<b>EXPENDITURES DISBURSED</b>			
Employee Benefits:			
Instruction:			
Regular programs	27,790	23,942	25,087
Special education programs	45,250	44,974	40,209
Remedial and supplemental programs	75	12	5
Interscholastic programs	1,150	415	687
Summer school programs	1,430	409	380
Gifted programs	600	457	555
Bilingual programs	155	118	110
<b>Total Instruction</b>	<b>76,450</b>	<b>70,327</b>	<b>67,033</b>
Support Services:			
Attendance and social work services	1,200	1,154	1,142
Health services	5,800	5,736	5,751
Psychological services	1,100	1,083	1,072
Speech pathology and audiology services	1,350	1,308	1,294
Other support services - pupils	4,200	3,310	3,118
Improvement of instruction services	250	220	220
Educational media services	5,650	5,453	5,473
Executive administration services	14,500	14,200	3,647
Service area administrative services	800	887	-
Office of the principal services	14,850	14,423	14,507
Direction of business support services	3,300	2,599	3,289
Fiscal services	19,600	20,603	18,926
Operations and maintenance of plant services	39,400	36,327	32,824
Information services	-	-	10,984
<b>Total Support Services</b>	<b>112,000</b>	<b>107,303</b>	<b>102,247</b>

(Continued)



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
Community Services:			
Employee benefits	\$ 2,350	\$ -	\$ 1,232
Total Community Services	2,350	-	1,232
Total Expenditures Disbursed	190,800	177,630	170,512
NET CHANGE IN FUND BALANCES	<u>\$ 24,400</u>	50,030	51,783
FUND BALANCE - JULY 1, 2016		144,239	92,456
FUND BALANCE - JUNE 30, 2017		<u>\$ 194,269</u>	<u>\$ 144,239</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Local Sources:			
General tax levy	\$ 946,300	\$ 953,028	\$ 931,282
Interest on investments	600	2,445	878
Total Local Sources	<u>946,900</u>	<u>955,473</u>	<u>932,160</u>
Total Revenues Received	<u>946,900</u>	<u>955,473</u>	<u>932,160</u>
EXPENDITURES DISBURSED			
Debt Service:			
Principal	267,580	273,952	286,175
Interest	662,858	664,194	622,326
Total Debt Service	<u>930,438</u>	<u>938,146</u>	<u>908,501</u>
Total Expenditures Disbursed	<u>930,438</u>	<u>938,146</u>	<u>908,501</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>16,462</u>	<u>17,327</u>	<u>23,659</u>
OTHER FINANCING SOURCES			
Transfers in	-	7,875	7,876
Total Other Financing Sources	<u>-</u>	<u>7,875</u>	<u>7,876</u>
NET CHANGE IN FUND BALANCES	<u>\$ 16,462</u>	25,202	31,535
FUND BALANCE - JULY 1, 2016		<u>589,876</u>	<u>558,341</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 615,078</u>	<u>\$ 589,876</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND  
 CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE TOTALS FOR 2016

	2017		2016
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Local Sources:			
Interest on investments	\$ 200	\$ 407	\$ 360
Other	30,000	86,962	49,311
Total Local Sources	30,200	87,369	49,671
Total Revenues Received	30,200	87,369	49,671
<b>EXPENDITURES DISBURSED</b>			
Support Services:			
Facilities Acquisition and Construction Services:			
Purchased services	-	1,605	8,623
Supplies and materials	-	8,854	-
Capital outlay	80,500	93,037	403,418
Non-capitalized equipment	-	-	14,326
Total Support Services	80,500	103,496	426,367
Total Expenditures Disbursed	80,500	103,496	426,367
NET CHANGE IN FUND BALANCES	<u>\$ (50,300)</u>	(16,127)	(376,696)
FUND BALANCE - JULY 1, 2016		453,513	830,209
FUND BALANCE - JUNE 30, 2017		<u>\$ 437,386</u>	<u>\$ 453,513</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
ACTIVITY FUNDS  
SCHEDULE OF REVENUES RECEIVED AND EXPENDITURES DISBURSED  
YEAR ENDED JUNE 30, 2017

	Cash Balance July 1, 2016	Revenues Received	Expenditures Disbursed	Cash Balance June 30, 2017
General Account	\$ 2,000	\$ 12,086	\$ 5,013	\$ 9,073
Bird Garden	20	-	20	-
Drama	879	2,050	1,631	1,298
Scholarship	8,988	2,847	3,557	8,278
Student Council	2,522	218	489	2,251
Field Trips	(850)	17,611	17,314	(553)
Fundraisers	268	5,411	5,539	140
Science	36	13,674	13,665	45
Band	109	250	345	14
Totals	<u>\$ 13,972</u>	<u>\$ 54,147</u>	<u>\$ 47,573</u>	<u>\$ 20,546</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 SCHEDULE OF ASSESSED VALUATION, TAX EXTENSIONS  
 AND COLLECTIONS  
 YEARS ENDED JUNE 30, 2017, 2016 AND 2015

