

**Sunset Ridge School District No. 29**

**Annual Financial Report**

**Year Ended June 30, 2014**

**Sunset Ridge School District No. 29**  
 ANNUAL FINANCIAL REPORT  
 For the Year Ended June 30, 2014

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education  
Sunset Ridge School District No. 29  
Northfield, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sunset Ridge School District No. 29, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sunset Ridge School District No. 29's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Sunset Ridge School District No. 29's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express 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 opinions.

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sunset Ridge School District No. 29, as of June 30, 2014, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the Illinois Municipal Retirement Fund historical data on page 52, the other postemployment benefits data on page 53, the budgetary comparison schedules on pages 54 through 67, and notes to required supplementary information on page 68 and 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit, for the year ended June 30, 2014, was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sunset Ridge School District No. 29's basic financial statements. The other schedules listed in the table of contents in the supplementary financial information and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, for the year ended June 30, 2014.

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**Other Information** (Continued)

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Sunset Ridge School District No. 29, as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated November 21, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Fire Prevention and Safety Fund, and Debt Service Fund with comparative actual amounts, for the year ended June 30, 2013, were presented for purposes of additional analysis and were not a required part of the basic financial statements. Such information is the responsibility of management and are derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Fire Prevention and Safety Fund, and Debt Service Fund have been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Fire Prevention and Safety Fund, and Debt Service Fund – were fairly stated in all material respects in relation to the basic financial statements as a whole, for the year ended June 30, 2013.

The other supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2014 on our consideration of Sunset Ridge School District No. 29'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 Sunset Ridge School District No. 29's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
October 15, 2014

# **Sunset Ridge School District No. 29**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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The discussion and analysis of Sunset Ridge School District No. 29's (the District) financial performance provides an overall review of the District's financial activities, for the year ended June 30, 2014. 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 year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

#### **Financial Highlights**

- During FY2014, the Illinois State Board of Education (ISBE) awarded the District a Certificate of Financial Recognition in honor of its commitment to financial excellence. This commendation, based on 2013 fiscal year financial statements and the school system's 2013 financial profile, places the District in the ISBE's highest category of financial achievement which the District has achieved for the past eleven years.
- The District maintained its Aaa rating from Moody's. The highest rating possible reflects historically solid fiscal performance, projected operating surpluses and strong financial management practices embedded in the District's multi-year budgeting and financial planning. Consistent with other districts awarded elite status by Moody's, the District exemplifies the ability to navigate all economic cycles as well as strategically adjusting to variables of student enrollment and the State of Illinois financial struggles.
- The District's modified accrual fund financial statements also reflect a continued strong financial position with total governmental fund assets of \$19,469,071 and total governmental fund balances of \$13,393,700; \$12,818,314 of which is related to operating funds. The District's Working Cash Fund had an ending fund balance of \$1,216,475; a fund typically viewed as a long-term savings fund.
- The District was awarded two state grants during FY2014 – a \$50,000 School Maintenance Project Grant and a \$12,300 Illinois Security Grant. The School Maintenance Project funds will be used for the renovation/refurbishment of the main lobby bathrooms and carpeting in the library at Sunset Ridge School. The Security Grant funds will be used to enhance security with the installation of security cameras and required infrastructure at both schools.
- General revenues from property taxes, personal property replacement taxes, and state aid accounted for \$12,530,821, or 81% of the District's total revenue of \$15,464,939. Program specific revenues in the form of charges for services, contributions, and grants were \$2,783,179, or 18% of total revenue.
- The District had \$14,757,736 in expenses related to governmental activities. However, only \$2,783,179 of these expenses was offset by program specific charges, contributions, and grants.
- Among the major funds, the General Fund (which includes the Educational, Tort Immunity and Judgment, and Working Cash Funds) had \$14,116,954 in revenues, primarily consisting of property taxes, state aid, and other local revenue, and \$12,585,424 in expenditures.
- The District continued to pay down its general obligation long-term debt by retiring \$360,000 in fiscal year 2014.

# **Sunset Ridge School District No. 29**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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#### **Financial Highlights (Continued)**

- The Board of Education Finance/Facilities Committee met throughout the year to review fiscal operations and facility needs. The Committee continued to monitor losses in real estate taxes due to property tax appeals, reduction in state and federal revenues, potential pension reform cost shifts, rising healthcare costs, and unexpected facility repairs. Despite the potential of these threats, the Board is committed to maintaining the District's strong financial status.

#### **Overview of the Financial Statements**

This discussion and analysis are 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
- Notes to the financial statements.

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

#### *Government-wide financial statements*

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

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

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

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



# **Sunset Ridge School District No. 29**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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#### **Overview of the Financial Statements (Continued)**

##### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General (includes Educational, Tort Immunity and Judgment, and Working Cash), Operations and Maintenance, Debt Service, Transportation, Municipal Retirement/Social Security, Capital Projects, and Fire Prevention and Safety Funds, all of which are considered to be major funds.

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

Fiduciary (agency) funds are used to account for resources held for the benefit of students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

##### *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.

**Sunset Ridge School District No. 29**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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**Overview of the Financial Statements (Continued)**

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its noncertified employees and funding its obligation to provide other postemployment benefits.

**Government-Wide Financial Analysis**

**Net position:** The District's combined net position increased by \$707,203 to \$17,326,208, as a result of FY14 operations (Tables 1 and 2).

<b>Table 1</b>		
<b>Condensed Statement of Net position</b>		
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<b>Assets:</b>		
Current and other assets	\$ 19,469,071	\$ 19,047,949
Capital assets	<u>5,813,207</u>	<u>6,233,913</u>
Total assets	<u>25,282,278</u>	<u>25,281,862</u>
<b>Liabilities:</b>		
Long-term debt outstanding	1,887,129	2,190,797
Other liabilities	<u>188,871</u>	<u>614,101</u>
Total liabilities	<u>2,076,000</u>	<u>2,804,898</u>
<b>Deferred inflow of resources:</b>		
Unavailable property tax revenue	<u>5,880,070</u>	<u>5,857,959</u>
Total deferred inflow of resources	<u>5,880,070</u>	<u>5,857,959</u>
<b>Net position:</b>		
Net investment in capital assets	4,014,023	4,150,699
Restricted	4,396,009	5,069,572
Unrestricted	<u>8,916,176</u>	<u>7,398,734</u>
Total net position	<u>\$ 17,326,208</u>	<u>\$ 16,619,005</u>

**Sunset Ridge School District No. 29**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

Government-Wide Financial Analysis (Continued)

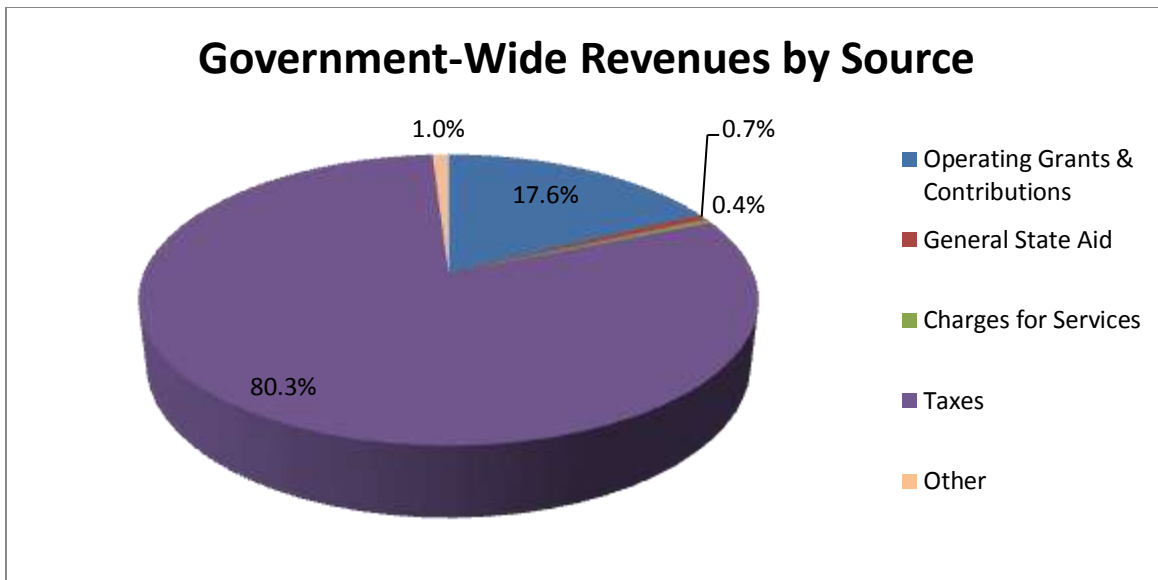
<b>Table 2</b>		
<b>Changes in Net position</b>		
	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
<b>Revenues:</b>		
<i>Program revenues:</i>		
Charges for services	\$ 57,318	\$ 47,142
Operating grants and contributions	2,725,861	2,236,332
<i>General revenues:</i>		
Taxes	12,428,494	11,914,446
State aid-formula grants	102,327	100,699
Other	<u>150,939</u>	<u>116,184</u>
Total revenues	<u>15,464,939</u>	<u>14,414,803</u>
<b>Expenses:</b>		
Instruction	10,515,676	9,280,858
Pupil and instructional staff services	581,024	654,208
Administration and business	1,769,559	2,643,175
Transportation	84,994	62,939
Operations and maintenance	1,591,869	1,025,243
Central	6,195	3,247
Community services	9,614	15,000
Nonprogrammed charges	83,602	-
Interest and fees	<u>115,203</u>	<u>125,557</u>
Total expenses	<u>14,757,736</u>	<u>13,810,227</u>
<b>Increase in net position</b>	707,203	604,576
<b>Net position, beginning of year</b>	<u>16,619,005</u>	<u>16,014,429</u>
<b>Net position, end of year</b>	<u>\$ 17,326,208</u>	<u>\$ 16,619,005</u>