	TAX LEVY YEAR		
	2016	2015	2014
ASSESSED VALUATION	<u>\$ 134,930,113</u>	<u>\$ 124,267,295</u>	<u>\$ 118,224,315</u>
TAX EXTENSIONS BY LEVY			
Educational	\$ 3,646,891	\$ 3,621,770	\$ 3,558,907
Operations and maintenance	466,318	457,179	453,745
Debt service	969,743	939,834	909,854
Municipal retirement	117,524	114,575	114,678
Social security	74,077	69,714	71,880
Transportation	20,644	20,504	21,044
Special education	<u>74,077</u>	<u>69,714</u>	<u>71,880</u>
Total	<u>\$ 5,369,274</u>	<u>\$ 5,293,290</u>	<u>\$ 5,201,988</u>
TAX COLLECTIONS			
Year Ended June 30,			
2015	\$ -	\$ -	\$ 2,566,154
2016	-	2,655,162	2,629,155
2017	<u>2,689,852</u>	<u>2,631,429</u>	<u>-</u>
Total	<u>\$ 2,689,852</u>	<u>\$ 5,286,591</u>	<u>\$ 5,195,309</u>
Percent of Total Levy Collected through June 30, 2017	<u>50.10%</u>	<u>99.87%</u>	<u>99.87%</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST  
JUNE 30, 2017

Due Year Ended June 30,	Capital Appreciation Bonds 2002		Taxable General Obligation Refunding Bonds 2013A		General Obligation Refunding Bonds 2013B		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 245,266	\$ 649,734	\$ 5,000	\$ 29,258	\$ 5,000	\$ 25,870	\$ 255,266	\$ 704,862
2019	234,546	695,454	5,000	29,079	5,000	25,740	244,546	750,273
2020	222,816	737,184	5,000	28,900	5,000	25,610	232,816	791,694
2021	212,532	782,468	5,000	28,720	5,000	25,480	222,532	836,668
2022	202,477	827,523	5,000	28,540	5,000	25,350	212,477	881,413
2023	-	-	790,000	28,361	75,000	25,220	865,000	53,581
2024	-	-	-	-	895,000	23,270	895,000	23,270
TOTAL	<u>\$1,117,637</u>	<u>\$3,692,363</u>	<u>\$ 815,000</u>	<u>\$ 172,858</u>	<u>\$ 995,000</u>	<u>\$ 176,540</u>	<u>\$2,927,637</u>	<u>\$4,041,761</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
SCHEDULE OF PER CAPITA TUITION CHARGE  
AND AVERAGE DAILY ATTENDANCE  
YEARS ENDED JUNE 30, 2017, 2016 AND 2015

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	Year Ended June 30,		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Allowable Expenses	<u>\$ 5,172,784</u>	<u>\$ 5,060,568</u>	<u>\$ 5,161,208</u>
Average Daily Attendance	<u>273.07</u>	<u>290.66</u>	<u>299.06</u>
Per Capita Tuition Charge	<u>\$ 18,943</u>	<u>\$ 17,411</u>	<u>\$ 17,258</u>

WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
NOTES TO OTHER INFORMATION  
JUNE 30, 2017

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

*Changes of Assumptions*

For the 2016 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

**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 25, 2016.

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. OVEREXPENDITURES OF BUDGET**

During the year ended June 30, 2017, actual expenditures disbursed exceeded budgeted expenditures in the following funds:



WINFIELD PUBLIC SCHOOL DISTRICT NO. 34  
 NOTES TO OTHER INFORMATION  
 JUNE 30, 2017

**NOTE 3. OVEREXPENDITURES OF BUDGET (Cont'd)**

	Actual Disbursed	Budgeted Expenditures
Educational Account	\$ 6,081,115	\$ 4,249,712
Debt Service Fund	938,146	930,438
Transportation Fund	50,340	45,000
Capital Projects Fund	103,496	80,500

The Educational Account was over-expended because of non-budgeted state on-behalf payments to TRS in the amount of \$2,027,093. The Debt Service Fund was over-expended due to the District not budgeting for the retirement of principal and interest on capital leases paid out of the Debt Service Fund. Transportation Fund is over-expended due to timing differences; since the District prepares the financial statements on the modified cash basis of accounting, various payments made in the current fiscal year applied to services performed (transportation) in the prior year. The District only had expenditures of \$29,173 in the Transportation Fund in the prior year. Capital Projects Fund was over-expended because of unexpected emergency projects that needed to be serviced or taken care of in a timely manner.