# Sunset Ridge School District No. 29 Management's Discussion and Analysis For the Year Ended June 30, 2014

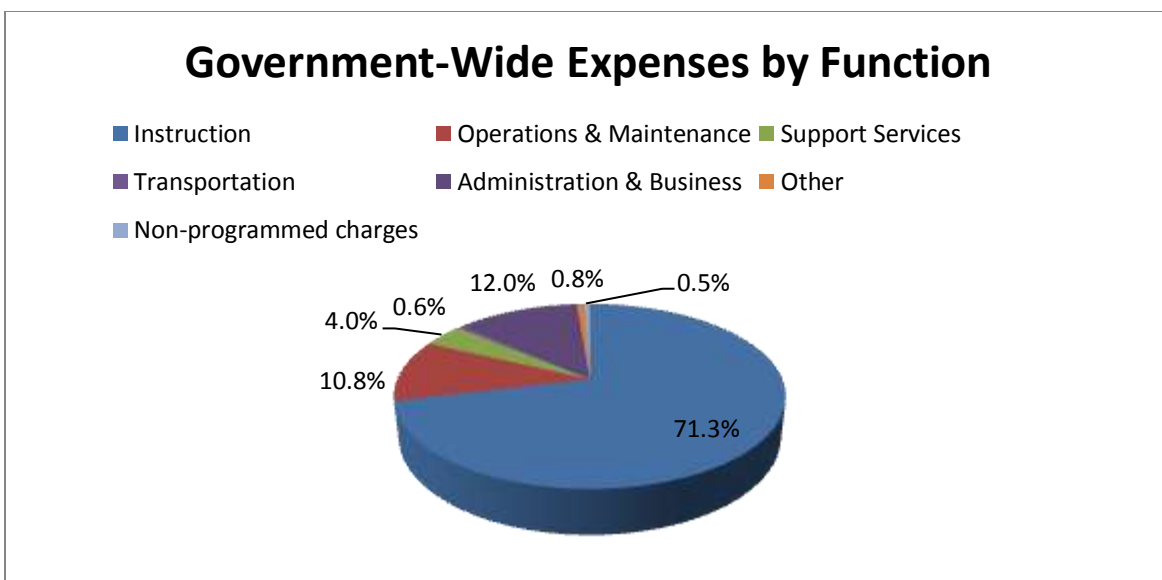
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## Government-Wide Financial Analysis (Continued)

**Revenues by Source:** Property taxes accounted for the largest portion of the District's revenue, contributing 80 cents of every dollar raised. The remainder of the District's revenue came from state and federal grants, contributions, and other sources.



**Expenses by Function:** The total cost of all programs and services was \$14,757,736. The District's expenses are predominantly related to instruction, which makes up 71% of total expenses.



# Sunset Ridge School District No. 29

## Management's Discussion and Analysis

### For the Year Ended June 30, 2014

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#### Financial Analysis of the District's Funds

The District's governmental funds' combined fund balance increased by \$826,626 from \$12,567,074 to \$13,393,700.

#### General Fund Budgetary Highlights

Over the course of the year, the District did not revise the annual operating budget.

The District's budget for the General Fund anticipated that revenues would exceed expenditures by \$1,323,250. The actual results for the year show the revenues exceeded expenditures by \$1,495,186.

#### Capital Assets and Debt Administration

##### *Capital Assets*

By the end of FY2014, the District had compiled a total investment of \$5,813,207 (net of accumulated depreciation) in a broad range of capital assets including land, improvements other than buildings, buildings, and equipment. Total depreciation expense for the year was \$507,703.

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

<b>Table 3</b>		
<b>Capital Assets (net of depreciation)</b>		
	<u><b>2014</b></u>	<u><b>2013</b></u>
Land	\$ 76,885	\$ 76,885
Improvements other than buildings	66,827	92,234
Buildings	5,137,648	5,507,731
Equipment	<u>531,847</u>	<u>557,063</u>
Total	<u><b>\$ 5,813,207</b></u>	<u><b>\$ 6,233,913</b></u>

**Sunset Ridge School District No. 29**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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**Capital Assets and Debt Administration (Continued)**

*Long-term liabilities*

The District retired \$360,000 in general obligation bonds, and recognized \$111,240 of accretion on capital appreciation bonds in FY14. The carrying amount of these capital appreciation bonds, on June 30, 2014, is \$1,754,161. The District also retired \$25,000 of its Northfield Community Center intergovernmental loan in FY14.

<b>Table 4</b>		
<b>Outstanding Long-Term Liabilities</b>		
	<u><b>2014</b></u>	<u><b>2013</b></u>
General obligation bonds	\$ 1,754,161	\$ 2,002,921
Capital lease	45,023	80,293
Intergovernmental loan	75,000	100,000
Other postemployment benefits	<u>12,945</u>	<u>7,583</u>
Total	<u>\$ 1,887,129</u>	<u>\$ 2,190,797</u>

The District has no immediate plans to issue new debt in the near future.

More detailed information about long-term liabilities can be found in Note H of the notes to the financial statements.

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

Sunset Ridge School District 29 continues to achieve State Financial Recognition, however, continued economic stagnation and the uncertainty of education funding in Illinois gives the Board of Education impetus to continue to identify various cost saving measures to maintain fiscal stability on behalf of students, staff and stakeholders in the future.

Future uncertain financial challenges for the District continue to be monitored very closely by the Board of Education. Senate Bill 16, the School Funding Reform Act of 2014, will reduce the District's State funds by approximately \$275,000 if this bill becomes law. This would equate to a loss of approximately 72% of the District's State revenues. Additionally, an Illinois Circuit Court Judge issued an order staying the Pension Reform Law ("the Act") in its entirety and blocking the enforcement and administration of the Act until further order of the court or until the Act is held unconstitutional and a permanent injunction issued. No matter the outcome, it is anticipated districts in the State will be required at some point in the future to make pension contributions which could have an impact on the District's finances. While District 29 keeps a healthy percentage of reserve funds to safeguard against future uncertainties, the Board remains fiscally conservative and is dedicated to preserving a balanced budget.

# **Sunset Ridge School District No. 29**

## **Management's Discussion and Analysis**

### **For the Year Ended June 30, 2014**

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#### **Factors Bearing on the District's Future (Continued)**

For tax year 2013 payable in 2014, the District's equalized assessed value (EAV) for all real property within the District 29 boundaries decreased approximately 10.6% from \$453.2 million to \$405.4 million. New property growth was \$1.0 million. There is little undeveloped land remaining within the District 29 boundaries. Triennial reassessment reductions, continued phase-out of the 7% cap on assessed value increases, property owner assessment appeals, and lower than usual new property additions to the tax rolls all contributed to the EAV reduction of over 26% the past three years. As the EAV goes down, the tax rate rises because of the inverse relationship. The 2013 tax year rate was 3.0764 as compared to 2.7004 in 2012. Property tax cap legislation (PTELL) limited the 2013 levy extension increase to 1.7% which was the 2012 CPI. Total 2013 levy extension was \$12,470,198. Although this is \$231,223 greater than the 2012 levy extension, the District continues to experience a slow-down in revenue growth in property taxes.

Since 1995, the District has made significant building improvements to address aging facilities and life safety concerns. These projects have included new boilers, air conditioning and ventilation upgrades, electrical and energy efficient lighting, roofing repairs, technology infrastructure, handicapped accessibility, exterior site improvements, window replacement, enhanced security systems, and related asbestos abatements among other projects. The District will continue maintaining its aged facilities in a responsible manner and will also embark upon developing a long range capital projects plan beginning in the fall of 2014.

At the time these financial statements were prepared, the Sunset Ridge Education Association (SREA) and Board of Education reached an agreement on a new five year teachers' contract. District 29 has enjoyed a long history of educational excellence. This contract contains several innovative elements to ensure District 29 continues this excellence while remaining financially responsible and adapting to significant changes in the external environment.

District 29 students continue to be among the highest performing in the region with the vast majority meeting or exceeding state and national academic standards. The community takes pride in the quality and value of the education students receive and staff provide in every grade from kindergarten through graduation. A successful District 29 student demonstrates strong character, independence and resiliency, thinks critically and creatively, solves problems and collaborates effectively throughout society. The tradition of educational excellence continues at Sunset Ridge School District 29.

#### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Sunset Ridge School District No. 29  
525 Sunset Ridge Road  
Northfield, Illinois 60093

## **BASIC FINANCIAL STATEMENTS**



**Sunset Ridge School District No. 29**  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
June 30, 2014

ASSETS

Cash and investments	\$	13,458,280
Receivables (net of allowance for uncollectibles):		
Interest		9,620
Property taxes		5,947,281
Replacement taxes		19,735
Intergovernmental		21,268
Prepaid items		12,162
Other current assets		725
Capital assets:		
Land		76,885
Depreciable buildings, property, and equipment, net		<u>5,736,322</u>
 Total assets		 <u>25,282,278</u>

LIABILITIES

Accounts payable		102,873
Payroll deductions payable		85,998
Long-term liabilities:		
Due within one year		421,906
Due after one year		<u>1,465,223</u>
 Total liabilities		 <u>2,076,000</u>

DEFERRED INFLOW OF RESOURCES

Unavailable property tax revenue		<u>5,880,070</u>
 Total deferred inflows		 <u>5,880,070</u>

NET POSITION

Net investment in capital assets		4,014,023
Restricted For:		
Operations and maintenance		3,548,687
Debt service		387,882
Student transportation		154,203
Retirement benefits		117,186
Capital projects		187,504
Tort immunity		547
Unrestricted		<u>8,916,176</u>
 Total net position		 <u>\$ 17,326,208</u>

The accompanying notes are an integral part of this statement.

## Sunset Ridge School District No. 29

### STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Regular programs	\$ 5,793,053	\$ 11,710	\$ 44,497	\$ (5,736,846)
Special programs	2,250,898	-	375,925	(1,874,973)
Other instructional programs	250,001	-	254	(249,747)
State retirement contributions	2,221,724	-	2,221,724	-
Support services:				
Pupils	539,853	-	-	(539,853)
Instructional staff	41,171	-	60,971	19,800
General administration	820,886	-	-	(820,886)
School administration	507,866	-	-	(507,866)
Business	440,807	-	3,557	(437,250)
Transportation	84,994	-	18,933	(66,061)
Operations and maintenance	1,591,869	45,608	-	(1,546,261)
Central	6,195	-	-	(6,195)
Community services	9,614	-	-	(9,614)
Nonprogrammed charges - excluding special education	83,602	-	-	(83,602)
Interest and fees	115,203	-	-	(115,203)
	<u>\$ 14,757,736</u>	<u>\$ 57,318</u>	<u>\$ 2,725,861</u>	<u>\$ (11,974,557)</u>
Total governmental activities				
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				11,101,946
Real estate taxes, levied for special purposes				836,027
Real estate taxes, levied for debt service				374,261
Personal property replacement taxes				116,260
State aid-formula grants				102,327
Investment earnings				30,523
Miscellaneous				120,416
Total general revenues				<u>12,681,760</u>
Change in net position				707,203
Net position, beginning of year				<u>16,619,005</u>
Net position, end of year				<u>\$ 17,326,208</u>

The accompanying notes are an integral part of this statement.

## Sunset Ridge School District No. 29

Governmental Funds

BALANCE SHEET

June 30, 2014

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
<b>ASSETS</b>				
Cash and investments	\$ 9,069,566	\$ 3,539,042	\$ 161,003	\$ 115,372
Receivables (net of allowance for uncollectibles):				
Interest	9,620	-	-	-
Property taxes	5,328,255	236,051	37,698	160,460
Replacement taxes	-	19,735	-	-
Intergovernmental	21,268	-	-	-
Prepaid Items	12,162	-	-	-
Other current assets	<u>725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 14,441,596</u>	<u>\$ 3,794,828</u>	<u>\$ 198,701</u>	<u>\$ 275,832</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 83,526	\$ 12,121	\$ 7,226	\$ -
Payroll deductions payable	<u>85,361</u>	<u>637</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>168,887</u>	<u>12,758</u>	<u>7,226</u>	<u>-</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	6,430	-	-	-
Unavailable property taxes	<u>5,268,041</u>	<u>233,383</u>	<u>37,272</u>	<u>158,646</u>
Total deferred inflows	<u>5,274,471</u>	<u>233,383</u>	<u>37,272</u>	<u>158,646</u>
<b>FUND BALANCES</b>				
Nonspendable	12,162	-	-	-
Restricted	547	3,548,687	154,203	117,186
Unassigned	<u>8,985,529</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>8,998,238</u>	<u>3,548,687</u>	<u>154,203</u>	<u>117,186</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 14,441,596</u>	<u>\$ 3,794,828</u>	<u>\$ 198,701</u>	<u>\$ 275,832</u>

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 385,844	\$ 50,000	\$ 137,453	\$ 13,458,280
-	-	-	9,620
180,177	-	4,640	5,947,281
-	-	-	19,735
-	-	-	21,268
-	-	-	12,162
-	-	-	725
<u>\$ 566,021</u>	<u>\$ 50,000</u>	<u>\$ 142,093</u>	<u>\$ 19,469,071</u>
\$ -	\$ -	\$ -	\$ 102,873
-	-	-	85,998
-	-	-	188,871
-	-	-	6,430
<u>178,139</u>	<u>-</u>	<u>4,589</u>	<u>5,880,070</u>
<u>178,139</u>	<u>-</u>	<u>4,589</u>	<u>5,886,500</u>
-	-	-	12,162
387,882	50,000	137,504	4,396,009
-	-	-	8,985,529
<u>387,882</u>	<u>50,000</u>	<u>137,504</u>	<u>13,393,700</u>
<u>\$ 566,021</u>	<u>\$ 50,000</u>	<u>\$ 142,093</u>	<u>\$ 19,469,071</u>

**Sunset Ridge School District No. 29**  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
For the Year Ended June 30, 2014

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

Total fund balances - governmental funds	\$ 13,393,700
Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	5,813,207
Certain revenues receivable by the District and recognized in the statement of net position (interest) do not provide current financial resources and are deferred in the governmental funds balance sheet.	6,430
Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.	<u>(1,887,129)</u>
Net position - governmental activities	<u>\$ 17,326,208</u>

The accompanying notes are an integral part of this statement.

**Sunset Ridge School District No. 29**

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2014

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.
Revenues				
Property taxes	\$ 11,192,690	\$ 258,112	\$ 55,781	\$ 421,820
Replacement taxes	-	116,260	-	-
State aid	2,585,204	-	18,933	-
Federal aid	174,051	-	-	-
Interest	32,883	5	1	10
Other	132,126	45,608	-	-
<b>Total revenues</b>	<b>14,116,954</b>	<b>419,985</b>	<b>74,715</b>	<b>421,830</b>
Expenditures				
Current:				
Instruction:				
Regular programs	5,147,293	-	-	92,495
Special programs	1,484,117	-	-	75,413
Other instructional programs	283,693	-	-	10,756
State retirement contributions	2,221,724	-	-	-
Support services:				
Pupils	522,121	-	-	17,732
Instructional staff	41,171	-	-	-
General administration	789,659	-	-	31,227
School administration	488,264	-	-	19,602
Business	414,798	-	-	26,009
Transportation	-	-	98,585	-
Operations and maintenance	3,000	1,188,538	-	35,195
Central	6,195	-	-	-
Community services	9,614	-	-	-
Nonprogrammed charges	774,970	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	398,805	35,489	-	-
<b>Total expenditures</b>	<b>12,585,424</b>	<b>1,224,027</b>	<b>98,585</b>	<b>308,429</b>
Excess (deficiency) of revenues over expenditures	1,531,530	(804,042)	(23,870)	113,401
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(36,344)	(25,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(36,344)</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>
Net change in fund balance	1,495,186	(829,042)	(23,870)	113,401
Fund balance, beginning of year	7,503,052	4,377,729	178,073	3,785
Fund balance, end of year	\$ 8,998,238	\$ 3,548,687	\$ 154,203	\$ 117,186

The accompanying notes are an integral part of this statement.

Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 374,261	\$ -	\$ 9,570	\$ 12,312,234
-	-	-	116,260
-	50,000	-	2,654,137
-	-	-	174,051
9	-	-	32,908
-	-	-	177,734
<u>374,270</u>	<u>50,000</u>	<u>9,570</u>	<u>15,467,324</u>
-	-	-	5,239,788
-	-	-	1,559,530
-	-	-	294,449
-	-	-	2,221,724
-	-	-	539,853
-	-	-	41,171
-	-	-	820,886
-	-	-	507,866
-	-	-	440,807
-	-	-	98,585
-	-	-	1,226,733
-	-	-	6,195
-	-	-	9,614
-	-	-	774,970
420,270	-	-	420,270
3,963	-	-	3,963
-	-	-	434,294
<u>424,233</u>	<u>-</u>	<u>-</u>	<u>14,640,698</u>
(49,963)	50,000	9,570	826,626
61,344	-	-	61,344
-	-	-	(61,344)
<u>61,344</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,381	50,000	9,570	826,626
<u>376,501</u>	<u>-</u>	<u>127,934</u>	<u>12,567,074</u>
<u>\$ 387,882</u>	<u>\$ 50,000</u>	<u>\$ 137,504</u>	<u>\$ 13,393,700</u>

## Sunset Ridge School District No. 29

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds	\$ 826,626
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(420,706)
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	(2,385)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	<u>303,668</u>
Change in net position - governmental activities	<u><u>\$ 707,203</u></u>

The accompanying notes are an integral part of this statement.



**Sunset Ridge School District No. 29**  
Agency Fund  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2014

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	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 48,972</u>
LIABILITIES	
Due to student groups	<u>\$ 48,972</u>

The accompanying notes are an integral part of this statement.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Sunset Ridge School District No. 29 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

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

1. Reporting Entity

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

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

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), which was implemented by the District, during the fiscal year ended June 30, 2014. This Statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in limiting the use of the term deferred in financial statement presentations.

Specific changes to the District's financial statements relate to the following: unearned and unavailable property taxes and interest revenue. Deferred property taxes are now reported as deferred inflows of unavailable revenue rather than a liability. This reclassification for reporting purposes had no impact on the net position of the District.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting

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

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

4. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. General Fund

The *General Fund* includes the Educational Account, the Working Cash Account, and the Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid within one year. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the General (Educational Account) Fund or it may be partially abated to any fund in need as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property levy and state reimbursement grants and expenditures of these monies is for risk management activities.

b. Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service or capital projects funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's special revenue funds is as follows:

*Operations and Maintenance Fund* - accounts for revenues and expenditures made for operations, repair, and maintenance of the District's building and land. Revenues consist primarily of local property taxes.

*Transportation Fund* - accounts for revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b. Special Revenue Funds (Continued)

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

c. Debt Service Fund

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

d. Capital Projects Funds

*Capital Projects Fund* - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, or transfers from other funds.

The *Fire Prevention and Safety Fund* - accounts for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

e. Fiduciary Fund

The Fiduciary (agency) Fund accounts for assets held by the District as an agent for individuals, private organizations, other governments, or other funds.

The *Student Activity Funds* - are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. They account for activities such as student yearbook, student clubs and council, and scholarships.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, as are the fiduciary agency fund statements. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers property tax revenues and most other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property and replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the balance sheet and revenue is recognized.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period(s). At June 30, 2014, the District has no deferred outflows of resources. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period(s). At June 30, 2014, the District's unavailable property taxes and unavailable interest revenue are reported as deferred inflows of resources.

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the General Fund which does not budget for on-behalf pension payments from the State of Illinois. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

Investments are stated at fair value. Due to the nature of the District's investments, fair value approximates cost. No amortization is made to interest income for discounted federal securities. Gains and losses on the sale of investments are recorded as interest income at the date of sale or maturity.

9. Personal Property Replacement Taxes

Personal property replacement tax revenues are allocated to funds at the discretion of the District.

10. Prepaid Items

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

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Assets	Years
Buildings	20 - 40
Improvements other than buildings	40
Equipment	5 - 20

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds are deferred and amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount or loss on refunding. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost and losses on refunding are reported as debt service expenditures.



**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash, such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. At June 30, 2014, the District had no committed fund balances.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Director of Business and Finance, at June 30, 2014, the District had no assigned fund balances.

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance (Continued)

e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Governmental fund balances reported on the fund financial statements, at June 30, 2014, are as follows:

The nonspendable fund balance in the General Fund consists of \$12,162 for prepaid items. The restricted fund balance in the General Fund is comprised of \$547, representing the remaining unspent portion of the restricted tort immunity levy. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-4.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between total fund balances - governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (1,754,161)
Capital lease	(45,023)
Intergovernmental loan	(75,000)
Other postemployment benefits	<u>(12,945)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (1,887,129)</u>

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay, net of disposals	\$ 80,448
Depreciation expense, net of disposals	<u>(501,154)</u>
Net adjustment to decrease net change in fund balances total governmental funds to arrive at change in net position - governmental activities	<u>\$ (420,706)</u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal repayments	
General obligation	\$ 360,000
Capital lease	35,270
Intergovernmental	25,000
Additions	
Other postemployment benefits, net	(5,362)
Accretion on general obligation bonds	<u>(111,240)</u>
Net adjustment to increase net change in fund balances total governmental funds to arrive at change in net position - governmental activities.	<u>\$ 303,668</u>

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE C - DEPOSITS AND INVESTMENTS**

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

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

The Illinois Compiled Statutes require the District to utilize the investment services of the Township School Treasurer (the Treasurer). As such, the Treasurer is the lawful custodian of these school funds. The Treasurer is appointed by the Township Treasurer's Board of Trustees, an independently elected body, to serve the school districts in the township. The investment policies are established by the Treasurer, as prescribed by the Illinois Compiled Statutes. The Treasurer is the direct recipient of property taxes, replacement taxes, and most state and federal aid, and disburses school funds upon lawful order to the School Board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below.

District cash and investments (other than the student activity and imprest funds) are held by the Township Treasurer. Cash for all funds, including cash applicable to the Debt Service Fund and the Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer also holds money market type investments and deposits with financial institutions, including certificates of deposit. As of June 30, 2014, the fair value of all investments held by the Treasurer's office was \$12,785,900.

At June 30, 2014, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ 13,458,280	\$ 48,972	\$ 13,507,252

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

For disclosure purposes, this amount is segregated into two components at June 30, 2014, as follows:

	<u>Total</u>
Deposits with financial institutions	\$ 12,873,090
Illinois School District Liquid Asset Fund Plus	<u>634,162</u>
	<u>\$ 13,507,252</u>

2. Interest Rate Risk

The District's investment policy, which is the same as the Treasurer's office, seeks to ensure preservation of capital in the District's overall portfolio. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles. The investment portfolio is required to provide sufficient liquidity to pay District obligations as they come due, considering maturity and marketability. The investment portfolio is also required to be diversified as to maturities and investments, as appropriate to the nature, purpose, and amount of funds.

3. Cash and Investments in the Custody of the District

At June 30, 2014, the carrying value of the District's student activity funds and imprest funds was \$48,972 and \$3,000, respectively, all of which was deposited with financial institutions.

4. Credit Risk

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an unrated, not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. It is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments are valued at share price, which is the price for which the investment could be sold.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE C - DEPOSITS AND INVESTMENTS (Continued)

5. Concentration of Credit Risk

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

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2014, the bank balance of the District's deposits with financial institutions totaled \$12,873,212, all of which is insured or collateralized.

NOTE D - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday, in December, of each year. The tax levy resolution was approved by the Board, on December 3, 2013. The District's property tax is levied each year on all taxable real property located in the District, and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

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

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.6621 for 2013.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used to calculate the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2013 tax levy was \$405,356,889.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

Property taxes are collected by the Cook County Collector/Treasurer who remits them to the School Treasurer. Taxes levied in one year become due and payable in two installments on March 1 and approximately August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization, and any changes from the prior year will be reflected in the second installment bill.

The portion of the 2013 property tax levy not received by June 30 is recorded as receivable, net of estimated uncollectibles of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days is reflected as unavailable property taxes (deferred inflow).

NOTE E - RETIREMENT FUND COMMITMENTS

1. Teachers' Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action, with the Governor's approval. The state of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The active member contribution rate for the year ended June 30, 2014 was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after January 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2013 and 2012.

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

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

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

On-behalf Contributions

The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2014, state of Illinois contributions were based on 35.41 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$2,162,419 in pension contributions that the state of Illinois paid directly to TRS. For the years ended June 30, 2013 and June 30, 2012, the contribution rates were 28.05 percent, \$1,708,149 and 24.91 percent, \$1,479,718, respectively.

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

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2014 were \$35,461. Contributions for the years ending June 30, 2013 and June 30, 2012 were \$35,388 and \$34,879, respectively.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that 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, 2014, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2013 and 2012, the employer contribution was 28.05 and 24.91 percent, respectively. For the year ended June 30, 2014, salaries totaling \$7,100 were paid from federal and special trust funds that required employer contributions of \$2,514. For the years ended June 30, 2013 and June 30, 2012, required District contributions were \$3,286 and \$18,265, respectively.



**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

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

Early Retirement Option (ERO)

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

The maximum employer ERO contribution under the current program is 146.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2014, the District paid \$248,181 to TRS for employer contributions under the ERO program. The District accrued the amount in the June 30, 2013 financial statements. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 in employer ERO contributions.

Salary Increases Over 6 percent and Excess Sick Leave

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

For the year ended June 30, 2014, the District paid \$25,329 to TRS for employer contributions due on salary increases in excess of 6 percent. The District accrued this amount in the June 30, 2013 financial statements. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent.

If the District grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the District makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.29 percent of salary during the year ended June 30, 2014).

For the year ended June 30, 2014, the District paid \$0 to TRS for sick leave days granted in excess of the normal annual allotment. For the years ended June 30, 2013 and June 30, 2012, the District paid \$0 in employer contributions granted for sick leave days.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

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

Further Information on TRS

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS Comprehensive Annual Financial Report for the year ended June 30, 2013. The report for the year ended June 30, 2014 is expected to be available in late 2014.

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

THIS Fund Employer Contributions

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2014, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage plans.

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

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

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

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

THIS Fund Employer Contributions (Continued)

On-behalf Contributions to the THIS Fund

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 0.97 percent of pay during the year ended June 30, 2014. State of Illinois contributions were \$59,305, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2013 and June 30, 2012 were 0.92 and 0.88 percent of pay, respectively. State contributions on behalf of District employees were \$56,133 and \$52,920, respectively.

Employer Contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.72 percent during the year ended June 30, 2014 and 0.69 and 0.66 percent during the years ended June 30, 2013 and June 30, 2012, respectively. For the year ended June 30, 2014, the District paid \$44,020 to the THIS Fund. For the years ended June 30, 2013 and June 30, 2012, the District paid \$42,099 and \$39,690, respectively, 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."

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund

*Plan Description*

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy*

As set by statute, the District's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The contribution rate for calendar year 2013 used by the District was 9.31 percent of annual covered payroll. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

*Annual Pension Cost*

Information related to the employer's contributions are on a fiscal year basis. The actuarial and trend information are on a calendar basis as that is the year used by the IMRF. The required contribution for the fiscal year 2014 was \$125,300.

Three-Year Trend Information for the Regular Plan			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/14	\$ 125,300	100%	\$ -
6/30/13	120,000	100%	-
6/30/12	119,069	100%	-

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE E - RETIREMENT FUND COMMITMENTS (Continued)

2. Illinois Municipal Retirement Fund (Continued)

*Annual Pension Cost* (Continued)

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the District's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The District's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

*Funded Status and Funding Progress*

As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 90.21 percent funded. The actuarial accrued liability for benefits was \$2,805,012 and the actuarial value of assets was \$2,530,533, resulting in an underfunded actuarial accrued liability (UAAL) of \$274,479. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,309,801 and the ratio of the UAAL to the covered payroll was 21 percent.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

3. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution, for the current fiscal year.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE F - OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description*

The District participates in the EBC Cooperative defined benefit healthcare plan ("the Retiree Health Plan"). Retirees have the option of choosing from an HMO or PPO plan through the District. The District's plan provides the ability for retired administrators and IMRF retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. A retiree can access the District's group health insurance plan until the age of 65, according to state statute. IMRF retirees are responsible for contributing 100% of the premium cost of their insurance. For 2014, two former employees or spouses accessed a postemployment benefit through the District (most recent information available).

*Funding Policy*

The District funds 100% of the insurance costs for a retired administrator, while all others are funded on a "direct pay" basis. For fiscal year 2014, the District contributed \$4,749 toward the cost of the postemployment benefits for retirees.

*Annual OPEB Cost and Net OPEB Obligation*

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's estimated net OPEB obligation to the Retiree Health Plan:

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Annual OPEB Cost and Net OPEB Obligation* (Continued)

	<u>June 30, 2014</u>
Annual required contribution	\$ 9,808
Interest on net OPEB obligation	<u>303</u>
Annual OPEB cost	10,111
Contributions made	<u>(4,749)</u>
Increase in net OPEB obligation	5,362
Net OPEB obligation beginning of year	<u>7,583</u>
Net OPEB obligation end of year	<u><u>\$ 12,945</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding fiscal years were as follows:

<u>Actuarial Valuation Date</u>		<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>		<u>Net OPEB Obligation</u>
6/30/14	\$	10,111	47.0%	\$	12,945
6/30/13		6,618	79.0%		7,583
6/30/12		6,655	78.6%		6,193

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE F - OTHER POSTEMPLOYMENT BENEFITS** (Continued)

*Funding Status and Funding Progress*

As of June 30, 2013 (the most recent information available), the actuarial accrued liability for benefits was \$69,927, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

The projection of future benefit payments for an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Methods and Assumptions (Continued)*

The following simplifying assumptions were made:

Contribution rates:	
District	Not applicable
Plan members	0%
Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization period	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate (0.5% reduction per year)
Mortality, Turnover, Disability, Retirement ages	Same rates utilized for IMRF
Percentage of active employees assumed to elect benefit	20%
Employer provided benefit	Explicit (current retiree only): 100% of Premium to age 65  Implicit: 40% of premium to age 65 (50% of \$609/mo + 50% of \$1,327/mo)

\*Includes inflation at 3.00%

**Sunset Ridge School District No. 29**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE G - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital assets, not being depreciated				
Land	\$ 76,885	\$ -	\$ -	\$ 76,885
Capital assets, being depreciated				
Buildings	12,049,568	-	-	12,049,568
Improvements other than buildings	505,727	-	-	505,727
Equipment	<u>2,303,279</u>	<u>86,997</u>	<u>6,549</u>	<u>2,383,727</u>
Total capital assets being depreciated	<u>14,858,574</u>	<u>86,997</u>	<u>6,549</u>	<u>14,939,022</u>
Less accumulated depreciation for:				
Buildings	6,541,837	370,083	-	6,911,920
Improvements other than buildings	413,493	25,407	-	438,900
Equipment	<u>1,746,216</u>	<u>112,213</u>	<u>6,549</u>	<u>1,851,880</u>
Total accumulated depreciation	<u>8,701,546</u>	<u>507,703</u>	<u>6,549</u>	<u>9,202,700</u>
Total capital assets being depreciated, net	<u>6,157,028</u>	<u>(420,706)</u>	<u>-</u>	<u>5,736,322</u>
Governmental activities capital assets, net	<u>\$ 6,233,913</u>	<u>\$ (420,706)</u>	<u>\$ -</u>	<u>\$ 5,813,207</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Regular programs	\$ 88,008
Special programs	18,860
Instructional staff	36,719
General administration	5,029
School administration	5,029
Business	2,513
Operations and maintenance	<u>351,545</u>
	<u>\$ 507,703</u>

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**NOTE H - LONG-TERM LIABILITIES**

The following is the long-term liability activity, for the District, for the year ended June 30, 2014.

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions/</u> <u>Accretion</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
General obligation bonds	\$ 2,002,921	\$ 111,240	\$ 360,000	\$ 1,754,161
Intergovernmental loan	100,000	-	25,000	75,000
Capital lease	80,293	-	35,270	45,023
Other postemployment benefits	7,583	10,111	4,749	12,945
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total long-term liabilities	\$ <u>2,190,797</u>	\$ <u>121,351</u>	\$ <u>425,019</u>	\$ <u>1,887,129</u>
Due within one year:				
General obligation bonds	\$ 360,000			
Intergovernmental loan	25,000			
Capital lease	<u>36,906</u>			
	<u>\$ 421,906</u>			

1. General Obligation Bonds Payable

The summary of activity in bonds payable, for the year ended June 30, 2014, is as follows:

	<u>Bonds Payable</u> <u>July 1, 2013</u>	<u>Accretion</u>	<u>Debt</u> <u>Retired</u>	<u>Bonds Payable</u> <u>June 30, 2014</u>
Capital Appreciation Bonds, dated February 8, 2000, due December 2019, interest at 5.35% to 6.125%	\$ 2,002,921	\$ 111,240	\$ 360,000	\$ 1,754,161
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The face amount of the bonds payable at June 30, 2014 is as follows:

	<u>Face</u> <u>Amount</u>	<u>Carrying</u> <u>Amount</u>
Capital appreciation bonds - dated February 8, 2000	\$ 2,145,000	\$ 1,754,161
	<u>                    </u>	<u>                    </u>

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE H - LONG-TERM LIABILITIES (Continued)

1. General Obligation Bonds Payable (Continued)

At June 30, 2014, the District's future cash flow requirements for retirement of bond principal were as follows:

Year Ending June 30	Principal
2015	\$ 360,000
2016	360,000
2017	360,000
2018	-
2019	-
2020	<u>1,065,000</u> *
Total	<u>\$ 2,145,000</u>

\*

The Capital Appreciation Bonds maturing on December 1, 2019 are subject to mandatory redemption December 1 of the years at a redemption price equal to the stated Compound Accreted Value as follows:

Year of Redemption	Redemption Price
2017	\$ 358,964
2018	362,458
2019	275,000

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$387,882 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2014, the statutory debt limit for the District was \$27,969,625, of which \$25,704,602 is fully available.

**Sunset Ridge School District No. 29**  
 NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

NOTE H - LONG-TERM LIABILITIES (Continued)

2. Intergovernmental Loan

In fiscal year 1998, the District entered into a \$500,000 financial agreement with the Village of Northfield to pay the costs of the addition at Middlefork for the Northfield Community Center. The loan is noninterest-bearing and will be repaid over a twenty-year period, with \$25,000 payments made each year. For the year ended June 30, 2014, the District made a payment of \$25,000. The intergovernmental loan will be repaid from the Debt Service Fund with funding provided by the Operations and Maintenance Fund. At June 30, 2014, there was \$75,000 outstanding on this intergovernmental loan.

3. Capital Lease

The District entered into a lease agreement dated July 9, 2012 for the acquisition of computers totaling \$82,810. The lease expires on July 15, 2015 and is payable annually at \$28,838. The District also entered into a capital lease agreement dated April 28, 2013 for the acquisition of copiers totaling \$27,760. The lease expires on April 28, 2016 and is payable monthly at \$830. The obligations will be paid from the Debt Service Fund with funding provided by the General Fund.

Year Ending June 30	Principal	Interest	Total
2015	\$ 36,906	\$ 1,889	\$ 38,795
2016	<u>8,117</u>	<u>180</u>	<u>8,297</u>
Total	<u>\$ 45,023</u>	<u>\$ 2,069</u>	<u>\$ 47,092</u>

NOTE I - OPERATING LEASES

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$6,820 for the year ended June 30, 2014. At June 30, 2014, future minimum lease payments for these leases are as follows:

Year Ending June 30	Total
2015	\$ 6,262
2016	6,262
2017	<u>3,131</u>
	<u>\$ 15,655</u>

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE J - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pool: the Collective Liability Insurance Cooperative (CLIC) for property damage, injury claims, and worker's compensation claims. The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that the pool will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pool. Settled claims have not exceeded coverage for the past three years.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

**NOTE K - JOINT AGREEMENTS**

The District is a member of the North Suburban Special Education District (NSSED), a joint agreement that provides certain special education services to residents of many school districts. It is also a member of the risk management pool described in Note J. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing board, they are not required to be included as component units of the District.

**NOTE L - INTERFUND TRANSFERS**

The District transferred \$25,000 from the Operations and Maintenance Fund to the Debt Service Fund. This transfer represents funds transferred to pay the principal of the District's intergovernmental loan.

The District also transferred \$36,344 from the General Fund to the Debt Service Fund. This transfer represents funds transferred to pay principal and interest on capital leases.

**Sunset Ridge School District No. 29**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

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NOTE M - CONTINGENCIES

1. Litigation

The District is not involved in any significant litigation that would materially affect the balances reported at June 30, 2014. With regard to other pending matters, the eventual outcome and related liability, if any, is not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

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

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 15, 2014, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of position date that require disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**



**Sunset Ridge School District No. 29**  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
June 30, 2014

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
12/31/13	\$ 2,530,533	\$ 2,805,012	90.21 %	\$ 274,479	\$ 1,309,801	20.96 %
12/31/12	2,374,277	2,630,468	90.26	256,191	1,327,987	19.29
12/31/11	2,334,119	2,500,630	93.34	166,511	1,321,004	12.60

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,950,185. On a market basis, the funded ratio would be 105.18%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Sunset Ridge School District 29. They do not include amounts for the retirees. The actuarial accrued liability for retirees is 100% funded.

**Sunset Ridge School District No. 29**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
June 30, 2014

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
6/30/2014*	\$ -	\$ 69,927	0.00 %	\$ 69,927	NA	NA %
6/30/2013	-	69,927	0.00	69,927	NA	NA
6/30/2012*	-	44,827	0.00	44,827	NA	NA

\* Results from prior year

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 11,284,413	\$ 11,192,690	\$ (91,723)	\$ 10,945,677
Interest on investments	20,100	32,883	12,783	24,429
Fees	7,500	11,710	4,210	7,142
Contributions and donations from private sources	64,332	117,320	52,988	75,428
Refund of prior years' expenditures	-	2,241	2,241	6,457
Other	-	855	855	2,500
Total local sources	<u>11,376,345</u>	<u>11,357,699</u>	<u>(18,646)</u>	<u>11,061,633</u>
State sources				
General State Aid	102,327	102,327	-	100,699
Special Education - Extraordinary	58,320	58,320	-	58,861
Special Education - Personnel	150,000	202,013	52,013	193,940
Special Education - Summer School	-	505	505	-
Bilingual Ed. - Downstate - T.P.I. and T.P.E.	5,771	254	(5,517)	5,921
State Free Lunch and Breakfast	-	61	61	63
Total state sources	<u>316,418</u>	<u>363,480</u>	<u>47,062</u>	<u>359,484</u>
Federal sources				
Special Milk Program	4,000	3,496	(504)	3,670
Title I - Low Income	41,047	44,497	3,450	48,425
Federal - Special Education - Pre-School Flow Through	-	1,560	1,560	-
Federal - Special Education - I.D.E.A. - Flow Through	102,458	113,527	11,069	101,508
ARRA IDEA - Part B - Preschool	714	-	(714)	-
Title II - Teacher Quality	13,611	10,971	(2,640)	14,526
Other federal sources	-	-	-	13,087
Total federal sources	<u>161,830</u>	<u>174,051</u>	<u>12,221</u>	<u>181,216</u>
Total revenues	<u>11,854,593</u>	<u>11,895,230</u>	<u>40,637</u>	<u>11,602,333</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Expenditures				
Instruction				
Regular programs				
Salaries	\$ 4,151,966	\$ 4,176,931	\$ (24,965)	\$ 3,995,701
Employee benefits	669,000	622,821	46,179	603,077
Purchased services	207,380	163,933	43,447	111,699
Supplies and materials	240,520	183,608	56,912	27,857
Capital outlay	324,280	395,620	(71,340)	421,507
Total	<u>5,593,146</u>	<u>5,542,913</u>	<u>50,233</u>	<u>5,159,841</u>
Special education programs				
Salaries	1,295,982	1,238,797	57,185	1,136,682
Employee benefits	222,100	227,210	(5,110)	186,905
Purchased services	20,000	12,139	7,861	15,187
Supplies and materials	14,094	5,971	8,123	6,469
Total	<u>1,552,176</u>	<u>1,484,117</u>	<u>68,059</u>	<u>1,345,243</u>
Remedial and Supplemental programs K-12				
Salaries	-	-	-	50,890
Employee benefits	-	-	-	19,070
Supplies and materials	-	-	-	80
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,040</u>
Gifted programs				
Salaries	120,365	155,124	(34,759)	113,551
Employee benefits	17,850	-	17,850	16,168
Supplies and materials	2,205	-	2,205	437
Total	<u>140,420</u>	<u>155,124</u>	<u>(14,704)</u>	<u>130,156</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Bilingual programs</b>				
Salaries	\$ 97,966	\$ 97,966	\$ -	\$ 80,241
Employee benefits	26,500	30,211	(3,711)	21,464
Supplies and materials	<u>1,000</u>	<u>392</u>	<u>608</u>	<u>-</u>
Total	<u>125,466</u>	<u>128,569</u>	<u>(3,103)</u>	<u>101,705</u>
Total instruction	<u>7,411,208</u>	<u>7,310,723</u>	<u>100,485</u>	<u>6,806,985</u>
<b>Support services</b>				
<b>Pupils</b>				
<b>Attendance and social work services</b>				
Salaries	105,606	118,856	(13,250)	99,628
Employee benefits	13,750	16,622	(2,872)	11,837
Supplies and materials	<u>1,210</u>	<u>178</u>	<u>1,032</u>	<u>110</u>
Total	<u>120,566</u>	<u>135,656</u>	<u>(15,090)</u>	<u>111,575</u>
<b>Guidance services</b>				
Salaries	53,618	53,618	-	51,805
Employee benefits	<u>10,425</u>	<u>1,952</u>	<u>8,473</u>	<u>1,862</u>
Total	<u>64,043</u>	<u>55,570</u>	<u>8,473</u>	<u>53,667</u>
<b>Health services</b>				
Salaries	100,055	100,055	-	96,900
Employee benefits	26,975	20,561	6,414	24,438
Purchased services	3,000	1,300	1,700	2,713
Supplies and materials	<u>5,408</u>	<u>3,892</u>	<u>1,516</u>	<u>4,355</u>
Total	<u>135,438</u>	<u>125,808</u>	<u>9,630</u>	<u>128,406</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Psychological services				
Salaries	\$ 15,000	\$ 15,000	\$ -	\$ 91,208
Employee benefits	<u>11,100</u>	<u>-</u>	<u>11,100</u>	<u>10,025</u>
Total	<u>26,100</u>	<u>15,000</u>	<u>11,100</u>	<u>101,233</u>
Speech pathology and audiology services				
Salaries	168,057	162,383	5,674	152,457
Employee benefits	17,325	19,309	(1,984)	15,667
Supplies and materials	<u>-</u>	<u>1,936</u>	<u>(1,936)</u>	<u>-</u>
Total	<u>185,382</u>	<u>183,628</u>	<u>1,754</u>	<u>168,124</u>
Other support services - pupils				
Salaries	<u>16,000</u>	<u>6,459</u>	<u>9,541</u>	<u>-</u>
Total	<u>16,000</u>	<u>6,459</u>	<u>9,541</u>	<u>-</u>
Total pupils	<u>547,529</u>	<u>522,121</u>	<u>25,408</u>	<u>563,005</u>
Instructional staff				
Purchased services	58,174	26,914	31,260	27,745
Supplies and materials	<u>2,163</u>	<u>4,766</u>	<u>(2,603)</u>	<u>5,616</u>
Total	<u>60,337</u>	<u>31,680</u>	<u>28,657</u>	<u>33,361</u>
Assessment and testing				
Supplies and materials	<u>9,794</u>	<u>9,491</u>	<u>303</u>	<u>9,014</u>
Total	<u>9,794</u>	<u>9,491</u>	<u>303</u>	<u>9,014</u>
Total instructional staff	<u>70,131</u>	<u>41,171</u>	<u>28,960</u>	<u>42,375</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
General administration				
Board of education services				
Employee benefits	\$ -	\$ -	\$ -	\$ 32
Purchased services	90,979	133,202	(42,223)	86,265
Other objects	<u>145,625</u>	<u>96,769</u>	<u>48,856</u>	<u>73,499</u>
Total	<u>236,604</u>	<u>229,971</u>	<u>6,633</u>	<u>159,796</u>
Executive administration services				
Salaries	217,391	295,439	(78,048)	309,535
Employee benefits	25,870	34,700	(8,830)	167,491
Purchased services	10,000	2,166	7,834	-
Supplies and materials	5,000	676	4,324	-
Other objects	23,442	9,403	14,039	-
Termination benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total	<u>281,703</u>	<u>342,384</u>	<u>(60,681)</u>	<u>527,026</u>
Special area administrative services				
Salaries	110,000	110,000	-	200,585
Employee benefits	<u>11,010</u>	<u>11,555</u>	<u>(545)</u>	<u>23,502</u>
Total	<u>121,010</u>	<u>121,555</u>	<u>(545)</u>	<u>224,087</u>
Tort immunity services				
Purchased services	<u>90,469</u>	<u>95,749</u>	<u>(5,280)</u>	<u>88,024</u>
Total	<u>90,469</u>	<u>95,749</u>	<u>(5,280)</u>	<u>88,024</u>
Total general administration	<u>729,786</u>	<u>789,659</u>	<u>(59,873)</u>	<u>998,933</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
School administration				
Office of the principal services				
Salaries	\$ 479,614	\$ 434,248	\$ 45,366	\$ 491,314
Employee benefits	59,815	48,769	11,046	54,567
Purchased services	9,925	4,159	5,766	1,709
Supplies and materials	750	656	94	1,068
Other objects	2,000	432	1,568	646
Total	<u>552,104</u>	<u>488,264</u>	<u>63,840</u>	<u>549,304</u>
Total school administration	<u>552,104</u>	<u>488,264</u>	<u>63,840</u>	<u>549,304</u>
Business				
Direction of business support services				
Salaries	147,426	169,367	(21,941)	224,748
Employee benefits	19,040	20,536	(1,496)	297,136
Termination benefits	-	7,836	(7,836)	-
Total	<u>166,466</u>	<u>197,739</u>	<u>(31,273)</u>	<u>521,884</u>
Fiscal services				
Salaries	140,533	140,533	-	136,440
Employee benefits	16,800	10,252	6,548	10,346
Purchased services	64,175	27,376	36,799	25,628
Supplies and materials	44,995	30,154	14,841	139,155
Total	<u>266,503</u>	<u>208,315</u>	<u>58,188</u>	<u>311,569</u>

(Continued)



**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Operation and maintenance of				
Purchased services	\$ 3,245	\$ 3,000	\$ 245	\$ 3,000
Total	<u>3,245</u>	<u>3,000</u>	<u>245</u>	<u>3,000</u>
Food services				
Purchased services	-	1,432	(1,432)	-
Supplies and materials	1,800	1,495	305	1,732
Capital outlay	-	3,185	(3,185)	6,358
Other objects	7,571	5,817	1,754	6,770
Total	<u>9,371</u>	<u>11,929</u>	<u>(2,558)</u>	<u>14,860</u>
Total business	<u>445,585</u>	<u>420,983</u>	<u>24,602</u>	<u>851,313</u>
Central				
Planning, research, development and evaluation services				
Purchased services	10,000	6,054	3,946	3,247
Total	<u>10,000</u>	<u>6,054</u>	<u>3,946</u>	<u>3,247</u>
Data processing services				
Supplies and materials	-	141	(141)	-
Total	<u>-</u>	<u>141</u>	<u>(141)</u>	<u>-</u>
Total central	<u>10,000</u>	<u>6,195</u>	<u>3,805</u>	<u>3,247</u>
Total support services	<u>2,355,135</u>	<u>2,268,393</u>	<u>86,742</u>	<u>3,008,177</u>

(Continued)

**Sunset Ridge School District No. 29**  
 General Fund - Budgetary Basis  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services				
Salaries	\$ -	\$ 7,100	\$ (7,100)	\$ 11,714
Employee benefits	-	2,514	(2,514)	3,286
Total Community Services	-	9,614	(9,614)	15,000
Payments to other districts and government units				
Payments for regular programs				
Purchased services	-	83,602	(83,602)	-
Total	-	83,602	(83,602)	-
Payments for special education programs				
Purchased services	35,000	-	35,000	83,021
Other objects	730,000	691,368	38,632	569,555
Total	765,000	691,368	73,632	652,576
Total payments to other districts and other government units	765,000	774,970	(9,970)	652,576
Total expenditures	10,531,343	10,363,700	167,643	10,482,738
Excess of revenues over expenditures	1,323,250	1,531,530	208,280	1,119,595
Other financing sources (uses)				
Working Cash Fund abatement	-	-	-	(47,068)
Capital lease proceeds	-	-	-	110,570
Transfer to Debt Svc Fund for principal on capital leases	-	(35,270)	(35,270)	(30,277)
Transfer to Debt Svc Fund for interest on capital leases	-	(1,074)	(1,074)	(220)
Total other financing sources (uses)	-	(36,344)	(36,344)	33,005
Net change to fund balance	<u>\$ 1,323,250</u>	1,495,186	<u>\$ 171,936</u>	1,152,600
Fund balance, beginning of year		7,503,052		6,350,452
Fund balance, end of year		<u>\$ 8,998,238</u>		<u>\$ 7,503,052</u>

(Concluded)

## Sunset Ridge School District No. 29

Operations and Maintenance Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		Variance From Final Budget	2013 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 225,000	\$ 258,112	\$ 33,112	\$ 96,166
Corporate personal property replacement taxes	123,118	116,260	(6,858)	114,927
Interest on investments	100	5	(95)	4
Rentals	<u>44,000</u>	<u>45,608</u>	<u>1,608</u>	<u>40,000</u>
Total local sources	<u>392,218</u>	<u>419,985</u>	<u>27,767</u>	<u>251,097</u>
Total revenues	<u>392,218</u>	<u>419,985</u>	<u>27,767</u>	<u>251,097</u>
Expenditures				
Business				
Operation and maintenance of plant services				
Salaries	224,691	217,240	7,451	218,747
Employee benefits	38,750	36,301	2,449	36,742
Purchased services	831,266	908,263	(76,997)	701,734
Supplies and materials	30,515	26,734	3,781	30,292
Capital outlay	22,236	35,489	(13,253)	66,667
Non-capitalized equipment	<u>19,750</u>	<u>-</u>	<u>19,750</u>	<u>18,130</u>
Total business	<u>1,167,208</u>	<u>1,224,027</u>	<u>(56,819)</u>	<u>1,072,312</u>
Total support services	<u>1,167,208</u>	<u>1,224,027</u>	<u>(56,819)</u>	<u>1,072,312</u>
Total expenditures	<u>1,167,208</u>	<u>1,224,027</u>	<u>(56,819)</u>	<u>1,072,312</u>

(Continued)

**Sunset Ridge School District No. 29**

Operations and Maintenance Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Deficiency of revenues over expenditures	\$ (774,990)	\$ (804,042)	\$ (29,052)	\$ (821,215)
Other financing uses				
Other uses not classified elsewhere	-	(25,000)	25,000	(25,000)
Transfer to Capital Projects Fund	-	-	-	(191,617)
Total other financing uses	-	(25,000)	25,000	(216,617)
Net change in fund balance	<u>\$ (774,990)</u>	(829,042)	<u>\$ (4,052)</u>	(1,037,832)
Fund balance, beginning of year		<u>4,377,729</u>		<u>5,415,561</u>
Fund balance, end of year		<u>\$ 3,548,687</u>		<u>\$ 4,377,729</u>

(Concluded)

**Sunset Ridge School District No. 29**  
Transportation Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		Variance From Final Budget	2013 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
General levy	\$ 30,495	\$ 55,781	\$ 25,286	\$ 24,997
Interest on investments	-	1	1	-
Refund of prior years' expenditures	-	-	-	3,610
Total local sources	30,495	55,782	25,287	28,607
State sources				
Transportation - Special Education	-	18,933	18,933	32,049
Total state sources	-	18,933	18,933	32,049
Total revenues	30,495	74,715	44,220	60,656
Expenditures				
Support services				
Business				
Purchased services	87,761	98,585	(10,824)	62,939
Total support services	87,761	98,585	(10,824)	62,939
Total expenditures	87,761	98,585	(10,824)	62,939
Deficiency of revenues over expenditures	(57,266)	(23,870)	33,396	(2,283)
Fund balance, beginning of year		178,073		180,356
Fund balance, end of year		\$ 154,203		\$ 178,073

**Sunset Ridge School District No. 29**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Revenues</b>				
<b>Local sources</b>				
General levy	\$ 220,375	\$ 210,941	\$ (9,434)	\$ 176,660
Social security/Medicare only levy	220,375	210,879	(9,496)	176,591
Interest on investments	<u>-</u>	<u>10</u>	<u>10</u>	<u>2</u>
Total local sources	<u>440,750</u>	<u>421,830</u>	<u>(18,920)</u>	<u>353,253</u>
Total revenues	<u>440,750</u>	<u>421,830</u>	<u>(18,920)</u>	<u>353,253</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular programs	110,869	92,495	18,374	105,303
Special education programs	75,239	75,413	(174)	73,502
Special education programs pre-K	-	-	-	375
Remedial and supplemental programs K-12	609	-	609	583
Gifted programs	1,546	3,793	(2,247)	1,547
Bilingual programs	<u>2,665</u>	<u>6,963</u>	<u>(4,298)</u>	<u>4,687</u>
Total instruction	<u>190,928</u>	<u>178,664</u>	<u>12,264</u>	<u>185,997</u>

(Continued)

**Sunset Ridge School District No. 29**  
Municipal Retirement / Social Security Fund  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Support services				
Pupils				
Attendance and social work services	\$ 1,394	\$ 3,672	\$ (2,278)	\$ 1,436
Guidance services	774	777	(3)	751
Health services	8,703	8,701	2	8,326
Psychological services	1,240	1,148	92	1,284
Speech pathology and audiology services	1,690	2,384	(694)	2,347
Other support services -pupils	<u>-</u>	<u>1,050</u>	<u>(1,050)</u>	<u>-</u>
Total pupils	<u>13,801</u>	<u>17,732</u>	<u>(3,931)</u>	<u>14,144</u>
General administration				
Executive administration services	4,638	29,680	(25,042)	4,596
Special area administrative services	<u>2,860</u>	<u>1,547</u>	<u>1,313</u>	<u>2,835</u>
Total general administration	<u>7,498</u>	<u>31,227</u>	<u>(23,729)</u>	<u>7,431</u>
School administration				
Office of the principal services	<u>35,672</u>	<u>19,602</u>	<u>16,070</u>	<u>30,521</u>
Total school administration	<u>35,672</u>	<u>19,602</u>	<u>16,070</u>	<u>30,521</u>

(Continued)

**Sunset Ridge School District No. 29**  
Municipal Retirement / Social Security Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
<b>Business</b>				
Direction of business support services	\$ 3,385	\$ 2,634	\$ 751	\$ 3,221
Fiscal services	22,843	23,375	(532)	22,683
Operation and maintenance of plant services	<u>36,068</u>	<u>35,195</u>	<u>873</u>	<u>34,728</u>
Total business	<u>62,296</u>	<u>61,204</u>	<u>1,092</u>	<u>60,632</u>
Total support services	<u>119,267</u>	<u>129,765</u>	<u>(10,498)</u>	<u>112,728</u>
Total expenditures	<u>310,195</u>	<u>308,429</u>	<u>1,766</u>	<u>298,725</u>
Excess of revenues over expenditures	<u>130,555</u>	<u>113,401</u>	<u>(17,154)</u>	<u>54,528</u>
<b>Other financing sources</b>				
Working Cash Fund - abatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,068</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,068</u>
Net change in fund balance	<u>\$ 130,555</u>	113,401	<u>\$ (17,154)</u>	101,596
Fund balance (deficit), beginning of year		<u>3,785</u>		<u>(97,811)</u>
Fund balance, end of year		<u>\$ 117,186</u>		<u>\$ 3,785</u>

(Concluded)



# Sunset Ridge School District No. 29

Notes to the Required Supplementary Information

June 30, 2014

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## 1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) A public hearing is conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December of each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted by the Board of Education on September 10, 2013. Legal level of control is at the fund level.
- g) All budget appropriations lapse at the end of the fiscal year.

## 2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had an excess of expenditures over budget:

<u>Funds</u>	<u>Variance</u>
Operations and Maintenance	\$ 56,819
Transportation	10,824
Debt Service	7,733

## Sunset Ridge School District No. 29

Notes to the Required Supplementary Information

June 30, 2014

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### 3. BUDGET RECONCILIATION

The Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers' Retirement System pension. The District does not budget for these amounts. The differences between the budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 11,895,230	\$ 10,363,700
To adjust for on-behalf payments received	2,221,724	-
To adjust for on-behalf payments made	<u>-</u>	<u>2,221,724</u>
	<u>\$ 14,116,954</u>	<u>\$ 12,585,424</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

## Sunset Ridge School District No. 29

General Fund  
COMBINING BALANCE SHEET  
June 30, 2014

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>ASSETS</b>				
Cash and investments	\$ 7,841,361	\$ 11,783	\$ 1,216,422	\$ 9,069,566
Receivables (net of allowance for uncollectibles):				
Interest	9,620	-	-	9,620
Property taxes	5,276,443	47,172	4,640	5,328,255
Intergovernmental	21,268	-	-	21,268
Prepaid Items	12,162	-	-	12,162
Other current assets	<u>725</u>	<u>-</u>	<u>-</u>	<u>725</u>
Total assets	<u>\$ 13,161,579</u>	<u>\$ 58,955</u>	<u>\$ 1,221,062</u>	<u>\$ 14,441,596</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 71,757	\$ 11,769	\$ -	\$ 83,526
Payroll deductions payable	<u>85,361</u>	<u>-</u>	<u>-</u>	<u>85,361</u>
Total liabilities	<u>157,118</u>	<u>11,769</u>	<u>-</u>	<u>168,887</u>
<b>DEFERRED INFLOWS</b>				
Unavailable interest revenue	6,430	-	-	6,430
Unavailable property taxes	<u>5,216,815</u>	<u>46,639</u>	<u>4,587</u>	<u>5,268,041</u>
Total deferred inflows	<u>5,223,245</u>	<u>46,639</u>	<u>4,587</u>	<u>5,274,471</u>
<b>FUND BALANCES</b>				
Nonspendable	12,162	-	-	12,162
Restricted	-	547	-	547
Unassigned	<u>7,769,054</u>	<u>-</u>	<u>1,216,475</u>	<u>8,985,529</u>
Total fund balance	<u>7,781,216</u>	<u>547</u>	<u>1,216,475</u>	<u>8,998,238</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 13,161,579</u>	<u>\$ 58,955</u>	<u>\$ 1,221,062</u>	<u>\$ 14,441,596</u>

## Sunset Ridge School District No. 29

General Fund

### COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2014

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
<b>Revenues</b>				
Property taxes	\$ 11,092,228	\$ 90,744	\$ 9,718	\$ 11,192,690
State aid	2,585,204	-	-	2,585,204
Federal aid	174,051	-	-	174,051
Interest	32,881	2	-	32,883
Other	132,126	-	-	132,126
	<u>14,016,490</u>	<u>90,746</u>	<u>9,718</u>	<u>14,116,954</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	5,147,293	-	-	5,147,293
Special programs	1,484,117	-	-	1,484,117
Other instructional programs	283,693	-	-	283,693
State retirement contributions	2,221,724	-	-	2,221,724
<b>Support services:</b>				
Pupils	522,121	-	-	522,121
Instructional staff	41,171	-	-	41,171
General administration	693,910	95,749	-	789,659
School administration	488,264	-	-	488,264
Business	414,798	-	-	414,798
Operations and maintenance	3,000	-	-	3,000
Central	6,195	-	-	6,195
Community services	9,614	-	-	9,614
Nonprogrammed charges	774,970	-	-	774,970
Capital outlay	398,805	-	-	398,805
	<u>12,489,675</u>	<u>95,749</u>	<u>-</u>	<u>12,585,424</u>
Excess (deficiency) of revenues over expenditures	<u>1,526,815</u>	<u>(5,003)</u>	<u>9,718</u>	<u>1,531,530</u>
<b>Other financing uses</b>				
Transfers (out)	(36,344)	-	-	(36,344)
	<u>(36,344)</u>	<u>-</u>	<u>-</u>	<u>(36,344)</u>
Net change in fund balance	1,490,471	(5,003)	9,718	1,495,186
Fund balance, beginning of year	<u>6,290,745</u>	<u>5,550</u>	<u>1,206,757</u>	<u>7,503,052</u>
Fund balance, end of year	<u>\$ 7,781,216</u>	<u>\$ 547</u>	<u>\$ 1,216,475</u>	<u>\$ 8,998,238</u>

**Sunset Ridge School District No. 29**  
Debt Service Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 378,000	\$ 374,261	\$ (3,739)	\$ 369,834
Interest on investments	<u>20</u>	<u>9</u>	<u>-</u>	<u>8</u>
Total local sources	<u>378,020</u>	<u>374,270</u>	<u>(3,739)</u>	<u>369,842</u>
Total revenues	<u>378,020</u>	<u>374,270</u>	<u>(3,739)</u>	<u>369,842</u>
Expenditures				
Debt service				
Other interest	<u>-</u>	<u>3,523</u>	<u>(3,523)</u>	<u>220</u>
Total debt service - interest	<u>-</u>	<u>3,523</u>	<u>(3,523)</u>	<u>220</u>
Principal payments on long-term debt	<u>416,000</u>	<u>420,270</u>	<u>(4,270)</u>	<u>415,277</u>
Other debt service				
Purchased services	<u>500</u>	<u>440</u>	<u>60</u>	<u>640</u>
Total	<u>500</u>	<u>440</u>	<u>60</u>	<u>640</u>
Total debt service	<u>416,500</u>	<u>424,233</u>	<u>(7,733)</u>	<u>416,137</u>
Total expenditures	<u>416,500</u>	<u>424,233</u>	<u>(7,733)</u>	<u>416,137</u>
Deficiency of revenues over expenditures	<u>(38,480)</u>	<u>(49,963)</u>	<u>(11,472)</u>	<u>(46,295)</u>

(Continued)

**Sunset Ridge School District No. 29**  
Debt Service Fund  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014  
With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Other financing sources				
Transfer to pay for principal on capital leases	\$ -	\$ 35,270	\$ (35,270)	\$ 30,277
Transfer to pay for interest on capital leases	-	1,074	(1,074)	220
Other sources not classified elsewhere	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>	<u>25,000</u>
Total other financing sources	<u>-</u>	<u>61,344</u>	<u>(61,344)</u>	<u>55,497</u>
Net change in fund balance	<u>\$ (38,480)</u>	11,381	<u>\$ (72,816)</u>	9,202
Fund balance, beginning of year		<u>376,501</u>		<u>367,299</u>
Fund balance, end of year		<u>\$ 387,882</u>		<u>\$ 376,501</u>

(Concluded)

**Sunset Ridge School District No. 29**  
 Capital Projects Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014		Variance From Final Budget	2013 Actual
	Original and Final Budget	Actual		
Revenues				
State sources				
School maintenance grant	\$ -	\$ 50,000	\$ 50,000	\$ -
Total state sources	-	50,000	50,000	-
Total revenues	-	50,000	50,000	-
Expenditures				
Support services				
Facilities acquisition and construction services				
Capital outlay	-	-	-	191,617
Total support services	-	-	-	191,617
Total expenditures	-	-	-	191,617
Excess (deficiency) of revenues over expenditures	-	50,000	50,000	(191,617)
Other financing sources				
Transfer in from Operations and Maintenance Fund	-	-	-	191,617
Total other financing sources	-	-	-	191,617
Net change in fund balance	\$ -	50,000	\$ 50,000	-
Fund balance, beginning of year		-		-
Fund balance, end of year		\$ 50,000		\$ -



**Sunset Ridge School District No. 29**  
 Fire Prevention and Safety Fund  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2014  
 With Comparative Actual Amounts for the Year Ended June 30, 2013

	2014			2013 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 28,165	\$ 9,570	\$ (18,595)	\$ 9,594
Interest on investments	<u>1,300</u>	<u>-</u>	<u>(1,300)</u>	<u>-</u>
Total local sources	<u>29,465</u>	<u>9,570</u>	<u>(19,895)</u>	<u>9,594</u>
Total revenues	<u>29,465</u>	<u>9,570</u>	<u>(19,895)</u>	<u>9,594</u>
Expenditures				
Support services				
Operations and maintenance of plant services				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,373</u>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,373</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,373</u>
Excess (deficiency) of revenues over expenditures	<u>29,465</u>	<u>9,570</u>	<u>(19,895)</u>	<u>(59,779)</u>
Fund balance, beginning of year		<u>127,934</u>		<u>187,713</u>
Fund balance, end of year		<u>\$ 137,504</u>		<u>\$ 127,934</u>

**OTHER SUPPLEMENTAL INFORMATION**  
**(Unaudited)**

**Sunset Ridge School District No. 29**  
**PROPERTY TAX RATES - LEVIES AND COLLECTIONS**  
**LAST FIVE TAX LEVY YEARS**

	2013	2012	2011	2010	2009
Assessed valuation	<u>\$405,356,889</u>	<u>\$453,227,558</u>	<u>\$483,660,807</u>	<u>\$535,066,547</u>	<u>\$610,219,904</u>
Rates Extended					
Educational	2.7293	2.4738	2.2649	1.6176	1.2650
Tort Immunity and Judgment	0.0244	0.0182	0.0170	0.0154	0.0135
Operations and Maintenance	0.1221	-	0.0385	0.3850	0.4545
Debt Service	0.0933	0.0834	0.0782	0.0706	0.0619
Transportation	0.0195	0.0068	0.0043	0.0096	0.0051
Municipal Retirement	0.0415	0.0568	0.0213	0.0289	0.0143
Social Security	0.0415	0.0568	0.0213	0.0289	0.0147
Working Cash	0.0024	0.0023	0.0021	0.0067	0.0059
Fire Prevention and Safety	<u>0.0024</u>	<u>0.0023</u>	<u>0.0021</u>	<u>0.0096</u>	<u>0.0084</u>
Total rates extended	<u>3.0764</u>	<u>2.7004</u>	<u>2.4497</u>	<u>2.1723</u>	<u>1.8433</u>
Levies Extended					
Educational	\$ 11,063,405	\$ 11,212,074	\$ 10,954,265	\$ 8,655,294	\$ 7,719,134
Tort Immunity and Judgment	98,907	82,400	82,400	82,400	82,400
Operations and Maintenance	494,940	1	186,111	2,060,000	2,773,622
Debt Service	378,000	378,000	378,000	378,000	378,000
Transportation	79,044	30,900	20,600	51,500	30,900
Municipal Retirement	168,223	257,500	103,000	154,500	87,550
Social Security	168,223	257,500	103,000	154,500	89,713
Working Cash	9,728	10,300	10,300	36,050	36,050
Fire Prevention and Safety	<u>9,728</u>	<u>10,300</u>	<u>10,300</u>	<u>51,500</u>	<u>51,500</u>
Total levies extended	<u>\$ 12,470,198</u>	<u>\$ 12,238,975</u>	<u>\$ 11,847,976</u>	<u>\$ 11,623,744</u>	<u>\$ 11,248,869</u>
Total collections	<u>\$ 6,398,217</u>	<u>\$ 12,105,531</u>	<u>\$ 11,681,624</u>	<u>\$ 11,383,725</u>	<u>\$ 11,147,732</u>
Percentage of extensions collected	<u>51.31%</u>	<u>98.91%</u>	<u>98.60%</u>	<u>97.94%</u>	<u>99.10%</u>

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

**Sunset Ridge School District No. 29**  
**OPERATING COST AND TUITION CHARGE**  
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Operating cost per pupil</b>		
Average Daily Attendance (ADA):	<u>440.84</u>	<u>461.70</u>
Operating costs:		
Educational	\$ 10,267,951	\$ 10,394,714
Operations and Maintenance	1,224,027	1,072,312
Debt Service	424,233	416,137
Transportation	98,585	62,939
Municipal Retirement/Social Security	308,429	298,725
Tort Immunity and Judgment	<u>95,749</u>	<u>88,024</u>
Subtotal	<u>12,418,974</u>	<u>12,332,851</u>
Less Revenues/Expenditures of Nonregular Programs:		
Total payments to other districts and gov't units	774,970	652,576
Community services	9,614	15,000
Special education programs	-	375
Non-capitalized equipment	405,336	439,637
Capital outlay	28,958	73,025
Debt principal retired	<u>420,270</u>	<u>415,277</u>
Subtotal	<u>1,639,148</u>	<u>1,595,890</u>
Operating costs	<u>\$ 10,779,826</u>	<u>\$ 10,736,961</u>
Operating costs per pupil - based on ADA	<u>\$ 24,453</u>	<u>\$ 23,255</u>
<b>Tuition Charge</b>		
Operating costs	\$ 10,779,826	\$ 10,736,961
Less - revenues from specific programs, such as special education or lunch programs	<u>509,895</u>	<u>519,192</u>
Net operating costs	10,269,931	10,217,769
Depreciation allowance	<u>507,703</u>	<u>598,218</u>
Allowance tuition costs	<u>\$ 10,777,634</u>	<u>\$ 10,815,987</u>
Tuition charge per pupil - based on ADA	<u>\$ 24,448</u>	<u>\$ 23,426</u>